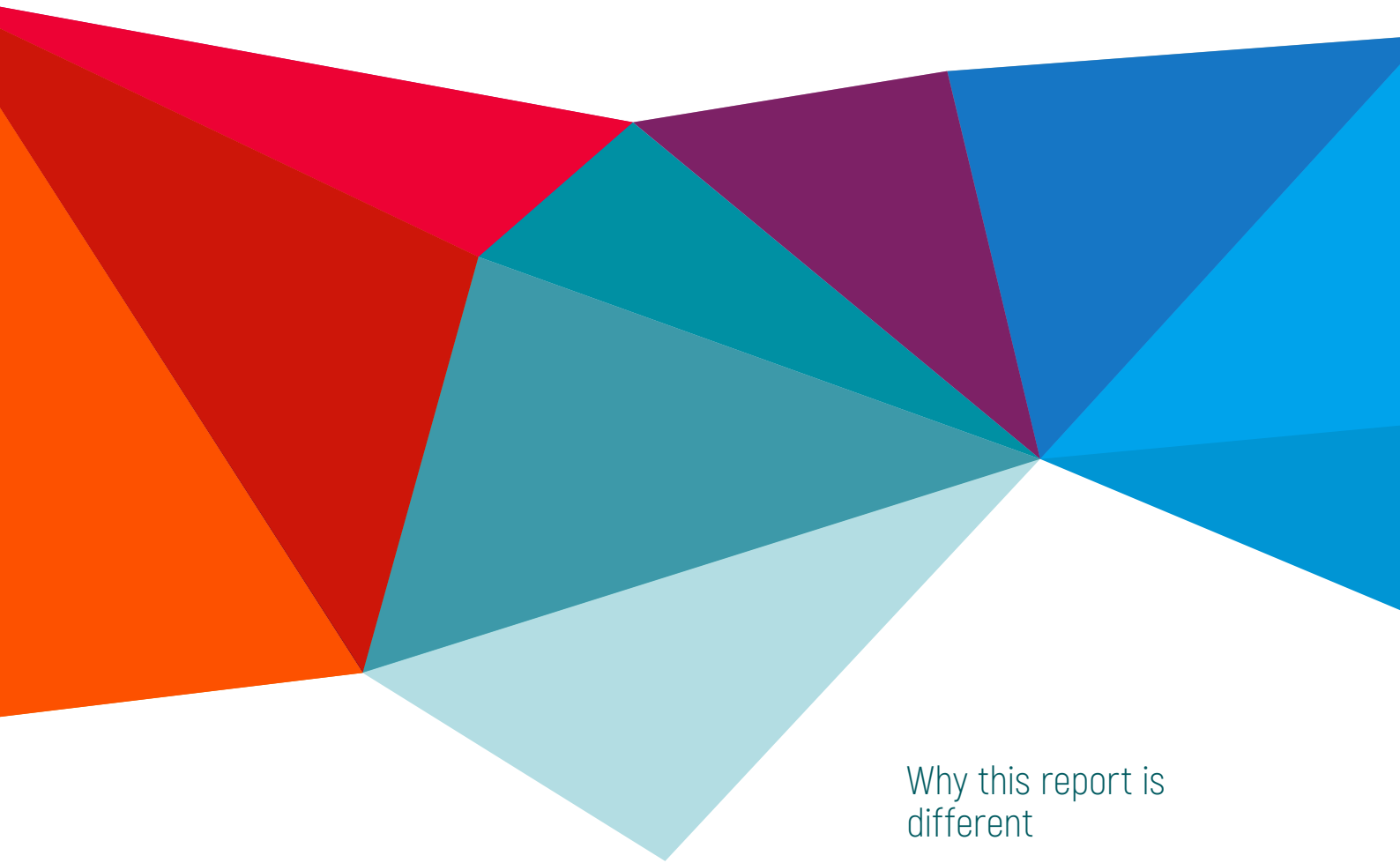






*We are liveable. inviting.
beautiful. caring. bold. real.*



Why this report is different

Council is committed to transparent reporting on our performance and activities. In this report we outline the achievements as well as the challenges that have impacted our performance during the 2019/20 financial year. We also provide a summary of key activities in each of our nine neighbourhoods.

Disclaimer

This report uses the best available information. While great care has been taken to ensure the content in the report is accurate, it cannot be guaranteed at time of publication. There may be errors and omissions or it may not be wholly appropriate for your particular purposes. In addition, the publication is a snapshot in time based on historic information which is likely to change.

The Port Phillip City Council accepts no responsibility and disclaims all liability for any error, loss or other consequence which may arise from you relying on any information contained in this report.

Who this report is for

This report is designed for a wide audience that reflects the great diversity of our community, including residents and ratepayers, workers and local businesses, government agencies and departments and other organisations.

As part of our environmental commitment to reducing paper use, we encourage you to read this report online at the City of Port Phillip website. If you prefer viewing a printed version, copies are available for reading at our town halls and libraries. Alternatively, please contact us using the details provided.

Cover photo

'The Creation of #physicaldistancing' Mural, on Coventry Street in South Melbourne, was completed on 5 May 2020.

The project was a collaboration between the artist, Clarendon Centre Management and Council.

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**We Akon Dilinja -
Australia Day Morning
of Mourning event**

Sunday 26 January 2020



Womin djeka

Council respectfully acknowledges the Yaluk-ut Weelam Clan of the Boon Wurrung. We pay our respect to their Elders, both past and present.

We acknowledge and uphold their continuing relationship to this land.



Our
organisational
values

working together

courage and integrity

creative and
strategic thinking

personal growth
and performance

accountability

community first

1

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About the City of Port Phillip

Our City

The Yaluk-ut Weelam Clan of the Boon Wurrung are the first people of the City of Port Phillip with a continued strong connection to the land. Yaluk-ut Weelam means 'river home' or 'people of the river', reflecting the wetlands that once existed between the Yarra River and the foreshore - a landscape that has altered vastly since European settlement.

The City of Port Phillip is located south of Melbourne's city centre on the northern shore of Port Phillip Bay. Port Phillip is one of the oldest areas of European settlement in Melbourne, known and treasured by many for its urban village feel and artistic expression. It is a city of neighbourhoods, each with its own character, defined by its extensive foreshore, heritage buildings, strip shopping precincts and tree-lined streets.

At only 21 square kilometres, Port Phillip is one of the smallest and most densely populated municipalities in Victoria with more than twice the population density of the metropolitan Melbourne average.

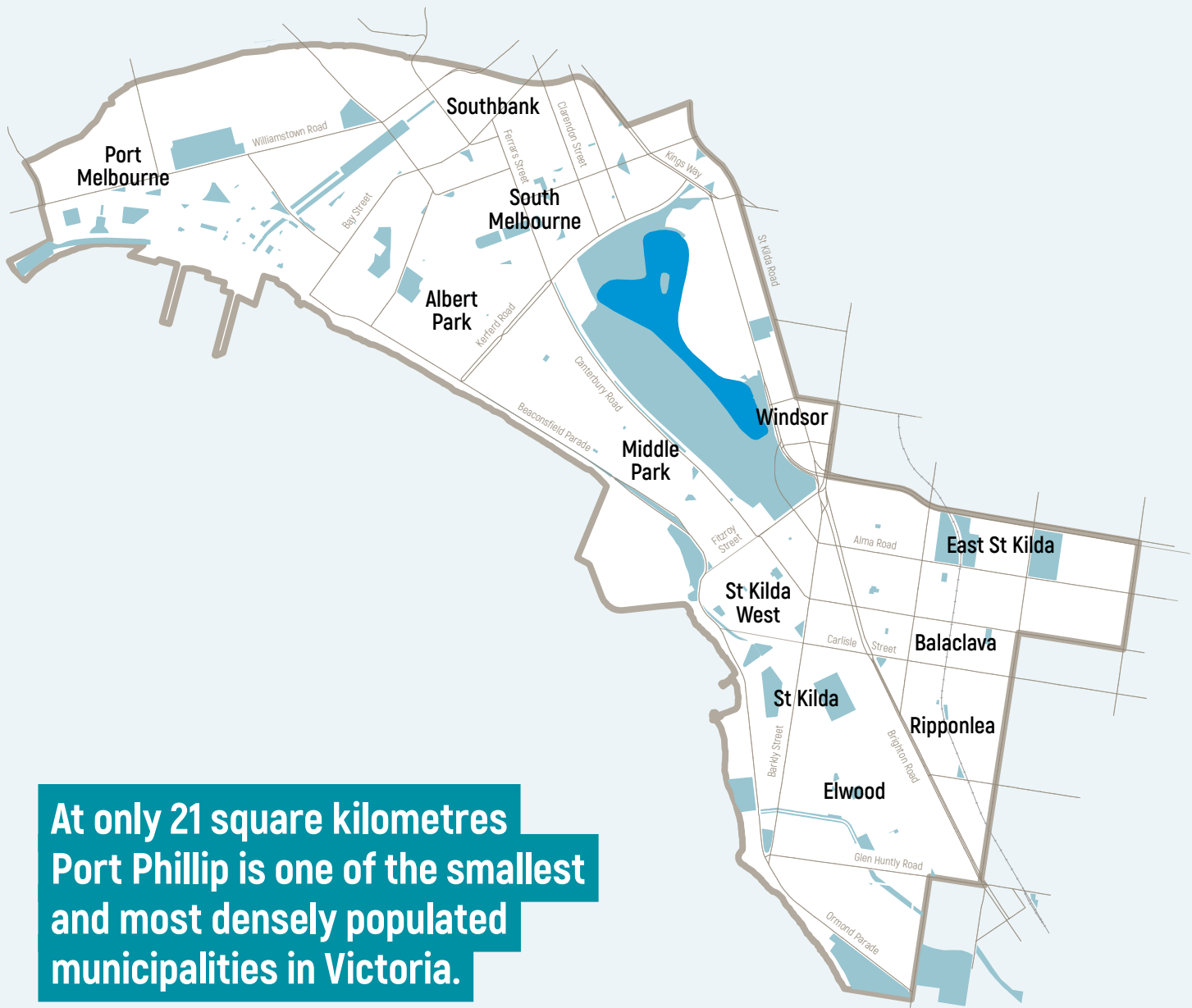
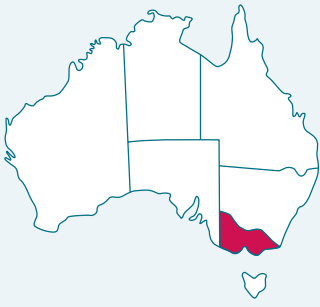
Nearly three million visitors are attracted to our City each year, enjoying vibrant villages, beautiful beaches and local festivals, and making it one of the most visited places in metropolitan Melbourne. The foreshore stretches over 11 kilometres, and a network of public open spaces makes the City a desirable place for residents and visitors.

Significant employment areas of Port Phillip include the St Kilda Road district, and the industrial, warehousing and manufacturing districts in South Melbourne, Port Melbourne and Fishermans Bend.

Port Phillip is well served by public transport, with access to St Kilda and Port Melbourne light rail, two railway stations on the Sandringham line, and tram and bus routes. There are kilometres of bike paths and extensive walking paths.

Port Phillip is a sought-after inner-city area of Melbourne. The physical environment will change as the City continues to experience significant residential development. Substantial growth is anticipated over the next 40 years in Fishermans Bend on the northern edge of Port Phillip.

Area	Foreshore length	Population	Car ownership	Renters	Born overseas
21km²	11km	116k	72%	49%	31%



At only 21 square kilometres Port Phillip is one of the smallest and most densely populated municipalities in Victoria.

A snapshot of our community

Port Phillip has a diverse community. It is estimated that in 2019 more than 115,601 people lived in the City. Our population will continue to grow significantly in coming years. Fishermans Bend, for example, is expected to be home to around 80,000 residents and provide jobs for 60,000 people over the next four decades.

A closer look at the resident population in Port Phillip, using the most recent Census data from 2016, shows that 45 per cent are between 35 and 65 years old, while seven per cent are over 70 years old. The number of young people (17 years and younger) has increased slightly in recent years, with an average of 1,400 births in Port Phillip each year.

Despite many families living in Port Phillip, the average household size is small - singles and couples make up 68 per cent of our community. Most residents rent their homes and around eight per cent of our population is in social or public housing. There is a large proportion of high-income households with 30 per cent of our residents earning \$2,500 or more per week.

Getting around by car is the most common method of travel to get to work, while 26 per cent of residents use public transport, seven per cent walk and four per cent ride bikes.

Over 30 per cent of our residents were born overseas, with the three highest representations being from the United Kingdom (six per cent), New Zealand (three per cent) and India (two per cent). A fifth of our residents speak a language other than English at home (20 per cent), with Greek, Russian and Mandarin are among the most common of these languages.

The rich diversity of our community will continue to play a significant role in shaping Port Phillip's future.

Source: Profile id website
<http://profile.id.com.au/port-phillip>

The Move, Connect, Live - Integrated Transport Strategy 2018-28

Wayfinding signage is being planned as the first step towards implementing additional local bike routes across the City.



Mayor's welcome

Councillor Bernadene Voss



Council respectfully acknowledges the Yaluk-ut Weelam Clan of the Boon Wurrung. We pay our respect to their Elders, both past and present. We acknowledge and uphold their continuing relationship to this land.

The Councillors and I are pleased to present this report of our activities and performance for the 2019/20 financial year.

It would be easy to define the past 12 months by the crises we've faced in Australia, from drought and devastating bushfires, through a smoke-choked summer to the spread and spikes of COVID-19 and Victoria being declared a state of emergency and disaster.

There is no denying the immense impact of the past year on our lives and it will be felt for years to come. What these challenges have underscored, though, is the fundamental importance of community. We've seen it again and again, communities coming together, mobilising to support each other, even reaching out to support other communities, too.

As individuals, the necessity of seeing ourselves as part of a community has been paramount. We have never been more aware of how individual actions can affect others.

As part of a strong and supportive community, we can find the resilience and adaptability to weather this crisis and help others to do the same.

Like our community, Council has had to be resilient and adaptable. Early in the pandemic, we implemented our emergency plan to allow us to make the quick decisions required to keep our community safe and to help plan for recovery.

Some of the measures we took included:

- managing and monitoring the temporary closures of our beaches, playgrounds and outdoor fitness stations as government restrictions were rolled out
- lobbying for virtual Council meetings so Councillors and community members could safely participate in the democratic process
- seeking online alternatives, where possible, as town halls, public libraries, recreational and leisure facilities, customer service counters, arts and culture centres and youth centres were closed
- organising online versions of events that would otherwise have been cancelled, such as St Kilda Film Festival and Mabo Day commemoration. Library storytimes and a business forum were also held online

- further assisting South Melbourne Market traders and shoppers through the introduction of an order and collect service.

In 2019/20, we delivered a 2.8 million emergency relief package to help support those most affected in our community, including many of our traders. Up to \$500,000 from our social housing fund has been made available for services supporting people experiencing homelessness and \$180,000 has been allocated to an arts rescue package.

Unforeseen costs, such as those arising from the COVID-19 emergency and government cost-shifting, have impacted our Budget and we had to make some big decisions on where to direct our focus and resources.

The Budget, adopted on 19 August 2020, has kept the 2020/21 rate increase to two per cent, in line with the state government's Fair Go Rates system and the extra revenue raised from this will be put back into the community to assist those who need it most.

In this climate we have responded to current pressures, but also delivered on our commitments that look to our City's recovery.

"There is no denying the immense impact of the past year on our lives and it will be felt for years to come. What these challenges have underscored, though, is the fundamental importance of community. We've seen it again and again, communities coming together, mobilising to support each other, even reaching out to support other communities, too."

The **Don't Waste It! Waste Management Strategy 2018-28** for sustainable waste reduction and management, for example, has led to the launch of trial recycling services, including separated glass, and investigating new and improved ways of working with waste.

In September 2019, we declared a climate emergency, as climate change is a key concern to us as a bayside municipality.

Before 2020, we didn't really know how much we'd need to rely on online services this year. It is timely, then, that Council has been rolling out the next stage of our Customer Experience program, updating the online services and systems that you need.

A crucial part of this program is the new City of Port Phillip website. User-friendly and easy to navigate, the site features new online services and forms designed to be clear and straightforward.

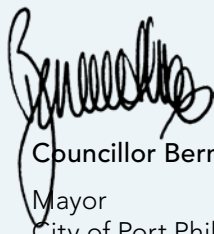
With this program, our aim has been to create a customer-first experience, allowing our community to self-serve online.

The activities above and those outlined in this report demonstrate that Council remains committed to providing high-quality outcomes and services in the face of the challenges that this financial year has presented.

We are still learning about this pandemic and what COVID-19 will mean for our City, but for now, we can take strength from our community - and that will help us get us through this together.

As this is my last annual report, and the last for our Council term, I would like to thank my fellow Councillors for their great work on behalf of their communities. I am also thankful for the City of Port Phillip organisation, the people employed to implement our Council Plan and for the 100+ daily services delivered that contribute to making our City so liveable and beautiful.

A hearty thank you.



Councillor Bernadene Voss
Mayor
City of Port Phillip

CEO's overview

Peter Smith



Few of us in Melbourne have been untouched by the COVID-19 pandemic. For many, these have been the toughest times of our lives.

As the scope of the outbreak has changed, is still changing, we have all had to be adaptable and resilient. Even as this report has been prepared, we have seen our City start to open up after the first wave of the virus, only for a second wave to spread through Melbourne and Stage 4 restrictions to be put in place.

Although this report covers a year of two halves (before COVID-19 and during COVID-19), the impact of the pandemic is such that it has been felt across the services, programs and performance for the full financial year.

Before the outbreak, we were on track financially and with our Council Plan and had achieved productivity and service improvements and efficiency savings. Over the past five budgets we had delivered a cumulative \$13 million of efficiency savings and were in sound financial position. At that point our Budget 2020/21 was set to follow the previous three year's careful financial management.

As the outbreak spread, Council shifted focus to emergency management and recovery efforts. Supporting our community through this pandemic was fundamental, but it came at a cost that had not been anticipated. The overall impact of COVID-19 on Council finances is estimated at \$31 million, with \$9.5 million to be felt in financial year

2019/20 and a further \$21.5 million in financial year 2020/21. As our total Council budget is about \$230 million each year this poses a significant challenge.

We have weathered a slowdown in development activities, a decrease in lease, rent and facility hire revenue, and low consumer spending affecting markets and local business viability. Other Council revenue streams impacted by COVID-19 include parking; planning, building and development; reduced demand for childcare; and reduced interest income due to low money market yield.

Due to this, we've made efficiencies across the board and have prioritised activities that will support our community and stimulate our economy in recovery.

We've assessed programs and services to identify opportunities for service level reductions, taking into consideration factors such as community impact, legal and contractual obligations, and safety and risk issues. Our overall operating model and staffing requirements were also reviewed, and a new model scheduled to be rolled out August 2020. We will report on this in detail in next year's Annual Report.

As a result of all this work, we found significant savings while retaining the ability to deliver Council's revised priorities in line with the Council Plan.

I'd like to assure you, Council is committed to making the right decisions today to help our City and our community recover from this shared crisis and provide a solid foundation for Port Phillip into the future.

Peter Smith
Chief Executive Officer



We have weathered a slowdown in development activities, a decrease in lease, rent and facility hire revenue, and low consumer spending affecting markets and local business viability.

**PLEASE
STAND
1.5m**



Challenges our City faces

Our four-year Council Plan outlines seven significant long-term challenges for our City. Our response to these challenges will impact the liveability of our City and the health of our community and is already shaping the way we plan for the future.

Population growth

Port Phillip's population is expected to grow to more than 176,816 people by 2041, a 59 per cent increase from the 2017 estimate of 110,942 people. This growth will not be uniform across the City. While much of this growth will occur in Fishermans Bend, some established neighbourhoods are also growing and have been for some time.

Population growth and associated demographic and socioeconomic shifts will increase demand for all Council services and amenities. Coupled with the greater cost of providing services, increasing demand will stretch services and infrastructure.

Urbanisation

Population growth will drive an increase in urban density. As more people use our open spaces, roads, footpaths and facilities we need to make sure our assets are fit for purpose and can cater for greater demand. Urbanisation brings with it challenges of rising land prices and providing services in a more compact environment. Housing affordability will continue to be a concern.

Climate change

Port Phillip is already experiencing the impacts of climate change. In the future, we can expect increased flooding of coastal properties and public facilities, storm damage to infrastructure, beach erosion, decreased water quality and security of water supply, reduced summer outdoor activities and hotter urban spaces.

Rapid technological change

The world is becoming more connected. People, businesses and governments are increasingly moving online to connect, deliver and access services, obtain information and perform day to day activities. These changes will affect how we deliver services and how we manage our assets.

Legislative and policy influence

We operate in a complex legislative and policy environment that directly influences the way we do business. There is an expectation that Council will continue to deliver services, even when state and federal government funding is withdrawn. The Victorian Government-imposed cap on rate increases means our ability to control revenue is constrained. Compliance and reporting requirements are increasing.

Traffic and parking

Managing congestion and parking as our City grows will only be possible by making other means of travel easier. This will require ongoing investment in walking and bicycle infrastructure, behaviour change initiatives, and partnerships with the Victorian Government to deliver projects that invest in our public spaces and increase public transport service levels, capacity and accessibility.

Changing economic conditions

Port Phillip's economy was close to \$12 billion in 2015, contributing 4.2 per cent to the greater Melbourne economy. The City's growing and emerging industries are in professional services, health and education, tourism and construction. Other traditional sectors such as creative and cultural industries will continue to make a valued contribution to Port Phillip's social and economic dynamic if they can be retained and encouraged to prosper. The spectrum of people considered vulnerable is widening due to increased costs of living, rental and property costs, social exclusion and health inequity.



**Act and Adapt
- Sustainable Environment
Strategy 2018-28**

Work continued with the Victorian Government to develop the Port Phillip Bay Coastal Hazard Assessment to analyse future coastal erosion, coastal inundation and groundwater intrusion in Port Phillip Bay.

Our 2027 focus

We are beautiful, liveable, caring, inviting, bold and real.

We are Port Phillip

The Council Plan 2017-27 sets out our long-term vision for the City of Port Phillip, the outcomes we will work towards over the next 10 years and how we will support the current and future health and wellbeing of our City.

The longer-term focus helps ensure Council can respond to opportunities and challenges we face in a way that enhances Port Phillip as a place to live, work and visit as our City changes.

The plan delivers five important documents in a single integrated format that combines our Council Plan, Municipal Public Health and Wellbeing Plan, Strategic Resource Plan, Ten Year Financial Outlook, and Annual Budget.

The plan is supported by the Port Phillip Planning Scheme, which aims to create an integrated transport network that offers real travel choice, revolutionising the way we manage waste, particularly green and organic waste, and delivering innovative water management projects.

The plan positions Port Phillip as a welcoming place that supports a diverse and healthy community, and a thriving local economy, with a strong emphasis on arts and culture. It commits Council to working closely with partners to ensure Fishermans Bend is a unique, liveable community we can be proud of. Finally, the plan has a strong focus on Council achieving its sustainability goals. This year we have commenced detailed planning and analysis to help us achieve these goals and deliver our vision.

More information on the Council Plan and Budget is available at portphillip.vic.gov.au

We will deliver our vision through six directions:

We embrace difference, and people belong

We are connected and it's easy to move around

We have smart solutions for a sustainable future

We are growing and keeping our character

We thrive by harnessing creativity

Our commitment to you

Delivering our 2027 vision

We are committed to a continuous cycle of planning, implementing, reporting and review to ensure we deliver the best outcomes for the Port Phillip community. We regularly report on our progress towards achieving the outcomes of the Council Plan, our financial performance and project delivery.

More information on performance reporting is available at portphillip.vic.gov.au

Integrated planning and delivery framework



Engaging and reporting on the Council Plan 2017-27



The Council Plan 2017-27 sets out to position Port Phillip as a welcoming place that supports a diverse and healthy community, and a thriving local economy, with a strong emphasis on arts and culture.



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The year in review

July 2019

NAIDOC Week

Celebrated NAIDOC Week with a flag raising and smoking ceremony.

South Melbourne Market - School Holiday Program

Encouraging kids to get involved in cooking with our Kids Can Cook program, hosted on market days.

Open Doors

A collaborative showcase of the arts and cultural organisations in South Melbourne precinct with an activated festival hub located at the South Melbourne Town Hall Forecourt. This event was part of the City of Port Phillip Placemaking program.

August 2019

Peanut Farm Reserve Sports Pavilion Upgrade

Official opening event was held in August 2019.

Indigenous Arts Plan

Commenced consultation with Council and the community on the Indigenous Arts Plan.

Live N Local Music Festival

Featuring local icons along with emerging talent, performing in live music venues for an eight-day celebration of music.

South Melbourne Market - R U OK?

South Melbourne Market hosted the Trust the Signs Tour, promoting awareness of mental health through free activities and learning how to ask R U OK?

Shakespeare Grove Artist Studios annual exhibition

Held at Carlisle Street Arts Space from 14 August to 11 September 2019. The annual exhibition is supported by Council as part of the studio program to showcase the work of artists in residence at Shakespeare Grove Artist Studios.

September 2019

Climate Emergency Declaration

Council declared a climate emergency. This declaration recognises the serious risk climate change poses to all Australians - including those living in the City of Port Phillip.

Suitcase Rummage, Emerald Hill Forecourt

Live N Local Music Festival



Friends of Suai

A flag raising ceremony was held on 6 September 2020, commemorating the 1999 massacre of priests and hundreds of local men, women and children at the Suai church. This is part of the Port Phillip community's formal commitment to support the East Timorese coastal community of Suai and surrounding district of Covalima.

Gender Equality Game Jam

Girl Geek Academy in conjunction with City of Port Phillip, Star Health and VicHealth hosted Australia's first Gender Equality Game Jam to create games of any genre or platform that address gender equality issues such as stereotypes and gendered drivers towards violence against women and all marginalised genders.

South Melbourne Market - Sustainable September

Sustainable September: a month-long campaign promoting environmental sustainability at the market. Featuring activities and workshops including DIY vegan skincare, upcycling plastic bags, DIY beeswax wraps, free cooking demonstrations with Leftover Lovers and sustainability tours. The kids could also join in on the fun decorating reusable bags and learning how to grow sprouts.

October 2019

Community event - One Ball

The One Ball Positive Community Soccer program is innovative and designed and developed to support and inspire a healthy body and a positive mindset in children and young adults. Targeted for both boys and girls aged five to 17 years, this program combines mental wellbeing activities with soccer skills to achieve positive physical and mental outcomes. It aims to equip children with wellbeing skills that can help them on and off the field.

South Melbourne Market - Ride2Work Day

Ride2Work Day is a national celebration of cycling culture and an opportunity for people who have thought about cycling to work to try it for the first time. The market hosts a free breakfast on Cecil Street, South Melbourne.

South Melbourne Market - Seniors Festival

South Melbourne Market participated in Seniors Festival with historical tours around South Melbourne incorporating the Market.

Newton Court Reserve Park sculptures

As part of the Elwood Playspace upgrade, artist Brigit Heller was engaged to create a series of sculptures for the enjoyment of children and families, creating engaging and safe experiences.

Friends of Suia flag raising ceremony

Ride2Work Day



November 2019**South Melbourne Life Saving Club redevelopment**

An opening event was held on 2 November 2019 for the community. Council provided \$5.6 million and managed the project to replace the ageing 61-year-old former clubhouse. The Victorian Government contributed \$2.2 million and \$20,000 was provided by the club.

The community asset is full of new community spaces, including a multi-purpose room, kiosk, accessible public toilets, new decks, improved bike path and an all-abilities access ramp to the sand.

Community event - Rolla Bae

The City of Port Phillip and Rolla Bae collaborated to deliver a free four-week program for girls aged six to 17 that taught the skill of rollerskating and provided a positive physical and mental experience for participants.

Neighbourhood Ngargee

24 Neighbourhood Ngargee (street parties) were held between 5 November 2019 and 15 March 2020.

Luminous public art exhibition along Fitzroy Street

Through November 2019 to February 2020, five artists illuminated Fitzroy Street through two projections, a light installation, a mural and an installation. Artists PluginHuman, Carl Allison and Nick Kozakis, Tom Gerrard, John Fish and Elizabeth West were selected through expression of interest.

Mural artwork in St Kilda

As part of Council's Graffiti Mitigation Program, in partnership with the Public Art Program, Hayden Dewar was selected to paint the wall on the ANZ building in Acland Street, St Kilda, bringing colour and vibrancy to the streetscape.

Elwood Playspace Upgrade and public artwork

As part of the Elwood Playspace upgrade, artist Carla Gottgens was engaged to create a series of sculptures for the enjoyment of children and families.

South Melbourne Market - Shop By Bike

An initiative that invited people to shop by bike instead of car. Tips, bike tune-ups, giveaways and prize draws were held as part of Port Phillip's Festival of Everyday Riding.

Park upgrade openings

Chipton Park, St Kilda was upgraded and the refurbished park opened to the public on 6 November 2019. Formerly known as Crimea Park, this pocket park was upgraded as part of Council's Park and Playground Renewal Program for 2018/19 and 2019/20.

Newton Court Reserve, St Kilda officially re-opened on 14 November 2019 with a community event and garden planting.

Luminous exhibition, Fitzroy Street

Chipton Park upgrade opening



December 2019

Suitcase Rummage

Held on 14 December 2019 in Emerald Hill Forecourt, the rummage attracted 55 stallholders as well as South Melbourne Middle Park Toy Library. The Suitcase Rummage was held over several months across the year.

Mural artwork at South Melbourne Primary School

As part of Council’s Graffiti Mitigation Mural Program, in partnership with the Public Art Program, Peter Daverington was selected to paint a mural for the recently opened South Melbourne Primary School. Featuring an Australian landscape of banksias and verdant growth interrupted by geometric, hard-edge line work, the mural will be enjoyed by students for years to come.

Mural artwork at Port Melbourne

As part of Council’s Graffiti Mitigation Mural Program, in partnership with the Public Art Program, Japanese artist Shogo was selected to paint a mural along the Decanters by the Bay, 174 Nott Street. Shogo flew from Japan specifically to paint the wall which was also his first visit to Melbourne.

January 2020

St Kilda Esplanade Market 50th celebration

The market celebrated the start of its 50-year anniversary, set against the iconic backdrop of St Kilda Beach, Luna Park and Palais Theatre. The market is renowned for eclectic stalls featuring handcrafted homewares, jewellery, health and beauty products, gifts and accessories, as well as food and beverage outlets - all on the picturesque St Kilda Esplanade.

We Akon Dilynja - Australia Day Morning of Mourning event

An Indigenous dawn ceremony overlooking the bay was held in collaboration with the Boonwurrung Land and Sea Council. The event received special acknowledgement for continued leadership in Reconciliation at the 2020 HART Awards.

Elwood Park Wall and Playspace Upgrade

Upgrade works were completed and the site has been opened to the public.

We Akon Dilynja

St Kilda Esplanade Market 50th anniversary



January 2020 continued

South Melbourne Market

Night markets held on Wednesdays from 8 January to 5 February 2020.

Community events

3-on-3 St Kilda Beach Basketball Tournament, a program for youth in the community, ran from January to February 2020.

Council is continuing to support VicHealth’s initiative ‘This Girl Can Vic’ to encourage woman to participate in physical activity as it enters its third-year.

Montague, a Community Lost and Found exhibition

Held from December 2019 to January 2020 at St Kilda Town Hall Art Gallery, the exhibition explored Montague, a tightknit enclave of South Melbourne from 1883 to the 1960s that left a legacy of rare community spirit and an indelible sense of identity.

THRIVE 2020 grants

Inaugural THRIVE Creative Grants funding was provided for artists with disability and deaf artists.

February 2020

St Kilda Festival

With over 400,000 attendees, the streets of St Kilda were closed to traffic for the 40th Anniversary of St Kilda Festival. The pick of the nation’s best musicians played over multiple stages, while people were entertained with a vast range of performances, workshops, kids’ entertainment, sport, dance, carnival rides, food and drinks, markets, shopping and a whole lot more.

25th Midsumma Pride March, hosted by City of Port Phillip

Midsumma Pride was a week of celebration of celebration including a flag raising ceremony and the march along Fitzroy Street, St Kilda.

Council Plan engagement

We engaged with our community on the development of the Council Plan 2017-27 and Budget 2019/20. The focus was on receiving feedback on significant changes in the waste and recycling industries and the increasing cost of managing waste.

Council delivered two very successful online community forums exploring community action to address the climate emergency.

Love My Place

The Love My Place grant program launch was held on 15 February 2020 at Wynyard Place, South Melbourne. The Cloudwines Cellars mural was completed and launched at the event.

A street party trial including road closure at Wynyard Place was held in conjunction with the launch. Four businesses collaborated and over 200 people attended.

The Love South Melbourne App, featuring ‘Hidden Gems’ trials, was developed. In addition, a Place Plan was endorsed and uploaded as an e-book on the Love My Place website.

High Country and Gippsland Comeback - Fitzroy Street

High Country and Gippsland Comeback - Fitzroy Street bushfire recovery initiative was launched on 28 February as part of the Placemaking Program.

3-on-3 Beach Basketball

Yaluk-ut Weelam Ngargee Festival



March 2020

This initiative secured vacant stores and sourced free wifi, gas, electricity, point-of-sale equipment, accommodation, public transport and more for traders from regional Victoria following the bushfires. Three shop owners donated their stores for nine weeks. Sales totalled approximately \$37,000 for regional Victorian traders from the three weekends the stores were able to trade, before closing due to COVID-19.

Lunar New Year at South Melbourne Market

South Melbourne Market celebrated the Year of the Rat on Lunar New Year with lion dancers spreading good fortune and happiness to all in attendance.

Yaluk-ut Weelam Ngargee Festival

The 15th annual Yaluk-ut Weelam Ngargee Festival was held - a free one-day celebration of Aboriginal and Torres Strait Islander creativity and culture where everyone is welcome.

Accessible parking improvements

Disability Discrimination Act Compliance Works: seven car spaces across Middle Park, Ripponlea, Port Melbourne and South Melbourne were upgraded to make our accessible bays near community and health facilities more user friendly, which will enable easier movement and connectedness.

Road safety improvements

Black Spot safety improvements: Successful funding of \$116,000 through the federal Black Spot Infrastructure Program for lighting upgrade and installation of flashing 'Give Way to Pedestrian' signs at Chapel Street and Inkerman Road, St Kilda intersection.

Parks and Playground Renewal and Upgrade Program

Under playground safety audit work, independent audits of all City of Port Phillip playgrounds were completed in March 2020. All minor repairs were made based on the asset condition data.

Mural artwork at Peanut Farm Reserve, St Kilda

Following the construction of a new rebound wall at Peanut Farm Reserve in St Kilda, a mural was painted by well-known mural artist Mysterious AI in mid-March 2020, in partnership with Council's Public Art Program.

Community glass recycling

Kerbside and communal glass recycling trials began in March 2020. Kerbside glass recycling took place in Garden City and communal drop-off points were installed in reserves in Albert Park and South Melbourne.

Mussel and Jazz Festival at South Melbourne Market

The popular annual festival was held on the long weekend. Crowds feasted on mussels and other seafood delights, while enjoying jazz performances from some of Melbourne's best musicians including Lorretta & Her Boyfriends and Horns of Leroy.

South Melbourne Night Market

Glass recycling trials



April 2020

Arts response to COVID-19

Council’s response for the arts community comprised of grants to support individual artists and groups impacted by COVID-19. 3D gallery scanning of three Port Phillip cultural institutions and the exhibition at Carlisle Street Arts Space was undertaken to enable galleries to be visited online.

South Melbourne murals

A new mural titled Physical Distancing by artist Brigitte Dawson was painted on Clarendon Centre’s Coventry Street Wall, South Melbourne. This is a collaborative installation and a mural message during the crisis.

The new Love South Melbourne app, Street Art map and trail went live.

Local business support

Five teleconferences were held with landlords reaching 139 owners to inform of the COVID-19 support available.

The ‘Open for Business’ link on the Love My Place website was initiated to profile business that were still open and promote the innovative initiatives and products they were delivering to consumers.

Four webinars were held for traders and the community on the best way to maintain your business, whether it be online, bricks-and-mortar or a combination of both.

High Country and Gippsland Comeback - Fitzroy Street stores closed early due to COVID-19.

Pop-up sustainable gardens

Live Facebook workshops were held for the Love My Place grant winner pop-up sustainable gardens at HH Skinner Reserve, South Melbourne in April. The workshops attracted over 3,500 viewers.

May 2020

Reconciliation Week

Reconciliation Week, ran from 27 May to 3 June, marking the anniversaries of 1967 referendum and this historic High Court Mabo decision.

Council Plan engagement

We engaged with our community on the development of the Council Plan 2017-27 and Budget 2019/20. Online forums, Q&A sessions and focus groups were held through May 2020 as part of developing our draft Budget. Formal submissions were accepted through the Council’s Have Your Say website.

Physical distancing mural

High Country and Gippsland Comeback



June 2020

St Kilda Film Festival Online

From 12 to 20 June, the 2020 St Kilda Film Festival celebrated its 37th year and remains one of Australia's largest and oldest short film festivals. Making a last-minute shift to online due to the COVID-19 pandemic, the festival screened over 130 short films to audiences nationwide and involved established and emerging filmmakers in a series of free professional development workshops and talks.

Highlights include: 47,000+ viewers tuned in to watch a session or a professional development Q&A, equalling a 500 per cent increase in audience, with new audiences in all Australian states and territories.

A special free screening for the Under the Radar program (filmmakers up to the age of 21) was also streamed online.

Mabo Day livestream

As part of Reconciliation Week, Council and Boon Wurrung Foundation marked Mabo Day remotely this year with a series of online events including a Welcome to Country, live performances, speeches, cooking demonstration, culture performances and children's storytime.

Economic Stimulus and Survival Business Forum

A two hour forum with over 125 businesses participated with speakers sharing the current economic status of our community, and communicating opportunities and government assistance on offer.

Council Plan engagement

St Kilda Film Festival Online



Our performance at a glance

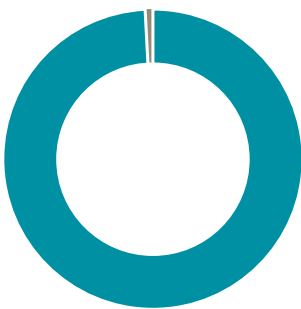
Council sets the strategic direction for the municipality, develops policy, identifies service standards and monitors performance. More detail on Council's performance for the year is provided in Chapter 4 Our Performance.

Overall performance

Council Plan priorities in progress or completed

99 %

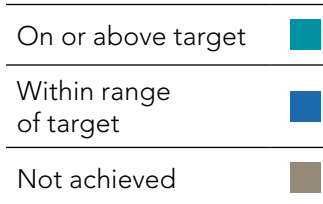
133 out of 134 indicators



Council Plan outcome indicators on or within range of target

70 %

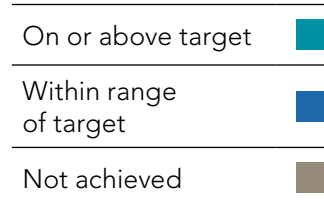
14 out of 20 indicators



Council Plan service measures on or within range of target

69 %

58 out of 84 indicators



Strategic direction 1

We embrace difference and people belong



Budget allocation - \$43.5 million

Community meals delivered

18,009

Subsidised meals provided

807,755

Young people who accessed Council-run or funded programs

15,000

Increase from 2018/19

↑ 55%

Performance highlights

- Partnered with HousingFirst to progress the Marlborough Street community housing project, delivering 46 new units on Council land, with the project receiving state funding under the Building Works Economic Stimulus Program.
- Successful \$122,400 Inner Metro Partnership grant to investigate best-practice delivery of Common Ground projects (long-term supported housing targeting persons experiencing homelessness and sleeping rough).
- Progressed two Common Ground projects targeted at reducing rough sleeping in Port Phillip (a temporary and a permanent facility).
- Facilitated projects provided by other organisations, resulting in two community housing projects with a total of 95 units receiving funding under Round 1 of the Victorian Government’s Social Housing Growth Fund.
- The new South Melbourne Life Saving Club building and public amenities was completed with funding support from the Victorian Government through Life Saving Victoria.

- The completion of the JL Murphy Pavilion upgrade representing the culmination of a multi-year project for Council, stakeholders and the community. The upgraded pavilion will enable increased sports participation at the reserve, especially for juniors and female players, and allows multiple ovals to be used simultaneously for competition.
- Creation of secure housing for 30 older women who were experiencing homelessness, through facilitating delivery of the Lakeside ‘pop-up’ project in South Melbourne. 24 units (twelve net) were also associated with the potential Wellington Street permanent Common Ground facility.

Council Plan Priorities completed this year

- Redevelop South Melbourne Life Saving Club to provide contemporary clubhouse facilities and public amenities
- Investigate the feasibility of a dedicated youth space, including through potential partnership arrangements.

Outcome indicators not achieved

- Social housing as a percentage of housing stock.

Service measure targets not achieved

- Resident satisfaction with services that support older people and people with disabilities
- Resident perception regarding whether City of Port Phillip services contribute to the overall health and wellbeing of the community.

Council Plan Priorities not started

All Council Plan Priorities are in progress.

Strategic direction 2

We are connected and it's easy to move around



Budget allocation - \$30.2 million

15 schools participated in Ride2School Day

↑ 100% *

Reduction in serious car crashes

↓ 38%

Performance highlights

- A new cross Council model to identify where investment in bike infrastructure would result in the greatest increase in riding.
- Prioritising the delivery of bicycle lanes to optimise access for the community, improve safety and health, and to decrease pressure on our transport network.
- Council's new Parking Management Policy was endorsed in February 2020 by Council following an extensive community engagement process.
- Council's Proposed Public Transport Network Map 2028 was finalised.
- 15 schools participated in Ride2School Day, the most of any Local Government Area in Victoria.
- Domain Precinct Public Realm Masterplan was endorsed by Council in September 2019. The Masterplan proposes a range of improvements to the Domain Precinct's public realm, including footpaths, roads, trees and streetscapes.
- Secured funding for the design and delivery of Park Street Bike Link from the Victorian Government.

Council Plan Priorities completed this year

- Deliver program of renewals and improvements to laneways, roads, footpaths and street signage
- Investigate Council's car parks for future development opportunities that deliver increased community benefit
- Progressively review and upgrade accessible parking spaces in commercial areas to meet updated Australian Standards.

Outcome indicators not achieved

All available outcome indicators achieved above target.

Service measure targets not achieved

- Resident satisfaction with parking management.

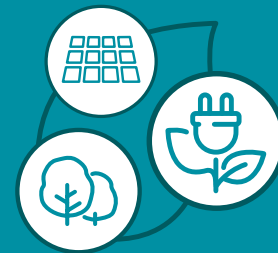
Council Plan Priorities not started

All Council Plan Priorities are in progress.

* In last five years

Strategic direction 3

We have smart solutions for a sustainable future



Budget allocation - \$20.5 million

Reduction in Council's net greenhouse gas emissions

↓ 99%

Greening Port Phillip Strategy planting

Indigenous plants

20,000

Trees

1,337

Performance highlights

- Planted 1,337 trees as part of the Greening Port Phillip program and planted approximately 20,000 indigenous plants in native vegetation areas along the foreshore.
- Completed the Alma Park Stormwater Harvesting system.
- Completed a Biodiversity Study of the City, which included ecological surveys of key areas and species of plants and animals.
- Partnered with the Port Phillip EcoCentre to develop NatureSpot, an online platform where the community collected and shared information about flora and fauna in their gardens, balconies and public spaces.
- Completed heat mapping and modelling of the South Melbourne precinct.
- Improved the sustainability of buildings across the City by assessing Environmentally Sustainable Design in 228 planning applications.
- Council declared a climate emergency in September 2019 stating that climate change poses a serious risk to Australians - including those living in Port Phillip - and should be treated as an emergency
- Purchased one electric vehicle, one plug-in hybrid electric vehicle and ten hybrid vehicles

and installed two chargers at South Melbourne Operations Centre to support fleet vehicles.

- Tripled the size of the Sustainable Business Network from 50 to 176 members.
- Kerbside and communal glass recycling trials commenced.
- Summer Rangers program provided education on reducing litter.
- Adoption of Site Contamination Management Policy 2020-24, which creates the framework for proactive management of contaminated land to ensure human and environmental health are protected from the potential risks of contaminated land and to ensure compliance with legislation.
- The green cone program continued to have strong uptake with residents in both single-unit and multi-unit dwellings providing options for the community to recycle food waste.

Council Plan Priorities completed this year

- Work with Metropolitan Waste and Resource Recovery Group on a business case to test the viability of an inner metropolitan sustainability hub
- Update guidelines to Develop a Waste Management Plan to assist developers in effectively planning for waste management in new apartment complexes.

- Work with partners to develop a long-term action plan for the Elster Creek catchment to mitigate flooding.

Outcome indicators not achieved

- Council electricity usage from renewable sources
- Potable water usage
- Diversion of waste from landfill
- Council's gross greenhouse gas emissions.

Service measure targets not achieved

- Resident satisfaction with making Port Phillip more environmentally sustainable
- Total suspended solids removed from stormwater through Council projects (tonnes)
- Resident satisfaction with waste and recycling collections
- Costs associated with managing contaminated kerbside recycling.

Council Plan Priorities not started

All Council Plan Priorities are in progress.

Strategic direction 4

We are growing and keeping our character



Budget allocation - \$53.9 million

Residents satisfied with Council's beach cleaning

95%

Dog related requests over last four years

Stray dogs wandering

↓ 49%

Barking dog complaints

↓ 48%

Performance highlights

- The 2019/20 Fishermans Bend program has progressed despite a changing timeline, resourcing changes and major restructures of state departments.
- During 2019/20 Council engaged with the community and specialist consultants to develop a draft Public Space Strategy. The draft strategy was released for public feedback in August 2020.
- The project to secure a new lease arrangement for St Kilda Marina following expiry of the current 50-year lease in April 2019 progressed significantly. Following a year-long procurement process and a public feedback period, a tenant was chosen and new long term lease terms were approved for submission to the Victorian Government approval process.
- Ongoing and significant progress on Council's Open Space projects such as Elwood Foreshore, JL Murphy Playspace, Public Space Lighting upgrades and Council's Parks, Furniture and Pathway Renewal Program.

Council Plan Priorities completed this year

- Review footpath trading policies to promote street activity and accessibility
- Work with inner Melbourne councils to develop approaches to better manage licenced premises and entertainment precincts.

Outcome indicators not achieved

- All outcome indicators achieved on, above or within in a five per cent range of target.

Service measure targets not achieved

- Resident satisfaction with street cleaning
- Time taken to decide planning applications
- Cost of statutory planning service
- Cost of food safety service per premises
- Animals reclaimed
- Animals re-homed (new measure)
- Public space community requests resolved on time
- Resident satisfaction with Council's planning services
- Animal management prosecutions.

Council Plan Priorities not started

- Review the Housing Strategy to ensure new residential development is well located and respects the character and heritage of established neighbourhoods (the project was deferred to a future Council Plan).

Strategic direction 5

We thrive by harnessing creativity



Budget allocation - \$29.2 million

Residents satisfied with Council's delivery of arts and festival programs

93%

Residents who agree South Melbourne Market is a significant benefit

98%

Arts Rescue Package delivered in response to COVID-19

\$ 250,000

Performance highlights

- Delivery of Art and Soul - Creative and Prosperous City Strategy 2018-22 to create a thriving social, cultural and economic future for Port Phillip. Council has worked to invest and support the creative industries, deliver a concentrated placemaking effort, strengthen the creative industries of South Melbourne and Fishermans Bend, increase access to affordable spaces and funding for local creative industries, and plan for adequate employment opportunities in the creative industries.
- The Fitzroy Street and South Melbourne Place Plans were devised, endorsed and delivery commenced of the actions, together with the community and Place Reference Groups which met regularly.
- To support traders ravaged by the bushfires, Fitzroy Street traders opened their vacant properties to impacted businesses to create the 'High Country and Gippsland Comeback - Fitzroy Street' initiative.

- Two mural artists worked to cover two walls in Clarendon Street, South Melbourne with their colourful artwork. Murals were also delivered in other locations as part of Council's Public Art program.
- A program of grants called 'Love My Place' was developed and delivered to fund ideas to activate Fitzroy Street, St Kilda and South Melbourne.
- The St Kilda Esplanade Market's 50th Anniversary year was celebrated.
- The draft Live Music and Library Action Plans were completed.

Council Plan Priorities completed this year

- Develop a process to require developers to work with Council to commission art on hoardings.
- Map the innovation and creative ecosystem of the City to understand and prioritise options to address issues of affordability and availability of space.

- Deliver the Design and Development Awards, to showcase and promote design excellence in Port Phillip. The 2020 Design and Development Awards final event was postponed due to COVID-19 and held online in a virtual presentation in September 2020.

Outcome indicators not achieved

- Residents who agree Port Phillip has a culture of creativity.

Service measure targets not achieved

- Active library borrowers in the community
- Visits to library per capita (cumulative)
- Rate of turnover for physical library items (loans per item) *.

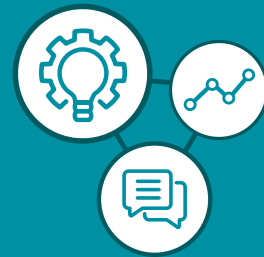
Council Plan Priorities not started

All Council Plan Priorities are in progress.

* Library services were directly impacted by the COVID-19 shutdown period.

Strategic direction 6

Our commitment to you



Budget allocation - \$62.3 million

Council’s significant priority projects on track

87%

Customer interactions which took place in 2019/20

167k

Attendance rate for Councillors at Council meetings

94%

Performance highlights

- In March 2020, four key festivals websites were launched, including sites for St Kilda Festival, St Kilda Film Festival, Live N Local and Yaluk-ut Weelam Ngargee, this enabled and supported the St Kilda Film Festival to go online during the COVID-19 pandemic.
- Key work to design and develop the City of Port Phillip website, including the content was undertaken. Easy to use websites for our community and staff were launched in early August 2020.

Council Plan Priorities completed this year

- Review the organisation’s People and Culture Strategy and develop a workforce plan
- Review our rating strategy, property policy and investment policy.

Outcome indicators not achieved

- All outcome indicators achieved on, above or within a five per cent range of target.

Service measure targets not achieved *

- Return on financial investments
- Material legislative breaches (cumulative)
- Community satisfaction with advocacy (index)
- Staff turnover
- Total recordable injury frequency rate per million work hours
- Community time saved (days) (cumulative)
- Calls answered within 30 seconds (month).

Priorities not started

- All Council Plan Priorities are in progress.

* The results of a small number of our service measures and outcome indicators have been affected due to COVID-19 pandemic. In particular, library services and a return on financial investments.

Awards and third-party endorsements

Association of Consulting Surveyors Victoria (ACSV)

Victorian Municipal Excellence Award, awarded by the Association of Consulting Surveyors Victoria for excellence in dealing with planning applications for subdivision.

Australasian Reporting Awards

Gold Australasian Reporting Award Annual Report 2018/19.

Municipal Engineering Foundation Victoria

Award from Municipal Engineering Foundation Victoria in appreciation of assistance provided to Lachlan Johnson, Manager Maintenance and Operations, in undertaking an Overseas Study Tour Scholarship.

The HART Awards (Helping Achieve Reconciliation Together)

Australia Day We-Akon Dilinja event received a special acknowledgment in the HART Awards for Continued Leadership in Reconciliation.

Victorian SES

Certificate of the Municipal Emergency Management Plan. (MEMP) audit pass for City of Port Phillip.

Cities Power Partnership Community Engagement Achievement Award

For The Butterfly Effect, Albert Park Kindergarten and City of Port Phillip; the first certified carbon neutral Early Childhood Education and Care Service in Australia.

Garage Sale Trail Awards

Excellence in Innovation Award achieved for the Garage Sale Trail event. With 143 sales and stalls, up 286 per cent on 2018, the group sale event was held at the Liardet Community Centre, Port Melbourne, and provided a welcoming space for residents to set up a stall for their items and providing an arena for waste education.

Australian Urban Design Awards - Built Projects

Local and Neighbourhood Scale Award for Ferrars Street Education and Community Precinct.

LGPro Excellence Awards x 2

Sustainability Award

For the collaborative Supply Chain Sustainability School project.

Innovative Management Award

Awarded to the Infrastructure and Amenity department for its earned value project management initiative.

Finalist 2019 VicHealth Awards

For Council's 3-on-3 St Kilda Beach Basketball Tournament program for the 'Promoting health through physical activity and sport' category.

Delivering Comeback

Our efforts to support bushfire affected businesses through the High Country and Gippsland Comeback - Fitzroy Street initiative were applauded by the Victorian Government.

Resilience in challenging times

Council's response to COVID-19



The COVID-19 pandemic called for us to be agile and flexible and to support the community where most needed. During the pandemic, Council adapted to innovate new ways of keeping safe and connected while maintaining our high standard of service delivery.

Timeline of Council's COVID-19 response

March 2020

2 March

- Council's Municipal Emergency Management Plan Sub Plan 3 Influenza Pandemic activated in response to COVID-19.

12 March

- Pandemic Response Committee Meeting held, after which new governance arrangements commenced whereby the Executive Leadership Team governed the pandemic response for City of Port Phillip.

18 March

- Council meeting moved from Council Chamber to St Kilda Town Hall Auditorium to allow for greater physical distancing through revised seating arrangements. Public microphone removed for health and safety reasons.
- Library branches and e-waste drop off points closed.
- Sport Phillip in-person program postponed, some programs moved online.
- In-person art and heritage programs, including guided walks, suspended and storytelling transitioned to digital channels.
- Immunisation sessions and flu vaccination clinics adapted to accommodate physical distancing requirements.
- Social support programs in-person suspended, moved to phone and online.

19 March

- Community centres closed as a precautionary measure.

23 March

- Town halls and ASSIST counters closed until further notice.
- Carlisle Street Arts Space closed until further notice.
- Council-managed and bookable community facilities closed until further notice.
- All permitted events cancelled until further notice.
- High Country and Gippsland Comeback - Fitzroy Street initiative suspended.

24 March

- Library Story Time moved online with a pre-recorded Facebook video post model.
- Council commenced attendance at weekly Regional Emergency Management teleconferences for COVID-19 relief coordination.

25 March

- Maternal and Child Health (MCH) Centres closed until further notice.
- Council meeting not open to public attendance. Public submissions read out by Mayor. Livestream to continue for Council meetings.

26 March

- Order and Collect service at South Melbourne Market begins.

- South Melbourne Market non-food and essential service stalls cease trading.
- Introduction of 30-minute grace period applied to parking time limits.

27 March

- Beaches closed until further notice.
- St Kilda Botanical Gardens closed temporarily.

30 March

- Access to Peanut Farm Pavilion provided for Salvation Army to enable showers for people experiencing homelessness.

April 2020

1 April

- Council built on its strong partnership with Port Phillip Community Group to enhance community food relief coordination for those impacted by COVID-19.

3 April

- Heritage at Home webpage goes live.

6 April

- St Kilda Botanical Gardens reopen.

8 April

- Supported playgroups move online.

15 April

- Council meetings not open to public attendance. Public submissions read out by Mayor. Meetings continue to be livestreamed.

16 April

- Free business webinars offered - topics include digital marketing and web optimisation.

20 April

- ASSIST COVID-19 support line goes live.

27 April

- Coordination of community relief assistance commences via requests from the State Control Centre COVID-19 Hotline under the Victorian Government COVID-19 Relief Plan. Primary requirement was coordination of food relief for vulnerable community members.

May 2020**1 May**

- Working for Victoria's Citywide Cleansing and Sanitisation Services crews begin sanitising public space contact points in the municipality this month.

4 May

- Draft Budget 2020/21 first community information session held online.
- Maternal and Child Health begins limited face-to-face consultations for vulnerable clients based on explicit COVID-19 guidelines.
- South Melbourne Market stallholders commenced donating approx. Seven hundred kilograms of fresh food each week to be distributed to organisations cooking meals and fresh food additions to emergency relief food parcels for people in need.

6 May

- Council meetings go online via Webex with public submissions read out by Governance Coordinator. Livestream continues.
- Sustainable Business Network breakfast seminar events move online.

11 May

- Parking restrictions return to normal.

13 May

- Beaches reopen.
- Climate emergency community forums held online.

14 May

- Cultural Heritage Reference Committee meeting goes online.

21 May

- First Time Parents Group commences online.
- Council's Arts Rescue Package announced.
- Arts Response Grant applications open.
- Cross-Council free online sustainable living series of events begins.

22 May

- Interactive street art map launched on Love My Place website.

26 May

- Outdoor playgrounds, skate parks, fitness stations, drinking fountains and public BBQs reopen.

- Adventure playgrounds reopen with attendance restrictions.

27 May

- Winter Warmers program launched online to support residents to draught proof their homes and save energy.

June 2020**1 June**

- Library click and collect service begins.

2 June

- South Melbourne Market non-food and drink stalls reopen.
- Economic Stimulus and Survival Business Forum runs as a free online event to support local businesses.

3 June

- Mabo Day goes online (on Yaluk-ut Weelam Ngargee website).
- Library branches start reopening.

7 June

- St Kilda Esplanade Market reopens.

11 June

- Art Acquisition Reference Committee meeting held online.

12 June

- First online citizenship ceremony.
- St Kilda Film Festival goes online, 12 to 20 June.

25 June

- Montague: A Community Lost and Found exhibition goes online.
- Online focus groups for draft Budget 20/21 consultation begin.

29 June

- COVID-19 testing site opens at MSAC at Albert Park.
- Council begins 'Community Connector' role for vulnerable community members as part of the Victorian Government Department of Health and Human Services Community Activation and Social Isolation initiative.

Service level assessment principles and budgeting approach

We used the following principles to inform our service response to COVID-19:

- Protect the safety and wellbeing of community, particularly the most vulnerable
- Protect the safety and wellbeing of our people
- Minimise the impacts of service closures and reductions on the community
- Retain essential capacity to start up again
- Ensure as many staff as possible remain employed and productive
- Keep staff entitlements, rates, fees and charges defensible and affordable
- Opportunity for department heads to plan and implement a more efficient, future ready and resilient organisation
- Council must ensure financial sustainability in the maintenance of community assets and key services to the community
- Confidence that reprioritisation will be effective in providing the intended relief and increasing community capacity to withstand and recover from the pandemic and other future shocks
- Reprioritisation should be targeted towards those that need it most. It should address specific gaps in support rather than duplicate or substitute support that should be provided by others
- Maintain financial sustainability of Council
- Reprioritisation of activities and services should be aligned to the Council Plan Priorities, transparent, defensible, and distributed fairly based on the role of Council, support available from others, risk and cost.



Adapting Council services

In a difficult year for all, Council stepped up and adapted, delivering the following services and support to our community.

Modifying service delivery to best support the community

- South Melbourne Resource and Recovery Centre services adapted to allow people to safely drop off their waste and recycling
- South Melbourne Market implemented an order and collect service, allowing community members to pick up their shopping using a contactless, drive-through service in the York Street carpark
- The market also launched South Melbourne Market Direct, an online marketplace that allows customers to order from their favourite traders and have the goods delivered directly to their door
- Libraries implemented a click-and-collect service for patrons
- Community engagement and consultation on the draft Budget 2020/21 moved online, including Q&A sessions on our financial context, forums to discuss proposed changes to a select number of services and for the first time, online focus groups at the neighbourhood level
- Supported playgroup face-to-face sessions were replaced with online groups. Twenty-two groups were attended by an average of eight families per week, with one session attracting 15 families.

Using technology to keep in touch with the community and maintain connections

- Delivered business support via webinars, including a business forum with 125 attendees, and online meetings with hundreds of landlords and tenants to understand their needs and offer assistance
- South Melbourne Market held a series of webinars to help stallholders prepare and adapt their businesses for trading during COVID-19 restrictions
- Continued Council meetings, legislated committees and reference groups by moving to online forums
- Moved St Kilda Film Festival online, which proved to be a huge success. The festival was streamed by 43,000 users
- Moved sustainability education and networking online with two Sustainable Business Breakfasts and a series of DIY draught-proofing videos. Seventy people attended the online business events and 113 actively participated in the videos, which have now been viewed over 2,500 times
- Delivered community engagement activities usually held face to face online through use and adaptation of existing and new technologies
- Delivered the Libraries' popular Storytimes online for children

- Supported parents, children and young people by shifting traditionally in-person programming to online platforms, including case management, First Time Parent Groups and Parent Information Sessions
- Engaged with the 200 community members through two interactive online climate emergency forums.

Modifying how we work in public spaces to ensure the community stays safe

- South Melbourne Market adapted very quickly with hospital-grade cleaning, queuing for limited numbers within the deli aisle, physical-distancing visual and audio cues, additional security and Personal Protective Equipment, and trader and customer communications to inform of the changing environment
- Modified how street cleaning crews and waste collection officers started their day to ensure that they could safely continue to keep our streets and parks clean, while minimising contact with others
- Under the Victorian Government's Working for Victoria initiative, Citywide's Cleansing and Sanitisation Services recruited, trained and supervised 80 participants working in Port Phillip. A range of hard surfaces in public spaces - from streets and shopping strips to parks and beaches - are being disinfected and cleansed on top of Council's standard cleaning regime

- Continued to deliver and manage all active construction sites, ensuring builders adhered to COVID-19 restrictions and policies, including physical distancing procedures to be strictly followed with changes made to items including vehicle occupancy, the availability of wash-up facilities on-site and the design of lunchrooms.

Implementing new processes and systems remotely

- Remotely implemented the new Customer Experience - TechnologyOne Finance and Procurement modules
- VAGO Financial year-end audit process undertaken remotely
- Enabled remote working to Council staff and provided laptops and enabled BYOD (bring your own device) for staff who didn't have a laptop
- Upgraded telephony technology (AVAYA contact centre) to enable remote telephony and increase call quality and productivity
- Enabled digital citizenship ceremonies to be done remotely
- Installed visitor register (SINE) at South Melbourne Market and Operations Centre
- Installed swimming pool registration service
- Published 29 open datasets with 10 new ones.

Reviewing our policies and advocating for the best ways to support people during this difficult time

- Advocated to the Victorian Government for temporary protected bike lanes to support additional bike riding for community members choosing not to travel on public transport during the pandemic

- Adjusted payment of suppliers on seven-day terms (usually 30 days) to support businesses
- Adjusted the Rates Financial Hardship Policy
- Refocused effort on the facilitation of affordable housing projects that can attract economic stimulus funding to create more housing in the City
- Pursued a temporary pop-up Common Ground facility to provide secure housing for persons experiencing homelessness, including keeping people in housing who have received short-term accommodation during the COVID-19 pandemic
- Provided extra funding to support Children's Services to stay open, as the federal government policy position precluded local government areas from receiving JobKeeper payments
- Rolled out salary sacrifice plan for staff to acquire monitors and standing desks. Chairs and computer peripherals were provided to enable safe working from home set-up.

Offering practical support to vulnerable members of the community and those struggling

- Delivered \$250,000 Arts Rescue Package to help support members of our creative community hard-hit by the COVID-19 pandemic, comprising: \$100,000 to deliver the St Kilda Film Festival online, \$130,000 in arts grants and \$20,000 for 3D exhibition tool for three galleries
- \$180,000 grants, art acquisition and funding for virtual exhibitions available to local artists, cultural organisations and creative businesses

- The Port Phillip Community Group (PPCG) through its 'Share the Food' initiative provided food relief to Port Phillip's most vulnerable residents during the COVID-19 pandemic. Council has been a key partner in this initiative, including providing a financial contribution of \$45,000, temporary use of the JL Murphy Pavilion and donated food from South Melbourne Market. In the period April to June, PPCG distributed some 3,500 food parcels and meals, valued at almost \$300,000, in partnership with over 30 different service agencies.
- Supported a 70 per cent increase in delivered meals and a 50 per cent increase in shopping services under our Commonwealth Home Support Program
- Provided 1,009 hours of alternative support for 135 clients, including welfare calls and one-on-one visits for isolated residents who would normally attend our social inclusion activities
- Supported families by creating essential family packs. The packs included age specific activities and games, scrapbooks, colouring pencils and caregiver information on important services such as food aid, virtual bulk-billing doctors and the COVID-19 hotline. These packs were posted out to 20 vulnerable families, which saw 42 children being assisted.

What happened in your local neighbourhood?



We have nine neighbourhoods, each with distinct character and attributes. Two of these - Sandridge/Wirraway and Montague - are emerging neighbourhoods in Fishermans Bend.

Port Melbourne

Encompassing most of the suburb of Port Melbourne, the neighbourhood is a gateway to Melbourne via Station Pier. The waterfront precinct brings many visitors to the neighbourhood and beyond, attracted to the foreshore and beaches as well as the retail and commercial strip along Bay Street.

Early planning work commenced on the Lagoon Reserve Sports Field redevelopment.

Graham Street Overpass Concept Plan was publicly available in September 2019.

Preliminary designs have commenced for the Hostile Vehicle Mitigation program at Beacon Vista Reserve.

Graham Street road and footpath tree planting has been completed under the Greening Port Phillip program.

Kerb and gutter renewal competed in Esplanade East, Port Melbourne.

High Country Comeback event held on 2 February to support small businesses by hosting a market showcasing regional businesses affected by the state's bushfires.

Waterfront Place Crew Club move to the West Finger Pier Kiosk.

Sandridge / Wirraway

This neighbourhood will transform over the next 30 years as the Fishermans Bend renewal area develops. It is bound by the West Gate Freeway to the north, Williamstown Road to the south, Todd Road to the west and Johnson Street to the east.

Kerbside glass recycling trials in Garden City.

The final playground design and community consultation have been completed on JL Murphy Playspace. An additional \$200,000 was approved to cover car park and landscape integration construction, irrigation and turf. Sustainable solutions were implemented including an adjustment to the design to retain three existing mature trees and take advantage the shade they provide. Soil stockpiled from the JL Murphy Pavilion project has also been kept and reused as mounding around the play area.

The building upgrade at JL Murphy Reserve has been completed and clubs are using the new facilities. An official opening ceremony planned for March was postponed due to COVID-19.

Montague

Montague is an emerging neighbourhood in Fishermans Bend. It is bound by the West Gate Freeway to the north, the St Kilda Light Rail Line (route 96) to the east, City Road to the south, and Boundary Street to the west.

Additional works at Kirrip Park have been identified by Fire Rescue Victoria in order to enable safe access to the north-east corner of the park. The works will further reinforce the grass area so that it can sustain heavy vehicles.

All works are now complete on the Ferrars Street Education and Community Precinct streetscape works including new automatic bollards and pedestrian lighting upgrades.

Adjustments are likely to the Fishermans Bend program given the changes in the Victorian Government's plans for Fishermans Bend.

South Melbourne

Encompassing most of the suburb of South Melbourne and part of Albert Park, the neighbourhood is one of Melbourne's original suburbs. Clarendon Street and South Melbourne Market attract many local and regional visitors.

Construction of solar panels on the roof of South Melbourne Market was completed in December 2019, which saw an additional 612 panels installed alongside the existing 32 kWp system. Communal glass recycling bins installed.

South Melbourne Town Hall lift and ramp upgrade was completed providing universal access to the building.

Detailed heritage and building inspections have commenced at South Melbourne Town Hall for further renewals and upgrades. The building is closed while these are underway.

South Melbourne Life Saving Club Redevelopment was completed.

Pedestrian infrastructure delivery included concept design for infrastructure improvements at Tribe Street and Iffla Street intersection.

Resurfacing and major preventative road works included Park Street (Palmerston Crescent to Millers Lane), South Melbourne.

Kerb and gutter renewal was completed at the intersection of Dorcas Street and Ferrars Street, South Melbourne, and Lorne Street between Queens Road and Queens Lane, South Melbourne.

Lilian Cannam Kindergarten fence renewal and foyer redesign. Scope of the project agreed.

Albert Park / Middle Park

Encompassing the suburb of Middle Park, part of the suburb of Albert Park and part of St Kilda West, this neighbourhood is one of the oldest parts of the City, with significant heritage areas featuring houses from the Victorian and Edwardian eras.

Footpath Renewal Program Fitzroy Street, St Kilda (outside St Kilda Bowling Club).

Kerb and gutter renewal projects have been completed the Lorne Street, Albert Park.

South Melbourne Life Saving Club redevelopment completion.

Upgrades to drainage and stormwater management.

Construction of raingardens at the intersections of Langridge Street and Patterson Street and Page Street and McGregor Street.

Communal glass recycling bins installed.

St Kilda Road

Encompassing parts of the suburbs of Melbourne and Windsor, and parts of Albert Park and South Melbourne, this neighbourhood is unique in the City because of its mix of offices and high-rise residential development.

Domain Precinct project is being led by Rail Projects Victoria for the Victorian Government and Council continues to advocate for optimal outcomes for our area.

The Domain Public Realm Masterplan was adopted by Council on 18 September 2019. Community members and stakeholders involved in the preparation of the plan were notified of the adoption.

St Kilda Junction Underpass wayfinding signage has been installed and has been well received as part of the Placemaking program.

Kerb and gutter renewals at Lorne Street.

Road renewal at Queens Lane.

Footpath renewal on Queens Road and Kings Way.

St Kilda / St Kilda West

Encompassing the suburbs of St Kilda West (east of Cowderoy Street), most of St Kilda and a small part of Elwood, the neighbourhood is attractive to residents and visitors for its iconic retail strips, significant open spaces and the foreshore.

Peanut Farm Sports Pavilion upgrade was completed and the building handed over to the sporting clubs in March 2019. An official opening was held on 9 August 2019 with the clubs, Minister Foley and Council representatives. Peanut Farm is used by the St Kilda Football Netball Club, St Kilda Sharks Women’s Football Club, Elwood Cricket Club, St Kilda Junior Football Club and Melbourne Hellenic Cricket Club.

Final landscape works were completed at the Peanut Farm Reserve in St Kilda including the opening of a new rebound wall and new cricket nets.

Palais Theatre Renewal: concept designs of the toilets were completed.

Chipton Park upgraded and refurbished park opened to the public on 6 November 2019.

Kerb and gutter renewal of 282 Canterbury Road, St Kilda West included a 15 m concrete kerb replacement and one tree square modified.

Don’t Waste It! Waste Management Strategy 2018-28: new waste, mixed recycling and food waste bins for Council at St Kilda Town Hall and the Operations Centre were installed in February 2020.

East St Kilda / Balaclava

Encompassing the suburb of Balaclava and part of East St Kilda and St Kilda, this neighbourhood has diverse housing types and population. Primarily a residential neighbourhood, the Carlisle Street activity centre, Balaclava Station and Alma Park are key features.

Alma Park Stormwater Harvesting: construction of the stormwater harvesting system and all the necessary connections are completed. The fence made from recycled timber salvaged from the Kerferd Rd Pier is complete. The system will now be operated ‘offline’ for several months as the filter media stabilises. This will prevent the new tanks silting up. Once stabilised, normally after several flushes with rainwater, the system will become operational.

Alma Park Reserve - a new hybrid surface laid around the cricket pitch to improve conditions and eliminate wear and tear and ongoing maintenance of these high traffic areas of the playing fields.

Greening Port Phillip: Gibbs Street greening improvements.

Alma Park: integration works are now complete, including the construction of bluestone retaining walls, establishment of lawn and garden areas and planting of several large shade trees.

Progressed Bubup Nairm cladding replacement scoping works.

Elwood / Ripponlea

Encompassing the suburb of Ripponlea and most of Elwood, the neighbourhood is known for its leafy streets, its restaurants and suburban character. Ripponlea Station offers good access to central Melbourne.

Moran Reserve pedestrian bridge upgrade.

Partnered with City of Bayside to develop the Elsternwick Park Nature Reserve Masterplan, which plans to redevelop the former golf course in Elsternwick Park to a nature reserve to reduce flooding and improve environmental outcomes.

Elwood Wall and Playspace upgrade completed.

Elwood Foreshore has been designed and contract awarded for the supply and installation of suitable marine grade fitness equipment.

Rotary Park Playspace Development: concept design is completed.

Kerb and gutter renewal projects completed include Goldsmith Street, Elwood.

Construction of rain gardens was completed at Southey Street, Elwood.

Footpaths resurfaced include Addison Street (Glen Huntly Road to Shelley Street), Elwood.

Reconstruction of Esplanade Oval at Elwood Park.

What you got for \$100

We delivered a broad range of services to our diverse community of residents, traders, business owners and visitors. This list show how rates revenue was spent across these services for every \$100 spent in 2019/20.

Read more about each of Council's services in Chapter 4 Our Performance.

Transport / Parking	Public space planning and delivery	Amenity	Waste reduction	Technology, transformation
\$16.59	\$10.54	\$9.09	\$8.44	\$7.94
Recreation	Asset management	Sustainability	Arts, culture and heritage	Children
\$6.80	\$5.49	\$5.12	\$4.91	\$4.73
Governance, risk and policy	Libraries	Customer experience	People, culture and capability	City planning and urban design
\$4.24	\$2.93	\$2.81	\$2.63	\$2.59
Ageing and accessibility	Community programs and facilities	Festivals	Communications and engagement	Families and young people
\$2.57	\$2.24	\$2.13	\$1.41	\$1.36
Markets	Local laws and animal management	Affordable housing and homelessness	Economic development and tourism	Health services
\$0.98	\$0.73	\$0.52	\$0.51	\$0.47
Municipal emergency management	Development compliance	Financial management		
\$0.01	(\$1.90)	(\$5.88)		

Note: A negative value indicates the service has achieved a net surplus for the financial year, that no rates funding has been allocated to support the service. The 2019/20 result for Financial and Project Management is (5.88) due to the \$10.1 million take up of subsidised rent in accordance with Accounting Standards. The 2019/20 result for Development Compliance is (1.90) mainly due to developer permits income earned during financial year.

Financial report overview



In 2019/20, the Council has maintained services and infrastructure in addition to delivering priority projects and service improvements valued by our community. In doing so it has continued our commitment to continuous improvement and efficiency and keeping rates affordable.

City, and the world, was faced with a global pandemic: COVID-19. This has seen our City endure significant detrimental health, economic and social outcomes. The financial impact to Council in the final quarter of 2019/20 has been substantial and the Budget 2020/21 has been through significant amendment to reflect the expected ongoing effects of the pandemic.

Against a backdrop of increasing cost pressures (especially waste management and recycling) and rising expectation of service delivery, Council has performed well in delivering on our financial strategy. That said we are not complacent and understand the increasing expectation our community has that we are prudent in our management of their funds and stewardship of the community assets particularly in these unprecedented times.

Key financial highlights and indicators

- An overall medium risk rating on Victorian Auditor General's Office (VAGO) financial sustainability indicators
- Positive net operating result of \$6.9 million (2.9 percent of total revenue)
- An investment portfolio of \$95 million
- Low levels of debt (5.8 per cent of rates revenue)
- A healthy working capital ratio of 360 per cent
- A cumulative cash deficit balance of \$0.28 million
- Permanent ongoing efficiency savings of over \$5.6 million (taking the total to over \$12.6 million over the last four budgets of this Council)
- Delivered a targeted \$2.8 million Economic and Social Emergency Relief Package to our community members impacted by COVID-19
- Addressed the \$9.5 million income reduction caused by COVID-19 with expenditure cost containments, efficiency and project deferrals.

Financial sustainability indicators

Government restrictions introduced to manage the COVID-19 outbreak in the fourth quarter of 2019/20 had a detrimental impact on local and global economies, with Council making some tough decisions on program spend and offering community relief packages to support local business and individuals. This has resulted in a decrease in our financial sustainability risk rating from low to medium risk when measured against the Victorian Auditor General's Office (VAGO) financial sustainability indicators.

Overall, we have delivered a strong financial result however the reduction and deferral of capital works spend has impacted our rating. We expect this to improve again in future years.

Indicator					Result
	2015/16	2016/17	2017/18	2018/19	2019/20
Net result Net result greater than 0 %	4.9 %	14.6 %	3.2 %	3.1 %	2.9 % ✓
Adjusted underlying result Adjusted underlying result greater than 5 %	1.0 %	1.3 %	(3.3 %)	(3.4 %)	(2.9 %) ✗
Working capital Working capital ratio greater than 100 %	243 %	232 %	265 %	268 %	360 % ✓
Internal financing Net cashflow from operations to net capital expenditure greater than 100 %	115 %	155 %	149 %	107 %	143 % ✓
Indebtedness Indebtedness ratio less than 40 %	6.3 %	5.9 %	5.2 %	5.3 %	5.5 % ✓
Capital replacement * Capital to depreciation greater than 150 %	148 %	142 %	103 %	135 %	87 % ✗
Infrastructure renewal gap * Renewal and upgrade to depreciation greater than 100 %	91 %	115 %	87 %	108 %	72 % ⊖
Overall financial sustainable risk rating	Low	Low	Low	Low	Medium ⊖

* refer to Total Capital Spend on page 2-53 for details.

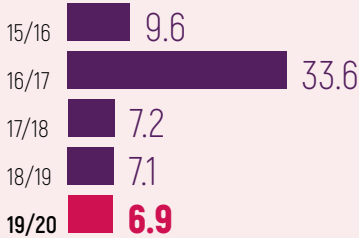
Cash surplus

As part of our financial strategy, the principal financial report used by Council to monitor its financial performance is the Income Statement Converted to Cash. The cumulative cash deficit balance of \$0.28 million is in line with the previously reported forecast which had been adjusted following weekly reviews of Council's finances during the first wave of the pandemic.

	\$'000	
	2019/20	2018/19
Operating Surplus	6,907	7,148
Add back depreciation and amortisation	26,500	25,740
Add back written down value of disposed assets	1,335	5,644
Add back impairment loss on share transfer	230	0
Add back balance sheet work in progress reallocated to operating	1,798	416
Less non-monetary contributed assets	(40)	(243)
Add share of net loss of associates and joint ventures	18	21
Less capital expenditure	(22,347)	(34,834)
Less lease repayments	(698)	(441)
Less net transfers to reserves	(14,842)	(5,184)
Cash surplus for the financial year	(1,138)	(1,733)
Brought forward cash surplus	862	2,595
Closing balance cash surplus/(deficit)	(276)	862

Net operating result

\$ millions



Achieving an operating surplus is a key component of Council's long-term financial strategy. It provides the capacity to renew our \$3.2 billion worth of community assets, meet debt repayment obligations, and manage the impact of financial risks as they arise.

Council's 2019/20 operating surplus of \$6.9 million represents a \$0.24 million decrease on the 2018/19 result. This decline is due to the impact of COVID-19 on Council operations, offset by some slight CPI and one-off accounting adjustments explained below.

Total operating income increased slightly by \$5.8 million (2.5 per cent); however, most revenue streams declined as a result of COVID-19. Movements are explained below:

- \$3.69 million additional rates due to rates increase of 2.5 per cent in line with the Victorian Government rate cap approved in the 2019/20 Budget
- \$6.95 million increase in other income due to the recognition of \$10.1 million for the market value of subsidised rent to community groups, matched to subsidised rent expenditure reported in other expenses
 - Other income was also impacted by reductions in rental income due to waivers and rent freezes introduced to support businesses during the pandemic

- \$1.92 million reduction in statutory fees and fines due to Council and legislative measures introduced for COVID-19. This included a freeze on transferring infringements to the court and extended parking times to support the community. In addition, the reduction in visitors to the City resulted in reduced parking infringements being issued
- \$1.94 million reduction in user fees due to reduced parking ticket machine income as a result of government restrictions impacting travel and local business operation, and a reduction in childcare services accessibility to essential workers only.

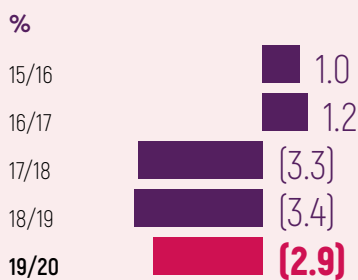
Total operating expenditure has increased by \$6.1 million (2.7 per cent) due to:

- \$3.02 million increased employee costs largely due to the 2 per cent Enterprise Agreement pay rise and the take-up of \$0.9 million WorkCover scheme shortfall contribution. Service reductions have seen these costs contained and a restructure in August 2020 will result in further staffing cost containment in future years

- \$7.28 million additional other expenses due to the recognition of \$10.1 million for the market value of subsidised rent to community groups in other income, matched to subsidised rent expenditure reported here. Excluding this item, operational expenditure increased marginally by \$0.7 m or 0.3 per cent (significantly lower than inflation)
- \$1.42 million decrease in bad and doubtful debts due to the large adjustment to the parking provision calculation in 2018/19 in response to the ongoing Fines Victoria collection issue, and the lower debt balances at the end of 2019/20 as a result of waivers in response to COVID-19
- \$4.31 million decrease in the net loss on disposal of property, infrastructure, plant and equipment due to reduction and deferral of capital renewal projects in response to COVID-19.

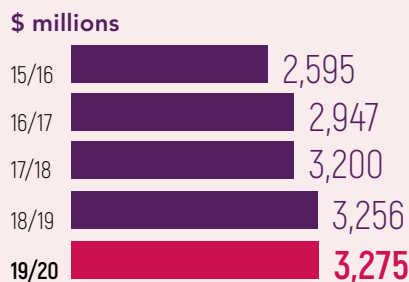
The fluctuation in 2016/17 as shown in the above table, was largely due to one off non-cash accounting adjustments. This included a \$20.4 million non-cash contribution from state government for the Palais Theatre redevelopment and the leaseholder contribution (in excess of the insurance pay out) for the rebuild of the Council-owned Stokehouse Restaurant.

Underlying result



The underlying operating result excludes capital related revenue (grants and open space contributions). Council’s underlying operating result in 2020 is a deficit of \$6.5 million, 2.9 per cent of total underlying revenue. This is a \$0.8 million improvement from last year’s deficit of \$7.3 million and reflects Council’s continuing commitment to realise efficiency savings, while also responding to COVID-19.

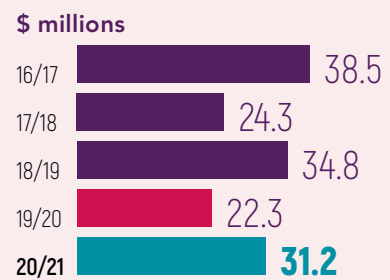
Net assets



Council has approximately \$3.27 billion in net assets (Assets minus Liabilities) The main driver for changes in the value of Council’s net assets (equity) is the impact of asset revaluations which take place over a rolling three-year cycle except for land which is currently revalued annually due to ongoing significant increases in value.

All land and infrastructure assets were revalued in 2019/20 in order to have accurate and up-to-date data for the new financial system. As a result of the uncertainty of the impact of COVID-19 on financial markets in 2019/20 the valuation movements were not material.

Total capital spend



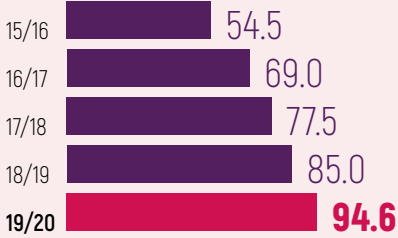
Council spent \$22.3 million in 2019/20 to improve, renew, upgrade and expand community infrastructure assets. This represented a \$12.5 million decrease from 2019 mainly in building, roads and open space asset expenditure.

In 2020, Infrastructure Renewal Gap ratio of 87 per cent achieved a medium risk rating and the Capital Replacement Ratio of 72 per cent was a high-risk rating. These ratios have been directly impacted by Council’s response to the COVID-19 pandemic, which saw \$16 million of capital works deferred to future years in order to manage financial impacts. Council will continue these projects in future years to ensure our continuing commitment to the renewal, expansion and upgrade of community assets.

Our 10-year Financial Plan includes commitments of over \$40 million per annum adjusted for inflation to ensure our assets are maintained and improved, whilst catering for service growth. We planned for Infrastructure Renewal ratio at least 120 per cent and Capital Replacement ratio at least 150 per cent over next 10 years.

Investments

\$ millions



The Council has grown its investment portfolio to approximately \$94.6 million in 2019/20 from \$85 million. This is mainly due to deferred project delivery, replenishing of Asset Renewal Fund, Municipal Growth Fund and Rates Cap Challenge & Risks.

The investments fund statutory reserves (\$28.6 million), contractual reserves (\$24.5 million), strategic reserves (\$15.7 million), trust funds (\$7.9 million), general reserves (\$9.1 million) including employee leave provisions (\$17.9 million), and the cumulative \$0.27 million cash deficit.

We endeavour to maintain general reserves at levels sufficient to ensure liquidity and for contingencies.

Council's investment portfolio is mainly comprised of term deposits with financial institutions rated not lower than BBB+ to mitigate financial risks.

Council is committed to social, environmental sustainability as witnessed by Council's declaration of a Climate Emergency in 2019. Where practical, Council preferences financial institutions that do not directly or indirectly fund activities including Offshore detention, Tobacco, Fossil Fuel energy generation or distribution, Gambling or entertainment involving animals including racing. At 30 June 2020, Council invested approximately 62 per cent with fossil fuel free banks, which is a reduction on prior year in direct response to volatile financial markets in order to ensure the investment of public monies is secure.

Debt

\$ millions



Through prudent fiscal management, the Council has been able to maintain relatively low levels of debt.

Loan borrowing has reduced to around 5.8 per cent of rates revenue. The decrease in total debt is due to the introduction of the new lease accounting standards 2019/20 requiring leases formerly captured in debt as finance leases to be treated separately as lease liabilities.

Debt is expected to remain relatively steady in 2020/21 with no plans to increase debt levels.

All debts are expected to be repaid in 2021/22.

The year ahead

For 2020/21 we have prepared a balanced budget (with a \$1 million risk buffer) that delivers on a wide range of services and ongoing investment in our strategic priorities to ensure we are able to deliver the key services and priorities our community expects.

Our 2020/21 \$5.6 million Economic and Social recovery package, which is greater than the rates cap increase of 2.0 per cent (\$2.7 million), builds on the \$2.8 million emergency relief package provided in the 2019/20 financial year supporting those hardest hit by COVID-19. A further \$1.7 million has also been put into reserves for Council to prioritise future economic and cultural activities.

Budget 2020/21 includes a fully funded project portfolio of \$54 million. This will be used to renew, improve, and grow our community infrastructure (including green assets), make improvements to service delivery and asset management, and develop plans for future investment.

We have been able to continue to invest in projects that matter and stay within the rates increase cap through continuation and refinement of our disciplined financial strategy including:

- maximising efficiency and making savings including better project planning and delivery
- ensuring we recover costs through fair, appropriate and affordable user charges
- careful management and prioritisation of expenditure to ensure alignment with strategic priorities and best value
- sensible use of reserves where appropriate to invest in new or improved assets.

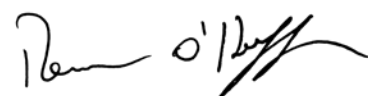
A key priority in 2020/21 will be to deliver final year initiatives of this Council's Plan. In particular, the continuing work on the delivery of the \$23 million investment in the Customer Experience Program will provide better and more responsive customer service whilst delivering a more efficient enterprise (streamline processes, improve systems,

improve workforce mobility and transition to digital service delivery).

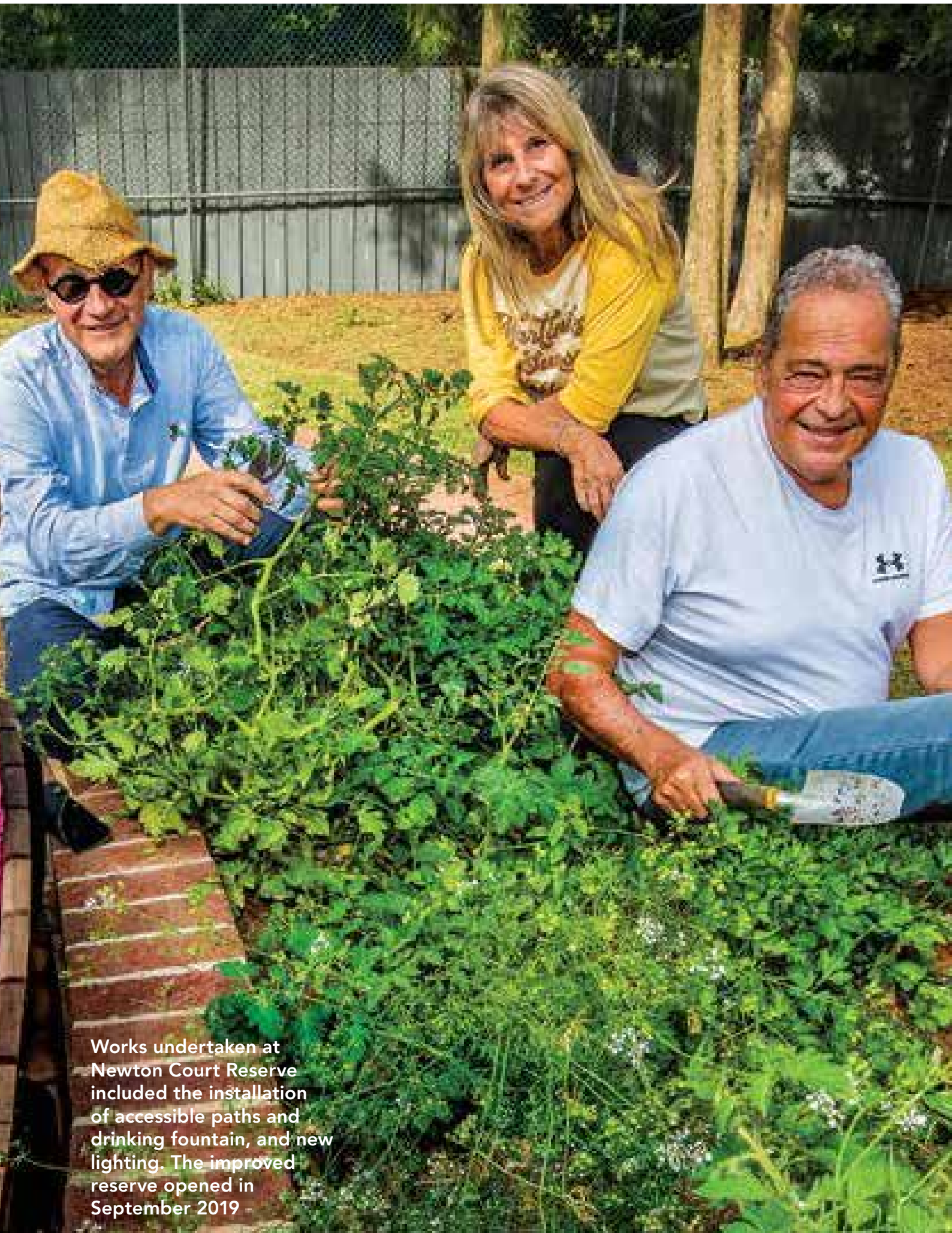
We will do our best to factor in the unprecedented challenges posed by the pandemic. Our community is always at the forefront of what we do and we will continue to look at whether there is further scope to provide targeted assistance to those who need it most and to support the recovery phase.

We will continue to ensure we are financially sustainable as we face several key financial risks including:

- COVID-19 impacts on Council and Community
- Fines Victoria parking debtor system and collection issues
- waste sector disruptions and cost pressures including recycling
- the funding and financing plan for Fishermans Bend remains uncertain.



Dennis O'Keeffe
Chief Financial Officer



Works undertaken at Newton Court Reserve included the installation of accessible paths and drinking fountain, and new lighting. The improved reserve opened in September 2019

3

Governing our City

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Role of local government

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

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

We at City of Port Phillip collaborate with our neighbouring councils, which are the cities of Melbourne, Bayside, Glen Eira and Stonnington.

In Victoria, the role of a council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

A council must perform its role giving effect to the following:

- council decisions are to be made and actions taken in accordance with the relevant law
- priority is to be given to achieving the best outcomes for the municipal community, including future generations
- the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted
- the municipal community is to be engaged in strategic planning and strategic decision making
- innovation and continuous improvement is to be pursued
- collaboration with other councils and governments and statutory bodies is to be sought
- the ongoing financial viability of the council is to be ensured
- regional, state and national plans and policies are to be taken into account in strategic planning and decision making
- the transparency of council decisions, actions and information is to be ensured.

The functions of councils include:

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

Good governance at the City of Port Phillip

An open and engaging Council

Council operates in an open and transparent manner when making decisions.

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

During 2019/20, due to the impact of COVID-19 restrictions, we facilitated online community engagement and consultation including Q&A sessions, community forums and for the first time, online focus groups at the neighbourhood level.

We encourage community participation and offer opportunities to speak at Council meetings.

Due to Australian Government COVID-19 restrictions, the **Local Government Act 2020** was revised to allow Councillors to participate in meetings by electronic means. Councillors accessed electronic (virtual) meeting rooms to participate in the Council meeting via a software platform called Webex. Council meetings were also livestreamed through our website and Facebook.

We value community contribution to our Council meetings and encourage anyone wishing to participate to submit statements and questions via our website. Community contributions were also heard via Webex Council meetings during COVID-19 restrictions.

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

All Council and Planning Committee meetings are livestreamed and can be accessed via Council's website. Recordings of past meetings are also available to view.

Dates and venues for Council meetings are advertised in local newspapers and on our website. Community members can opt-in to receive an email notification of upcoming Council meetings. If urgent special meetings must be called, we publicise these meetings to our community.

Councillor Code of Conduct

The Code of Conduct is designed to facilitate the effective functioning of Council and sets out the principles of good conduct for Councillors.

The Code of Conduct requires Councillors to agree to respect and be committed to the stewardship of the City of Port Phillip, and to lead in good governance practice.

It also requires Councillors to embed best practice through a constructive team culture to meet legislative responsibilities. It calls for Councillors to develop and maintain good working relationships with each other and with the organisation so they can deliver positive outcomes and value to the community.

The Code of Conduct requires Councillors to agree to abide by the **Local Government Act 2020** and outlines the role of the Mayor, Councillors and the Chief Executive Officer, legislative obligations of Councillors and an internal issue resolution procedure to deal with potential contraventions of the code.

The Councillor Code of Conduct is available on our website at portphillip.vic.gov.au

Port Phillip City Council

Council sets the strategic direction for the municipality, develops policy, identifies service standards and monitors performance.

Port Phillip City Council is divided into three wards with three Councillors per ward.

The three wards are:

- Canal Ward
- Gateway Ward
- Lake Ward.

The general election for this Council period was held on Saturday 22 October 2016. The term of office for each Councillor ended at 6 am on Saturday 24 October 2020.

On Wednesday 13 November 2019, at a Special Meeting of Council, Councillor Bernadene Voss was elected Mayor and Councillor Tim Baxter was elected Deputy Mayor.

The role of the Mayor is to provide guidance to Councillors about what is expected of a Councillor, including observing the Councillor Code of Conduct. The Mayor's role includes supporting good working relations between Councillors.

The Mayor also acts as the Council's principal spokesperson and is responsible for carrying out the civic and ceremonial duties of the Mayoral office.





Our Councillors

Gateway Ward



Councillor Bernadene Voss
Mayor

First elected 2012

Audit and Risk Committee, Bubup Womindjeka Family and Children's Centre Board, Fishermans Bend Community Forum, Fishermans Bend Mayors Forum, Inner Melbourne Action Plan Committee, Council Neighbourhood Programs Committee, Municipal Association of Victoria (MAV); South Melbourne Market Management Committee, MAV Environment Committee, MAV Human Services Committee, MAV Planning Committee, MAV Transport and Infrastructure Committee.



Councillor Marcus Pearl

First elected 2016

South Melbourne Market Management Committee.



Councillor Ogy Simic

First elected 2016

Fishermans Bend Community Forum, Multicultural Advisory Committee and Housing First Board of Directors.

Canal Ward



Councillor Dick Gross

**First elected 1996-2008,
re-elected 2016**

Audit and Risk Committee, Older Persons Consultative Committee and Municipal Association of Victoria.



Councillor Louise Crawford

First elected 2016

Cultural Development Fund Reference Committee, Council Neighbourhood Programs Committee, MAV Arts and Culture Committee.



Councillor Tim Baxter
Deputy Mayor

First elected 2016

Association of Bayside Municipalities, Community Grants Assessment Panel, Friends of Suai/Covalima, Community Reference Committee, Multifaith Network Steering Committee and Victorian Local Governance Association.

Lake Ward



Councillor Katherine Copsey

First elected 2016

Council Neighbourhood Programs Committee, Community Grants Assessment Panel, Health and Wellbeing Alliance Committee, Metropolitan Transport Forum, South East Councils Climate Change Alliance (SECCCA) Councillor Advisory Group, and Metropolitan Waste and Resource Recovery Group.



Councillor Andrew Bond

First elected 2012

Esplanade Market Advisory Committee, Gasworks Arts Inc. Board of Management.



Councillor David Brand

**First elected 1999-2004,
re-elected 2016**

Art Acquisition Reference Committee, Cultural Heritage Reference Committee, Fishermans Bend Community Forum, Linden Board of Management, and Rupert Bunny Foundation Visual Art Fellowship Reference Committee.

Council meetings

Council meetings are rotated between the St Kilda, South Melbourne and Port Melbourne Town Halls. Six Special Meetings of Council, nine Planning Committee meetings, and 20 Ordinary Meetings of Council were held in 2019/20.

City of Port Phillip has a current meeting cycle of two Ordinary Council meetings (first and third Wednesdays) and one Planning Committee meeting (fourth Wednesday) each month all commencing at 6.30 pm. Due to Australian Government COVID-19 restrictions, the **Local Government Act 2020** was revised to allow Councillors to participate in meetings by electronic means. Since May 6 2020, Councillors have accessed electronic (virtual) meeting rooms to participate in the Council meeting via a software platform called Webex.

Councillor meeting attendance

	Ordinary Council meetings	Planning Committee meetings	Special Council meetings	Attendance
2019/20				
Councillor Tim Baxter	19	9	6	97%
Councillor Andrew Bond	19	9	6	97%
Councillor David Brand	17	8	6	89%
Councillor Katherine Copsey	19	8	6	94%
Councillor Louise Crawford	20	9	6	100%
Councillor Dick Gross	19	8	6	94%
Councillor Marcus Pearl	19	8	5	91%
Councillor Ogy Simic	18	8	5	89%
Councillor Bernadene Voss	19	9	6	97%

Ordinary Meetings of Council

Date	Location
Wednesday 3 July 2019	South Melbourne Town Hall
Wednesday 17 July 2019	St Kilda Town Hall
Wednesday 7 August 2019	Port Melbourne Town Hall
Wednesday 21 August 2019	St Kilda Town Hall
Wednesday 4 September 2019	St Kilda Town Hall
Thursday 18 September 2019	St Kilda Town Hall
Wednesday 2 October 2019	Port Melbourne Town Hall
Wednesday 16 October 2019	St Kilda Town Hall
Wednesday 6 November 2019	St Kilda Town Hall
Wednesday 20 November 2019	St Kilda Town Hall
Wednesday 4 December 2019	St Kilda Town Hall
Wednesday 5 February 2020	Port Melbourne Town Hall
Wednesday 19 February 2020	St Kilda Town Hall
Wednesday 4 March 2020	South Melbourne Town Hall
Wednesday 18 March 2020	St Kilda Town Hall
Wednesday 15 April 2020	Port Melbourne Town Hall
Wednesday 6 May 2020	Virtually - via Webex
Wednesday 20 May 2020	Virtually - via Webex
Wednesday 3 June 2020	Virtually - via Webex
Wednesday 17 June 2020	Virtually - via Webex

Special Meetings of Council

Date	Location
Wednesday 14 August 2019	St Kilda Town Hall
Wednesday 13 November 2019	St Kilda Town Hall
Wednesday 11 December 2019	St Kilda Town Hall
Wednesday 29 January 2020	St Kilda Town Hall
Thursday 19 March 2020	St Kilda Town Hall
Wednesday 25 March 2020	Port Melbourne Town Hall

Planning Committee meetings

Date	Location
Wednesday 24 July 2018	St Kilda Town Hall
Wednesday 28 August 2019	St Kilda Town Hall
Wednesday 25 September 2019	St Kilda Town Hall
Wednesday 23 October 2019	St Kilda Town Hall
Wednesday 27 November 2019	St Kilda Town Hall
Wednesday 11 December 2019	St Kilda Town Hall
Wednesday 26 February 2020	St Kilda Town Hall
Wednesday 27 May 2020	Virtually - via Webex
Wednesday 24 June 2020	Virtually - via Webex

Councillor allowances

In accordance with Section 74 of the **Local Government Act 1989**, elected representatives are entitled to receive an allowance while performing their duties as a councillor.

The following table sets out the current annual allowances fixed for the Mayor and Councillors as at 30 June 2020. These allowances are set by the Victorian Government. The Mayor is entitled to receive a higher allowance.

Councillor	Allowance
Councillor Tim Baxter	\$33,604.48
Councillor Andrew Bond	\$33,604.48
Councillor David Brand	\$33,604.48
Councillor Katherine Copsey	\$33,604.48
Councillor Louise Crawford	\$33,604.48
Councillor Marcus Pearl	\$33,604.48
Councillor Ogy Simic	\$33,604.48
Councillor Dick Gross	\$61,756.22
Councillor Bernadene Voss (Mayor)	\$84,336.52

Note: Councillor Dick Gross served as Mayor for part of the financial year, hence was remunerated at a higher rate during the Mayoral period.

Councillor expenses

The following table sets out a summary of Councillors' expenses for the 2019/20 year. All expenses are related to Councillors' roles and have been incurred through the course of their duties as Councillor.

Travel expenses	Childcare expenses	ICT expenses	Conference and training expenses	Total
Councillor Tim Baxter				
\$594.34 (\$2,802.59)#	-	\$1,758.81	\$554.45	\$105.01
Councillor Andrew Bond				
\$41.84 (\$71.27)	-	\$1,925.31	-	\$1,895.88
Councillor David Brand				
\$400.40	-	\$1,771.96	-	\$2,172.36
Councillor Katherine Copsey				
\$353.58 (\$4.00)	-	\$1,698.49	-	\$2,048.07
Councillor Louise Crawford				
\$571.21	-	\$1,702.12	\$3,327.87	\$5,601.20
Councillor Dick Gross				
*\$3,183.44	-	\$1,733.20	-	\$4,916.64
Councillor Marcus Pearl				
\$341.48 (\$11.80)	-	\$1,760.44	-	\$2,090.12
Councillor Ogy Simic				
\$301.92 (\$188.83)	\$2,972.50 (\$245.00)	\$1,782.24	-	\$4,622.83
Councillor Bernadene Voss (Mayor)				
*\$6,003.51	-	\$1,836.30	\$90.91	\$7,930.72

Note: Brackets indicate reimbursement of the money (paid back to council) by Councillors.

* Travel expenses include the provision of a motor vehicle for the Mayor, which is charged out at \$7,800 per annum pro rata to cover operating costs.

payments made against expenses incurred during the current Council term.

Supporting Council's decision making

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

Community Reference Committees

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

Art Acquisition Reference Committee

The Art Acquisition Reference Committee assists Council by providing advice and expertise in relation to Council's visual art acquisition program.

Audit and Risk Committee

The Audit and Risk Committee advises Council on the effectiveness of the organisation's systems, processes and culture for managing risk, and compliance with its legal and financial obligations. More detail on the Audit and Risk Committee is provided later in this chapter.

Community Grants Assessment Panel

The Community Grants Assessment Panel Reference Committee provides advice and feedback to Council in relation to applications to the annual Community Grants Program.

Cultural Development Fund Reference Committee

The Cultural Development Fund Reference Committee provides advice and recommendations to Council in relation to applications for the Cultural Development Fund according to the published guidelines.

Cultural Heritage Reference Committee

The Cultural Heritage Reference Committee provides advice and feedback to Council in relation to cultural heritage and local history.

Esplanade Market Advisory Committee

The Esplanade Market Advisory Committee provides advice to Council on the strategic direction of the Esplanade Market.

Fishermans Bend Community Forum

The Fishermans Bend Community Forum provides for dialogue between the community and Council in regard to projects, initiatives and planning applications in Fishermans Bend.

Friends of Suai/Covalima Community Reference Committee

The Friends of Suai/Covalima Community Reference Committee promotes and assists with ongoing relationships between the Port Phillip and Suai/Covalima communities.

Older Persons Consultative Committee

The Older Persons Consultative Committee provides advice to Council about policies, plans, issues and services affecting older people.

Rupert Bunny Foundation Visual Art Fellowship Reference Committee

The Rupert Bunny Foundation Visual Art Fellowship Reference Committee provides strategic advice and expertise to Council on awarding the Fellowship.

External committees

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

Association of Bayside Municipalities

The Association of Bayside Municipalities (ABM) represents the interests of 10 councils with frontage to Port Phillip Bay on various coastal and marine issues. The ABM is recognised by the Municipal Association of Victoria (MAV) as the key representative of local government in relation to the sustainable management and health of Port Phillip Bay.

Board of Bubup Womindjeka Family and Children's Centre

The Board of Bubup Womindjeka Family and Children's Centre oversees the provision of a range of services at the centre, such as long day care, sessional kindergarten, occasional care, maternal and child health services, consulting space for allied health professionals, and space for new parent groups, playgroups and other community group uses.

Fishermans Bend Mayors Forum

The Fishermans Bend Community Forum provides for dialogue between mayors and/or nominated councillor representatives from the cities of Port Phillip and Melbourne in regard to continuing the strong partnership and collaboration for the Fishermans Bend area.

Gasworks Arts Inc. Board of Management Councillor Bond

The Gasworks Arts Inc. Board of Management is elected annually to oversee management of the Gasworks Arts Park.

Health and Wellbeing Alliance Committee

The Health and Wellbeing Alliance Committee directs the implementation of Council's Health and Wellbeing Plan. It consists of representatives from local health and welfare organisations, police, the business community and Council.

HousingFirst Board of Directors

HousingFirst Ltd is an independent, not-for-profit community housing organisation that helps members of the local and wider community find suitable, affordable housing. It advocates on behalf of residents who require assistance to sustain their tenancies.

Inner South Metropolitan Mayors Forum

The Inner South Metropolitan Mayors Forum (ISMMF) is the regional peak body for local government councils covering the cities of Bayside, Boroondara, Glen Eira, Kingston, Melbourne, Port Phillip, Stonnington and Yarra. ISMMF advocates on issues such as transport, environmental sustainability, liveability and planning policy and strategy.

Inner Metropolitan Partnership

The Inner Metropolitan Partnerships is an advisory group established by the Victorian Government. Membership includes nine local community and business representatives, the CEOs of the cities of Melbourne, Yarra and Port Phillip and a senior state government executive.

Linden Board of Management Inc.

The Linden Board of Management Inc. oversees the day-to-day management of Linden New Art Gallery.

Metropolitan Transport Forum

The Metropolitan Transport Forum is a local government interest group for transport in metropolitan Melbourne, with 17 constituent members, working towards effective, efficient and equitable transport in metropolitan Melbourne. The forum provides for debate, research and policy development, as well as sharing and disseminating information to improve transport choices.

Metropolitan Waste and Resource Recovery Group

The Metropolitan Waste and Resource Recovery Group is a Victorian Government statutory body responsible for coordinating and facilitating municipal solid waste management across metropolitan Melbourne.

Municipal Association of Victoria

The Municipal Association of Victoria (MAV) is a representative and lobbying body for Victorian councils. It advocates for the interests of local government, raises the sector's profile, and provides policy and strategic advice and insurance services. Council works with MAV across a range of areas, including governance, advocacy, projects groups, insurance, technology and procurement.

Port Phillip Multifaith Network Steering Committee

The Port Phillip Multifaith Network Steering Committee comprises representatives and leaders from a wide variety of religions and faith groups in the City of Port Phillip. The network meets bimonthly and is concerned with discrimination, social inequity, disadvantage and poverty.

Victorian Local Governance Association

The Victorian Local Governance Association is the peak body for councillors, community leaders and local governments to build and strengthen their capacity to work together for progressive social change.

Special committees

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

Planning Committee

All Councillors (Rotating Chair)

The Planning Committee makes decisions on planning applications by exercising all of Council's powers, duties and functions under the **Planning and Environment Act 1987**, in accordance with relevant policies and guidelines of Council, and to do all things necessary or convenient to be done for, or in connection with, the performance of those powers, duties and functions.

Council Neighbourhood Programs Committee

The Council Neighbourhood Programs Committee, subject to an annual Council budget allocation and in accordance with its Terms of Reference, has the discretion to make minor donations and grants to individuals, organisations or community groups.

South Melbourne Market Management Committee

The purpose of the South Melbourne Market Management Committee is to oversee the market's performance and direction, ensuring its financial viability, its preeminent position as a community resource and its position as a dynamic retail competitor.

Inner Melbourne Action Plan (IMAP) Committee

This committee oversees the implementation of regionally based actions identified in the Inner Melbourne Action Plan. It is the successful collaboration between the cities of Port Phillip, Melbourne, Yarra, Maribyrnong and Stonnington and seeks to foster creativity, liveability, prosperity and sustainability across the inner Melbourne region.

Inner Melbourne Action Plan (IMAP)

The Inner Melbourne Action Plan (IMAP) Implementation Committee is a Special Committee of five councils working as one. Established since 2006 under section 86 of the Local Government Act 1989, it comprises representatives from the cities of Port Phillip, Yarra, Melbourne, Maribyrnong and Stonnington.

The committee meets quarterly to oversee implementation of the five goals and 27 strategies included in the Inner Melbourne Action Plan 2016-2026 through joint project teams.

The Inner Melbourne Action Plan Implementation Committee oversaw the following activities in 2019/20:

Completed projects

1. Inner Melbourne Cycling Network Infrastructure Model

The development of a cycling network model was commissioned using infrastructure data from the five councils. Completed in June 2020, the model uses existing and future infrastructure plans and population predictions to indicate network gaps, predict accident and injury potential, and prioritise future network planning across the IMAP councils.

2. Regional Active Sport and Recreation Facilities Planning Study

Councils consolidated data on sporting facilities, infrastructure and users across inner Melbourne to assess future planning options and innovations for the provision of outdoor and aquatic sport and recreation facilities in response to growing demands. Final planning and technical data reports reviewed in May 2020 propose more collaboration across councils and other providers and negotiation of greater access to non-council facilities.

3. Affordable housing research projects

IMAP councils supported the completion of two research projects to provide alternative housing options and clarification of affordable housing provisions to providers:

'Enabling Community Land Trusts in Australia'

Published in 2019, this publication is the companion document to the Australian Community Land Trust Manual 2013 and considers the challenges of housing models that attempt to separate the dwelling from land to reduce the cost of purchase. IMAP councils collaborated with Western Sydney University and University of Sydney researchers and others to investigate likely legal and lending questions, including case studies and the emerging market for resale-restricted home-ownership options.

'PwC Analysis of the Permanent Rental Affordability Development Solution (PRADS) model'

IMAP councils commissioned this research as an approach to negotiating long-term private affordable rental housing under voluntary affordable housing agreements with developers. The report investigated possible incentives required to scale-up broad use of the model.

4. IMAP Governance Review

The IMAP Implementation Committee reviewed the governance, structure and purpose of IMAP's fourteen-year partnership model during 2019/20. The committee adopted recommendations in June 2020 to implement changes after the 2020 local government elections.

Ongoing projects

5. 'Wayfound Victoria: Wayfinding Guidelines V2.0'

The IMAP councils completed the update of this manual in 2020 following extensive user consultation. A website is under development to give users easy access to Wayfound Victoria's consistent wayfinding guidelines and signage designs. State government ministers and the Department of Transport were approached to advocate for consistent signage policy across the 'Big Build' projects.

6. IMAP Regional Tourism map

The IMAP councils partnered with Visit Victoria to ensure a wider distribution of IMAP's Inner Melbourne map in the latest Official Visitor Map and Official Visitor Guide publications. The collaboration encourages a closer working relationship and ensures Melbourne visitors enjoy a range of attractions beyond the CBD.

7. Social and Economic Indicators Dashboard

This new project will develop a dashboard to measure and track the economic and social impact of COVID-19 on our community over time. Key indicators will be monitored to improve council services and policies and (as appropriate) to advocate to the state and federal government for funding, service delivery and policy changes.

8. IMAP Urban Forest Plan

IMAP councils joined with City of Melbourne to develop tools and investigate policy options for the protection of trees on private property. Smaller building typologies were provided as examples so that consultants analysed a wider range of development options, to ensure results are applicable to lower development densities as well as those found in and around the CBD.

9. Environmental Sustainable Design (ESD) fact sheets

IMAP's ESD fact sheet series is utilised by over 20 councils across Victoria to provide consistent best-practice advice to builders and homeowners. The next five fact sheets in the series are due for publication in September 2020.

10. 2020 IMAP StreetCount of people sleeping rough in Inner Melbourne.

Initial work has been undertaken for a repeat of the 2018 Joint StreetCount across seven councils. Originally proposed for mid-year, the IMAP councils, Victorian Government and neighbouring councils have delayed the StreetCount event to later in the year as a result of the COVID-19 pandemic.

Working in partnership

Council partners with other levels of government, community, not-for-profit and business organisations, service providers and residents across a range of projects and services.

This is because working in partnership has many benefits, including:

- developing/strengthening relationships between Council and key stakeholders
- leveraging specialised knowledge, skills and relationships of partners for greater outcomes
- empowering stakeholders, strengthening their voice and standing
- raising Council's profile across a wider area
- resource sharing
- providing greater influence when advocating for key priorities.

Since the COVID-19 pandemic, IMAP has been an incredibly valuable source of knowledge sharing, planning and joint-advocacy between member councils. Through IMAP, we developed joint responses to the pandemic focused on increasing council homeless services, supporting local businesses, improving active transport options and amending local governance processes to cope with the impact of COVID-19.

As Council starts looking towards a COVID-19 recovery strategy, working in partnership with key stakeholders will continue to be important to Council and community welfare.

Valuing contribution of local volunteers

Council acknowledges the essential role our volunteers play in creating an inclusive, safe, caring and inviting community. The 2016 Census shows that almost 20 per cent of Port Phillip residents (17,690 individuals) volunteer in the community.

Council directly engages approximately 150 volunteers who contribute to programs such as our home library services, festivals and social inclusion programs.

We support our local volunteer organisations through grants programs, monthly network meetings and capacity building training events.

The 2019/20 Community Grants funded the involvement of over 587 volunteers who contributed over 22,481 hours towards programs that support the health and wellbeing of the Port Phillip community.

Community engagement

We are lucky to have an engaged and passionate community, and greatly value your feedback and insights as we continue to deliver on our long-term vision for the City set out in our ambitious Council Plan 2017-27.

Our community has a deep well of knowledge and lived experience, and feedback allows Council to have a greater understanding of diverse points of view, values, concerns and priorities. It is a fundamental element of council decision making and essential in ensuring good governance.

Many of the key initiatives in the Council Plan 2017-27 were informed by consulting with our community as we worked together to address current and future challenges such as population growth, climate change, and transport and parking.

As part of our commitment to engage with our community where they live, work and play, we delivered a series of neighbourhood-based engagement pop-up sessions in February and March 2020. The COVID-19 pandemic has impacted our ability to deliver place-based and face-to-face sessions, and we have had to move away from these more conventional methods of engagement, and towards a digital engagement delivery model, which has included online Q&A sessions and forums that have replaced face-to-face events.

Community engagement principles and requirements in the new **Local Government Act 2020** will also have an impact on how we engage with our community going forward.

In 2019/20, we consulted with our community on around 28 projects and initiatives, including:

Community Engagement Policy

The Victorian Government passed a new **Local Government Act 2020** which was proclaimed in March 2020. One of the requirements of this new Act is for Council to adopt a Community Engagement Policy by 1 March 2021 to ensure our community continues to have a strong voice in shaping the future of our City and community.

In February and March 2020, we asked for your views on community engagement, including when and how you would like us to engage with you, to inform a draft Community Engagement Policy. We will seek further input into the draft policy prior to its adoption in early 2021.

Budget 2020/21

The COVID-19 pandemic has presented us with unprecedented challenges as a Council in developing Budget 2020/21. The overall impact of COVID-19 on Council finances for the 2019/20 financial year was estimated at \$9.5 million, with a further \$21.5 million expected in the 2020/21 financial year. To achieve a balanced budget that responds to the significant financial impact and risks associated with the COVID-19 pandemic and other risks, and provides critical services and infrastructure, hard decisions needed to be made.

The **Local Government Act 2020** requires councils each year to adopt their annual budget by 30 June 2020. However, in response to the COVID-19 pandemic, the deadline for the review of Year 4 of Council's Plan and Budget 2020/21 was extended to 31 August 2020. We used this time to share the impact of COVID-19 on our budget preparations, and to conduct some initial consultation to inform its development.

In May 2020, we shared the challenges with our community through two online Q&A sessions. We also hosted online chat forums on an initial round of six proposed service level reductions for consideration as part of developing the draft Budget 2020/21, which was released for consultation on 19 June 2020 and adopted on 19 August 2020.

Managing Waste and Recycling (Don't Waste It! Waste Management Strategy 2018-28)

The City of Port Phillip is growing rapidly and so is the amount of waste we produce. Significant changes in the waste and recycling industries following the 2019 recycling crisis, and waste management costs increasing at a much higher rate than growth in Council's revenue mean that the way we have been managing waste up until now, cheap landfilling and exporting our recycling, is no longer an option.

In February and March 2020, Council consulted our community on potential options for managing waste and recycling into the future, including the introduction of a separate waste and amenity levy.

Due to the financial impact of COVID-19 and in consideration of work being done at a state level via the Victorian Government's circular economy policy, Recycling Victoria, a new economy, a waste and amenity levy has not been included in Budget 2020/21.

Parking Management Policy (Move, Connect, Live - Integrated Transport Strategy 2018-28)

Parking is one of the key challenges for our growing City.

From October to November 2019, we asked our community for feedback on a draft Parking Management Policy, which is a key deliverable of our Move, Connect, Live - Integrated Transport Strategy 2018-28. This draft was informed by extensive consultation in 2017 to develop Move, Connect, Live, as well as further consultation in early 2018.

Feedback from our community informed some changes to the draft policy, which was adopted by Council in February 2020.

Live Music Action Plan (Art and Soul - Creative and Prosperous City Strategy 2018-22)

A key action in our Art and Soul - Creative and Prosperous City Strategy 2018-22 is the development of a Live Music Action Plan to support our community and music industry to develop and facilitate community-led initiatives.

The Live Music Action Plan aims to acknowledge and celebrate our community's rich live-music heritage, while preserving the vitality and importance of the scene as it is now and ensuring its future is protected as Port Phillip grows and changes.

In February and March 2020, we sought community feedback on a draft plan that contains almost 70 different actions to support Council working with our community to enable live music education, performance and participation for anyone who wants it.

Feedback from this consultation was used to update the draft Live Music Action Plan, which will be presented to Council for endorsement at a future Council meeting.

Domain Precinct Public Realm Masterplan

The Domain Precinct Public Realm Masterplan was adopted by Council in September 2019 following consultation on the draft masterplan in July and August 2019.

The draft masterplan was informed by earlier consultation in 2018 on the community's aspirations and vision for the precinct, which was incorporated into a design response, and introduced potential projects that could be constructed in the precinct. Feedback on this design response in May 2019 shaped the draft masterplan.

St Vincent Gardens Playground Upgrade

Council has several annual asset renewal programs, including a playground renewal program. St Vincent Gardens is of national significance and is on the Victorian Heritage Register.

Following community input in mid-2019 around how they used the park and ideas to improve it, we asked for further community feedback on a draft concept plan for the St Vincent Gardens playground in September 2019. Community feedback, in addition to advice from Heritage Victoria will ensure any upgrade meets the needs of our community as well as any heritage requirements for this site.

South Melbourne Market NEXT

Established in 1867, the South Melbourne Market is the oldest continuing market in Melbourne. As part of planning for the ongoing success of the market for a growing population and future generations, we asked for feedback in February and March 2020 on some outcomes to address changing compliance regulations, significant visitation growth, rapid change in the retail sector and the important role markets can play as part of local economies and as community spaces.

Community feedback will continue to help shape what's NEXT for the future of the South Melbourne Market to ensure planning and investment continues to deliver a sustainable, safe and inclusive market experience for years to come.

Vineyard Restaurant redevelopment and new lease

Redevelopment and a new lease for the Vineyard Restaurant is needed to address condition and functionality issues, while also providing a modern venue that meets current and future demand.

To ensure the proposed design and new lease meet the needs of the community, we asked for feedback on the draft design from August to September 2019. Feedback was presented to Council and shared with the current tenant to help inform detailed designs as part of the development approval process.

Continuous improvement

We are committed to improving community engagement. During the COVID-19 pandemic we delivered traditionally face-to-face community engagement activities fully online through use and adaptation of existing and new technologies.

We will continue looking for ways to innovate our engagement practice to make it more inclusive, accessible and meaningful to our community. We will continue to facilitate opportunities for our community to have a say on the things that are important to them and where their input can influence the decisions that need to be made.



From May 2020 formal Council meetings along with community Q&A sessions, as part of the development of the draft Budget 2020/21, were held virtually via Webex.

Accountability

To ensure we are accountable to our stakeholders, including residents, ratepayers, business and government, we must comply with the requirements of the **Local Government Act 2020** and other legislation. We are also required to provide the Minister for Local Government with detailed reports, including an annual report, budget, council plan and strategic resource plan.

Audit and Risk Committee

The Audit and Risk Committee plays an important role in providing oversight of Port Phillip Council's governance, risk management, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The committee performs its role by providing independent oversight to the Executive and Council, in overseeing internal and external audit functions. The specific objectives of the Audit and Risk Committee are outlined in the Committee's Charter, which is reviewed annually.

The Audit and Risk Committee comprises three external members, the Mayor and one other Councillor, with the role of Chair being held by an external member. External members are appointed for a three-year term, renewable for a maximum of one additional term. Retiring members are eligible to reapply for membership. Councillors are appointed to the committee on an annual basis.

The Audit and Risk Committee met on seven occasions in 2019/20 (six formal meetings plus one workshop). Councillors, members and Council officers are required to declare any conflict of interest at the commencement of every meeting. Minutes of Audit and Risk Committee meetings are distributed to all members following the meeting and reports on activities are formally presented to Council following each meeting of the Audit and Risk Committee.

Some of the key matters considered by the committee in 2019/20 included:

- the Financial Reporting Framework and recommending the annual accounts and the performance statement for adoption by Council in principle
- key Council policies including Codes of Conduct
- effectiveness of internal controls in the digital technology services environment, fraud and corruption and the management of risks encountered by Council through regular updates from the Strategic Risk and Internal Audit Group (SRIA)

- Business Continuity Framework - in particular, our response to the COVID-19 pandemic.

The following internal audit/compliance reports were presented to the committee:

- records management
- service planning
- statutory planning
- special rates
- grants management.

The committee also received reports, updates and discussed the following matters:

- Council's activities and performance including monthly CEO reports
- Integrated Council Plan 2017-27 Year 3 (including Strategic Resource Plan, Budget 2019/20 and Health and Wellbeing Plan)
- South Melbourne Market governance
- Fishermans Bend update
- social media use
- Child Safe Standards Implementation Plan
- waste update - including the financial implications of recycling
- building cladding
- Worksafe audit/remedial action plan
- preparedness for the new Workplace Act
- Councillor Expenses and Support Policy
- Customer Experience Program - general program and change management update
- Organisational Policy Framework
- pandemic update
- operation model / organisational structure change
- **Local Government Act 2020/** implementation plan

Internal and external auditors and other assurance providers support the Committee by providing independent and objective assurance on internal corporate governance, risk management, internal controls and compliance.

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

More information on our Advisory Committee is available on our website at portphillip.vic.gov.au

Audit and Risk Committee membership

External representatives

Independent members are remunerated in accordance with Council policy.

Mr Brian Densem

Member (December 2010 to current)

Chair (December 2019 to current)

Mr Brian Densem was reappointed as an external member by Council in February 2019 and appointed Chair by Council in December 2019. Mr Densem is a Certified Practising Accountant, a Professional Fellow of the Institute of Internal Auditors and is Chief of Audit at a leading Australian mutual company. He has extensive knowledge of internal audit, risk management and compliance, and exposure to numerous industries, with a primary focus on financial services. Mr Densem is a member of two other local government audit and risk committees, a member of a water-catchment authority audit and risk committee and a board member of a community health service which includes roles on the audit and risk and finance committees.

Ms Helen Lanyon

Member (December 2011 to current)

Chair (February 2014 to December 2019)

Ms Helen Lanyon was reappointed as Chair by Council in December 2018 and was Chair through until December 2019. Ms Lanyon is a Fellow of CPA Australia and a graduate of the Australian Institute of Company Directors. Over a 40-year career, Ms Lanyon has held numerous senior executive roles, primarily in local government. She has broad experience in the corporate services portfolio across a range of disciplines, including finance, governance, human resource management, marketing, customer service and information technology. Ms Lanyon is also chair of the audit and risk committee of another large metropolitan Council and a large charity.

Ms Kylie Maher

Member (October 2018 to current)

Ms Kylie Maher was appointed as an external member by Council on 17 October 2018. Ms Maher is a Certified Practising Accountant and a graduate of the Australian Institute of Company Directors. She is the partner in charge of the governance and risk division for a mid-tier global accounting firm and has over 20 years' experience in consulting to government and multinational organisations on governance, risk and assurance. Ms Maher has held roles on many audit and risk committees in Victorian government and brings extensive knowledge of leading risk practices and program delivery assurance.

Internal representatives

Mayor Councillor Bernadene Voss

(November 2014 to current)

Councillor Dick Gross

(November 2016 to current)

Risk management

Capability and commitment

Council is committed to effectively managing risk and achieves this through the oversight role of the Strategic Risk and Internal Audit Group (SRIA). SRIA membership comprises the Executive Leadership Team (including the CEO) and a manager representative from each division. Since February 2018, SRIA has focused on managing strategic and operational risks, issues and opportunities to build greater trust with our community, Council and partners. SRIA meet monthly, providing assurance and support to the Audit and Risk Committee to ensure strategic and operational risk issues, opportunities and internal audit and compliance matters are well managed and that a positive risk management culture is fostered in the organisation. SRIA utilises 'the waterline' principle, which provides a decision-making tool regarding the level of management and oversight (tolerance or risk appetite) required to manage an opportunity, risk or issue. Council maintains a strong commitment to proactive operational risk management with the aim of optimising its operational decision making, performance, transparency and accountability. Council's risk management practices contribute to the City's liveability and sustainability by avoiding, minimising and managing risk that may affect the organisation, community and visitors.

Risk registers, treatments and reporting

Council's risk registers cover both strategic and operational risks and are reviewed in their entirety at least annually. Strategic risks, controls and improvement actions are detailed in the Strategic Risk Register which is considered by the Council at the start of the annual planning process. An overview of all risk registers is undertaken by the Audit and Risk Committee and the internal auditor as part of development of the annual Internal Audit and Compliance Plan. SRIA reviews the Strategic Risk Register on a biannual basis and has visibility of all high and extreme rated operational risks and treatment actions monthly. Treatment plans are formulated for any high or extreme level risks, to reduce the level of risk to a more acceptable medium to low risk target.

Structure and improvement

Council manages risk through the Risk Management Policy and Risk Management Framework and by building a culture of risk accountability across our workforce. The framework is based on International Standard ISO 31000:2018 and is reviewed biennially. Our business plans include condensed risk profiles that outline key risks. Departmental risk registers details of operational risks and existing controls and risk mitigating actions. The business planning and budget process also reflects priority risk reduction activities where financial commitment is required. While risk management is a continuous process, a full operational risk register review is conducted to inform the annual planning process. The Risk Management Policy and Framework are endorsed by Council's Executive Leadership Team via SRIA, the Audit and Risk Committee and Council. The framework will be reviewed during 2020/21 taking into account Council's changed operating model and the impacts from the COVID-19 pandemic.

Business continuity planning

Council conducted a training-based exercise on 16 May 2019 to test its business continuity planning response to a specific event (gas leak in St Kilda Town Hall). This was the first substantial test in two years requiring considerable change in Business Continuity Planning (BCP) Recovery Committee membership. The focus of the exercise was on convening the committee and using the tools within the manual to implement business continuity across activities normally located in St Kilda Town Hall and Bubup Nairn Children's Centre. The exercise was facilitated and observed by resilience service providers RiskLogic who prepared a report on observations, making 22 recommendations. Management actions in response to the recommendations have been monitored through the Strategic Risk and Internal Audit Group with most actions completed at June 2020.

As part of the regular review cycle, Council's Business Continuity Plan (BCP) and associated sub-plans were in the process of being updated when the COVID-19 pandemic hit. A further BCP text exercise scheduled for May 2020 was subsequently postponed due to the pandemic and subsequent changes and restrictions to business operations.

On 26 May 2020, the BCP Recovery Committee conducted a lessons-learned exercise in relation to its response to the COVID-19 pandemic to-date. The exercise assessed how the committee and organisation performed and identified positive outcomes and opportunities for improvement.

Some key learnings:

- The organisation responded incredibly well to the challenges of closing services to the public and requiring most officers to work from home.
- Most office workers in St Kilda Town Hall and Bubup Nairn were able to continue to work effectively from home and maintain momentum on important initiatives such as the Customer Experience Program through the incredible efforts of our Digital Technology Services (DTS), People and Culture and OHS departments in mobilising staff to work from home and advising them on how to use the new applications.
- There had been regular communication to staff, Councillors and communities on the pandemic and related matters, with councillors and staff receiving daily updates. The CEO, for instance, sent daily messages and frequent videos to staff on issues ranging from working from home to service provision changes.
- We were the first council to conduct online Council meetings with public participation.
- Our ability to continue to work effectively was partly achieved through a recent (January to February 2020) exercise of engaging with each manager on reviewing and enhancing their departmental BCPs. Early work, particularly around critical services and roles, gave DTS a foundation for prioritising limited resources (such as laptops) for those who needed it most. Once the Prime Minister announced the virus as a pandemic, some departmental plans required further work.

IT Disaster Recovery (DR) is a sub-plan of Council's Business Continuity Plan. Performing DR exercises provides assurance of Council's capability to provide ICT services to critical services in the event of a major disruption. Consequences of business continuity risk are rated as major in Council's risk management framework.

We continue to test our Business Technology Disaster Recovery Plan on a regular basis to ensure we can recover data, restore business critical applications and continue operations following service interruptions.

Testing in 2019/20 included:

- a bubble test of all core systems. The bubble test used the data replicated to the DR site. Business system owners successfully confirmed DR site data integrity without any data loss
- a controlled shutdown and start-up of the St Kilda Data Centre. This entailed shutting down all network and server infrastructure for electrical work conducted at the production data centre
- a walkthrough of the DR Plan with new staff members in critical DR roles.

In response to the pandemic, enacting business continuity saw the ICT DR Plan tested at a different level, focusing on DTS ability to enable staff to continue to provide critical services by providing and prioritising equipment allocation and different methods of access.

Reporting on our performance

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

This includes:

- Council Plan delivery progress
- financial performance
- service delivery performance
- legislative updates
- priority project delivery progress.

More information on performance reporting is available on our website at portphillip.vic.gov.au



Council continues to deliver programs and events that celebrate our diverse communities, including multicultural and multifaith events, seniors events, and the Pride March.

4

Our performance

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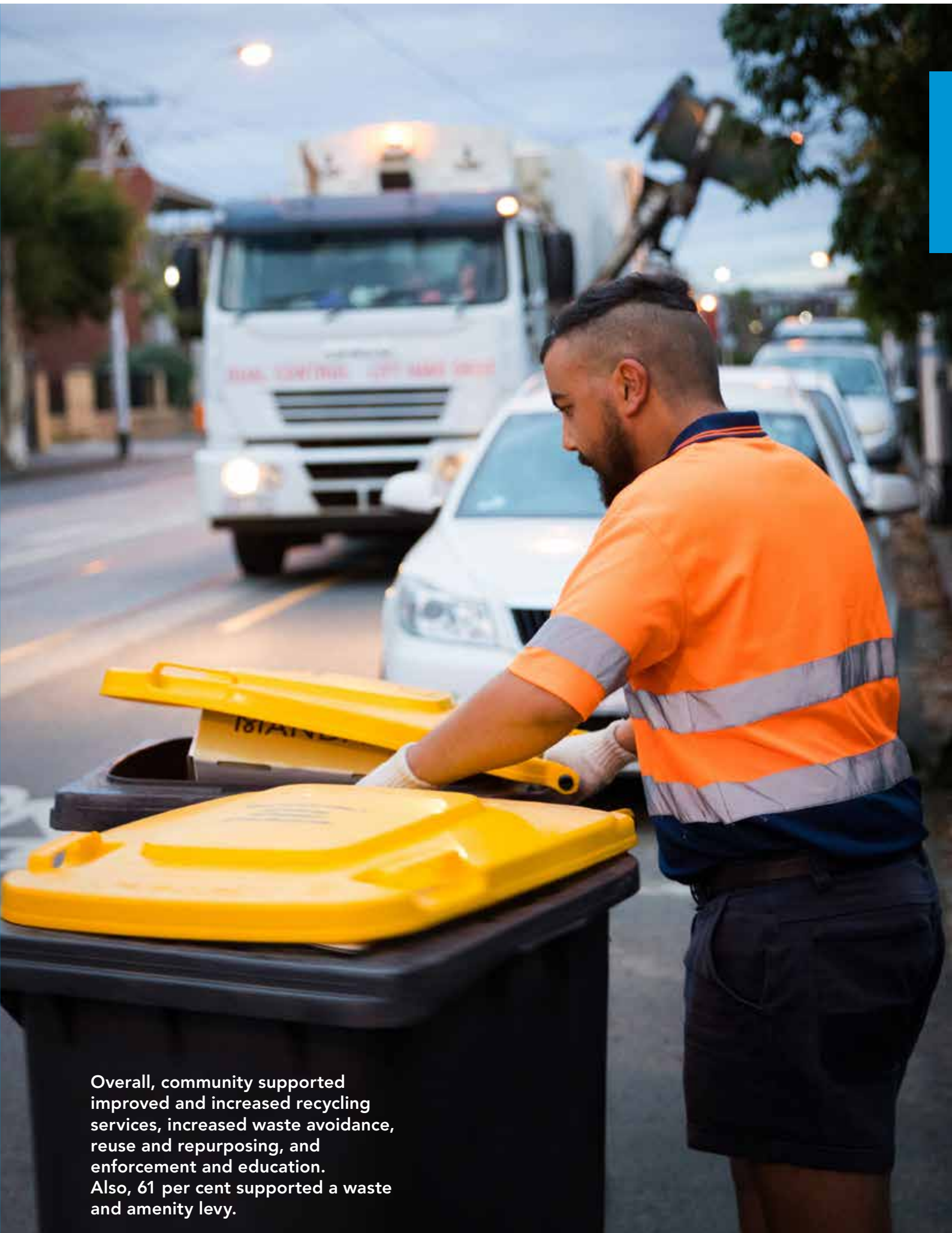
Delivering Year Three of the Council Plan 2017-27

The Council Plan 2017-27 sets out a vision for a beautiful, liveable, caring, inviting, bold and real City.

The following chapter outlines Council's performance under each Council Plan Strategic Direction, telling the story of our:

- results for the indicators and measures of success in the Council Plan
- progress against our four-year priorities
- key achievements and challenges
- services delivered, what they cost, performance results and statistics
- progress to deliver major initiatives
- results for local government performance reporting measures.

The impact of our performance on the community is primarily measured through the annual Local Government Satisfaction Survey. Performance measures are also collected by internal departments through the use of applications and systems.



Overall, community supported improved and increased recycling services, increased waste avoidance, reuse and repurposing, and enforcement and education. Also, 61 per cent supported a waste and amenity levy.

Health and Wellbeing Implementation Strategy

The Health and Wellbeing Implementation Strategy describes the planned program of work undertaken across Council and with our partners to achieve the health and wellbeing goals set out in the Council Plan 2017-27.

The implementation strategy works alongside Council’s core strategies and plans to influence positive health outcomes across all areas of Council activities. It has been developed to fully meet our statutory requirements under the **Public Health and Wellbeing Act (2008)** and provide a local and targeted response that contributes to the goals of the Victorian Public Health and Wellbeing Plan 2019-2023.

During 2019/20, the strategy’s third year, Council focused on a range of initiatives to support four priority areas:

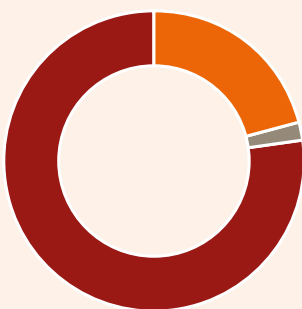
1. Providing a safe and active community with strong social connections
2. Increasing affordable housing and reduced homelessness
3. Providing access to information and services that support health and wellbeing

4. Valuing and celebrating community diversity.

Focusing on these areas meant Council was well-placed to respond effectively to the COVID-19 pandemic by providing localised, targeted and collaborative initiatives to address impacts on our community’s health and wellbeing.

Plan progress

Actions progress



Completed	40
In progress	15
Not started	2
Total actions	57

A safe and active community with strong social connections

Gender equity audit

Council partnered with Women’s Health in the South East to undertake an organisation wide gender equity audit. This occurred during the ‘16 days of activism against gender-based violence’ campaign and involved a staff culture survey and policy review.

Prevention of Family Violence

Family Services worked with 163 families including 133 (81 per cent) family violence interventions with safety planning, accessing intervention orders, referrals to specialist family violence services, psychosocial education, working with family violence services and with Child Protection. Additionally, the Integrated Family Services program facilitated referrals into children’s services for 60 per cent of families, and referrals into mental health supports for 100 per cent of families.

Gender Equality through the Arts Project

Council, in partnership with Star Health, Girl Geek Academy and The Arcade, received VicHealth funding to deliver a world-first Gender Game Jam where game developers were encouraged to create a complete game that addresses gender equality in less than 48 hours.

Community Safety Action Plan

The new Community Safety Plan 2019-23 was endorsed by Council in August 2019 to ensure residents and visitors feel safe to live, work, and play in our municipality. It includes a mix of initiatives that focus on design, amenity and surveillance, space activation, and community and social connectedness as well as a focus on reducing family violence and alcohol and drug related harm.

Community safety audits

Six community safety audits have been undertaken in locations with the greatest volume of community feedback. Safety audits enable Council to target resources towards areas of greatest safety concern and deliver diverse strategies to ensure a safe and secure environment for all residents and visitors.

Safety and wellbeing surveys

Street surveys on the perception of safety and community connectedness were conducted in six out of the nine neighbourhoods, totalling approximately 330 surveys. The consultation process could not be completed in the final three neighbourhoods due to the COVID-19 pandemic.

Review into Decriminalisation of Sex Work

Council prepared a written submission in June 2020 to supporting the decriminalisation of street sex work. Decriminalisation would enact a harm minimisation approach to empower sex workers to report crime and enable workers to access mainstream supports including wellbeing advice.

Victoria Police partnership

Council officers maintain regular contact with Victoria Police on community safety matters including facilitating 'HotSpots' meetings with service providers. Joint meetings are also held with Council staff and Victoria Police to address re-occurring or trending requests and concerns received by Council.

An increase in affordable housing and reduced homelessness

Housing and Homelessness Services

Housing and Homelessness Services had 551 clients contacts (representing 183 people); supported 42 people into older person housing and assisted 39 older people with removal costs. A quarter of these people had no fixed address and over half were at imminent risk of homelessness from private rental.

Port Phillip Zero Collective Impact Project

Port Phillip Zero partnered with 17 local organisations to end rough sleeping homelessness across the City. The project continues to provide rigorous data and strong governance to support partners across rough sleeping outreach, hotspots, and service coordination to reduce the incidence and impact of rough sleeping homelessness. Launch Housing has partnered with Alfred Health to support an extension of the outreach services focused on people housed in temporary accommodation.

Victorian and Federal Parliamentary Inquiry into Homelessness

Council submitted two submissions (February 2020 and June 2020) to advocate to reduce the incidents of homelessness and rough sleeping. The first submission included advocacy for Victorian Government programs and funding streams through the provision of additional affordable housing and a Housing First approach, which combines secure, permanent housing with appropriate support services.

The second submission reinforced that the biggest barrier to implementing Housing First approaches in Victoria is a lack of social housing, and despite significant recent investment by government, social housing stock has continued to decline, while levels of homelessness, including rough sleeping, has increased. Council recommended a holistic approach, across different sectors and all levels of government to address the scale of the affordable housing challenge; incorporating policy, funding/financing, innovative delivery models and supporting governance arrangements.

Access to information and services that support health and wellbeing

Council website

In response to the COVID-19 pandemic, Council prioritised the provision of relevant, up-to-date and accessible online information, in order to foster safety and wellbeing and ensure the community could easily find, understand and use information. The website included essential information about key services, our Emergency Relief Package, COVID-19 testing, Department of Health and Human Services updates as well as resources and support for mental health wellbeing. Council also promoted local online activities and programs to help residents to keep active, entertained and socially engaged during the Victorian Government restrictions.

Share the Food initiative

Council supported Port Phillip Community Group to partner with 32 organisations to deliver 3,500 food parcels/meals (valued at almost \$300,000) during April to June 2020 to people facing financial hardship, and to those isolating (due to immunity, age or disability) during the COVID-19 pandemic. Food parcels and meals were delivered by agencies and volunteers to people in their homes and emergency accommodation. This initiative provided vulnerable community members with reliable and equitable access to food and other essential items, and much needed relief and support.

Access and Inclusion Plan 2019-2021

Council endorsed the new Access and Inclusion Plan 2019-2021. The framework is designed around four themes that articulate Council's commitment to improve the equitable participation and inclusion for people with disability within our community.

Accessibility and Disability Inclusion toolkit

Council launched an Accessibility and Disability Inclusion toolkit featuring resources to help create an equitable workplace and inclusive community. The toolkit equips staff to host inclusive meetings, create digitally accessible content and make workplace adjustments. It also helps staff to find the right information quickly on topics relevant to both employees and the community

Community diversity is valued and celebrated

Neighbourhood Ngargee Program

24 Neighbourhood Gatherings were held as part of the 2019/20 Neighbourhood Ngargee program (prior to COVID-19). The program supports residents to hold neighbourhood gatherings, promoting social inclusion and connectedness in the community.

Activities and events

The inaugural We-Akon Dilinja dawn ceremony was held on 26 January 2020 to recognise the efforts of Boonwurrung Ancestors and Elders to preserve their ancient cultural heritage. On 1 February 2020, the 15th anniversary of Yaluk-ut Weelam Ngargee festival provided a platform for Aboriginal and Torres Strait Islander performers to present their works to a diverse audience within a high profile

public environment. Melbourne's iconic march, Pride March, celebrating solidarity in gender and sexual diversity, took place for the 25th year on 2 February 2020, with 10,000 people lining the streets.

Challenges

The emergence of the COVID-19 pandemic presented unprecedented challenges for our community's health and wellbeing. Council activated its emergency management plan to coordinate relief and recovery support for affected communities in the City and provide a safe environment for our community.

While the delivery of some planned community events and activities was impacted, Council adapted programs for vulnerable community members, shifting many services online such as MCH, volunteering, playgroups and mothers groups. Strong sector partnerships meant Council could enable local community organisation to provide urgent food relief, the provision of temporary housing and safe hygiene facilities.

As part of our ongoing recovery response, Council identified the likely social impacts on our community's health and wellbeing to ensure our activities and resources were targeted towards those most disproportionately impacted. This informed the development of our proposed Economic and Social Recovery Plan that was a key foundation of Council's Draft Budget 2020/21.

Actions not started

The development of an online booking system for community facilities has not commenced and will be delivered as part of Council's Customer Experience program.

The Share the Food initiative provided vulnerable community members with reliable and equitable access to food and other essential items, and much needed relief and support.



Direction 1

We embrace difference, and people belong



- 1.1 A safe and active community with strong social connections
- 1.2 An increase in affordable housing
- 1.3 Access to services that support the health and wellbeing of our growing community
- 1.4 Community diversity is valued and celebrated

Outcome indicators

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Residents that agree Port Phillip is a welcoming and supportive community for everyone	93 %	94 %	93 %	92 %	93 %	>95 %
Results from the annual satisfaction survey of residents conducted in February 2020 showed a slight increase in 2019/20, however remained slightly the target of above 95 %.						
Social housing as a percentage of housing stock	7.2 %	7.1 %	6.9 %	No data	6.5 %	7.2 %
The proportion of social housing between 2015/16 to 2019/20 has reduced due to the significant increase in total dwellings (from 58,068 in 2016 to 61,954 in 2019), while social housing levels have generally remained stable during this period of limited government funding for new housing. The declining proportion of social housing will be slowed by the delivery of 278 new social housing units (50 temporary) which have been recently funded, and with further anticipated social housing growth from new state stimulus funding programs. The reduction in the proportion of social housing in 2019/20 appears greater than the actual reduction, due to a one-off data adjustment by the Department of Health and Human Services.						
Wellbeing index	77.5	No data	No data	No data	No data	>77.5
VicHealth advised that the VicHealth Indicators Survey was to be replaced in 2020 with a smaller VicHealth Community Attitudes Survey (VCAS). The planned survey was intended to focus on determinants of health behaviours to complement other health indicator datasets. Due to the onset of COVID-19, VicHealth could not continue with the VCAS survey as planned during March and April 2020 as the context at the time was too uncertain. This year the results for our wellbeing index are not available.						

Highlights

- Partnered with HousingFirst to progress the Marlborough Street community housing project, delivering 46 new units on Council land, with the project receiving state funding under the Building Works Economic Stimulus Program
- Successful \$122,400 Inner Metro Partnership Grant to investigate best-practice delivery of Common Ground projects (long-term supported housing targeting persons who are homeless and sleeping rough)
- Progressed two Common Ground projects targeted at reducing rough sleeping in Port Phillip (a temporary and a permanent facility). 20 temporary units were associated with the 'pop-up' Common Ground facility
- Creation of secure housing for 30 older women who were experiencing homelessness, through facilitating delivery of the Lakeside 'pop-up' project in South Melbourne. 24 units (twelve net) units were also associated with the potential Wellington Street permanent Common Ground facility
- Endorsing support on 2 September 2020 for the development of a Common Ground facility at 28 Wellington Street, St Kilda, which can be delivered by mid-2023. It also recognised new and emerging Government funding streams and supports directing the facilitation and brokerage functions of the In Our Back Yard program towards maximising the potential for delivery of new affordable housing projects in Port Phillip
- Facilitating projects provided by other organisations, resulting in two community housing projects with a total of 95 units receiving funding under Round 1 of the Victorian Government's Social Housing Growth Fund
- Completing the JL Murphy Pavilion upgrade representing the culmination of a multi-year project for Council, stakeholders and the community. The upgraded pavilion will enable increased sports participation at the reserve, especially for juniors and female players, and allows multiple ovals to be used simultaneously for competition
- Completing the Melbourne Life Saving Club building and public amenities with funding support from the Victorian Government through Life Saving Victoria
- In response to COVID-19, transitioned the Maternal Child Health Nursing Service to telehealth, with new parents' groups continuing via digital platforms. Limited face to face services continued but in a modified form to ensure safety for all. Our participation rate has continued to remain high for our infant consults
- Child safety remains a priority for Council with some major achievements for this year including:
 - establishment of an organisation wide governance model ensuring a child safe culture is a key focus and commitment across the organisation through monitoring, advocacy and education
 - commitment to an ongoing resource to support and guide implementation and compliance with the state legislation
 - organisational risk register that has a key focus on child safety
 - implementing processes to ensure we capture accurate records of volunteers and contractors to ensure all parties understand their responsibilities under the child safe standards.

Looking forward

The Council Plan 2017-27 sets out a bold plan to maintain a City where people belong, and our many cultures and differences are welcomed in the context of growth.

Over the next 10 years, Council wants to see a safe and active community with strong social connections and access to services that support health and wellbeing. Council is committed to increasing affordable housing and creating a City that is welcoming for all.

A key focus for 2020/21 will be the continued implementation of the:

- In Our Backyard Strategy
- Children's Services Policy
- Aged Care Transition Service Review
- Health and Wellbeing Strategy.

Other key projects include the delivery of recreational facilities upgrades, sports field resurfacing and adventure playground upgrades.

Major initiative progress

In Our Backyard Strategy implementation

Implementing the In Our Backyard (IOBY) strategy has targeted efforts to accelerate and maximise the delivery of new affordable housing in Port Phillip through:

Progressing new housing projects:

- partnering with HousingFirst to progress the Marlborough Street community housing project, with a contribution of land valued at \$7 million to enable delivery of 46 new units. The project received Victorian Government capital funding under the Building Works Economic Stimulus Program. The project delivery is expected by June 2022
- progressing Common Ground projects targeted at reducing rough sleeping in Port Phillip (a temporary and a permanent facility). This included creation of housing for 30 women experiencing homelessness, 20 temporary units and 24 units (net 12 units) associated with the potential permanent Wellington Street Common Ground facility
- leveraging opportunities to access new Victorian Government stimulus package funding (COVID-19 recovery) to increase affordable housing under voluntary agreements, such as discounted sale to registered housing agencies
- facilitating projects provided by other organisations, resulting in two community housing projects with a total of 95 units receiving funding under Round 1 of the Victorian Government's Social Housing Growth Fund:
 - 45 bedsitter units for older single persons in Emerald Street, South Melbourne (SouthPort Community Housing Group)
 - 50 one and two-bedroom units for singles, couples and small families at Fishermans Bend (Housing Choices Australia).

Promoting innovation and research:

- development of a Housing Needs Framework to inform how Council should target housing type to meet priority local housing needs
- working with IMAP (inner region) councils to develop a private market affordable rental housing delivery model for use in negotiated voluntary agreements

- obtaining a \$122,400 Inner Metropolitan Partnership grant to investigate best practice delivery of Common Ground projects (long-term supported housing targeting persons who are experiencing homelessness and sleeping rough).

Advocating to the Victorian Government to prioritise investment in new social and affordable housing, and capitalise on opportunities presented by Victoria's planning system:

- a submission to the Ministerial Advisory Committee on Affordable Housing Planning Mechanisms to advocate for the introduction of a mandatory planning mechanism (such as Inclusionary Zoning)
- working with the Fishermans Bend Taskforce to develop guidelines that facilitate negotiations and delivery of affordable housing through private development. This includes negotiation of 65 affordable housing units for delivery in Fishermans Bend under current permits
- identifying opportunities on our public housing estates, to increase the yield, diversity and quality of social housing
- advocacy to the Victorian Government for planning controls that mandate affordable housing delivery through private developments.

2019/20

Actual \$21,600

Budget \$200,000

JL Murphy Reserve Pavilion

The JL Murphy Reserve Pavilion upgrade was driven by growth in population, sports participation and a need to provide facilities that are suitable for females, juniors and have accessibility requirements.

JL Murphy Reserve is a highly utilised precinct with soccer, baseball, football and cricket along with open gassy recreation areas and the 'Dig In' community garden. The upgraded pavilion will enable increased sports participation at the reserve, especially for juniors and female players, and allows multiple ovals to be used simultaneously for competition.

The upgrade enabled the overall building space to be increased by 42 per cent and a large multi-purpose room with increased floor space of 60 m² for community and social activities. Four new change-rooms were added, taking the total to eight, along with an upgraded kitchen that can now be operated as a commercial kitchen. Full accessibility has been implemented across the whole building. Sustainability outcomes include a 49,000-litre water tank and reuse of rainwater from the larger building. Reductions in water use, gas and electricity consumption will be achieved via water sensitive features and new energy efficient fixtures. Overall greenhouse emissions are set for a 28 per cent reduction below benchmarks (CO₂).

The completion of the pavilion upgrade represents the culmination of a multi-year project for Council and the various stakeholders engaged in the project including Sports Recreation Victoria (SRV), AFL Victoria and the resident sports clubs who use both the reserve and the pavilion.

The 2019/20 financial year has seen this project delivered ahead of schedule and below budget, which is a fantastic outcome for all involved. Originally planned for April 2020, practical completion was achieved on 19 February 2020 by the builder with handover and familiarisation for users undertaken during March 2020.

Early challenges in construction included structural conditions of the building being revealed to be poorer than anticipated during demolition, plus additional contaminated soil requiring appropriate removal and management.

The project budget was increased by \$400,000 to address these issues; however, this was offset by approximately \$460,000 in savings realised through a competitive tender process and Council ensuring best value for money. This has resulted in the project being delivered for \$107,971 less than originally anticipated.

Requests for additional funding were received in early 2020 from the JL Murphy Sport Club to forward-fund kitchen equipment and cool room infrastructure. Council resolved to forward-fund the kitchen equipment and cool room infrastructure in the form of a loan that will be repaid over a four-year period.

The official opening for the building was scheduled to occur several days after the announcement of COVID-19 restrictions and unfortunately had to be postponed. A virtual opening was held in September 2020 that acknowledged stakeholders, funding partners and officially opened the building for public use.

2019/20

Actual \$2,337,000 Budget \$2,747,000

South Melbourne Life Saving Club Redevelopment

The new Melbourne Life Saving Club building and public amenities was completed with funding from the Victorian Government through Life Saving Victoria. Council provided \$5.6 million and managed the project to replace the ageing 61-year-old former clubhouse. The Victorian Government contributed \$2.2 million and \$20,000 was provided by the club.

The community asset is full of new community spaces, including a multi-purpose room, kiosk, accessible public toilets, new decks, improved bike path and an all-abilities access ramp to the sand.

The South Melbourne Life Saving Club celebrated its final milestone with the official opening of its new \$7.8 million home on Saturday 2 November 2020.

2019/20

Actual \$513,000 Budget \$905,000

North Port Oval Upgrade

North Port Oval is an important open space area as part of Fishermans Bend development. The oval had significant improvement works completed in April 2019 with a full reconstruction to provide a high-quality and functional playing surface. Installation of new ancillary infrastructure, such as coaches' boxes, AFL goal posts, boundary fencing and spectator seating, was also included as part of the upgrade. The oval is now accessible to the tenant sports clubs as well as the broader community for casual use. Wider community use has been impacted by COVID-19 restrictions, which limits its passive open space function.

This upgrade will improve amenities to cater for female participation, sports users and general public. Enhanced community usage will be a key outcome with a more welcoming, inviting and suitable space for a broad range of uses.

Preliminary design and feasibility work for the North Port Oval site (Oval surrounds) commenced in 2019/20. A feature survey has been completed to assist the future design development, which includes perimeter fencing, sports field lighting and public access gates.

2019/20

Actual \$20,000 Budget \$10,000

Four year priority progress

Priority	Not started	In progress	Completed
1.1 A safe and active community with strong social connections			
Plan and deliver a long term program of sports field and pavilion upgrades to enhance capacity and broaden community participation in sport and recreation.			
Redevelop the South Melbourne Life Saving Club to provide contemporary clubhouse facilities and public amenities.			
Invest in a long term program of community facility upgrades to ensure they are fit for purpose and meet current and future community needs.			
Establish outdoor gyms and fitness stations in open space and continue to upgrade recreation reserves and skate parks to facilitate an active, healthy community.			
Deliver community strengthening programs that harness community knowledge and expertise to support leadership, learning and volunteering, improve safety and foster positive social and health outcomes.			
Implement a whole of Council and community approach to preventing and responding to family violence.			
Collaborate with partners to understand and minimise the harms associated with alcohol and drug use.			
Provide funding to groups and organisations that support local networks, encourage community participation and support access and inclusion.			
1.2 An increase in affordable housing			
Implement In Our Backyard - Growing Affordable Housing in Port Phillip 2015-2025 to increase the supply and diversity of affordable housing aligned to priority local needs: low income families, older people, key workers, and singles at greatest risk of homelessness.			
Review and implement the Homelessness Action Strategy 2015-2020 and provide support for people experiencing homelessness to access suitable housing.			
Use Council property assets (land and air space contributions) and supporting cash contributions to facilitate delivery of new community housing units by local housing organisations, including progressing development of 46-58 Marlborough Street, Balaclava.			
Work with the Victorian Government and local community housing organisations to optimise benefits from existing social housing sites, through increased yield, quality and housing type aligned to local needs.			
Facilitate partnerships between the community housing, private and philanthropic sectors that fund and deliver new housing projects, including in Fishermans Bend.			

Priority

Not started

In progress

Completed

1.3 Access to services that support the health and wellbeing of our growing community

Deliver new community spaces as part of the integrated Ferrars Street Education and Community Precinct at Fishermans Bend.



Implement outcomes from reviewing Council's role in aged care and disability support services, in the context of national sector reforms and with the aim of facilitating continued access to relevant, quality services.



Complete the review of children's services to determine Council's future role in early childhood education and care.



Explore new models of providing services and advocate to ensure the right mix and level of services, to improve access and health equity for our communities.



Implement improvements to maternal and child health services, and family support services that respond to growing and changing demands.



Investigate the feasibility of a dedicated youth space, including through potential partnership arrangements.



Collaborate with partners and service providers to undertake neighbourhood based planning and delivery of community infrastructure, services, programs and outreach that promote health and social inclusion and are aligned to community needs.



Provide funding to community organisations and service providers to ensure access to relevant services and programs.



Provide funding to community organisations and service providers to ensure access to relevant services and programs.



1.4 Community diversity is valued and celebrated

Establish the Pride Centre in St Kilda.



Work with the Port Phillip Health and Wellbeing Alliance, Youth Advisory Committee, Older Persons Consultative Committee, Access Network, Multicultural Forum and Multifaith Network to develop policy, services and infrastructure that best meet diverse community needs.



Continue delivery of programs and events that celebrate our diverse communities, including multicultural and multifaith events, seniors events, and the Pride March.



Review the Port Phillip Social Justice Charter.



Retain Council's Access and Ageing Department Rainbow Tick accreditation to ensure LGBTIQ inclusive service delivery.



Implement our second Reconciliation Action Plan 2017-2019, including the Aboriginal and Torres Strait Islander employment policy, and update the Aboriginal and Torres Strait Islander Arts Plan.



Services that contribute to this direction

Affordable housing and homelessness

Provide direct assessment, referral and interim case management support services; coordinate integrated responses to public homelessness and rooming house issues; support increased supply and quality of affordable housing through advocacy, partnerships, policy development and planning controls; present programs to enhance understanding of homelessness and housing stress; support affordable housing projects including mixed community-private housing developments, and affordable housing contributions in Fishermans Bend.

2019/20

Actual \$979,208 Budget \$1,550,306 Variance \$571,099

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Council facilitated units on Council land	645 (total baseline)	No data	68 (additional)	No data	46	No interim target

HousingFirst has secured funding in partnership with Council and the Victorian Government in the planned delivery of 46 affordable housing apartments in Balaclava.

Ageing and accessibility

Provide in-home support services, social inclusion programs, fund community groups and service providers; implement the Access and Inclusion Plan 2019-21 as required by the Local Government Act; Regional Assessment Services to determine client needs; consult with community committees and networks such as OPCC and Access Network; provide accessible and supported community transport as an aged care and disability access service; positive and healthy ageing as a social inclusion and preventative service.

Note: this service may change over the next four years in response to national sector reforms.

2019/20

Actual \$8,646,346 Budget \$7,332,812 Variance (\$1,313,534)

Explanation: This variance is due to the take up of non-cash subsidised rent expenditure for a number of properties used for aged & accessibility services as required by new the accounting standard which was not budgeted.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Resident satisfaction with services that support older people and people living with disabilities	93 %	94 %	90 %	91 %	88 %	>94 %
Results from the annual satisfaction survey of residents conducted in February 2020 showed a slight decrease in resident satisfaction over 2019/20. The result is below the target of above 94 per cent.						

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Home care						
Active home care clients	1,973	1,710	1,551	1,570	1,561	↘
Hours of general home care	27,902	19,865	18,867	19,430	16,689	↘
Hours of meal preparation	284	219	906	1,428	710	↘
Hours of personal care	6,556	6,239	6,409	5,578	4,761	↘
Hours of home maintenance service	3,413	2,450	2,652	2,662	2,020	↘
Hours of respite care	7,356	6,435	5,621	4,689	896	↘
Hours of shopping services	8,373	8,137	7,919	8,518	6,899	↘
Hours of core social support	9,204	9,919	10,651	11,412	8,082	↘
Hours of high priority social support	9,183	8,564	6,787	16,635	7,051	↘
Community meals						
Meals delivered	31,321	27,688	19,409	16,448	18,009	↗
Meals provided at centres	3,798	2,949	3,167	1,938	n/a	↘
The Centre based meals program has been absorbed into the social support program and a new café meals program has been implemented. Clients are now provided with a voucher towards a meal at local cafes and which is then reimbursed under the program.						
Meals subsidised	80,037	82,848	126,348	187,464	807,755	↗
Community transport						
Community Bus trips	1,352	1,981	1,981	1,981	1,981	↘
Passengers who use the service	33,150	33,048	31,062	34,455	26,735	↘
Volunteers						
Community access volunteers	15	15	14	10	11	↗

Note: Statistics have predominately been impacted due to the transition to National Insurance Disability Scheme along with the impact of the COVID-19 pandemic.

Children

Assist in quality early education and care for children aged 0-6 including operating and supporting long day centres, and support for kindergartens and toy libraries, provide early access to maternal child health service for all families to support families; provide parent education and support to families; monitor child's growth and development; provide accessible and affordable programs for children from families experiencing vulnerability, including families who do not meet criteria of the Additional Child Care Subsidy; manage enrolment for Council and community services that meet DET Priority of Access principles.

Note: this service may change over the next four years to reflect changing demand and service models.

2019/20

Actual \$18,591,688 Budget \$18,539,338 Variance (\$52,351)

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Proportion of state-regulated family, youth and children's services that meet or exceed national quality and accreditation standards	100 %	100 %	100 %	100 %	100 %	100 %
Resident satisfaction with services that support families, youth and children	97 %	94 %	93 %	94 %	88 %	>95 %
Results from the annual satisfaction survey of residents conducted in February 2020 showed a slightly lower response than the previous year. The result was under the target of greater than 95 per cent.						

Participation

Participation in four-week Key Age and Stage visit*	103.89 %	103.25 %	100.54 %	93.80 %	95.87 %	100 %
Participation in the MCH service*	84.22 %	82.89 %	84.80 %	74.28 %	87.38 %	>85 %
Participation in the MCH service by Aboriginal children*	87.23 %	84.84 %	94.74 %	80.00 %	95.00 %	>85 %

The participation rates this year have made significant improvements since last reporting period. Data cleansing has occurred to update all older data to ensure the most accurate reporting. Participation results have achieved above the target except for the participation in first MCH home visits that is slightly under the 100 % target, though improved upon the previous year.

Service standard

Infant enrolments in the MCH service*	99.78 %	100.00 %	96.83 %	100.95 %	101.03 %	100 %
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Service cost

Cost of MCH service per hour*	\$73.37	\$71.80	\$76.50	\$75.54	\$84.67	<\$85.00
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The cost is inclusive of salaries and materials associated with delivering the MCH service. Although there is a slight increase in the cost of service it is consistent with other reporting periods and achieves below \$85.00, the target for 2019/20.

* This measure is required under the Local Government Performance Reporting Framework.

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Maternal and child health services						
Birth notifications received	1,352	1,344	1,347	1,270	1,259	↕
Community immunisation sessions held	80	78	81	81	81	↔
Infants and children attending immunisation sessions	2,952	2,801	2,902	2,658	2,422	↕

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Childcare						
Total places across the city	1,620	1,728	1,895	2,186	2,213	
Council managed places	318	318	318	318	318	
Bubup Nairn Family and Children's Centre	116	116	116	116	116	
Clark Street Children's Centre	65	65	65	65	65	
Coventry Children's Centre	60	60	60	60	60	
North St Kilda Children's Centre	77	77	77	77	77	
Community managed places	483	568	568	568	568	
Commercially managed places	819	842	1,225	1,125	1,327	

Community programs and facilities

Provide community facilities for general community use, and licences for local community organisations providing services to residents; provide well managed community facilities where people can learn, connect and engage with others in programs and activities; implement the Health and Wellbeing Strategy; provide capacity building initiatives, including funding and training opportunities for our local community sector and volunteers.

2019/20

Actual \$3,918,170 Budget \$5,396,866 Variance \$1,478,696

Explanation: This favourable variance is due to a mis-allocation of corporate finance budget which has been amended in the annual report (see unfavourable variance under Finance and Project Management).

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Resident perception regarding whether City of Port Phillip services contribute to the overall health and wellbeing of the community	66 %	64 %	49 %	59 %	59 %	67 %

Results from the satisfaction survey of residents conducted in February 2020 showed the same perception rate as the previous year, however, still slightly under the target of the 67 per cent satisfaction rate.

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Community centres						
Bookings	11,506	12,276	12,837	13,476	14,004	
Casual hires	284	219	906	1,428	710	

Families and young people

Provide leadership, recreation and engagement programs for middle years, children and young people; provide generalist youth support and counselling; support Adventure playgrounds for children aged 5 to 12 years at St Kilda and South Melbourne; provide in home support, assessment and referral, case management, targeted support (perinatal mental health); provide early intervention support to children and families and perinatal mental health; support internal service providers to maximise support to families and children.

2019/20

Actual \$2,703,320 Budget \$3,291,561 Variance \$588,241

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Family support						
Received in government grants	\$238,372	\$250,208	\$253,000	\$273,047	\$392,142	⬆️
Family support hours provided	2,565	2,729	2,327	3,370	3,837	⬆️
Young people						
Young people (8 to 11 years old) accessing programs that are run or funded by Council	No data	21,187	33,369	31,732	25,631	⬇️
Young people (12 to 25 years old) accessing programs that are run or funded by Council	8,178	26,359	21,946	10,009	15,532	⬆️

Recreation

Work with local sporting clubs and the community to facilitate participation in recreation and leisure activities; provide infrastructure and facilities to support organised sport and active and passive recreation; plan, implement and guide strategic open space planning across Council.

2019/20

Actual \$8,645,662 Budget \$7,415,312 Variance (\$1,230,350)

Explanation: This variance is due to the take up of non-cash subsidised rent expenditure for a number of properties used for sporting and recreational services as required by the new accounting standard which was not budgeted.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Community rating of Council's recreational facility performance (index)	76	73	73	74	74	>75
Results from the annual satisfaction survey of residents conducted in February 2020 indicate the community rating remains stable, however just shy of target. This continues to be a high performing measure for the City of Port Phillip.						
Participation per capita in sport and recreation across formal and informal activities	Establish baseline	19 %	19 %	31 %	18 %	1% increase on baseline

The data above includes recreational participation for example Sport Phillip and Walk to School day. Commercial recreation participation figures do not specify for a female or male breakdown. Unfortunately, due to the impact of the COVID-19 pandemic the result is significantly lower than past performance.

Direction 2

We are connected and it's easy to move around



- 2.1 An integrated transport network that connects people and places
- 2.2 Demand for parking and car travel is moderated as our City grows
- 2.3 Our streets and places are designed for people

Outcome indicators

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Number of fatal and serious traffic collisions involving all road users	97	78	60	70	43	<120
This year showed 43 fatal and serious traffic collisions, significantly down from the previous year.						
Number of private passenger vehicle trips	No data	128,000	No data	180,000	No data	128,000
Number of walking trips	No data	153,000	No data	No data	No data	120,000
Number of bike riding trips	No data	17,000	No data	No data	No data	30,000
Number of public transport trips	No data	42,000	No data	No data	No data	49,000
Number of cars owned by Port Phillip residents	No data	51,200	No data	No data	No data	51,200

Data sourced from VISTA is reported every two years, the data for 2018 was recently released, allowing comparison to the data for 2016.

Highlights**Strategic transport**

- A new model to identify where investment in bike riding infrastructure would result in the greatest increase in riding was finalised in April 2020. Developed through a partnership of Inner Melbourne Action Plan councils, the bicycle network model prioritises delivery of bicycle lanes to optimise access for the community, improve safety and health, and to decrease pressure on our transport network. The network model was updated in June 2020 to include the City of Melbourne COVID-19 bike lane commitment and assist councils to coordinate their responses to the COVID-19 pandemic.
- The new Parking Management Policy was endorsed in February 2020, contributing to the delivery of parking management outcomes in Move, Connect, Live - Integrated Transport Strategy 2018-28. Implementation is underway and includes advocacy for electronic permits and provision of information on the new permit system to the community.
- Council's Proposed Public Transport Network Map 2028 was finalised for inclusion as Map 3 in the strategy in June 2020.
- 15 schools participated in Ride2School Day, the most of any local government area in Victoria. Meanwhile, 11 schools participated in Walk2School month, meeting our participation goals from the strategy.
- Council has worked with neighbouring councils and state agencies to develop a transport response to the COVID-19 pandemic. The priority is for Victorian Government to fast-track temporary St Kilda Road bike lanes, and to trial protected bike lanes on Kerferd Road. Wayfinding signage is being planned as the first step towards implementing additional local bike routes across the City.

Transport safety engineering

- Successfully concluded a number of parking pricing trials and evaluations, resulting in retention of the seasonal paid parking fee in Fitzroy Street Precinct, Waterfront Place Precinct and Elwood Beach car park
- Refinements made to the parking controls in Fishermans Bend and Port Melbourne as a result of the 12-month evaluation of the project after implementation.

Major projects

- Adoption of the Domain Public Realm Masterplan and start of its implementation
- Secured ongoing state funding for the Major Transport Team from Rail Projects Victoria (0.8 FTE into the 2020/21 financial year)
- Secured funding from the Victorian Government for the Department of Transport to fully signalise the intersection of Park Street with Well Street and Palmerston Crescent
- Secured funding for the design and delivery of the Park Street Bike Link from Rail Projects Victoria
- Inkerman Street/Chapel Street successful blackspot funding and improvements to a number of disabled parking spaces to make them DDA compliant
- Tendered design works for Park Street Bike Link and awarded project design
- Worked with the Department of Environment, Land, Water and Planning (DELWP) as the lead for the Shrine to Sea project on project inception and preparatory design stages
- Secured funding from DELWP (as part of Shrine to Sea) to deliver on resident petition related to temporary closure of Montague/Herbert Street crossing over Kerferd Road
- Successfully advocated for Cross Yarra Partnership to engage further on impacted buildings with regards to key development plan design changes for ANZAC Station.

Looking forward

The Council Plan 2017-27 sets out a bold plan to ensure the City is connected and it's easy to get around. Over the next 10 years, Council wants to have an integrated transport network that connects people and places, and designs streets and places for people. Council acknowledges the challenges to our transport network as our City grows and plans to respond to the challenges of parking and travel in the context of the COVID-19 pandemic.

The implementation of our Move, Connect, Live - Integrated Transport Strategy 2018-28 continues in 2020/21. Partnerships with other agencies to secure the best outcomes from investment in our City are a particular focus. These projects include ANZAC Station and the Metro Tunnel project, Fishermans Bend precinct planning, and the St Kilda Road Safety Improvement Project and the Shrine to Sea corridor. Council will also continue to deliver renewal programs for footpaths and roads, upgrading and installing new street signage and furniture, new walk and bike projects, and public space accessibility programs.

Major initiative progress

Kerferd Road Safety Improvements (Shrine to Sea Boulevard)

In 2018, the Victorian Government announced \$13 million for the Shrine to Sea project to create a boulevard connecting Domain Gardens to Port Phillip Bay along Albert and Kerferd roads. The project will improve the safety and experience for people walking and bike riding through this part of Melbourne and help bring the local history, stories and culture to life for resident and visitors. The project is being led by the Department of Environment, Land, Water and Planning (DELWP) for the Victorian Government in partnership with Council. Officers are working as a key stakeholder to secure improved public space, safer transport connections and community engagement within the City of Port Phillip.

A formal Memorandum of Understanding between DELWP and Council has been signed to facilitate the project partnership. Council officers participate in fortnightly project working group and bi-monthly control group meetings where they contribute to project outcomes. Towards the end of the 2019/20 financial year, Council officers attended a virtual Vision and Principles workshop with DELWP, Department of Transport and Parks Victoria.

As part of the background work, a site and a tree health survey have been carried out. The tree health survey identified several trees of poor health that have been removed as part of Council's ongoing tree maintenance. The removed trees provide opportunities for new plantings as part of the wider project boulevard establishment.

Separate to the work with DELWP, during 2019/20 Council implemented interim measures at three black-spot intersections along Kerferd Road, including line marking and textured pavement marking to raise awareness of the bike lane traffic controls.

2019/20

Actual \$0 **Budget \$100,000**

Integrated Transport Strategy implementation

The Move, Connect, Live - Integrated Transport Strategy 2018-28 provides a considered approach to make it easy for people to move around and connect with places in a way that suits them as our City grows. In 2019/20 there were 34 actions in progress, with two completed. All actions were progressed as scheduled. Refer to page 105 for more details on progress in delivering this strategy.

2019/20

Actual \$197,000 **Budget \$310,000**

Four year priority progress

Priority	Not started	In progress	Completed
2.1 An integrated transport network that connects people and places			
Develop and deliver an Integrated Transport Strategy, including network plans for all modes and intermodal connections.			
Implement walking projects that create safe, high amenity walking routes and reduce barriers to people walking across arterial roads.			
Improve the attractiveness of bike riding as part of delivering Council's bike network.			
Deliver the Beach Street separated queuing lane to reduce traffic delays associated with cruise ship arrivals.			
Plan for and deliver Kerferd Road safety and streetscape improvements to enhance walking and bike riding (subject to state funding).			
Work with Public Transport Victoria and Yarra Trams to deliver a pipeline of tram projects that will improve place and movement.			
Deliver program of renewals and improvements to laneways, roads, footpaths and street signage.			
2.2 Demand for parking and car travel is moderated as our City grows			
Develop a Parking Management Plan as part of the Integrated Transport Strategy.			
Develop new policies for paid parking, on-street permits and parking provision rates for new development.			
Investigate Council's car parks for future development opportunities that deliver increased community benefit.			
Implement clever parking initiatives that help manage parking supply and turnover, and improve customer experience.			
Expand the on-street network of car share vehicles, and encourage provision in new developments.			
Integrate land use and transport planning through a review of the Municipal Strategic Statement.			
2.3 Our streets and places are designed for people			
Implement blackspot safety improvements at high collision locations.			
Work with partners on the St Kilda Junction safety upgrade and St Kilda Road safety improvement study to facilitate walking, bike riding and use of public transport.			
Complete the streetscape and intersection upgrade of Wellington Street to improve safety and amenity.			
Improve local community travel choices, especially by schools, by investing in infrastructure and behaviour change programs.			
Progressively review and upgrade parking spaces in commercial areas to meet updated Australian Standards.			
Review Council's design and technical standards for streets and public spaces.			

Services that contribute to this direction

Transport and parking management

Plan for and deliver changes to our City's transport network, streets and places to cater for our growing community; increase the range of healthy, safe, connected and convenient walking and bike riding choices; partner with the Victorian Government to provide more convenient, reliable, accessible and frequent public transport choices; work with the community to ensure fairest access to parking as a limited and shared resource; harness new technologies and transport options for our community to get around; manage parking policy, on-street parking controls and enforcement; manage the School Crossing Program for the safe and efficient movement of primary and infant schoolchildren.

2019/20

Actual \$27,105,616 Budget \$30,217,393 Variance \$3,111,776

Explanation: To address the financial impact of COVID-19, a number of capital works program were reduced with a mix of scope reductions and deferrals to future years. This included the footpath and road works program.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Resident satisfaction with traffic management	No data	61	56	58	60	>55
Resident satisfaction with parking management	79 %	81 %	79 %	75 %	66 %	>80 %
Resident satisfaction with resident parking permits	74 %	80 %	83 %	81 %	82 %	>75 %

Results from the annual satisfaction survey of residents conducted in February 2020 indicated an improvement with resident's satisfaction of traffic management and resident parking permits. Residents satisfaction of parking management has decreased, and officers are responding through the implementation of the Move, Connect, Live - Integrated Transport Strategy 2018-28.

Satisfaction

Sealed local road requests per 100 km of sealed local roads*	52	65	69	57	50	<70
The number of customer service requests received by Council is slightly down on this time last year. The result reflects a high standard of Council's local road network and requests received in relation to VicRoads assets.						
Satisfaction with sealed local roads*	70	70	67	68	69	>70

A slight increase in customer satisfaction has occurred from the previous years.

Service cost

Cost of sealed local road reconstruction (per m ²)*	\$156.51	\$190.87	\$152.85	\$91.10	\$65.31	\$0.00
Reconstruction costs vary dependant on the type, amount and thickness of material used e.g. Bluestone, asphalt or concrete. Traffic management fees are also included in this cost. The overall cost this year had been reduced due to these factors.						
Cost of sealed local road resealing (per m ²)*	\$43.03	\$49.90	\$55.26	\$31.12	\$28.07	<\$65.00
This measurement includes minor road realignments. The cost of sealed local road reconstruction shows a slight decrease from this time last year.						
Cost of sealed local road resealing (per m ³)	\$136.21	\$138.26	\$140.80	No data	No data	<\$148.00
No updated data is available.						

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Condition						
Sealed local roads below the intervention level*	97 %	97 %	97 %	97 %	97 %	97 %
Sealed local roads below intervention level remains stable.						
Number of schools participating in 'Walk to School' month	No data	7	No data	10	11	8
Eleven schools participated in the 'Walk to School' month in October 2020 with 3,628 students participating.						
Number of schools participating in 'Ride to School' day	No data	13	No data	15	15	14
'Ride to School' day was held on 13 March 2020 with 15 schools participating.						
Number of car share vehicles based in Port Phillip	79	103	147	No data	225	235
Car share vehicles number 225 across the City with a reduction after withdrawal of a provider.						

* This measure is required under the Local Government Performance Reporting Framework.

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Parking management						
Abandoned vehicles	1,489	1,679	1,646	1,646	1,249	↕
Disabled parking permits issues - Blue	1,236	1,257	1,459	1,737	1,582	↕
Disabled parking permits issued - Green	120	102	156	174	160	↕
Resident parking permits issued	7,646	6,465	8,111	8,041	7,639	↕
Foreshore permits issued	2,527	2,266	2,603	2,504	2,291	↕
Combined permits issued	7,016	5,842	6,867	6,726	6,106	↕
Community service permits issued	1,301	1,038	1,272	1,237	1,317	↕
Visitor parking permits issued	11,486	10,193	12,603	12,400	11,984	↕
Parking enforcement infringement issued	158,376	162,852	166,571	153,069	138,718	↕
Parking complaints (officer)	17	28	69	47	43	↕
Number of parking permits issued per year	32,986	28,548	34,808	34,519	32,718	↕

Move, Connect, Live - Integrated Transport Strategy 2018-28

Strategy progress

Actions progress



Completed	32
In progress	2
Not started	0
Total actions	34

The Move, Connect, Live - Integrated Transport Strategy 2018-28 will continue its actions to ensure the City is connected and it is easy to move around over the next 10 years. In 2019/20 there were 34 actions in progress, with two completed. All actions were progressed as scheduled.

Highlights

- Working with neighbouring councils and state agencies to develop a transport response to the COVID-19 pandemic. This included seeking temporary protected bike lanes on St Kilda Road, Beaconsfield Parade and Kerferd Road as priorities for Victorian Government investment. Quick, light touch implementation of wayfinding is being planned as the first step towards implementing additional local bike routes across the City
- Successfully concluded parking pricing trials and evaluations, resulting in the retention of the seasonal paid parking fee in Fitzroy Street Precinct, Waterfront Place Precinct and Elwood Beach car park
- Adoption of the Domain Public Realm Master Plan in September 2019 and a commitment by Department of Transport to signalise the Park and Wells streets intersection
- Commenced the design of the externally funded Park Street bike link
- Secured funding from DELWP (as part of Shrine to Sea) to deliver on resident petition related to temporary closure of Montague/Herbert Street crossing over Kerferd Road.

Transforming transport and parking

- The new Parking Management Policy was endorsed in February 2020, contributing to the delivery of parking management outcomes in the strategy. Implementation, including advocacy for electronic permits and provision of information on the new permit system to the community is underway.
- Council's Proposed Public Transport Network Map 2028 was finalised for inclusion as Map 3 in Move, Connect, Live - Integrated Transport Strategy 2018-28 in June 2020.

Challenges

The COVID-19 pandemic had a significant impact on the delivery of our projects due to reduced ability to consult, budget impacts, and limitations on what work can be done in the public domain.

- Planning and delivery of three of our bike corridors (Move, Connect, Live Action 18) has been delayed. Design of the Inkerman Bike Corridor was slowed due to challenges collecting data and the need to reallocate resource to other projects at this time. Park Street Bike Link (Move, Connect, Live Action 23) was impacted by the inability to undertake consultation on the design and is now planned for early 2021. Similarly, inability to consult widely on the Garden City Bike Corridor delayed the project, consultation and construction are both now planned for this corridor in 2021.
- Consultation on new car share spaces was also put on hold due to COVID-19, and as a result the project is not meeting expansion targets set in the Car Share Policy 2016-2021 (Move, Connect, Live Action 36). Similarly, as community facing programs, both our work with schools to support active travel, and our work with the wider community to encourage bike riding have been largely put on hold due to COVID-19 (Move, Connect, Live Actions 16 and 22).
- In March 2020 a trial of shared dockless electric bicycles began in Melbourne, Yarra and Port Phillip (Move, Connect, Live Action 38), and was temporarily suspended in line with government guidance. Work is continuing to resume this trial once it's safe to do so.
- The Wellington Street upgrade project (Move, Connect, Live Action 13) was delayed due to Department of Transport requiring expansion to the scope of the project, with significant cost increase impact. This project has been funded for delivery in 2020/21.

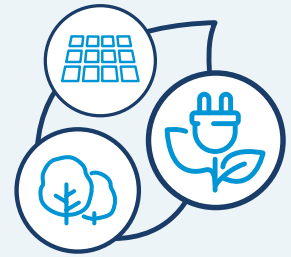
Move, Connect, Live targets

Outcome	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2020/21	Target 2027
Number of fatal and serious traffic collisions involving all road users	97	78	60	70	43	<120	<96
Number of private passenger vehicle trips	No data	128,000	No data	180,000	No data	128,000	128,000
Number of walking trips *	No data	153,000	No data	No data	No data	120,000	207,000
Number of bike riding trips *	No data	17,000	No data	No data	No data	30,000	44,000
Number of public transport trips *	No data	42,000	No data	No data	No data	49,000	56,000
Number of cars owned by Port Phillip residents *	No data	51,200	No data	No data	No data	51,200	53,500
Community perceptions of Councils traffic management as part of the Customer Satisfaction	59	60	59	No data	60	56	58
Speed of vehicles using Wellington Street	No data	>44.8 km/hr	>43 km/hr	No data	No data	<40 km/hr	<40 km/hr
Number of schools participating in Ride to School day	8	10	13	12	15	15	18
Number of 'Healthy Tracks to School'	No data	No data	No data	No data	No data	2	12
Number of protected bike corridors delivered	No data	No data	No data	No data	1	2	11
Increase in pedestrian and civic space in shopping strips	No data	No data	No data	No data	No data	10 %	20 %
Streetscape improvements are delivered as part of tram stop upgrade projects in shopping and activity centres per year	No data	No data	No data	No data	No data	100 %	100 %
Delivery of dedicated bus or tram only lanes on Council controlled streets (kms)	No data	No data	0.5	0.5	No data	3.5	5.5
Community perception of Council 'Parking Management' as part of the Port Phillip Customer Satisfaction Survey	79 %	81 %	79 %	75 %	66 %	>55%	>60%
Number of precincts that have been reviewed of improvement to parking management	No data	No data	No data	No data	No data	6	15
Residents who are satisfied with the use of pay-by-phone option to pay for parking	No data	No data	No data	No data	No data	>75%	<90 %
Number of residents who are car share members	No data	No data	2,500	6,100	No data	12,500	13,500
Utilisation rate of share bikes (docked and dockless) trip/day	No data	No data	1	1.0	No data	2	3

* Data sourced from VISTA is reported every two years, the data for 2018 was recently released, allowing comparison to the data for 2016.

Direction 3

We have smart solutions for a sustainable future



- 3.1 A greener, cooler and more liveable City
- 3.2 A City with lower carbon emissions
- 3.3 A City that is adapting and resilient to climate change
- 3.4 A water sensitive City
- 3.5 A sustained reduction in waste

Outcome indicators

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Total canopy cover	19 %	No data	No data	19 %	No data	No data
Council's greenhouse gas emissions	6,464	6,464	4,750	4,736	23	2,010
Council is on track to achieve zero net emissions by 2020/21. The significant drop in emissions experienced over the last 12 months is due to Council's participation in the Melbourne Renewable Energy Project as well as purchase of carbon offsets.						
Council's gross greenhouse gas emissions	11,720	10,950	11,205	10,758	3,193	2,010
Gross greenhouse gas emissions were higher than the target of 2,010. This was mainly because we were unable to change all our electricity accounts to be powered by renewable energy as part of the Melbourne Renewable Energy Project (MREP). Some accounts were changed later in the financial year as Council honoured existing contracts with retailers. Council also has leased buildings where electricity bills are not controlled. Alternative green power options are being negotiated with building owners.						
Council's electricity usage from renewable sources	4 %	4 %	5 %	23 %	93 %	100 %
As part of the Melbourne Renewable Energy Project (MREP), Council transitioned all metered electricity accounts to renewable energy. There are, however, some unmetered sites that cannot be transferred to renewable energy, including items such as irrigation controls and individual outdoor lights. We are working with energy retailers and distributors to negotiate changeover of these accounts to renewable energy.						
Council's potable water use (ML)	258	238	226	298	359	238
Council's potable water use was 359ML representing a 20 per cent increase over the previous year. Increases in irrigation (46ML) and across some Council's buildings and facilities (Childcare Centres 2.7ML, Community Centres 0.9ML and South Melbourne Market 1.5ML) resulted in the increase. While rainfall returned to the average in the past year, a combination of new sites being irrigated and extra water needed to recover from the record dry in the previous year drove most of the increase in water consumption. 27ML of stormwater was harvested and used to irrigate Elwood Park and commissioning was completed on the Alma Stormwater Harvesting Scheme in preparation for the coming irrigation season.						
Municipality-wide greenhouse gas emissions (tCO ₂ -e) (data reflects calendar year rather than the financial year)	No data	1,704,000	2,088,000	1,800,500	No data	No interim target set
Community goal has been set for net zero emissions by 2050. Interim five yearly goals will be set to align with Victorian Government commitments. Note that annual emissions data has fluctuated due to changes to data collection protocols.						
Kerbside collection waste diverted from landfill*	34 %	33 %	32 %	29 %	30 %	>35 %
Kerbside waste diverted from landfill remains below target as high levels of waste have been generated during the COVID-19 pandemic. There has also been a significant increase in the levels of contamination in our kerbside recycling bins during the pandemic. To address the contamination challenge, Council will consider a report in August 2020 that proposes an enhanced bin inspection program and education campaign. The kerbside and communal glass recycling trials in Garden City, Albert Park and South Melbourne are progressing well, and through community education, the contamination rates have lowered from 41 per cent at commencement of the trial to 13 per cent in June 2020.						
House kerbside collection waste diversion from landfill	No data	No data	33 %	29 %	31 %	No interim target set
Apartment kerbside collection waste diversion from landfill	No data	No data	23 %	21 %	No data	No interim target set
Reduction in waste produced by houses	No data	No data	No data	5.6kg per week	No data	No interim target set
Reduction in waste produced by apartments	No data	No data	No data	6.5kg per week	No data	No interim target set
Hard and dumped rubbish diverted from landfill	70 %	70 %	70 %	70 %	No data	70 %

* This measure is required under the Local Government Performance Reporting Framework.

Highlights

- Planted 1,337 trees as part of the Greening Port Phillip program and planted approximately 20,000 indigenous plants in native vegetation areas along the foreshore
- Completed Alma Park stormwater harvesting system to capture and treat stormwater
- Completed a Biodiversity Study of the City, which included ecological surveys of key areas and species of plants and animals
- Partnered with the Port Phillip EcoCentre to develop 'NatureSpot', an online platform where the community collected and shared information about flora and fauna in their gardens, balconies and public spaces
- Completed heat mapping and modelling of the South Melbourne precinct
- Improved the sustainability of buildings across the City by assessing Environmentally Sustainable Design in 228 planning applications
- Declared a climate emergency in September 2019 stating that climate change poses a serious risk to Australians - including those living in Port Phillip - and should be treated as an emergency
- Addressed the climate emergency with the community through three large successful events
- Purchased one electric vehicle, one plug-in hybrid electric vehicle and ten hybrid vehicles and installed two chargers at South Melbourne Operations Centre to support fleet vehicles
- Installed two new electric vehicle chargers at South Melbourne Market for visitors to charge their vehicles
- Tripled the Sustainable Business Network from 50 to 176 members
- Advocated to the Victorian Government to advance zero waste and circular economy initiatives to several state and federal enquiries into waste and resource recovery
- Commenced kerbside and communal glass recycling trials commenced
- Provided education on reducing litter through the Summer Rangers program
- Strong uptake continued for the Green Cone program with residents in both single-unit dwellings and multi-unit dwelling.

Challenges

- An increase in potable water use through irrigation and across some of Councils buildings and facilities was experienced. Recovery from the previous year's record dry contributed to this, despite rainfall returning to average during 2019/20.
- The EcoCentre Redevelopment project is dependent on partnership funding. To date, we have received \$200,000 (Incl GST) from the Victorian Government to progress a design. Council will continue to seek further partnership funding of \$2.75 million for construction.
- Some community sustainability programs were paused or reduced due to the COVID-19 pandemic. However, online communication ensured that advice and support remained readily available to residents and businesses.
- Apartment dwellers continue to face barriers to improving sustainability and accessing renewable energy. Council is exploring different options for accessing renewable energy that isn't dependent on the installation of roof-top solar panels.
- Several significant shifts in the waste and resource recovery sector have occurred including the China National Sword Policy, closure of SKM Recycling, several inquiries into waste management in Victoria and Australia, the release of the Victorian Government's circular economy policy: Recycling Victoria, a New Economy, and COVID-19. Responding to these challenges to ensure the best outcome for our community and movement towards achieving strategy targets is Council's priority and a comprehensive program of work is underway to achieve this.

Looking forward

The Council Plan 2017-27 has a strong focus on responding to sustainability challenges and ensuring we have smart solutions for a sustainable future. Over the next 10 years, Council has committed to improve the way in which we manage waste to reduce reliance on landfill and invest in innovative water harvesting to reduce our potable water use.

We will work with our community to reduce community greenhouse gas emissions and adapt to the impacts of a changing climate, including the risk of flooding.

Key initiatives for 2020/21 include addressing Council's declaration of a climate emergency, and the continued implementation of the:

- Act and Adapt - Sustainable Environment Strategy 2018-28
- Don't Waste It! Waste Management Strategy 2018-28.

This includes:

- continued investment in reducing Council's energy, water and waste
- continuing to help our community to help reduce environmental impacts.

Transforming waste management

The Don't Waste It! Waste Management Strategy 2018-28 provides a blueprint for how Council and the community will work together to create a more sustainable future for Port Phillip, ensuring it has a sustained reduction in waste. Adopted by Council in October 2018, the strategy includes four outcome areas and 25 actions pertaining to waste avoidance, reuse and recycling, cleaner streets, parks and foreshores, and the use of new technology to process and treat waste.

Since adoption, several significant shifts in the waste and resource recovery sector have occurred including the China National Sword Policy, closure of SKM Recycling, several inquiries into waste management in Victoria and Australia, the release of the Victorian Government's circular economy policy: Recycling Victoria, a New Economy and COVID-19.

Responding to these changes to ensure the best outcome for our community and movement towards achieving strategy targets is Council's priority and a comprehensive program of work is underway to achieve this. Highlights of this work are outlined in section titled 'A sustained reduction in waste'. Refer to page 122 for more details on progress in delivering Don't Waste It! Waste Management Strategy 2018-28.

Transforming water management

Changing rainfall patterns, increased heat and population growth will continue to impact how we use water in our City. With 68 per cent of the City less than three metres above sea level, we are significantly vulnerable to rising sea levels and flooding.

The **Act and Adapt - Sustainable Environment Strategy 2018-28** outlines Council's commitment to environmental sustainability for the organisation and the community. The strategy outlines how we will address water sensitivity through the use of stormwater to irrigate open spaces, and smart technology to ensure water isn't wasted.

We are committed to collaborating with the community and other stakeholders to implement cost effective solutions to reduce flooding in the Elster Creek Catchment. In 2019, we worked with Melbourne Water and Local Government partners to develop the Elster Creek Catchment Flood Management Plan (2019-2024) and partnered with City of Bayside to develop the Elsterwick Park Nature Reserve Masterplan, which plans to redevelop the former golf course in Elsterwick Park to a Nature Reserve to reduce flooding and improve environmental outcomes.

We also completed construction of Alma Park Stormwater Harvesting Scheme, which will capture and reuse up to 18 megalitres of stormwater and reduce pollutants entering the Bay. We constructed water sensitive urban design treatments at six locations to also improve.

We continued to partner with the Victorian Government, Melbourne Water and City of Melbourne to plan for water management in Fishermans Bend, including developing a draft Water Sensitive City Strategy and a draft Urban Design Guide for flood-prone areas and to develop case studies to demonstrate how developers in Fishermans Bend can implement integrated water management into the design and planning process.

Refer to page 117 for more details on progress in delivering Act and Adapt - Environmental Sustainability Strategy 2018-28.

Major initiative progress

Albert Park Stormwater Harvesting Development

Alma Park is a significant space for the local community, residents, sporting groups and schools in a heavily urbanised suburb. Completed in 2019/20, the Alma Park stormwater harvesting system captures and treats stormwater from the park’s stormwater drain, stores it under the sports field and uses it to irrigate the sports field and adjacent park areas. By capturing and reusing stormwater, the system saves valuable drinking water and significantly reduces the amount of pollutants that would otherwise enter Port Phillip Bay. Up to 18 megalitres, of stormwater will be captured and reused by the scheme each year. One megalitre is equal to one million litres.

The scheme includes:

- a gross pollutant trap to remove large rubbish and sediment from the stormwater as it enters the system
- a bioretention system, which is like a large garden bed, that will remove fine sediments and pollutants such as nutrients and heavy metals. The bioretention system will have a surface area of 230 m²
- storage tanks totalling capacity of over one megalitre, which is about half the size of an Olympic sized swimming pool
- a small treatment shed, that includes ultraviolet treatment as the final water treatment stage
- an access track that uses ‘grass cells’ so that we can access the site with heavy vehicles while maintaining grass coverage.

The project demonstrates excellence in integrated stormwater design and management through its integration into Alma Park. The system complements the surrounding park areas, forming a multifunctional hub that maximises engagement with park users and promotes sustainable water use practices. This will significantly reduce the need to irrigate the park area with drinking water. It will also provide an alternative source of water for our open spaces and will increase our water security, particularly in drier times, and improve the quality of water entering the bay.

2019/20

Actual \$531,000 Budget \$24,000

Sustainable Environment Strategy Implementation

The Act and Adapt - Sustainable Environment Strategy 2018-28 consists of 40 actions to support Council and the community to improve sustainability outcomes over the next 10 years. In 2019/20 five actions were completed and 29 actions were progressed as scheduled. Refer to page 117 for more details on progress in delivering Act and Adapt - Sustainable Environment Strategy 2018-28

2019/20

Actual \$445,000 Budget \$570,000

Don't Waste It! Waste Management Strategy implementation

The Don’t Waste It! Waste Management Strategy was adopted by Council in October 2018 and includes four outcome areas and 25 actions pertaining to waste avoidance, reuse and recycling, cleaner streets, parks and foreshores, and the use of new technology to process and treat waste. At 30 June 2020, six actions were completed, one was delayed and the remaining 18 are in progress.

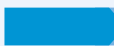
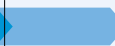

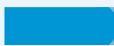
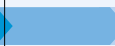
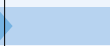








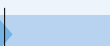




















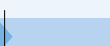





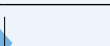






Since adoption, several significant shifts in the waste and resource recovery sector have occurred including the China National Sword Policy, closure of SKM Recycling, several inquiries into waste management in Victoria and Australia, the release the Victorian Government’s circular economy policy: Recycling Victoria, a New Economy, and COVID-19.

Responding to these changes to ensure the best outcome for our community and movement towards achieving strategy targets is Council’s priority and a comprehensive program of work is underway to achieve this.

2019/20

Actual \$472,000 Budget \$888,000

Four year priority progress

Priority	Not started	In progress	Completed
3.1 A greener, cooler and more liveable City			
Promote green buildings by applying environmentally sustainable design planning policy and guidelines.			
Develop a heat management plan to help cool the City and reduce the impact on health.			
Implement and review progress on the Greening Port Phillip Plan - An Urban Forest Approach, including implementing the street tree planting program 2017-2022 and ongoing investment in street and park trees and streetscape improvements, including in Fishermans Bend.			
Investigate opportunities to protect vegetation and increase canopy cover on private property.			
Complete an Ecological Biodiversity Study, in partnership with the EcoCentre and local experts.			
3.2 A City with lower carbon emissions			
Develop a sustainability strategy for beyond 2020, including considering United Nations sustainability goals and targets and baselining municipal-wide greenhouse gas emissions.			
Invest in renewable energy and energy efficiency measures in Council buildings and in the Melbourne Renewable Energy Project, a group purchasing model to drive investment in renewable energy.			
Embed sustainability into Council's procurement, fleet and investment policies and practices and investigate opportunities to install electric car charging stations.			
Implement guidelines that enable increased uptake of environmentally sustainable design features, including rooftop solar, in heritage areas.			
3.3 A City that is adapting to climate change			
Deliver behaviour change and education programs through the Sustainable City Community Action Plan and support environmental education programs in schools.			
Develop tools to help the community understand how they can adapt to the impacts of climate change.			
Examine the effectiveness of establishing a Port Phillip energy foundation, or partnering with an existing foundation, to undertake advocacy, research, advisory and community engagement initiatives.			
Work with partners to develop a bay-wide coastal hazard assessment and advocate for a planning scheme tool to identify and manage coastal inundation.			
Contribute to the EcoCentre redevelopment and continue to invest in EcoCentre programs that support an environmentally aware community.			
Work with partners to develop a long-term action plan for the Elster Creek catchment to mitigate flooding.			
Develop and implement a framework to increase Council asset resilience to the impacts of climate change.			

Priority

Not started

In progress

Completed

3.4 A water sensitive City

Undertake integrated water management planning, including partnering with Melbourne Water and others to review and implement relevant plans.



Plan and deliver water sensitive urban design interventions to reduce contaminants in water entering Port Phillip Bay.



Investigate and implement (subject to viability) stormwater harvesting and flood mitigation works at key locations.



Increase the permeability of ground surfaces across public streets and spaces, and work with the community to achieve greater permeability on private property.



Develop a Stormwater Asset Management Plan and continue to invest in drainage improvements.

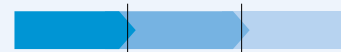


Develop a Stormwater Management Policy and guidelines to require onsite stormwater detention for new developments.



3.5 A sustained reduction in waste

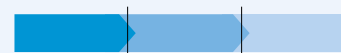
Develop and implement a new municipal Waste Management and Resource Recovery Strategy, including an implementation plan to divert organic waste from landfill.



Increase investment in street cleaning, litter bins and equipment to improve amenity and responsiveness, and investigate opportunities for further improvements to service delivery.



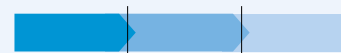
Work with the Metropolitan Waste and Resource Recovery Group to develop a business case to establish an inner metropolitan sustainability hub.



Pursue waste innovations in Fishermans Bend.



Update waste management guidelines for apartment developments, and implement education programs.



Services that contribute to this direction

Sustainability

Develop and implement environment policy, action plans and projects; deliver environmental programs and educational campaigns to our community; provide advice and support to embed sustainability into Council operations; partner with Victorian and other local governments, educational and not-for-profit agencies to ensure a high-value, outcomes-based approach to environmental sustainability.



2019/20

Actual \$7,137,424 Budget \$6,597,667 Variance (\$539,758)

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
New trees planted per year	1,466	1,117	1,519	1,325	1,337	1,200
A total of 1,337 trees were planted over 2019/20, above the target of 1,200 and slightly up from the previous year.						
Resident satisfaction with making Port Phillip more environmentally sustainable	91 %	91 %	86 %	75 %	82 %	>90 %
Residents are increasingly satisfied this year in making Port Phillip more environmentally sustainable. At 82 per cent, the result is seven per cent higher than the same time last year.						
Megalitres of water use from alternative sources	1.68	10.51	14.15	19.12	27.61	≥20
This includes an increase in the amount of water harvested from Elsternwick Park, which was used to irrigate parks in Elwood.						
Total suspended solids removed from stormwater (tonnes)	38.9	44.1	46.5	55.9	59.0	70.8
Council constructed raingardens at six locations across the city to improve water quality by reducing the amount of pollutants, nutrients and grit flowing into the Bay.						
Investments in fossil free institutions	49 %	86 %	77 %	85 %	62 %	60-80 %
As a result of the COVID-19 global pandemic, the global economic downturn significantly impacted interest rates and resulted in downgraded credit ratings for financial institutions. In response to this, and to ensure the security of our invested monies, Council changed their investment practices to focus on placing funds with high rated secure financial institutions only- favouring the Big 4 banks. This impacted on portfolio diversification and limited the fossil free investments available to Council.						

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Sustainability						
Participants in Council-run sustainability programs	8,274	8,308	8,373	7,839	12,313	
Additional trees planted	1,466	1,117	1,519	1,325	1,337	

Waste management

Reduce waste going to landfill through kerbside and public place recycling, hard waste and green waste collection, operating the Resource Recovery Centre and waste education; provide additional waste management services through kerbside refuse services and removal of waste from street litter bins.

2019/20

Actual \$13,243,550 Budget \$13,861,984 Variance \$618,434

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Council waste production per FTE (tonnes)	53.4T	50.4T	59.6T	56.0T	No data	No interim target
No updated data is available. The results for this measure will be collected in 2021/22.						
Resident satisfaction with waste and recycling collections	92 %	93 %	89 %	83 %	82 %	>90 %
Results from the annual satisfaction survey of residents conducted in February 2020 indicated an 82 per cent satisfaction rating with waste and recycling collections, slightly down one percent from last year.						

Satisfaction

Kerbside bin collection requests per 1,000 households*	33.57	29.29	27.84	29.31	27	<35
Kerbside bin collection requests were 26, slightly down compared to previous year performance.						

Service standard

Kerbside collection bins missed per 10,000 bin lifts*	2.67	1.73	3.91	3.40	3.07	<4.35
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Service cost

Cost of kerbside garbage bin collection service per bin*	\$63.68	\$69.65	\$68.97	\$53.07	\$50.49	<\$80.00
Cost of kerbside recyclables collection*	\$33.93	\$36.07	\$39.57	\$46.55	\$51.38	<\$36.00

Waste diversion

Kerbside collection waste diverted from landfill*	34.11 %	32.94 %	31.71 %	29.18 %	30.47 %	35.00 %
The glass collection trial in Port Melbourne is progressing well, and through community education, the contamination rates have lowered from 41 per cent at commencement of the trial to 13 per cent in June 2020. To address the contamination challenge, Council will consider a report in August 2020 that proposes an enhanced bin inspection program and education campaign.						

* This measure is required under the Local Government Performance Reporting Framework.

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Waste reduction						
Waste bins collected each week	38,749	38,909	39,008	39,115	39,252	↗
Recycling bins collected each week	34,626	34,962	35,306	35,601	35,861	↗
Hard and green waste collections	15,682	17,217	17,751	18,779	20,220	↗

Act and Adapt - Sustainable Environment Strategy 2018-28

The Act and Adapt - Sustainable Environment Strategy 2018-28 was adopted in June 2018 and identifies a 10-year program of actions and funding to deliver on the strategic outcomes.

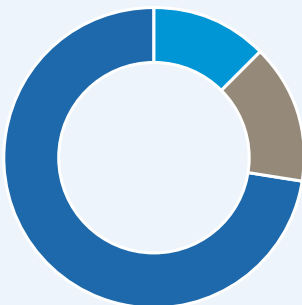
The strategy was developed to help address climate change and improve waste and water management as well as other sustainable environment challenges. It provides a blueprint for how Council and the community will work together to create a more sustainable future for Port Phillip.

In September 2019, the City of Port Phillip declared a climate emergency. The declaration acknowledges that Council was already providing a comprehensive response to the climate emergency through the Act and Adapt - Sustainable Environment Strategy 2018-28 and other strategies. Council is now

focused on the ongoing process of embedding the declaration in relevant policies and strategies, seeking opportunities to highlight the emergency with Victorian and Australian governments and supporting the community to take their own climate actions.

Strategy progress

Actions completion



Completed	25
In progress	10
Not started	5
Total actions	40

Highlights

A greener, cooler, more liveable City

- Planted 1,337 trees as part of the Greening Port Phillip Program and planted approximately 20,000 indigenous plants in native vegetation areas along the foreshore
- Installed fencing at Elwood Tea Tree Reserve, Fraser Street Dunes, Point Ormond Reserve and Lagoon Reserve to protect areas of native vegetation
- Completed a biodiversity study of the City, which included ecological surveys of key areas and species of plants and animals. This data will be

used to inform how we design, manage and maintain our public spaces and influence private development to provide habitat for important and threatened wildlife and to adapt to climate change

- Partnered with the Port Phillip EcoCentre to develop 'NatureSpot', an online platform where the community collected and shared information about flora and fauna in their gardens, balconies and public spaces. This project also included developing 'Grow Wild', a guide to help residents to increase biodiversity in their backyards

- Completed heat mapping and modelling of the South Melbourne precinct. Heat data was used to test what Council can do to reduce heat in the area, including planting trees and vegetation in our streets, using green walls or different coloured footpaths. This information will then be used to inform the development of the South Melbourne Structure Plan and to influence tree planting programs and road and footpath projects
- Improved the sustainability of buildings across the City by assessing Environmentally Sustainable Design (ESD) in 228 planning applications and by working with developers to change the design and construction of their developments
- Delivered two community education events to support residents to green their own properties: 'Sharing your garden with wildlife' and 'Gardening for renters.'

A City with lower carbon emissions

- Declared a climate emergency in September 2019 stating that climate change poses a serious risk to Australians - including those living in Port Phillip - and should be treated as an emergency
- Delivered energy efficiency improvements in Council buildings, including lighting, heating and cooling upgrades for St Kilda Town Hall, South Melbourne Market, Bubup Nairn and Middle Park Community Centre
- Installed solar panels on roof of South Melbourne Market, enough to power 45 houses in Port Phillip. The new 200kW solar panel system is expected to generate 263,000kWh of electricity each year and save over \$60,000 per year in avoided electricity costs
- Changed 100 per cent of Council's metered electricity accounts to renewable energy as part of the Melbourne Renewable Energy Project (MREP)
- Increased sustainable procurement from 4.5 per cent to 4.9 per cent. This includes categories such as recycled content, energy saving, green products, green services and social responsibility
- Developed an award-winning online vendor education tool. In collaboration with the cities of Wyndham and Whittlesea, the Supply Chain Sustainability School won the LGPro Sustainability award for 2020. This tool provides learning modules to support suppliers to improve their own sustainability
- Purchased one electric vehicle, one plug-in hybrid electric vehicle and 10 hybrid vehicles and installed two chargers at South Melbourne Operations Centre to support fleet vehicles
- Installed two new electric vehicle chargers at South Melbourne Market for visitors to charge their vehicles.

A City that is adapting to climate change

- Commenced update of the MyClimate website, that shares Council data on solar, water and heat and helps residents understand how they can make their home more comfortable and sustainable. This will be completed in 2020/21
- Continued working with the Victorian Government to develop the Port Phillip Bay Coastal Hazard Assessment to analyse future coastal erosion, coastal inundation and groundwater intrusion in Port Phillip Bay. Once completed, this data will be used by Council and the Victorian Government to help consider climate change in future planning. This will also be shared with the community
- Partnered with the South East Councils Climate Change Alliance (SECCCA) to commence a project to review the vulnerability of our roads, drains and buildings to climate change impacts, including flood, heat, sea level rise and storm surge. This will be completed in 2020/21
- Recommitted to the longstanding partnership with Port Phillip EcoCentre to support their community and education program delivery. Council signed a new five-year funding agreement with the EcoCentre to enable the ongoing delivery of volunteering, education and practical action projects
- Progressed the design and planning of the EcoCentre's building redevelopment. A concept design has been developed and shared with the community during the formal consultation period during February and March 2020. Continuing the project to construction is subject to receiving partnership funding
- Launched two new programs to provide support to residents and businesses to invest in their own properties. The low-income solar grant provided a \$1,000 grant to assist residents to install solar panels. Environmental Upgrade Finance provides a type of green loan facilitated by Council for non-residential property owners to improve the sustainability of their properties
- Delivered general solar programs with a new partnership with the Yarra Energy Foundation. 241 residents attended four information sessions. Despite challenges experienced due to COVID-19 pandemic nineteen residents proceeded with installing a total of 70 kW of solar panels.

- Tripled the size of the Sustainable Business Network from 50 to 176 members. The network pivoted from in-person breakfast meetings to online networking including webinars and a Facebook group during the COVID-19 pandemic
- Delivered a second round of the Environmental Leaders program (previously known as Enviro Champs). Thirty-four participants have commenced 22 sustainability projects
- The award winning Seedlings program continued with 25 participating early childhood education and care services. Services are supported to reduce their water, energy and waste and to embed sustainability into their curriculum. Data collected in September 2019 demonstrated significant decreases in electricity, gas and water use due to changes in behaviour and infrastructure
- Delivered the Smart Solutions for Community Services Program which provided intensive support to seven local not-for-profit organisations. Two services implemented significant projects, including the installation of energy efficient lighting, and an educational kitchen garden and low-income resident composting initiative. These projects will result in cost savings for the community, a reduction in waste to landfill and increased opportunities for our local community to increase their food-growing skills
- Increased the sustainability e-newsletter subscribers by 48 per cent from 2,888 to 4,267. Facebook followers increased by 21 per cent from 1,850 to 2,251 followers.
- Delivered the Winter Warmers program in two iterations. There was an apartment dwelling focus at the end of winter in 2019 with 90 participants attending in-home sessions and workshops. In June 2020, a revised online program was delivered via a series of videos and an interactive Q&A session. To date the videos have had over 2,500 views
- Addressed the climate emergency with the community through three large successful events. The Climate Conversations event in January 2020 was attended by 110 participants. Two online Climate Emergency Forums in May 2020 had 213 participants and a further 150 views after the event
- Started exploring alternatives to solar panels and partnership opportunities for apartment dwellers to access renewable energy. Thirty-five participants attended the first green energy for apartments information session.

A water sensitive City

- Partnered with Melbourne Water, City of Melbourne and Fishermans Bend Taskforce to develop the draft Urban Design Guide for flood-prone areas and to develop case studies to demonstrate how developers in Fishermans Bend can implement integrated water management into the design and planning process
- Worked with Melbourne Water and local government partners to develop the Elster Creek Catchment Flood Management Plan (2019-2024) which contains actions to reduce the impact of flooding across the catchment
- Installed irrigation control infrastructure in the majority of parks and reserves with irrigation. This control system will be configured in 2020/21 and used to improve water efficiency
- Constructed water sensitive urban design treatments at six locations, which will improve water quality by reducing the amount of pollutants, nutrients and grit flowing into the bay from our streets and designed a further 11 raingardens to be constructed in future years
- Partnered with City of Bayside to develop the Elsternwick Park Nature Reserve Masterplan, which plans to redevelop the former golf course in Elsternwick Park to a nature reserve to reduce flooding and improve environmental outcomes
- Developed a draft Onsite Stormwater Detention Policy to require new developments to retain stormwater on their property to reduce flooding and improve water quality and completed a baseline of permeability on private land across the City.

A sustained reduction in waste

- Actions and targets for this outcome will be reported through the Don't Waste it! - Waste Management Strategy 2018-28 on page 122.

Challenges

- Council's potable water use was 359 megalitres (ML), representing a 20 per cent increase over the previous year. Increases in irrigation (46 ML) and across some Council buildings and facilities (Childcare Centres: 2.7 ML, Community Centres 0.9 ML and South Melbourne Market 1.5 ML) resulted in the increase. While rainfall returned to the average in the past year, a combination of new sites being irrigated, and extra water needed to recover from the record dry in the previous year drove most of the increase in water consumption. 27 ML of stormwater was harvested and used to irrigate Elwood Park and commissioning was completed on the Alma Stormwater Harvesting Scheme in preparation for the coming irrigation season.
- The EcoCentre Redevelopment project is dependent on partnership funding. To date, we have received \$200,000 from the Victorian Government to progress a design. Council will continue to seek further partnership funding of \$2.75 million for construction.
- Some community sustainability programs were paused or reduced due to the COVID-19 pandemic. However, online communication ensured that advice and support remained readily available to residents and businesses.
- Apartment dwellers continue to face barriers to improving sustainability and accessing renewable energy. Council is exploring different options for accessing renewable energy that isn't dependent on the installation of rooftop solar panels.

Next steps

A greener, cooler, more liveable City

- Continue to investigate opportunities to protect vegetation and increase canopy cover on private property and trial use of tools to protect and enhance vegetation in new developments
- Use heat data collected in South Melbourne to inform the development of the South Melbourne Structure Plan and to influence tree planting programs and road and footpath projects
- Update Council's Sustainable Design Strategy and work with the Council Alliance for Sustainable Built Environment (CASBE) to develop a new Environmentally Sustainable Design Policy that increases sustainability requirements for new developments requiring a planning permit.

A City with lower carbon emissions

- Reach Council's goal of zero net emissions for Council's operations
- Continue to deliver energy efficiency improvements in Council buildings, including lighting upgrades at St Kilda Town Hall
- Continue to transition Council's fleet to zero and low-emissions vehicles
- Commence project to upgrade streetlights to LED to further reduce energy use
- commence a program to encourage and support our community to transition to electric vehicles.

A City that is adapting to climate change

- Continue to partner with the Victorian Government to deliver the Port Phillip Bay Coastal Hazard Assessment
- Continue to seek partnership funding to realise the construction stage of the EcoCentre Redevelopment project
- Continue working with South East Councils Climate Change Alliance (SECCCA) to commence a project to review the vulnerability of our roads, drains and buildings to climate change impacts, including flood, heat, sea-level rise and storm surge
- Continue collaborating with the community to address the climate emergency and expanding Council's online offering.

A water sensitive City

- Continue working with partners to implement the Elster Creek Flood Management Plan (2019-2024)
- Investigate mechanisms to increase permeability on private property
- Adopt a policy to require onsite stormwater detention in new developments
- Use irrigation control system to improve how we irrigate our parks and reserves.

Community participation

Statistic	2017/18	2018/19	2019/20
Participants in Council-run school travel programs	6,565	6,348	6,579
Participants in Council run waste programs	501	70	672
Participants in Sustainable City Community Action Plan programs (in person)	1,306	1,421	1,080
Participants in live online sustainability events	-	-	461
Participants/viewers of event video content	-	-	3,521
Total Council run sustainability programs	8,373	7,839	12,313

Act and Adapt goals (Council)

Statistic	Baseline	2018/19	2019/20	2020/21 goal	2027/28 goal	
A greener, cooler, more liveable City	Street tree canopy cover	19 %	No data	No data	2 % increase on baseline	10 % increase
A City with lower carbon emissions	GHG emissions (tCo2-e) Gross	10,950	10,758	3,193	1,200	520 gross emissions
	GHG emissions (tCo2-e) Net	6,464	4,736	23	0	0
	Electricity from renewable sources *	293 kW 19 %	359 kW 23 %	93 %	100 %	100 %
A water sensitive City	Energy consumption in Buildings and Streetlights (MWh)	8,900	8,970	8,800	7,200	7,300
	Potable water use (ML)	238	298	359	257	203
	Total suspended solids (t/y)	-	55.94	59	16 %	27 %
	Total phosphorous (kg/y)	-	93.86	No data	12 %	20 %
	Total nitrogen (kg/y)	-	510.34	No data	10 %	15 %

Act and Adapt goals (Community)

Statistic	Baseline	2018/19	2019/20	2020/21 goal	2027/28 goal	
A greener, cooler, more liveable city	Canopy cover	19 %	No data	No data	2 % increase on baseline	10 % increase on baseline (12.1 %)
A City with lower carbon emissions	GHG emissions (tCo2-e) gross	1,704,000	2,088,000	No data	No data	-
	Electricity from renewable sources - total roof top solar (kW)	5,100	No data	9,559 kW	10,400 kW	29,000kW
A city that is adapting to climate change	Indicators to be reported - number of houses impacted by extreme weather; temperature hotspots; use of council facilities during extreme weather	-	No data	No data	-	-
A water sensitive City	Potable water use	178L per person per day	No data	No data	-	-

* This measure is reported in percentage only as the majority of renewable energy is now purchased through the Melbourne Renewable Energy Project, rather than generated from Council's solar panels.

Don't Waste It! Waste Management Strategy 2018-28

The Don't Waste It! Waste Management Strategy 2018-2028 was adopted in October 2018, identifying 25 actions to deliver on the four outcome areas:

1. a City that reduces waste
2. a City that maximises reuse and recycling
3. a City with clean streets, parks and foreshore areas
4. a City that uses new technology to process waste better and reduce environmental impacts.

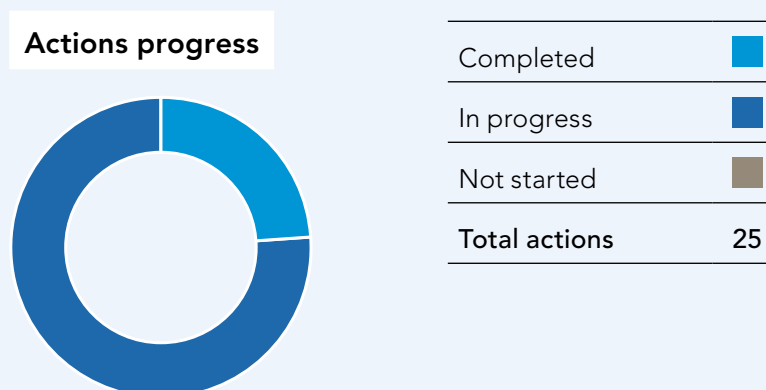
The strategy was developed to help address the waste management challenges of our increasing population, with more people living in apartments, the changes in the waste and resource recovery sector, and to ensure we can help people recycle more and keep our City

clean. It provides a blueprint for how Council and the community will work together to create a more sustainable future for Port Phillip through the way we manage our waste.

In September 2019, the City of Port Phillip declared a climate

emergency. The declaration acknowledges that Council was already providing a comprehensive response to the climate emergency through the Act and Adapt Strategy and other strategies.

Strategy progress



Highlights

Four strategy actions were completed in 2019/20:

- Action 7, which saw Council advocate to the Victorian Government to advance zero waste and circular economy initiatives via a submission to several state and federal enquiries into waste and resource recovery (including redesign and rethinking of systems) at local, state and federal levels
- Action 10, which saw the publication of Council's revised 'Guidelines for preparing a waste management plan' for multi-unit developments (MUDs)
- Action 16, which saw a review of Council's street and beach cleaning services undertaken to improve services standards and efficiencies
- Action 23, which explored the feasibility of a sustainability hub to better address our future waste and recycling needs. It was found that the concept had merit but was unfeasible due to the land constraints and the need for greater support from state government.

This adds to the two previously completed actions, 5 and 6.

Officers completed a review of the strategy in December 2019 which saw Council adopt several new activities in response to the closure of SKM Recycling including:

- the development of a waste advocacy plan (underway)
- trials of fixed-term (eight-month) recycling services for kerbside glass recycling and communal glass recycling (underway)
- trial of fixed-term (eight-month), food organics and garden organics (FOGO) recycling (launched in July 2020)
- a 12-month trial of recycling street sweeping waste (withdrawn due to budget constraints)
- two additional, fixed-term full-time equivalent (FTE) positions to resource the roll-out of these initiatives - an eight-month role to embed circular economy principles into Council's policies and procedures and an eight-month position for the roll-out of the FOGO trial (withdrawn due to budget constraints)
- community consultation on the introduction of a waste and amenity levy via the 2020/21 Council Plan and Budget consultation process (completed).

The kerbside and communal glass recycling trials have been very well received by the community with approximately 62,700 litres of glass collected

so far by at communal bins and 37,710 via the kerbside collections. Contamination rates for bins is low, owing to strong community support and a comprehensive and complimentary education and auditing program.

Throughout February and March 2020, Council consulted the community on the topic of waste and recycling. This included the potential to introduce a waste and amenity levy to cover the rising costs of waste management. Overall, there was support for improved and increased recycling services, a desire for increased waste avoidance, particularly soft plastics, reuse and repurposing, enforcement and education and 61 per cent of respondents indicated support for a waste and amenity levy.

Officers rehomed Council's 16 worm farms to schools, community centres and early learning centres to facilitate their recycling of food waste, and an all-inclusive food waste recycling service was introduced at St Kilda Town Hall, along with renewal of internal bin infrastructure to facilitate improved waste and recycling management for staff.

The Summer Rangers program employed six casual employees over summer 2019/20 to promote Summer in the City messaging, distribute campaign collateral, undertake litter audits, and attend events and pop-up engagements in high-traffic shopping strips. Rangers reached a large audience through major events like the Carman's Women's Fun Run and Midsumma Pride Festival, as well as pop-up stalls from Port Melbourne to Elwood. As in previous years, they conducted litter counts and there was a decrease in cigarette butt litter across 'most littered' sites in previous years, a trend to be continued by a new campaign targeting cigarette butt litter next season.

The Green Cone program continued to have strong uptake with residents in both single-unit dwellings and multi-unit dwellings. A total of 251 green cones were delivered in 2019/20, including two to a communal trial site behind St Kilda Library.

Council worked with officers from the City of Glen Eira on a feasibility study looking at the opportunities of and barriers to introducing an extended Council operated waste service for small to medium enterprises and MUDs. The findings of this study will contribute future planning for waste and recycling services for Council.

Council has continued to deliver waste services to a high standard, including kerbside waste and recycling, hard and green waste collection service, illegal dumping management and collection, litter prevention and management and street and beach cleaning.

An independent service review into several street and beach cleaning services was conducted in 2019/20 and progress has been made on the recommendations, including:

- implementing the four-week street cleaning cycle resulting in a 35 per cent increase in streets cleaned each month
- formation of a cross-departmental litter prevention taskforce
- improved intradepartmental communications improving staff awareness and engagement
- installation and adoption of GPS and mobile technology
- deployment of a Rapid Response service to respond to incidents of illegal dumping
- significant work on Occupational Health and Safety compliance.

In 2019/20 Council undertook several advocacy actions. We completed officer submissions to:

- the Department of Environment, Land, Water and Planning (DELWP) on their Circular Economy Issues Paper in July 2019.
- Environment Protection Authority Victoria (EPA) on the subordinate legislation of the Environment Protection Act 2018 (amended 2017) on 31 October 2019.
- Infrastructure Victoria on their report, 'Recycling and resource recovery infrastructure evidence base report' on 12 December 2019.
- the Standing Committee on Industry, Innovation, Science and Resources to their 'Terms of Reference into Innovative Solutions in Australia's Waste Management and Recycling Industries' on 6 January 2020.

Challenges

The impact from SKM Recycling's closure in August 2019 presented a significant and unprecedented challenge to Council and the Port Phillip community. No longer able to send recyclables offshore to Chinese and south-east Asian markets, Council made the tough decision to divert recyclables to landfill until another provider could be secured.

This event triggered an officer review of the Don't Waste It! Waste Management Strategy, which proposed several new activities to realign Council's work to adapt to the changing waste landscape.

These were adopted by Council on 4 December 2019.

In 2020, the impact of COVID-19 saw increased numbers of people at home and in isolation. This resulted in increases in waste and recycling generation at the kerbside and a corresponding significant increase in contamination in kerbside recycling bins in Port Phillip. Work is underway to address this.

Next steps

- With the release of the Victorian Government's circular economy policy: Recycling Victoria, a New Economy, Council will soon commence writing a transition plan to meet the requirements of this policy
- Continue the tendering process for new waste, recycling, dumped waste and hard waste collection contracts
- Continue to work with the Metropolitan Waste and Resource Recovery Group (MWRRG) to negotiate contract solutions for recycling for the Port Phillip community
- Continue to work with MWRRG on multi-council landfill contracts
- Continue advocacy work, including seeking and applying for grants to support the delivery of the strategy
- Continue and evaluate the glass recycling trials
- Launch, deliver and evaluate the FOGO trial
- Commence the Food to Farm program which will trial the use of a food composter and a kerbside food recycling collection in selected multi-unit developments
- Commence embedding circular economy principles into Council policies and plans
- Continue engagement with community on waste and recycling services.

Don't Waste It! targets

2021/22 target	2027/28 target	2018/19 results	2018/19 target	2018/19 target
By 2022, a 20 % reduction in: <ul style="list-style-type: none"> waste per house waste per apartment* waste per Council employee 	-	House: 5.6 kg/week Apartments: 6.5 kg/week Per council employee: 1.3 kg/week (SKTH waste data only)	No data	Set baseline
By 2022, landfill diversions of: <ul style="list-style-type: none"> 43 % for houses 29 % for apartments 58 % for council buildings 85 % for public bins 	-	2019 diversion rate for: Houses 38.7 % Apartments 21.4 % Council buildings 35.6 % Public litter bins 1.4 %	No data	Set baseline
By 2022, a 50 % reduction in contamination levels in apartments, houses and Council building recycling bins (from 2019 levels).	-	2019 recycling bin contamination levels for: Houses 15 % Apartments 18 % Council buildings 13 %	No data	Set baseline
By 2022, a 50 % reduction in recyclable items** in apartments, houses and Council building waste bins.	8,373	% of material in waste bins that is recyclable: Houses 74 % Apartments 71 % Council buildings 65 %	No data	Set baseline
By 2022, maintain community satisfaction levels of 90 % for waste services.	-	Community satisfaction with waste services is 89 % (2018). 2019 data not yet available.	82 %	90 %
By 2028, a 50 % diversion of: food waste from landfill within house/apartment, Council and (participating) commercial buildings.		Per cent of waste stream that is food waste: Houses: 40.1 % Apartments: 38 % Council buildings 39 % Commercial buildings: 0 %	No data	Set baseline
By 2028, 100 % of waste treated to maximise its value prior to landfill: <ul style="list-style-type: none"> House/apartment waste Council buildings waste 		House / apartment: 0 % Council buildings: 0 %	0 %	Set baseline
By 2028, landfill diversions of: <ul style="list-style-type: none"> 85 % for houses 85 % for apartments 85 % for council buildings 85 % for public bins 		2019 diversion rate for: Houses 38.7 % Apartments 21.4 % Council buildings 35.6 % Public litter bins 1.4 %	No data	
By 2028, maintain community satisfaction levels of 90 for waste services, while managing growth.		Community satisfaction with waste services is 89 % (2018).	No data	

* Average weight of an apartment bin. As apartments share bins, we are not able to ascertain how much waste is generated per apartment in Port Phillip.

** Recyclable items include: all food waste, e-waste, commingled recyclables, soft plastics, and other materials Council currently has recycling options for.

Direction 4

We are growing
and keeping our
character

4.1 Liveability in a high density City

4.2 A City of diverse and distinctive neighbourhoods and places

Outcome indicators

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Residents who feel a sense of safety and security in Port Phillip	85 %	85 %	82 %	81 %	82 %	>85 %
Results from the annual satisfaction survey of residents conducted in February 2020 indicated 82 per cent of residents feel a sense of safety and security in Port Phillip, a slight increase on last year.						
Residents who are proud of, connected to and enjoy living in their neighbourhood	96 %	97 %	96 %	96 %	94 %	>95 %
Results from the annual satisfaction survey of residents conducted in February 2020 showed 94 per cent of residents are proud of, connected to and enjoy living in the neighbourhood, this is down two per cent from the previous year.						
Residents who agree the local area is vibrant, accessible and engaging	96 %	97 %	95 %	93 %	93 %	>95 %
Results from the annual satisfaction survey of residents conducted in February 2020 showed a stable result compared to last year, and just fell shy of the target.						
Planning decisions upheld at VCAT*	71 %	70 %	61 %	72 %	77 %	>70 %
The overall result has increased from 72 per cent last year to 77 per cent. Allowing for mediated and withdrawn outcomes, Council decisions upheld at VCAT is 83 per cent.						

* This measure is required under the Local Government Performance Reporting Framework.

Highlights

- The 2019/20 Fishermans Bend program has progressed despite a changing timeline, resourcing changes and major restructures of state departments.
- During 2019/20 Council engaged with the community and specialist consultants to develop a draft Public Space Strategy. The draft strategy was released for public feedback in August 2020.
- The project to secure a new lease arrangement for St Kilda Marina following expiry of the current 50-year lease in April 2019 progressed significantly. Following a year-long procurement process and a public feedback period, a tenant was chosen and new long term lease terms were approved for submission to the State Government approval process.
- Ongoing and significant process on Council's open space projects such as Elwood Foreshore, JL Murphy Playspace, Public Space Lighting upgrades and Council's Parks, Furniture and Pathway Renewal Program.
- Established a 3D modelling capability for the organisation to enable modelling of high-growth and change areas such as Fishermans Bend, South Melbourne, St Kilda Road and St Kilda including Balaclava. This is already assisting the organisation with analyses and planning around heat island modelling, the preparation of new structure plans and the assessment of development applications. The 3D modelling will continue to extend across other areas and in its capability.
- Adoption of Site Contamination Management Policy 2020-24.
- Open space projects continued during the COVID-19 period however while the bulk of these projects rely on local suppliers and contractors, there has been delays in the supply chain for some specialised outdoor products that can only be source overseas.
- While construction is still an essential service, physical distancing procedures were strictly followed on Council construction sites with changes made to items including vehicle occupancy, the availability of wash-up facilities on-site and the design of lunchrooms. With exercise representing one of the four activities permitted under COVID-19 restrictions, the importance of open space increased during the period of social isolation. When restrictions are eased and facilities such playgrounds, fitness equipment and the foreshore are again available for use, these open spaces will be an important part of the recovery.

Challenges

- During 2019/20, Fishermans Bend Taskforce (FBT) was restructured several times and ministerial responsibility for Fishermans Bend transferred to Minister Allan and in June 2020, to Minister Pakula. This changing environment has contributed to the program being off track for an extended period.
- The COVID-19 pandemic has heightened other key issues regarding development risks, particularly delays in development.
- Council officers continue to work with the Victorian Government and nominated environmental consultants to progress the Contamination Management Action Plan (CMAP) at Gasworks Arts Park Reinstatement after delays during the year.

Looking forward

The Council Plan 2017-27 responds to the growth the City is experiencing, while maintaining our character and personality. Council has committed to addressing the challenges that arise relating to liveability of a high density City, and developing diverse and distinctive neighbourhoods and places.

Key initiatives for 2020/21 include:

- a new Public Space Strategy
- transitioning to the new long-term lease for the St Kilda Marina
- proactive site assessment and testing for contamination on Council land - this includes working with the Victorian Government to effectively manage site (soil and groundwater) contamination and management of open space sites, including at Gasworks Arts Park
- partnering with the Victorian Government to ensure the Fishermans Bend Framework and precinct plans maximise outcomes for current and future Port Phillip residents, including employment, housing choice, quality public space and community facilities, and early delivery of fast, frequent public transport.

Transforming Fishermans Bend

Fishermans Bend represents an unparalleled opportunity to reshape how Australia thinks about urban growth, housing, working and sustainable transport.

It is a Council priority to ensure that the Fishermans Bend Precinct plans maximise outcomes, including employment, housing choice, quality public space and community facilities, and early delivery of fast, frequent public transport for current and future Port Phillip residents.

Program summary

The 2019/20 Fishermans Bend program has progressed despite a changing timeline, resourcing changes and major restructures of state departments. This changing environment has contributed to the program being off track for an extended period.

During 2019/20, Fishermans Bend Taskforce (FBT) was restructured several times and ministerial responsibility for Fishermans Bend transferred to Minister Allan and in June 2020, to Minister Pakula. Following the reshuffle, Minister Pakula has portfolios including Industry Support and Recovery and is tasked to support 'job creating sectors' with responsibilities for Docklands, Fishermans Bend and Footscray as part of the new Business Precincts portfolio.

The Montague Precinct Plan is scheduled to be delivered in 2020. Work on the Sandridge and Wirraway precinct plans is effectively on hold; however, the taskforce is still keen to work on their future development.

Detailed precinct planning activities continue to be a collaborative venture between Council and the taskforce. Major work packages have also progressed with Council as key stakeholder, including flood studies, a heritage review and the Water Sensitive Cities Strategy led by Melbourne Water. This work will continue throughout 2020.

Statutory planning has also continued with more than 50 development applications under assessment. There has been a recent increase in pre-application enquiries and submissions of amended plans.

The COVID-19 pandemic has heightened other key issues regarding development risks, particularly delays in development and a further risk approach is now scheduled at the behest of the Mayors Forum.

Fishermans Bend tram

The Victorian Budget 2019/20 invested \$4.5 million to plan for potential tram services between Fishermans Bend and the CBD. Planning work would investigate options for the potential tram route, including options for a river crossing, and potential corridors along Turner and Plummer streets. The package would also develop a preliminary business case for any future project at Fishermans Bend, while assessing future transport needs in the area. The development of the business case by Department of Transport is targeted for initial release in December 2020. We understand that the final business case will not be released until end December 2021.

Better connections will grow this future employment and residential hub by encouraging more employers, educational institutions and people to move into the area and better spread out development south-west of the city.

2019/20

Actual \$216,000

Budget \$425,000

Major initiative progress

Gasworks Arts Park Reinstatement

The City of Port Phillip is committed to the ongoing management and response to the known contamination of Gasworks Arts Park. The site was once part of the former South Melbourne Gasworks and is contaminated with the by-products of coal gas production.

On 9 December 2014, Council resolved to request that the State of Victoria, as the original polluter of the former South Melbourne Gasworks (Albert Park), project manage the soil remediation of the site. This includes finalising a Remediation Action Plan and to:

- keep as many mature trees on the site as possible
- ensure a transparent process with open communication with Council and the community throughout the remediation process
- maintain a commitment to retaining the land as an off-leash park in a native bush setting.

A key focus for the investigation throughout 2019 and the first half of 2020 has been preparation of the draft soil Contamination Management Action Plan (CMAP) for review by the EPA Environmental Auditor. The draft concept design of the Park Plan will be developed alongside the CMAP. Further work to determine the extent of groundwater contamination is also required and will continue into 2020.

The Environmental Auditor’s comments have been received and responses are being prepared. It is expected that the CMAP will be completed in the second half of 2020, at which time it will be made available to the community. We will be welcoming public comment on the CMAP at that time.

Council officers continue to work with the Victorian Government and nominated environmental consultants to progress the Contamination Management Action Plan (CMAP).

Albert Park College trial use of Gasworks Arts Park

Following a Council resolution on 18 March 2020, Albert Park College has been granted approval to use Lemnos Square and Gasworks Arts Park on a trial basis until 31 December 2020. This approval comes with conditions of use, which include:

- park use only on school days during recess and lunchtimes
- no access to public amenities within theatre and café complex
- sport and sports equipment are not permitted
- no infrastructure to be installed
- a teacher to always be present
- path network must always be used when moving between campuses
- no exclusive use
- no impact on others.

Temporary signage about the trial was installed at Gasworks Arts Park in July 2020. A community update was distributed on 10 July 2020 that included information about the progress of the Park Plan, Ground Penetrating Radar (GPR) Survey and groundwater monitoring. Detailed information on this project is available on Council’s website at: portphillip.vic.gov.au/about-the-council/strategies-policies-and-plans/gasworks-arts-park-contamination-management-plan

2019/20

Actual \$4,000 **Budget \$500,000**

Public Space Strategy development

During 2019/20 Council engaged with the community and specialist consultants to develop a draft Public Space Strategy. The strategy provides the vision for the future of public spaces in the City of Port Phillip and delivers on Strategic Direction 4 of the Council Plan: ‘We are growing and keeping our character’. Its purpose is to inform Council’s ongoing planning and investment in public spaces through outlining the challenges, outcomes and actions required to realise the full potential of Port Phillip’s already enviable public space network of parks, gardens, streets, the foreshore, and urban plazas.

In preparing this strategy, we engaged with the community through pop-ups, interactive mapping, an online survey and conversations with key stakeholders to understand their priorities. Feedback informed us that our public spaces are well used by the community for a range of activities and the foreshore is the most popular public space in the Port Phillip. We also heard that greening our spaces should be a priority, maintenance could be improved, and our spaces should be shared rather than single, exclusive uses. With community input we have developed the draft Public Space Strategy that covers the opportunities and challenges in our public spaces, city-wide outcomes to guide the future of our spaces, and a series of actions organised by neighbourhood for the next 11 years.

The draft Public Space Strategy was open for feedback from 10 August 2020 until 6 September 2020. Community feedback was welcomed and considered as part of reviewing and finalising the Public Space Strategy, planned for adoption in early 2021.

2019/20

Actual \$150,000 **Budget \$195,000**

St Kilda Marina Project

St Kilda Marina is on Crown land, managed by Council as the Committee of Management. In 2019, the 50-year lease expired (an interim lease arrangement is in place until 2022), providing Council and the community an opportunity to reimagine the future of the marina.

Work to prepare for a new long-term lease has been underway since September 2016, when Council resolved to undertake a competitive selection process. Since then Council has worked with specialist consultants and the community through a multi-stage engagement program to determine the site vision and objectives, and a design brief, the St Kilda Marina Project Site Brief, that guided the process for procuring a new lease, including a redevelopment proposal for the ageing marina.

A planning scheme amendment (PSA) was undertaken in parallel with the new lease competitive process to better enable the site brief design intent to be realised. Following Council endorsement of the planning panel's report in June 2020, the PSA is now with the Minister for approval.

The procurement process that commenced with a Council-endorsed procurement plan in June 2019, concluded on 15 July 2020. Australian Marina Development Corporation (AMDC) was selected as the preferred tenant for a 35-year lease, with an additional 15 years conditional on meeting agreed performance criteria. The consortium includes several locally based members who have a long association with the marina and significant marina operations and redevelopment expertise and experience.

The proposed lease is worth about \$160 million over 50 years.

The design proposed includes:

- public open space at the site expanding from four to 50 per cent
- less fencing to create a more welcoming site, better connected to adjacent open space, including the opening of the peninsula to the public
- Marine Parade works to create a retail/food and beverage strip as part of a slight increase in commercial space from 3,600 metres squared to 3,745 metres squared net lettable area (potential for future expansion up to 5,000 meters squared dependent on demand and Council approval)

- realignment of the Bay Trail to address high conflict zones between users and improved pedestrian and bike paths through the site, with the possibility of a future additional Bay Trail link via a bridge at the entrance to the harbour (funded by Council)
- car parking areas redesigned as flexible spaces which can be activated in quiet times for a range of community events and activities
- consolidated boat storage capacity to 300 within a dry boat storage facility, with an additional 100 capacity possible (dependant on demand and Council approval).

The lease has undergone a public submissions process. Council considered any feedback received prior to making its final decision on the lease on 16 September 2020 and progressing it to Victorian Government approvals process.

Council approved the project approach, program and budget for the project in February 2018, which underpinned a comprehensive planning and community engagement process to help realise a solution for the site that benefits the community and achieves a balance between social, cultural, environmental, economic and financial objectives for the City and state. Additional scope and complex unforeseen technical requirements to support the project placed pressure on the budget which resulted in a review and increase in budget for 2019/20.

A risk based approach to the project involving regular reviews ensured that risks as they evolved were identified and closely managed. An updated project approach and timeline were approved by Council on 5 June 2019 that incorporated an updated program and budget required to support a well-defined procurement process and the planning process that is currently seeking Victorian Government approval for a planning scheme amendment for the site.

2019/20

Actual \$461,000

Budget \$180,000

Four year priority progress

Priority	Not started	In progress	Completed
4.1 Liveability in a high density City			
Partner with the Victorian Government to ensure the Fishermans Bend Framework and precinct plans maximise outcomes for current and future Port Phillip residents, including employment, housing choice, quality public space and community facilities, and early delivery of fast, frequent public transport.			
Deliver open space remediation and streetscape works in Fishermans Bend, particularly in the Montague Precinct and at the Ferrars Street Education and Community Precinct.			
Work with the Victorian Government to effectively manage soil contamination and remediation on open space sites, including at Gasworks Arts Park.			
Review and update the Port Phillip Planning Scheme, and Municipal Strategic Statement, to ensure an effective framework of local policy and controls to manage growth and support healthy communities.			
Implement planning scheme amendments that strengthen design and development controls in areas undergoing significant change.			
Invest in improving parks, playgrounds and street and public space lighting.			
Review Council's design and technical standards for streets and public spaces.			
Develop a new public space strategy.			
Deliver the Design and Development Awards, to showcase and promote design excellence in Port Phillip.			
Continue to improve community safety by evaluating CCTV, undertaking community safety audits and implementing crime prevention through environmental design guidelines.			
Continue to maintain a high standard of amenity, ensure compliance with planning requirements and local laws, and support public health and safety through service improvements and mobile technology.			
Review Council's local law to manage and improve community amenity.			
Review (Completed in 2017) and implement Council's Domestic Animal Management Plan, which promotes animal welfare and responsible pet ownership.			
Work with the Victorian Government to improve the safety of buildings in our municipality.			

Priority

Not started

In progress

Completed

4.2 A City of diverse and distinctive neighbourhoods and places

Effectively manage the St Kilda Marina lease process, including developing design guidelines through stakeholder and community engagement .	
Advocate for and partner to develop a vision and plan for St Kilda Junction.	
Develop an urban design framework for St Kilda Road North ANZAC Station precinct and surrounds.	
Develop a strategic plan for the St Kilda precinct, including a strategy to revitalise Fitzroy Street.	
Develop design guidelines for key foreshore destinations including the St Kilda Triangle and Port Melbourne Waterfront.	
Implement a program to strengthen heritage controls including assessing sites of cultural and social significance and implement the review of Heritage Overlay 6 (East St Kilda) through the planning scheme.	
Review the Housing Strategy to ensure new residential development is well located and respects the character and heritage of established neighbourhoods.	
Review the Heritage Policy in the Port Phillip Planning Scheme to improve guidance on the retention and adaptive reuse of the City's heritage fabric.	
Reflect and interpret the City's history through the installation of plaques, memorials and monuments.	
Upgrade the foreshore including vegetation projects and maritime infrastructure renewals.	

Services that contribute to this direction

Amenity

Clean our streets, beaches and the foreshore; maintain our drains, roads, medians, footpaths, trade commercial areas, public toilets, barbecues and street furniture; maintain Council buildings and assets; respond to graffiti complaints and remove graffiti.

2019/20

Actual \$13,577,071 Budget \$11,539,434 Variance \$2,037,637

Explanation: This variance is mainly due to the reclassification of Stormwater project reported under Sustainability and delays of the public toilet program.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Resident satisfaction with street cleaning	89 %	88 %	87 %	87 %	84 %	>90 %
Resident satisfaction with beach cleaning	92 %	95 %	93 %	95 %	95 %	>90 %
Street cleaning audit compliance	95 %	94 %	94 %	95 %	94 %	>95 %

We continued to see a high level of compliance with our audit of street cleaning at 94.05 per cent, just slightly under the target of 95 per cent.

City planning and urban design

Manage Port Phillip Planning Scheme including the Local Planning Policy Framework; design and engage on integrated urban spatial policies and projects; develop place-based urban strategy and land use policies; contribute to advocacy for state planning policy and regulation reform; deliver public realm projects, precinct management and provide urban design and heritage advice; advocate for investment and design improvements on state public realm and transport projects.

2019/20

Actual \$3,917,476 Budget \$4,368,422 Variance \$450,946

Development approvals and compliance

Make statutory planning decisions on planning permit and subdivision applications; provide heritage/urban design advice relating to the planning scheme and policies; provide front line customer service; issue permits and enforce the building regulations including prosecutions, siting provisions and public safety; administer local laws permits for construction activities and commercial uses, including footpath trading; investigate and enforce alleged breaches of the Planning and Environment Act and Port Phillip Planning Scheme; proactively monitor development sites for compliance with planning permits.

2019/20

Actual \$8,180,764 Budget \$8,038,220 Variance (\$142,544)

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Resident satisfaction with Council's planning services	79 %	78 %	78 %	60 %	76 %	>80 %

Results from the annual satisfaction survey of residents conducted in February 2020 indicated the resident satisfaction with planning services improved significantly this year, up from 60 per cent last year to 76 per cent in 2019/20.

Timeliness

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Time taken to decide planning applications*	75	78	77	78	86	<75

This result shows the median number of days to make a decision on an application. This result at 86 days is higher than the 75 day target. This increase is largely a consequence of COVID-19, which has required additional time for the service to adapt to working remotely and additional resources required to undertake Council's referral authority role responding to the significant planning applications lodged with the Minister for Planning in Fishermans Bend, which are not measured by the Local Government Performance Reporting Framework.

Service standard

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Planning applications decided within required timeframes*	58 %	60 %	61 %	57 %	68 %	>60 %

At 67.55 per cent, this exceeds the 60 per cent target and is a significant increase on last year's 56.53 per cent and this increase is representative of the process improvements we have put in place.

Service cost

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Cost of statutory planning service per planning application*	\$2,104.35	\$2,554.87	\$2,764.04	\$2,617.25	\$2,791.06	<\$2,400.00

This result shows the average cost of Council's statutory planning service per planning application received has increased marginally from \$2,617 last year to \$2,791, this is due to an approximately 10 per cent reduction in the number of applications received and increased spend on legal representation for significant developments at VCAT and at the Fishermans Bend Standing Advisory Committee.

* This measure is required under the Local Government Performance Reporting Framework.

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Planning applications						
Received	1,529	1,155	1,095	1,224	1,041	↘
Decisions made	1,624	1,380	1,303	1,204	1,080	↘

Health

Reduce the incidence of infectious disease by monitoring standards for 1,230 registered food premises; support the production of safe and secure food for consumption from restaurants, cafes and all registered food premises; monitor health standards of accommodation properties, registered tattooists and beauty parlours; provide an immunisation program for infants, children and adults; investigate public health nuisance complaints; monitor the use and sale of tobacco.

2019/20

Actual \$1,780,432 Budget \$1,678,317 Variance (\$102,114)

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Timeliness						
Time taken to action food complaints*	1.76 days	1.67 days	1.58 days	1.74 days	1.68 days	<2 days
The number of days between receipt and first response action for all food complaints is well within range with cases responded to on the day or next day after receipt.						
Service standard						
Percentage of required food safety assessments undertaken*	100 %	100 %	100 %	100 %	100 %	100 %
All food premises registered under the Food Act 1984 (Vic) with Council have had an assessment as required.						
Service cost						
Cost of food safety service per premises*	\$547.92	\$521.41	\$551.11	\$591.00	\$638.11	<\$562
The cost per registered premises has increased slightly from the same period last year due to a reduction in the number of temporary/event food premises registered with Council as a consequence of the COVID-19 pandemic.						
Health and safety						
All critical and major non-compliance notifications about food premises followed up on the due date*	99 %	99 %	100 %	100 %	100 %	>95 %
Council has achieved a 100 per cent follow-up inspection rate of all major or critical non-compliances identified within registered food premises throughout the reporting period.						

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Health services						
Prescribed accommodation inspections conducted	91	134	98	149	109	↔
Hairdresser, tattooist and beauty parlour inspections conducted	132	106	152	95	173	↗
Syringes collected and discarded through syringe disposal containers and the Community Clean-up program	22,021	20,749	18,204	19,122	22,434	↗
Public health nuisances reviewed	275	234	230	245	262	↗
Food safety						
Inspections of registered premises	2,734	2,680	2,768	2,801	2,584	↔
Food premises complaints	217	185	195	205	251	↗
Food samples analysed	218	265	242	238	230	↔

* This measure is required under the Local Government Performance Reporting Framework.

Municipal emergency management

Provide planning and response service to support readiness, resilience and recovery before, during and after emergencies.

2019/20

Actual \$397,545 Budget \$355,216 Variance (\$42,329)

Local laws and animal management

Enforce Local Law No 1 (use, occupation and behaviour on Council land, commercial activities, illegal advertising, dumped rubbish and illegal camping); monitor building development compliance with asset protection permits; proactive patrols and investigation of customer requests to ensure compliance with laws; manage the impacts of increased visitation on our public spaces during the peak summer period through the delivery of a Summer Management program; encourage responsible pet ownership through education and registration, respond to complaints about animals, and patrol parks and beaches; implement the Domestic Animal Management Plan.

2019/20

Actual \$2,168,404 Budget \$2,061,873 Variance (\$106,531)

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Timeliness						
Days between receipt and first response actions for all animal management requests	1 day	1 day	1 day	1 day	1 day	<2 days
Council prioritises animal management requests and strives to respond promptly and within the 24-hour timeframe. The focus on responsiveness to requests has resulted in an improved initial engagement with customers. The result is consistent with the previous reporting period and is expected to continue to remain steady throughout the year.						
Days between receipt and first response actions for all local laws requests	3 days	2 days	2 days	2 days	2 days	<3 days
Service standard						
Percentage of animals reclaimed*	59 %	48 %	48 %	56 %	51 %	>55 %
There was a decrease in animals reclaimed from quarter one result of 60 per cent. This was due to large quantities of cats surrendered to council. Council actively works to contact pet owners to collect their pets and is focused on educating the community on pet ownership and responsibilities.						
Service cost						
Cost of animal management service*	\$75.10	\$61.36	\$69.52	\$66.16	\$79.83	<\$76.00
Cost of animal management service per municipal population*	\$5.30	\$5.48	\$6.11	\$5.54	\$7.55	No Target
Expenditure is higher this year and the cost of animal services will continue to be under pressure due to pound service fee increases.						
Health and safety						
Successful animal management prosecutions*	5	2	6	6	11	<10
This year we have received 11 favourable animal management prosecutions. Despite being above target, this is a result of our proactive efforts to mitigate irresponsible pet ownership.						
Percentage of animals rehomed*	No data	No data	No data	No data	11 %	<10 %
There were 22 animals rehomed from 193 animals collected. This is 11 per cent of animals rehomed. This is a new measure and there is no data available for comparison from previous years.						

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Animal management						
Animal registrations	8,279	9,678	9,618	9,474	10,936	↗
Dogs impounded	142	129	138	98	94	↘
Cats impounded	132	150	288	103	99	↘
Reported cases of stray cats (feral or trespassing)	97	106	114	74	80	↗
Reported cases of stray dogs (wandering at large)	73	78	61	51	37	↘
Reported cases of dog attacks	99	86	93	82	91	↗
Reported cases of barking dogs	278	332	380	475	142	↘
Local laws						
Unsightly property complaints	122	149	145	164	175	↗
Local law infringement notices issued	487	484	349	414	452	↗

Public space

Design, activate and maintain our public and open spaces; attract, advise, permit and support producers of quality events; develop new and upgrade existing public spaces including Kirrip Park, streetscapes at Railway Parade and Gasworks Arts Park.

2019/20

Actual \$21,903,471 Budget \$23,811,403 Variance \$1,907,932

Explanation: This variance is mainly due to the underspend of parks, open space and streetscape projects deferred to 2020/21 financial years in response to COVID-19.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Resident satisfaction with parks and open space	94 %	96 %	94 %	95 %	93 %	>90 %
Results from the annual satisfaction survey of residents conducted in February 2020 indicated 93 per cent of residents are satisfied with parks and open space in 2019/20.						
Contract delivered to standard for parks and open space	95 %	99 %	99 %	99 %	96 %	>95 %
Public space community requests resolved on time	86 %	88 %	87 %	78 %	80 %	>85 %
A high proportion of public space community requests continue to be resolved on time, an improvement on last year, however just under the target of 85 per cent.						

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Public and open space						
Ovals mowed (hectares per week)	14ha	14ha	14ha	14ha	14ha	➔
Reserves and gardens maintained (hectares per week)	177.6ha	177.6ha	177.6ha	177.6ha	177.6ha	➔
Playground inspections conducted	3,692	3,380	3,042	2,008	2,629	↗
Additional trees planted	1,466	1,117	1,519	1,325	1,337	↗

Direction 5

We thrive by harnessing creativity



5.1 A City of dynamic and distinctive retail precincts

5.2 A prosperous City that connects and grows business

5.3 A City where arts, culture and creative expression is part of everyday life

Outcome indicators

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Visitors to the City of Port Phillip	3.4 m	3.5 m	3.7 m	4.3 m	No data	3.5 m
Full data inputs toward this measure are not available.						
Residents who agree they have the opportunity to participate in affordable local community events and activities	90 %	95 %	90 %	84 %	91 %	>92 %
Residents who agree Port Phillip has a culture of creativity	90 %	94 %	90 %	85 %	90 %	>95 %

Results from the annual satisfaction survey of residents conducted in February 2020 indicated 90 per cent of residents agree Port Phillip has a culture of creativity. This is slightly below the target of 95 per cent, though an improvement since the previous year.

Highlights

- Delivery of Art and Soul - Creative and Prosperous City Strategy 2018-22 to create a thriving social, cultural and economic future for Port Phillip. Council has worked to invest and support the creative industries, deliver a concentrated placemaking effort, strengthen the creative industries of South Melbourne and Fishermans Bend, increase access to affordable spaces and funding for local creative industries, and plan for adequate employment opportunities in the creative industries
- The Fitzroy Street and South Melbourne Place Plans devised, endorsed and actions commenced, working with community and Place Reference Groups, which met regularly
- Supporting traders ravaged by the bushfires, Fitzroy Street traders opened their vacant properties to impacted businesses to create the High Country and Gippsland Comeback - Fitzroy Street initiative
- Two mural artists worked to cover two walls in Clarendon Street, South Melbourne with their colourful artwork. Murals were also delivered in other locations as part of Council's public art program
- A program of grants called 'Love My Place' was developed and delivered to fund ideas to activate Fitzroy Street, St Kilda and South Melbourne
- The St Kilda Esplanade Market's 50th Anniversary year was celebrated
- The draft Live Music and Library Action Plans were completed.

Challenges

In response to COVID-19, the remaining actions of the strategy will be evaluated for their relevance to recovery efforts and a reprioritisation of activities is likely to eventuate.

Looking forward

Council is committed to a City that thrives by harnessing creativity and the Council Plan 2017-27 sets out clear goals of a City of dynamic and distinctive retail precincts, a prosperous City that connects and grows business and a City where arts, culture and creative expression is part of everyday life.

Key initiatives for 2019/20 include implementation of the:

- Art and Soul - Creative and Prosperous City Strategy 2018-22 review being undertaken against the remaining actions and their relevance to COVID-19 recovery opportunities
- South Melbourne Town Hall renewal
- South Melbourne Market building compliance and renewal program works
- Palais Theatre capital works.

Major initiative progress

Art and Soul - Creative and Prosperous City Strategy Implementation

Art and Soul - Creative and Prosperous City Strategy 2018-22 provides a blueprint for Council, community and business to work together to create a thriving social, cultural and economic future for Port Phillip. The goals contained within the strategy guide Council to invest and support the creative industries, deliver a concentrated placemaking effort, strengthen the creative industries of South Melbourne and Fishermans Bend, increase access to affordable spaces and funding for local creative industries, and plan for adequate employment opportunities in the creative industries. The strategy is off-track due to COVID-19 with a review being undertaken against the remaining actions and their relevance to recovery opportunities. Read more on page 145.

Strategy Implementation

2019/20

Actual \$299,000 Budget \$460,000

Placemaking Program

2019/20

Actual \$295,000 Budget \$375,000

Four year priority progress

Priority	Not started	In progress	Completed
5.1 A City of dynamic and distinctive retail precincts			
Trial an approach that brings together residents, property owners, businesses and place users to agree a future vision and new place identity for our shopping precincts.			
Leverage opportunities to improve the Carlisle Street retail precinct, including tram stop upgrade (completed in 2018), Marlborough Street redevelopment of the supermarket precinct to enhance the retail offer and surrounding street spaces.			
Review footpath trading policies to promote street activity and accessibility (completed 2019).			
Continue to collect special rates to support traders and fund the promotion, marketing and development of retail precincts.			
Develop a strategic business case for South Melbourne Market to shape the future direction and investment, and plan for and deliver renewal works.			
Work with inner Melbourne councils to develop approaches to better manage licenced premises and entertainment precincts.			
Develop a process to require developers to work with Council to commission art on hoardings.			
5.2 A prosperous City that connects and grows business			
Develop a creative and prosperous city strategy that features all elements of our City's economy (completed 2018).			
Map the innovation and creative ecosystem of the City to understand and prioritise options to address issues of affordability and availability of space.			
Work with the inner-city councils and Victorian Government to protect, promote and grow the local creative and innovative economy.			
Develop and implement a marketing plan to promote the local environment, attractions and events to locals and visitors.			
Connect local industry associations, including visitor and volunteer groups like the Port Melbourne Waterfront Welcomers with the broader visitor economy.			
5.3 A City where arts, culture and creative expression are part of everyday life			
Optimise our investment in our key arts and culture venues, including engaging with operators of Gasworks Arts Park and Linden Gallery to ensure we foster access, participation, local arts development and Port Phillip as a cultural destination.			
Support the community to plan and produce festivals that celebrate local culture and talent.			
Implement a new competitive multi-year grant program for arts and cultural organisations.			
Implement the Events Strategy through event attraction and communications.			
Deliver improvements to library branches and the library collection, including preparing Library Action Plan and planning for redeveloping the St Kilda Library.			
Protect and develop the Port Phillip City Collection by acquiring, preserving and exhibiting artworks.			
Develop and implement a Live Music Action Plan to better support, facilitate and grow a dynamic live music scene.			

Services that contribute to this direction

Arts, culture and heritage

Deliver programs, services and spaces and promote community participation and engagement in arts, culture and heritage; provide funding support for artists and cultural organisations; manage and develop the Port Phillip City Collection; plan, develop and support new and existing creative industries.

2019/20

Actual \$6,812,372 Budget \$9,106,191 Variance \$2,293,819

Explanation: This variance is due to the take up of non-cash subsidised rent expenditure for a number of properties used for arts, culture and heritage services as required by the new accounting standard which was not budgeted.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Resident satisfaction with delivering arts and festivals	97 %	96 %	92 %	90 %	93 %	>90 %
Results from the annual satisfaction survey of residents conducted in February 2020 indicated 93 per cent of residents are satisfied with the delivery of arts and festivals, which is above the target and an increase on the previous year.						

Festivals

Deliver accessible and inclusive festivals that celebrate creativity, provide opportunities for artists, traders and business, and meet the needs and aspirations of the community.

2019/20

Actual \$4,351,932 Budget \$4,931,497 Variance \$579,565

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Festivals						
Filming permits issued	290	228	270	316	201	⬇️
Attendance at St Kilda Festival	450,000	400,000	460,000	460,000	400,000	⬇️

Economic development and tourism

Support local businesses and enable activity centres in our community that contribute to a high standard of living; provide support for new and existing businesses to help them develop and grow in partnership with the Victorian Government; work with local co-working spaces to grow the start-up ecosystem in Port Phillip; operate three special rates in activities centres; support local traders' associations achieve economic objectives; implementation of the Placemaking Action Plan with focus on Fitzroy Street St Kilda, South Melbourne and Port Melbourne waterfront.

2019/20

Actual \$824,426 Budget \$1,254,034 Variance \$429,608

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Residents who agree their local area has a good range of business services and local conveniences	94 %	95 %	92 %	92 %	89 %	>90 %
Resident satisfaction with visitor management	92 %	94 %	86 %	84 %	86 %	>90 %

Results from the annual satisfaction survey of residents conducted in February 2020 indicated 86 per cent were satisfied with visitor management, an improvement on last year though still slightly under the target of 90 per cent.

South Melbourne Market

Ensure the market operates in a sustainable and economically viable manner; manage a safe and family friendly market for all ages and abilities to enjoy; provide special events and programs such as the Night Markets, Mussel Festival and NEFF kitchen; provide a friendly, accessible meeting place where people can feel part of a community.

2019/20

Actual \$8,664,066 Budget \$8,359,748 Variance (\$304,318)

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Residents who agree South Melbourne Market is a significant benefit to residents	99 %	98 %	98 %	98 %	98 %	>90 %

Results from the annual satisfaction survey of residents conducted in February 2020 indicated 98 per cent of people agreed that South Melbourne Market is a significant benefit to residents.

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
South Melbourne Market						
Visitors to South Melbourne Market	4,724,196	5,001,932	5,130,400	5,567,704	5,151,854	↔

Libraries

Operate five libraries across Port Phillip; provide branch-based, online and in-home library and information services, including access to technology, free Wi-Fi and skilled staff; provide flexible, safe and welcoming community spaces for all age groups; present a range of literacy and life-long learning programs and events that encourage participation and support individual and community; provide children's learning and play activities.

2019/20

Actual \$5,283,972 Budget \$5,515,229 Variance \$231,257

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Visits to library per capita	6.5	6.4	6.0	5.7	4.1	>6.3
This year we have experienced a drop in visits to our libraries, continuing to fail to meet target. A contributing factor relates to the service closure from the COVID-19-lockdowns.						

Utilisation

Rate of turnover for physical items (loans per item) *	4.8	4.5	4.4	4.33	3.73	>4.5
A major change for this measure is being the exclusion of non-physical items (e-books etc) from the result. Libraries were closed for an extended period during the COVID-19 pandemic of 2020.						

Resource standard

Collection items purchased in the last five years (standard of library collection) *	47 %	51 %	51 %	49 %	51 %	49 %
The result remains consistent with previous years. The collection performance measure is tracking above target this year.						

Service cost

Cost per capita of library service*	\$5.76	\$6.13	\$6.17	\$6.53	\$6.55	<\$6.47
Cost of library per population*	\$38.38	\$39.10	\$39.16	\$37.42	\$36.23	No target

Participation

Active library borrowers in the municipality*	19.4 %	19.1 %	19.1 %	18.6 %	18.4 %	≥ 20 %
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* This measure is required under the Local Government Performance Reporting Framework.

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Libraries						
Loans made at our five library branches	748,524	716,561	943,968	937,409	726,834	📉
Inter-library loans	4,082	4,976	4,851	5,267	3,809	📉
Total library visits	670,179	687,565	661,916	626,662	473,375	📉
Programs run	442	478	534	468	284	📉
Attendees at our programs	35,619	33,922	31,923	30,899	17,314	📉

Art and Soul: Creative and Prosperous City Strategy 2018-22

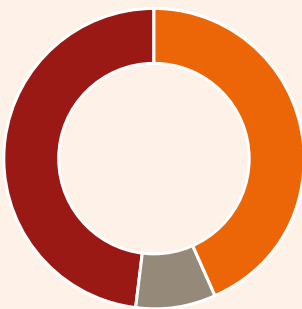
The Art and Soul - Creative and Prosperous City Strategy 2018-22 sets out the creative, cultural and economic development objectives for the City of Port Phillip. It outlines the cultural change and collaborative actions required over the next

four years across a range of Council services, including arts, culture and heritage, economic development and tourism, festivals, libraries, markets, city planning and urban design, to create a thriving social, cultural and economic future.

The Art and Soul Strategy also includes a four placemaking actions. It was endorsed by Council on 20 June 2018. Twenty three project action areas were scheduled to be delivered in 2019/20.

Strategy progress

Actions progress



Completed	3
In progress	1
Not started	19
Total actions	23

Despite the interruptions and setbacks caused by COVID-19, there were significant milestones met within the Creative and Prosperous City Strategy in 2019/20.

Highlights

- The Fitzroy Street and South Melbourne Place Plans were devised, endorsed and actions commenced, working with community and Place Reference Groups, which met regularly. To support traders ravaged by the bushfires, Fitzroy Street traders opened their vacant properties to impacted businesses to create the High Country and Gippsland Comeback - Fitzroy Street initiative. This received state-wide media coverage and provided a template for how future vacant premises could be utilised.
- Two mural artists worked to cover two walls in Clarendon Street, South Melbourne with their colourful artwork. This was linked to the Women in Art exhibition which was postponed due to COVID-19. A further mural was developed on the Clarendon Centre's Conventry Street wall. This was a true

Placemaking collaboration where artist, business and Council worked together collaboratively and donated their time and resources to benefit the community.

- A program of grants called 'Love My Place' was developed and delivered to fund ideas to activate Fitzroy Street, St Kilda and South Melbourne. A range of artistic projects resulted from the initiative. Also, in South Melbourne, the Suitcase Rummage market events across the year provided items presented in vintage suitcases. The Love South Melbourne App was launched to encourage greater awareness of visitation of the precinct, including an interactive street art map.
- Our memorials, monuments and public artworks have been inspected and conservation cleaned as needed as part of our annual maintenance program to care for over one hundred outdoor works.

- Work commenced to better leverage Council's investment in Linden New Art and Gasworks Arts Park to increase return to the community. Both venues are also being encouraged to expand their reach into the local area.
- In year two of the three year program, we continued to fund six key arts organisations through our Cultural Development Fund - Australian Tapestry Workshop, Rawcus Theatre Company, Red Stitch Actors Theatre, The Torch, Phillip Adams BalletLab, Theatre Works - to assist them in capacity building, partnership, forward planning, and increased creative outcomes for the City.
- As part of Council's Arts Rescue package, we acquired 10 new pieces for Council's City Collection including photographic works by Jane Burton and Ross Coulter; paintings by Stephen Benwell, Janenne Eaton and Danielle McKenzie; print works by Mathieu Briand and Adrian Spurr; a video work by Lou Hubbard and drawings by Despa Hondros and Peter Grziwotz. An additional and important acquisition through our Indigenous Arts Program, was a photograph by Maree Clarke, *The Long Journey Home II 2018*, taken on the Port Melbourne foreshore.
- Supporting a key element of our local creative economy, we commissioned sector research to better understand the needs and opportunities in our local game development scene, informing the key actions of our forthcoming Games Action Plan, designed to make Port Phillip the games capital of Victoria.
- The St Kilda Esplanade Market's 50th Anniversary campaign included new visual identity execution, bin wraps installed on the Esplanade as well as flags and A-frame signs, all

social media channels utilised with improved success, a temporary website created to coincide with new brand and a major celebration delayed to late 2020.

- A tourism marketing and communications plan was completed and handed over to Council's Communications team. The Explore Port Phillip digital channels continued to maximise opportunities to promote the City and its many offerings.
- The draft Live Music and Library Action Plans were both completed however community consultation was delayed due to the pandemic. Both plans will be presented to the community at the earliest appropriate opportunity.
- Markets continue to activate spaces across the municipality and provide places for locals to shop and come together. There were four regular markets on public open space within the City of Port Phillip this financial year, St Kilda Esplanade Market, Veg Out Farmers Market, Gasworks and St Kilda Twilight Market. These markets provide food, art, gifts and entertainment to over 300,000 locals and visitors across the year.
- Port Phillip Council announced the Arts Rescue Package to help support members of its creative community hard-hit by the COVID-19 pandemic. Grants, art acquisition and funding for virtual exhibitions are all part of the \$180,000 pool of funds available to local artists, cultural organisations and creative businesses. Business support during COVID-19 included a Business Forum, Open for Business promotions, webinars, landlord and tenant engagement across the municipality.

Challenges

- Our Libraries were first closed to the public in late March and were only able to re-open briefly with strictly limited capacities. This meant all programming needed to shift online and opportunities for the community to connect were limited
- The Live Music Action Plan was placed on hold due to the closure of music venues and the bans on live music.
- Our creative industries struggled to stay afloat with economic uncertainty leading to less investment in design, photography, illustration and other creative outputs.

Looking ahead

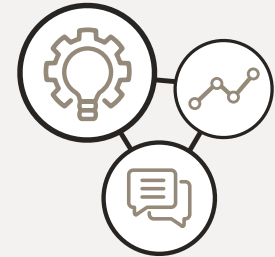
Council is committed to a City that thrives by harnessing creativity and the Council Plan 2017-27 sets out clear goals of a City of dynamic and distinctive retail precincts, a prosperous City that connects and grows business, and a City where arts, culture and creative expression is part of everyday life.

Key initiatives revised for 2020/21 include:

- Live Music Action Plan
- Library Action Plan
- initiatives and actions in the remaining years of the Art and Soul Strategy to factor in the impact of the COVID-19 pandemic.

Direction 6

Our commitment to you



6.1 A financially sustainable, high performing, well-governed organisation that puts the community first.

Outcome indicator

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Satisfaction with community consultation and engagement (index)*	62	60	56	61	59	>60
Engagement with the community continues with Port Phillip committed to continuously explore ways to improve levels of satisfaction. A slight drop this year may have been influenced by the COVID-19 pandemic as community engagement was undertaken in an online environment while social distancing restrictions were in place.						
Proportion of residents who have participated in community engagement activities	No data	No data	5%	5%	9%	6%
Satisfaction with the overall performance of Council (index)	64	67	63	65	65	>65
Results from our annual satisfaction survey of residents indicated resident perception of Port Phillips overall performance was stable with the same result as the previous year.						
Overall financial sustainability risk rating	Low	Low	Low	Low	Medium	Low
The short-term impact of COVID-19 has some measures outside low risk rating, but medium to long-term outlook remains low. The financial sustainability risk rating is being monitored carefully and appropriate risk management strategies have been implemented, including applying						
Efficiency savings as a percentage of operating expense (excluding depreciation)	1.8%	1.2%	1.0%	1.0%	2.6%	1.8%

* This measure is required under the Local Government Performance Reporting Framework.

Highlights

- In March 2020, four key festivals websites were launched, including sites for St Kilda Festival, St Kilda Film Festival, Live and Local and Yaluk-ut Weelam Ngargee. This enabled and supported the St Kilda Film Festival to go online during the COVID-19 pandemic.
- Key work to design and develop the City of Port Phillip website was undertaken in preparation of the launch in early August 2020.
- Emergency legislation enacted in April 2020 in response to the COVID-19 pandemic enabled Victorian councils to hold Council meetings virtually. The City of Port Phillip was the first Victorian council to conduct an entirely online meeting with members of the public also participating virtually, essentially mirroring a normal physical meeting of Council.

Virtual Council Meetings

The first virtual Council meeting was held via Webex on 6 May 2020. Live community participation has occurred in all virtual meetings and has grown over time with approximately 30 members of the public speaking live at the 5 August Council Meeting to have their say on the draft Budget.

To facilitate the transition to virtual meetings, meeting processes have been altered via resolution of Council. Submissions from members of the public are heard at the start of the meeting and voting on all motions is under division, where the Chair calls upon Councillors individually in rotating alphabetical order to state their vote.

All members of the community who participate have a conversation with the governance department to ensure they are comfortable with the online meeting process. To mitigate any technological issues, a pre-submitted statement is provided so that even if they have tech issues their contribution to the meeting is still heard. If community members are not comfortable with technology, this is not a barrier to their participation as an officer is available to read statements on behalf of any community member who prefers not to participate live. Due to conversations with governance, and IT support on hand at all times, the vast majority of participants successfully make their contributions live.

Port Phillip was among the very first Victorian councils to conduct an entirely online meeting with members of the public also participating electronically without limitation - essentially mirroring a normal physical meeting of Council.

Looking forward

- Implementation of our Customer Experience Program and Information and Communications Technology Strategy to streamline processes, improve systems, improve workforce mobility and transition to digital service delivery
- Being the partner of choice for other councils and organisations to work with, to enable improved customer experience, productivity and innovation.

Major initiative progress

Customer Experience Program

The Customer Experience Program aims to significantly improve the experience of residents, businesses, visitors and rate payers every time they contact the City of Port Phillip. The program will change our processes, systems and capabilities, and will be delivered over the next couple of years. A business case for the program was endorsed by Council on 18 April 2018. Early work included appointing key delivery and technology partners including Technology One (core technology solution vendor) and Versa (websites vendor), and developing customer, mobility, data and payment strategies.

In March 2020, four key festival websites were launched, including sites for St Kilda Festival, St Kilda Film Festival, Live and Local and Yaluk-ut Weelam Ngargee. The new platform enabled and supported St Kilda Film Festival to go online during the COVID-19 pandemic. Key work to design and develop a new user-friendly City of Port Phillip website was undertaken and positioned us to deliver this for our community and staff in early August 2020. We have successfully implemented the first key release of our core technology and process changes in finance, asset management, and procurement systems, including training of over 60 per cent of Council staff.

Going forward, these implementations will deliver key benefits in efficiency, productivity and easier and better ways to interact with Council. Preparation for the next stage of design and implementation has commenced and will include modules to support customer relationship management, building and planning applications and issuing of permits. A risk review has been conducted on the impact of the COVID-19 outbreak on the current risks and risk profile. Work for the third phase of the project, Customer Hubs, including Libraries and South Melbourne Market, has commenced and is currently in the initial design, development and testing phase.

2019/20

Actual \$7,402,000 Budget \$11,235,000

Priority	Not started	In progress	Complete
6.1 A financially sustainable, high performing, well-governed organisation that puts the community first			
Implement our Customer Experience Improvement Plan and Information and Communications Technology Strategy to streamline processes, improve systems, improve workforce mobility and transition to digital service delivery.			
Be the partner of choice for other councils and organisations to work with, to enable improved customer experience, productivity and innovation.			
Be catalysts for greater community action, including by opening up more of our data to the public.			
Develop and implement a Community Engagement Policy.			
Develop and implement an advocacy strategy to advance Council and community priorities (completed 2018).			
Improve our enterprise planning, performance, risk and compliance frameworks.			
Deliver the Council Election 2020.			
Improve record-keeping, including digitising historical records.			
Implement the outcomes from the review of the Local Government Act .			
Review the organisation's People and Culture Strategy, and develop a workforce plan.			
Improve the organisation's health and safety practices.			
Upgrade the organisation's financial and asset management systems, processes and practices.			
Invest in improving the condition, functionality, capacity and sustainability of Council assets.			
Continue to build organisational capability and maturity in project management.			
Review our rating strategy, property policy and investment policy.			
Embed environmental and social responsibility into the way we work including monitoring measures of gender equity.			

Services that contribute to this direction

Asset and property management

Develop property and asset management strategy, policy and plans; provide property and asset management advice and support; manage Council's properties including leasing, licensing, acquisition and disposal; manage meetings and events in Council's town halls and community centres; develop and sponsor asset renewal programs and property projects; manage staff accommodation.

2019/20

Actual \$17,868,594 Budget \$20,652,300 Variance \$2,783,706

Explanation: To address the financial impact of COVID-19, a number of capital works program were reduced with a mix of scope reductions and deferrals to future years. This included a number of building projects.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Asset management maturity	883	815	952	1,025	1,031	>1,000
Asset management maturity exceeded target with stable results compared to the previous year.						
Asset renewal as a percentage of depreciation*	72 %	92 %	58 %	63 %	72 %	≥ 69 %
Due to deferral and delay of the capital works program in 2019/20 in response to the COVID-19 pandemic Council did not achieve their target on this ratio. This is expected to improve in future years as restrictions ease.						

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Property management						
Leases and licences managed by Council	132	170	172	195	195	➔
Building maintenance requests processed	4,942	5,106	5,313	4,855	5,733	⬆️

People, culture and capability

Develop people and culture, and workplace health and safety strategies and policies; provide human resource management processes, systems, training, advice and support; advise and support on workplace relations and industrial relation; provide workplace health and safety processes, systems, training and advice including management of return to work; manage staff recruitment, capability development and change management.

2019/20

Actual \$3,999,167 Budget \$4,244,361 Variance \$245,193
Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Staff engagement score	74 %	73 %	74 %	74 %	No data	>74 %
This data has not been collected for this financial year.						
Staff alignment score	59 %	57 %	60 %	62 %	No data	>59 %
This data has not been collected for this financial year.						
Staff turnover*	10.4 %	11.4 %	11.5 %	18.04 %	13.94 %	10 %
The turnover of staff has reduced from last year and we are trending down closer to the metropolitan average. Melbourne has a very competitive labour market and City of Port Phillip staff are well regarded in their profession which makes them sought after for roles elsewhere.						
Total recordable injury frequency rate per million work hours	19.4	15.7	30.34	36.40	28.10	21.8
The Total Recordable Injury Frequency Rate (TRIFR) is the number of fatalities, lost time injuries, alternate work, and other injuries requiring medical treatment per million hours worked. To determine the monthly TRIFR we determine the number of incidents that resulted in an injury, multiply it by 1,000,000 and divide it by the total hours worked in the month. It is important this metric is not looked in isolation - but compliments several metrics. OHS are working on some improvements within our system with the aim to enable several further metrics.						

* This measure is required under the Local Government Performance Reporting Framework.

Finance and project management

Develop financial strategy, policies and plans including the 10-year financial plan, annual budget, and 10-year project portfolio; financial, procurement, contract management and project management advice, training and support; fleet management, payroll, rating and property valuation services.

2019/20

Actual \$7,355,151 Budget \$3,652,042 Variance (\$3,703,109)

Explanation: This unfavourable variance is caused by a number of factors included a budget misallocation to Community Programs and Facilities, an one-off Capital Recovery Contribution to our WorkCover Scheme to address poor investment return impacted by COVID-19, and annual year end corporate adjustments such as leave provisions.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Return on financial investments	2.88 %	2.67 %	2.60 %	2.65 %	1.35 %	2.70 %
Return on financial investments was slightly below target this year.						
Percentage of significant priority projects on track	68 %	93 %	61 %	90 %	87 %	>80 %
Project management maturity score	18.1	19.3	20.4	23.0	21.7	>21
Project management score showed a slight reduction on the previous year. The reduction in the score reflects an adjustment to the baseline measure for assessed project management maturity, rather than being a backwards step our maturity.						
Rate collection rate	98 %	98 %	98 %	98 %	94.7 %	≤ 98 %
Reduction in our average rates collection (98 per cent), due to COVID-19 impacting the collection of the final quarter of Rates (April 2020 to June 2020).						

* This measure is required under the Local Government Performance Reporting Framework.

Governance, risk and policy

Support Councillors to make well-informed decisions; manage Council's obligations in privacy and information management; ensure risk management is integrated into strategic and decision making processes; ensure robust planning, reporting, and risk and claims management; maintain Council's insurance policies, respond to claims and assess damage to our assets; coordinate independent assessment of Council compliance and performance through the Audit and Risk Committee; develop policies (e.g. Code of Conduct) and strategic documents to support Council activities.

2019/20

Actual \$6,562,036 Budget \$6,896,307 Variance \$334,272

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Material legislative breaches	9	4	5	4	1	0
One material breach was recorded during 2019/20, August 2019. It was a breach of the Local Government Act 1989 over a two-year period where the \$150,000 threshold was exceeded for untendered activity. This attributed to paid social media communications - which is a legitimate form of advertising and promotion - The City of Port Phillip has received Ministerial approval for the purposes of section 186(5)(c) of the Local Government Act 1989 , to engage directly with Facebook Australia Pty Ltd for the provision of advertising services through its social media platform from 1 October 2019 until 30 September 2021.						
Audit actions completed on time	93 %	92 %	86 %	100 %	97 %	>90 %
A high proportion of audit actions have been completed on time, year to date, meeting target.						
Community satisfaction with advocacy (index)	59	57	56	58	56	60
Results from the annual survey of residents conducted in February 2020 indicated resident perceptions of advocacy remained stable.						
Transparency						
Council decisions made at meetings closed to the public*	7.31 %	7.43 %	7.93 %	9.10 %	6.62 %	<10 %
The proportion of Council decisions made at meetings closed to the public has reduced compared to previous years. This means that 93 per cent of decisions at Council meetings were made in public.						
Satisfaction						
Community satisfaction with Council decisions*	59	57	57	59	58	60
Results from the annual satisfaction survey of residents conducted in February 2020 indicated a slight decrease from the previous year.						
Attendance						
Councillor attendance at Council meetings*	92 %	96 %	93 %	94 %	94 %	>90 %
Councillor attendance remained stable and is above target with a high result.						
Service cost						
Direct cost of delivering Council's governance service per Councillor*	\$59,459	\$48,688	\$57,337	\$56,441	\$52,239	<\$62,000
Cost of governance service per Councillor includes Councillor allowances, training and development, travel, and phone and equipment costs, and achieved our target of less than \$62,000.00.						

Communications and engagement

Enable two-way communication between Council and the community; publish accessible information for the community on Council's services, programs, projects, corporate governance and key initiatives; promote Council's decisions, advocacy, events and activities through proactive media and communications; inform and engage our workforce with internal communications.

2019/20

Actual \$2,144,398 Budget \$2,261,971 Variance \$117,573

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
Number of projects/initiatives that we engaged the community on	30	30	37	43	28	⬇️
Number of pieces of feedback on the Council Plan and Budget	1,000	2,000	65	662	400	⬇️
Number of Twitter followers	5,450	6,979	7,497	7,718	7,920	⬆️

* This measure is required under the Local Government Performance Reporting Framework.

Technology

Develop information, communication and technology strategy and policy; design and deliver process and system improvements to support service delivery; provide technology, continuous improvement and records management training, advice and support; manage Council's technology assets, records, data and information; and provide data analysis and reporting and process and system improvement services.

2019/20

Actual \$10,170,960 Budget \$10,482,565 Variance \$311,605

Customer experience

Develop the customer experience strategy and policy; manage the Customer Experience Improvement Program, which includes replacement customer service systems, tools, training, advice and support; report on customer service performance; provide customer service through counters at Council towns halls and a customer call centre; service design and evaluation including service reviews.

2019/20

Actual \$10,152,687 Budget \$14,150,979 Variance \$3,998,292

Explanation: This variance is due to the deferred Customer Experience Program expenditure due to timing of work streams and contingency not being required in 2019/20 – project completion date in August 2021 expected to be met.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	2019/20	Target 2019/20
Community time saved (days)	19,054	72,258	4,344	5,482	9,218	11,000
Staff time saved (hours)	3,401	4,430	5,818	15,926	11,910	4,000
A significant proportion of staff hours saved were in community facing services which has enabled business to focus on larger community benefit including participation in customer transformation program, reducing community wait times and improving customer experience.						
Community satisfaction with customer service (index)	71	72	72	74	73	>70
Results from our annual survey of residents conducted in February 2020 showed this result remain above the target, though slightly down from the previous year.						
Calls answered within 30 seconds	78 %	83 %	82 %	83 %	69 %	>80 %
This result was predominantly due to inadequate resource matching to volume and timing of calls. The last four months have generally seen lower call volumes during periods of lockdown and our staff have been rostered at lower levels to ensure efficiency, however the June 2020 call volumes resulted in the highest volumes than expected and higher than those experienced since March 2020.						
Requests resolved within agreed timeframes	91 %	94 %	94 %	93 %	94 %	>90 %
A high proportion of requests were resolved within agreed timeframes, meeting target and remaining stable against previous years.						
Percentage of residents that agree the website is easy to use and navigate through the sections you want	87 %	88 %	87 %	89 %	86 %	90 %
Results from the annual satisfaction survey of residents conducted in February 2020 showed a slight reduction in the resident perception of the website being easy to use and navigate.						

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	2019/20	Trend
ASSIST customer service						
Number of customer interactions	206,465	203,579	161,843	162,677	166,874	↕
Face to face interactions at Council service centres	40,217	37,622	28,345	32,164	22,298	↘
Phone calls answered by ASSIST	112,913	107,163	98,790	94,677	73,360	↘
Administration tasks handled by ASSIST	53,335	58,794	34,708	35,836	71,216	↕
Percentage of ASSIST calls answered within 30 seconds	77.65	83.34	81.00	77.00	67.00	↘

An aerial photograph of Alma Park in Port Phillip. The image shows a large green sports field at the bottom, a multi-colored basketball court in the middle-right, and a stormwater harvesting system in the middle-left. The harvesting system consists of a concrete-lined channel that leads to a large, irregularly shaped green filter bed. A paved path winds through the park, connecting the field, the court, and the harvesting system. Several people are visible on the court and field, and a few cars are parked on the path. The overall scene is well-maintained and green.

Asset management performance

Completed in 2019/20, the Alma Park stormwater harvesting system collects and filters stormwater which is used to irrigate the sports field and adjacent park areas.

Asset management is the way in which Council looks after its assets, both on a day-to-day basis (maintenance and operations) and in the medium to long term (strategic and forward planning).

We break our assets into five portfolios:



Buildings portfolio

Our buildings and community facilities represent one of our most complex asset classes with regard to difficulty and cost to manage. Our portfolio comprises a total of 216 Buildings categorised as follows:

- **155 community buildings** including libraries, childcare centres, sports pavilions, arts and culture buildings, public toilets
- **25 corporate buildings** including town halls, depots, Council offices
- **36 commercial buildings** including restaurants, shops, markets, marina

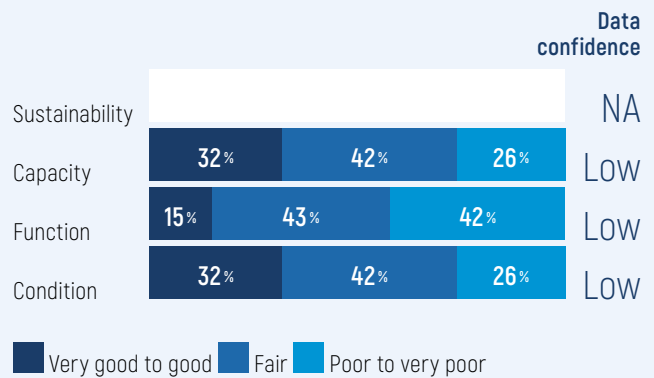


Buildings	Value
Commercial	\$141,795,724
Community	\$169,835,310
Corporate	\$140,085,110
Total \$451,716,144	

Asset performance

Asset performance looks at the sustainability, capacity, function and condition of the assets. A full assessment of our building portfolio was undertaken in 2017/18 which has informed the development of the budget and updated 10 year financial plan.

See below for summary of assessment.



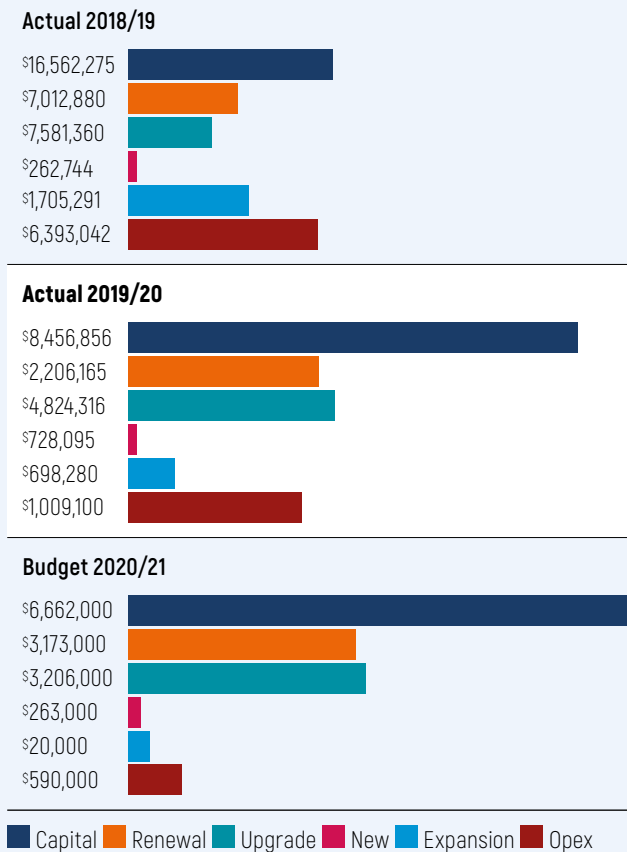
Asset expenditure profile

The asset expenditure profile is the annual expenditure on our asset classes broken down into the following categories:

- **Operation costs** - essential safety measures, fire services inspections, condition and safety audits, utility cost
- **Maintenance** - cleaning, minor repairs and routine scheduled works
- **Renewals** - replacing like for like assets to extend their useful life
- **Upgrade** - enhances an existing asset to increase service capacity
- **Expansion** - extends an existing asset to same standard which may attract new users.

Council has componentised our buildings, creating 36,730 individual assets each with own condition and maintenance requirements.

The total capital expenditure in 2019/20 in the building portfolio is \$8,456,856 as shown in the following graph against each of the categories shown in the graph:



2019/20 projects delivered

Current Council initiatives which will contribute to towards enhancing our buildings include:

- Building renewal and upgrade program
\$2.4 million
- South Melbourne Town Hall Lifts and Ramp
\$405,000
- Building safety and accessibility program
\$775,000
- Energy efficiency and solar program
\$422,000
- South Melbourne Market solar installation
\$519,000
- JL Murphy Reserve Pavilion upgrade
\$2.3 million

Challenges and opportunities

Demographics

- Change in the age structure of the population will mean it is critical to plan age-based facilities
- It will be critical that our buildings accessible so that equity is preserved.

Climate change

- Investment in energy efficiency measures in Council buildings to reduce our environmental impact
- Increased risk of damage due to high severity storms and rainfall events.

Technology

- Use of integrated building management systems to control user comfort while optimising energy consumption.

Population growth

- An increasing population will create a higher demand on our facilities resulting in increased maintenance and operational costs to maintain levels of service.

Urbanisation

- Increased urbanisation will require new approaches to the provision of services and assets including forming partnerships with others and collating services to multi-use facilities.

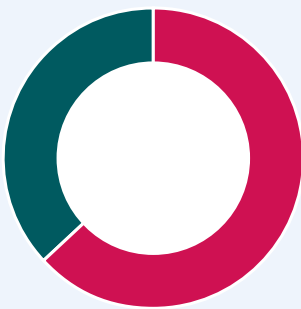
Clever City portfolio

The Clever City portfolio includes asset classes from:

- business technology
- public lighting
- fleet and plant.

The assets in this portfolio will build the foundations for future innovations such as: mesh networks, 'Internet of Things', smart lighting, sensor technology, communication interfaces, the knowledge we gather and our client service interfaces will be enabled through the assets we provide in this portfolio.

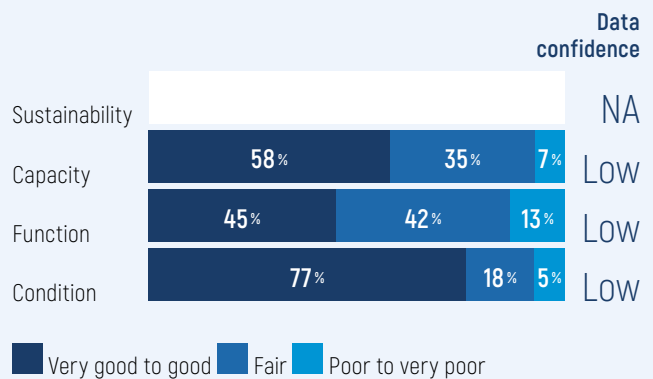
Total current replacement value of clever city portfolio



Asset	Value
Lights in parks	\$4,086,761
Lights on road	\$2,374,207
Total	\$6,460,968

Asset performance

Asset performance looks at the sustainability, capacity, function and condition of the assets and is described in the graph below. A review of our business technology systems for function and capacity highlighted that investment is required to upgrade/replace several systems.



2019/20 projects delivered

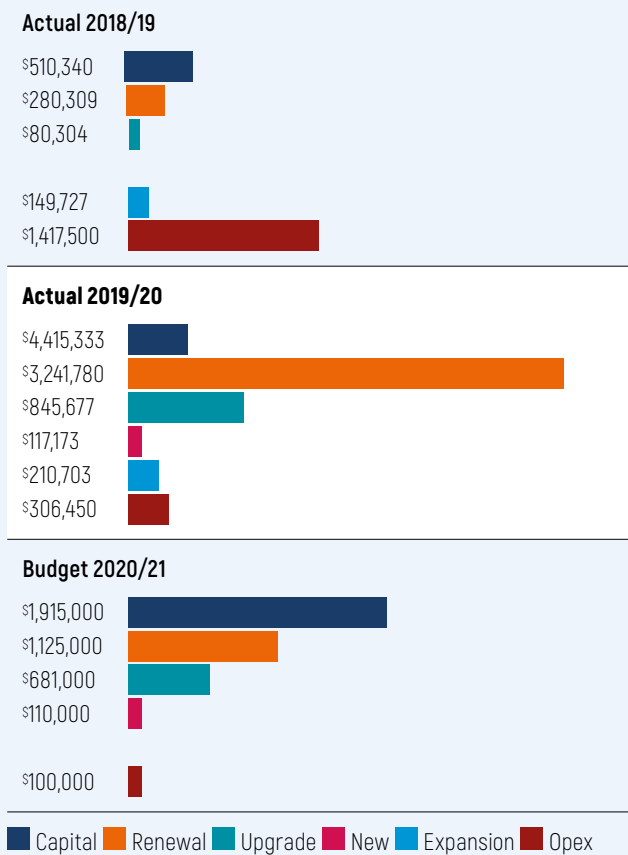
Projects and programs that were delivered to improve our assets within this portfolio and the way we manage it include:

- Public lighting expansion program
\$18,000
- Public space lighting renewal and upgrade program
\$722,000
- Sports field lighting expansion program
\$239,000
- Parking technology upgrades
\$639,000

Asset expenditure portfolio

Council is committed to improving customer interfaces and have committed to invest in business technology over the next five years. Our existing corporate business technology system has been fully depreciated and is at end of life.

The total capital expenditure in 2019/20 in the clever city portfolio was \$4,415,333 as shown in the following graph against each of the categories shown in the table:



Challenges and opportunities

Sustainability

- Council, in partnership with CitiPower, replaced 3,200 streetlights with energy efficient equivalents. This will reduce our net greenhouse emissions by 12 per cent
- Council Fleet and Plant Policy updated to ensure greater use of energy efficient fleet and plant.

Business technology moving to cloud-based solutions reducing reliance on maintaining hardware and server room.

Technology

- Sensor-based smart lighting and other technology optimise energy use and promote energy efficiency
- Future planning of communication network to consider smart city capability.

Population growth

- Demand for improved customer interfaces and communication with our community
- Improved public lighting services from increasing awareness of crime and technology developments.

Urbanisation

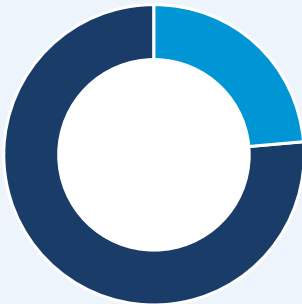
- Increased demand for lighting infrastructure assets to facilitate safe and convenient access to amenities while balancing the night sky lighting spills.

Integrated water management portfolio

Integrated water management infrastructure often goes unnoticed by the community, as the majority is underground. Our network comprises:

- 236 km of stormwater conduits (includes underground pipes, culverts and open channels)
- 11,344, stormwater pits (various types)
- 18 gross pollutant traps
- 279 raingardens and other water sensitive urban design features
- Maritime assets - jetties, wharfs, boat ramps.

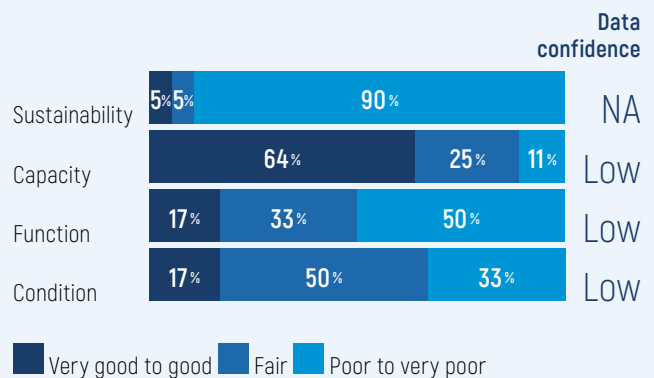
Total replacement value of integrated water management portfolio



Asset	Value
Stormwater pits	\$31,512,128
Stormwater pipes	\$100,519,089
Total	\$132,031,217

Asset performance

Asset performance looks at the sustainability, capacity, function and condition of the assets and is described in the graph below. Council is currently undertaking a full survey of our stormwater infrastructure utilising CCTV vision. This data will provide a high level of confidence for future asset performance assessments.



2019/20 projects delivered

Council projects and programs that have improved our stormwater drainage system and knowledge include:

- continuation of CCTV condition assessment of our entire underground drainage network
- Alma Park stormwater harvesting
- projects to reduce our reliance on potable water supplies
- Water Sensitive Urban Design program to improve the quality of stormwater.

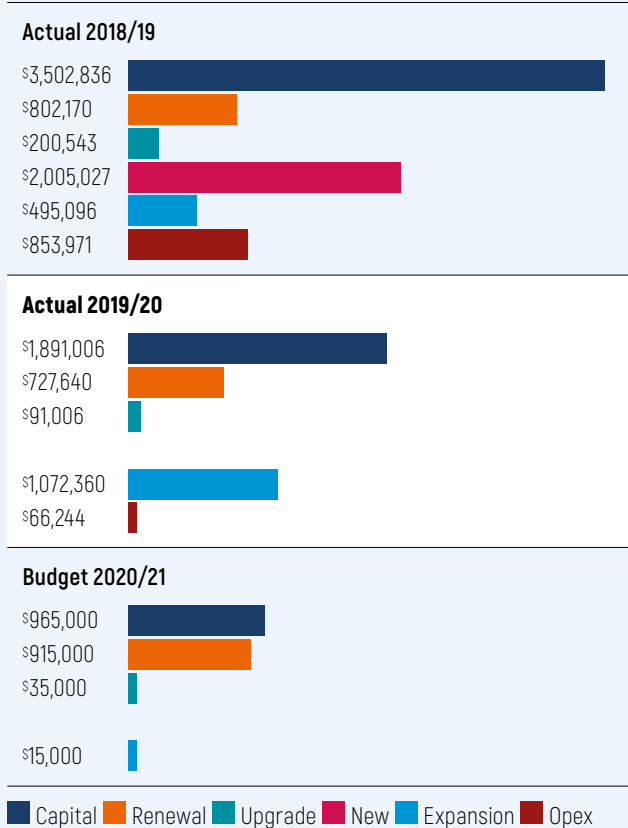
Asset expenditure portfolio

The expenditure profile reflects the financial reporting changes from asset-based stormwater model to a service based integrated water planning framework to better reflect Council objectives.

The asset expenditure profile is the annual expenditure on our asset classes, broken down into the following categories:

- **Operation costs** - inspections, audits
- **Maintenance** - cleaning minor repairs
- **Renewals** - replacing like-for-like assets or relining pipes to extend their useful life
- **Upgrade** - enhances an existing asset to increase service capacity
- **Expansion** - extends an existing asset to same standard, which may attract new users.

The total capital expenditure in 2019/20 in the integrated water portfolio was \$1,891,006 as shown in the following graph against each of the categories:



Looking forward

In 2018, Council commenced CCTV data survey of our current network. Improving our knowledge of the condition, function and capacity of the stormwater system will enable us to refine our future renewal demand and funding projections.

Flooding hotspots have been identified, and the CCTV data is being used to improve flood modelling projections, which will inform future upgrade works.

Challenges and opportunities

Water reuse

- Large-scale stormwater reuse will reduce catchment overland flows and their effects
- Water sensitive urban design to manage and reduce the impacts of flooding and sea-level rise
- Groundwater salinity levels are very high and require mechanisms for management/controls.

Climate change

- Increased risk of storm damage to critical infrastructure through flooding as a result of higher rainfall intensity
- Increasing community resilience to the impact of climate change.

Technology

- Use of technology to manage the stormwater drainage system, such as:
 - CCTV inspections
 - remote sensing equipment to assist in emergency response to flooding.

Population growth

- Increased number of people exposed to flooding risk
- Potential for higher volumes of waste stormwater system reducing quality of water discharged into natural water bodies
- Development sites disturbing the underground water aquifers.

Urbanisation

- Increased demands on existing assets
- Investment in system improvements to mitigate possible future flooding issues resulting from high density developments.

Public space portfolio

Public space enables the community to spend time outdoors in attractive spaces for leisure and recreational purposes. Assets are provided to enhance the enjoyment of these spaces.

- 6,667 park furniture items (drinking fountains, seats, BBQs, litter bins, bike racks)
- 60 playgrounds within public spaces
- 398 hectares of passive parks, active reserves, and foreshore areas
- 25 hectares of active sporting reserves.

Total replacement value of public space portfolio

Not including land value

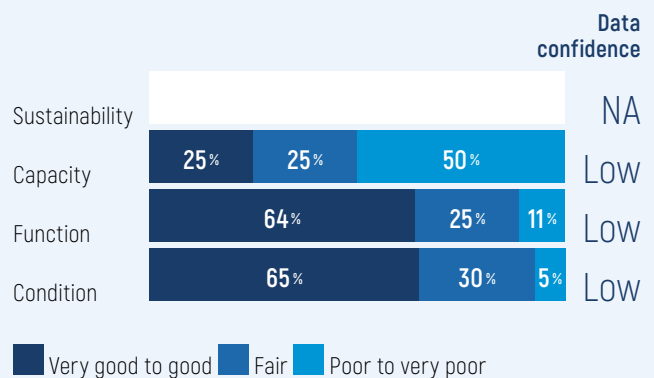


Asset	Value
Playgrounds	\$6,276,918
Barriers	\$15,630,465
Water irrigation	\$4,715,115
Park furniture	\$13,532,266
Sport and recreation	\$3,810,770
Park structure	\$13,466,048
Park pathways	\$14,245,770
Park drainage	\$3,045,674
Marine structure	\$30,774,880
Total	\$105,497,906

Asset performance

Asset performance looks at the sustainability, capacity, function and condition of the assets and is described in the graph below. Council undertook data cleansing in the Public space portfolio this year; 5,700 duplicated assets were removed from our asset registers.

The performance profile shows that the overall condition of our public space assets is good but requires us to sustain our investment in renewing, improving and maintaining these areas to meet the expectations of the community.



2019/20 projects delivered

Council projects and programs that have improved our infrastructure and facilities, and the services delivered include:

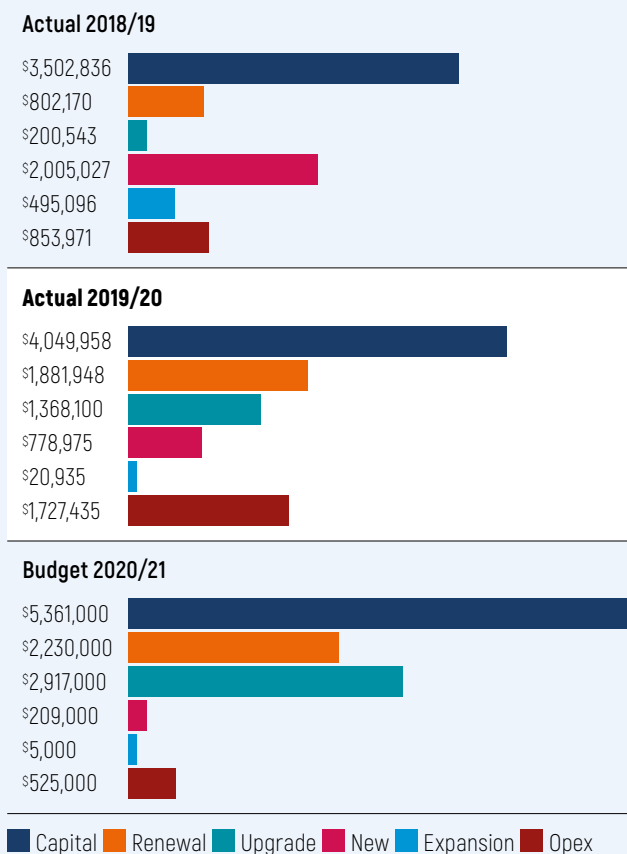
- Public Space Strategy development
- JL Murphy Reserve, Peanut Farm, Alma Park, Rotary Park, Kirrip Park, Chipton Reserve and Newton Court Reserve upgrades
- Elwood Public Space Wall and Playspace upgrade
- Ferrars Street Education and Community Precinct streetscape upgrade
- Foreshore assets renewal and upgrade program.

Asset expenditure portfolio

The expenditure profile is the annual expenditure on our asset classes, broken down into the following categories:

- **Operation costs** - inspections, audits
- **Maintenance** - cleaning, maintaining and minor repairs
- **Renewals** - replacing like-for-like assets to extend their useful life
- **Upgrade** - enhances an existing asset to increase service capacity
- **Expansion** - extends an existing asset to same standard, which may attract new users.

The total capital expenditure in 2019/20 in the Public Space portfolio was \$4,049,958.



Looking forward

In 2018/19, extensive asset data cleansing was performed to remove duplicate assets from the database. This cleanse has affected the long-term financial plan forecasts in which the renewal modelling indicates that there is scope to further optimise our renewal spending on public space to better match the calculated renewal demand.

Service planning to determine current and future functionality and capacity requirements of the public realm will allow further refinement of this analysis.

Challenges and opportunities

Participation patterns

- Providing access to flexible, multipurpose facilities that support participation to community life through sport, recreation and life-long learning
- Maximise use of current infrastructure.

Climate change

- Damage to foreshore areas due to storm surges
- Risk or prolonged drought conditions
- Risk of water table rising with high salinity levels
- New initiatives in stormwater harvesting to reduce demand on potable water supplies.

Demographics

- Increase in demand for accessible, safe and well-lit public open spaces
- Change in demand for recreational opportunities.

Population growth

- Population growth in certain areas will place heavy demand on the use of public open space assets. This will have potential impacts on maintenance and renewal requirements.

Urbanisation

- Much of future housing will be higher density dwellings with little or no private open space. Increased use of public space areas is likely to increase, resulting in a higher level of effort to maintain.

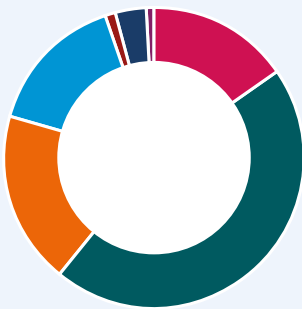
Transport portfolio

Our network of roads and footpaths, and other related assets represents a significant investment by the community and is vital to its prosperity.

Our network comprises:

- 265 km of streets and laneways
- 414 km of road footpath
- 13 road and pedestrian bridges
- 455 km of kerb and channel
- signs, speed humps, roundabouts and other traffic management devices to improve road safety
- street furniture such as seats and bike racks.

Total replacement value of transport portfolio



Asset	Value
Kerb and channel	\$63,160,977
Road pavement	\$188,702,881
Road surface	\$76,250,879
Footpaths and cycle ways	\$63,188,322
Bridges	\$4,715,143
Street furniture	\$13,339,477
Traffic control devices	\$2,786,023
Total	\$412,143,702

Current service strategies and policies

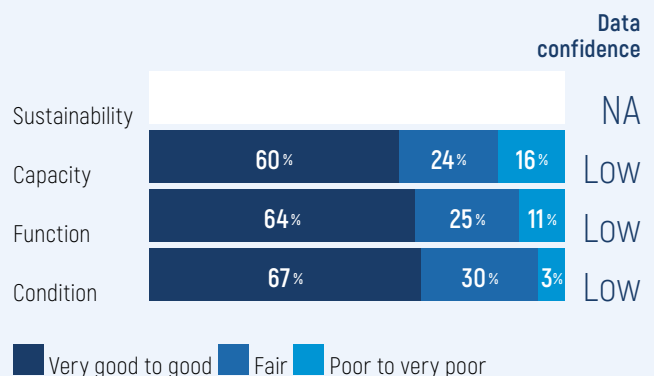
The future needs of the community are determined through the service planning process. Assets measures driven through these plans are function, capacity and sustainability. Council's current service influences are:

- Road Management Plan 2017
- Car Share Policy 2016-2021
- Parking Permit Policy 2015 / Parking Management Policy
- Move, Connect, Live - Integrated Transport Strategy 2018-28
- Sustainable Transport and Parking Rates Policy 2007.

Asset performance

Asset performance looks at the sustainability, capacity, function and condition of the assets, and is described in the graph below. A full assessment of our road pavements was undertaken using deflection testing by independent pavement engineers in 2018/19. The pavement condition and capacity was shown to be far superior than initial estimates adopted by Council. This has informed the review and development of the budget and updated 10-year financial plan.

The asset performance profile indicates that our roads and footpaths are in very good condition, which indicates that recent capital investment has been effective. There may be opportunity to reassess current allocation so that optimised funding is allocated.



Asset expenditure portfolio

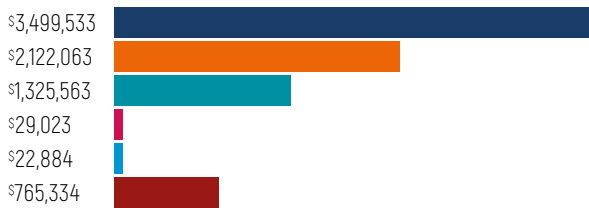
On average, Council spends approximately \$7.5 million each year to manage our transport assets. This includes allocating money towards:

- maintenance and repair
- road renewal
- road resurfacing
- footpath replacement
- road and laneway upgrades, and safety improvements.

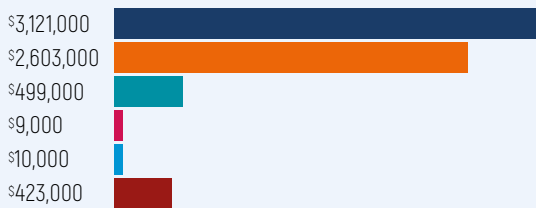
Actual 2018/19



Actual 2019/20



Budget 2020/21



■ Capital ■ Renewal ■ Upgrade ■ New ■ Expansion ■ Opex

Looking forward

Council unsealed laneways contributed to 85 per cent of customer complaints in this portfolio in 2018/19. Council has undertaken to perform permeability assessments within all unsealed laneways and will design the sealing of the laneways based on the permeability results.

Council has had a strong history of investing in the renewal and maintenance of its roads and footpaths. This is evidenced by the very good condition of these assets.

Over the next three years, Council will undertake a review of the function of our road network to determine what is best use of the road reserve space. The expenditure forecast has been revised to allow planning and design to take place with internal and external stakeholders. Existing service levels will be maintained under the current planned expenditure model.

Challenges and opportunities

Public transport

- Growth in demand projected to continue to outpace the capacity of the public transport system
- Advocacy and partnerships with Victorian Government and other service providers.

Climate change

- Increased frequency and intensity of extreme rainfall, wind and lightning events are likely to cause significant damage to roads and urban facilities.

Technology

- Use of technology to manage the road network, such as:
 - capture of field data using mobile technology solutions
 - online tools to enable the public to report issues.

Population growth

- Provision of active transport infrastructure and planning controls designed to promote alternative travel options
- Damage to Council's road assets due to land development.

Traffic congestion

- Traffic congestion has a significant effect on our environment and compromises the liveability of our City
- Increased congestion can compromise safety of vulnerable road users.

Council is on track to achieve zero net emissions by 2020/21 due to Council's participation in the Melbourne Renewable Energy Project as well as purchase of carbon offsets.



Crowlands Wind Farm, Ararat
Photo courtesy of Pacific Hydro

5

Working for our community

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Working with Council

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

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

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

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

Our organisational structure

Several changes were made to the organisational structure during the year to ensure the organisation continues to be well equipped and responsive to the challenges of growth, financial constraints and evolving community priorities.

Organisational structure (as at 30 June 2020)



Leading the way

In 2019/2020, the Executive Leadership Team (ELT) comprised four General Managers (GM), the Director, Office of the CEO and the CEO.

The role of ELT is to provide strategic management to oversee the implementation of Council decisions to ensure the very best outcomes for the Port Phillip community. They are responsible for the overall performance of the organisation and contribute to policy development through recommendations to Council. ELT provides leadership and decision making to ensure strategic alignment of project delivery and operations in achieving the outcomes of the 4 Year Council Plan.

Chief Executive Officer (CEO)

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



Peter Smith

Chief Executive Officer

Peter Smith commenced in May 2017 as the CEO. Peter has over 30 years' experience working in CEO and senior executive roles in federal, state and municipal governments in Australia. He has particular experience in leading major urban renewal programs and developing and implementing a range of successful place making, affordable housing, community development, homelessness and social justice strategies, services and programs. Peter is passionate about community engagement and building community capacity through co-creation with governments and focuses on providing better value for customers and recipients of government services.

Peter holds a Bachelor of Science with postgraduate qualifications in Human Resource Management (Graduate Diploma) and Master of Business Administration.

Office of the CEO

The Office of the CEO division seeks to provide greater focus on organisational strategy and performance (including council planning, risk, audit, occupational health and safety and Enterprise Portfolio Management Office operations), strategic partnerships, government relations, communications and engagement and governance. As at 30 June 2020, the Office of the CEO consists of the following departments: Communications and Engagement, OHS, Governance, Executive and Councillor Services, Strategic Partnerships, Organisational Performance, South Melbourne Market and Placemaking.



Kylie Bennetts

Director CEO's Office

Kylie Bennetts commenced in January 2018 as the Director CEO's Office. Kylie has worked in local government for over 10 years, holding a range of different portfolios and responsibilities and has also worked in state government, predominantly project and policy development in the social services and community sectors. Kylie has particular experience in strategy and policy development, risk management and governance.

Kylie has a Bachelor Degree in Health Science, Prince II project management qualifications and is part-way through an Executive Masters of Public Administration.

City Strategy and Sustainable Development

City Strategy and Sustainable Development seeks to enhance the liveability and sustainability of our places and precincts in an environment of growth and change. This division is responsible for leading the transformational Council Plan themes of transport and parking, environment, waste and water, and has a key role in planning for our City's growth, with an ambitious agenda for statutory planning service reform as we strive for customer service excellence.



Lili Rosic

General Manager

Lili commenced as General Manager of Place, Strategy and Development in August 2018, after acting as General Manager from April 2018.

Lili's key strengths include facilitative leadership, political acumen, and expertise in strategic policy development. Committed to working with her teams to create a culture of inspirational and excellent customer service. Lili is passionate about positive and productive dialogue that involves all key stakeholders to ensure we enhance the City's public spaces, transport options, liveability and resilience to climate change.

She holds an MBA and is a graduate of the Australian Institute of Company Directors.

Customer and Corporate Services

The Customer and Corporate Services division provides technology, human resource management, asset management, financial, and customer service leadership and support to the organisation. It also operates Council's customer contact centre.

The division's priorities including improving customer and employee experience, developing a capable workforce and culture of high performance, getting the most from our investment in technology and assets, and ensuring the financial sustainability of Council.



Chris Carroll

General Manager

Chris Carroll joined City of Port Phillip in March 2014. Chris is an outstanding leader with a breadth of local government, state government and private sector experience. Chris was previously employed by PricewaterhouseCoopers New Zealand as a director in its consulting business. Prior to this, Chris worked in a variety of leadership roles for Auckland Council and the former Auckland City Council and played a key role in the implementation of the Auckland local government reforms.

Chris holds a Master of Public Policy and Management and a Master of Business Administration, is a member of the Australian Institute of Company Directors, and has extensive experience in organisational strategy and performance management, property and asset management, change leadership, and business transformation and improvement.

Community and Economic Development

The Community and Economic Development division is responsible for delivering high quality community and service planning, economic development, cultural and creative services.

The staff in this division are proud leaders of social justice and creative endeavour and strive for highest value and quality for our community today and for future generation. We seek to understand changing community need and population growth in order to support healthy and liveable communities. We boldly enable and promote inclusion, participation connection, and access through the delivery and funding of programs, activities and services.

We lead and coordinate the implementation of Council's Fishermans Bend urban renewal program ensuring Council investment in the area catalyses the creation of healthy and liveable communities.



Tony Keenan

General Manager

Tony Keenan commenced as General Manager in October 2018. Tony has extensive leadership experience having held several chief executive roles in the community sector. He has broad experience in public policy having served in numerous senior advisory roles for governments. Tony has an Executive Masters - Public Administration from the Australian and New Zealand School of Government and was awarded a Harkness Fellowship in Public Policy which he undertook at University of California, San Francisco.

Infrastructure and Amenity

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



Fiona Blair

General Manager

Fiona held the General Manager role for six years, from March 2014 to February 2020. She had a long affiliation with our City through leadership roles at the City of Port Phillip and has extensive experience in a broad range of services. Fiona has a Master of Business Administration and a Bachelor of Applied Science. She is a graduate of the Australian Institute of Company Directors and was named in the inaugural list of the Top 50 Public Sector Women in Victoria.

Following Fiona's departure from the role, Lachlan Johnson was appointed to Acting General Manager for six months.



Lachlan Johnson

Acting General Manager

Lachlan Johnson joined City of Port Phillip in August 2017 in the role of Manager Project Services. After two years in this role he took on the role of Manager Maintenance and Operations in 2019. He holds a Bachelor of Engineering (Civil and Infrastructure) (First Class Honours) and Master of Business Administration. Lachlan was also a recipient of the 2019 Municipal Engineering Foundation (Victoria) Study Tour Scholarship of North America - Topic: Technological Innovation in Local Government.

The July 2020 organisational restructure, the role of General Manager Infrastructure and Amenity will no longer be required.

Our people

A multitude of services are delivered in our community by the 973 people employed at the Port Phillip City Council.

Staff profile (by banding)

	Full time equivalent									Total
	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	
Permanent full time										
Female	0.00	0.00	17.00	21.00	58.00	58.00	46.00	29.00	22.00	251.00
Male	1.00	26.00	26.00	23.00	33.00	47.00	46.00	40.00	29.00	271.00
Permanent part time										
Female	1.43	0.00	22.94	20.11	20.81	23.74	22.32	6.31	3.01	120.67
Male	5.07	0.00	9.23	11.04	3.21	3.40	0.80	0.00	0.60	33.35
Casual										
Female	0.06	0.00	0.18	0.48	0.09	0.03	0.15	0.09	0.30	1.38
Male	0.09	0.00	0.15	0.06	0.03	0.53	0.03	0.00	0.00	0.89
Total	7.65	26.00	75.50	75.69	115.14	132.7	115.3	75.40	54.91	678.29

Staff profile (by division)

	Full time equivalent					Total	
	Office of the CEO	Infrastructure and Amenity	Customer and Corporate Services	Community and Economic Development	City Strategy and Sustainable Development		
Permanent full time							
Female		26.00	49.00	50.00	96.00	30.00	251.00
Male		12.00	145.00	49.00	25.00	40.00	271.00
Permanent part time							
Female		10.17	9.50	14.05	77.25	9.70	120.67
Male		2.00	6.44	3.18	20.09	1.64	33.35
Casual							
Female		0.06	0.36	0.18	0.75	0.03	1.38
Male		0.03	0.59	0.03	0.18	0.06	0.89
Total		50.26	210.89	116.44	219.27	81.43	678.29

Note

- Temporary staff total of 82.54 FTE not included in table above
- Casual FTE is calculated on an estimate of two hours per pay cycle
- Fixed-term SO employees are considered permanent for reporting purposes.

People and Culture Strategy 2019-22

The People and Culture Strategy 2019-22 was launched to the organisation in October 2019 after consultation with our employees. This strategy strengthens the alignment of our people and culture objectives with the organisational strategy.

Our vision is to be recognised as a leading government organisation that is agile, future-ready and trusted by our people to make the best use of their diverse talents and to provide a healthy, inclusive and enabling workplace.

Our People and Culture Strategy 2019-2022 contains four themes and associated actions that are key to achieving our aspiration.

Theme 1: Our People

- We are an employer of choice that attracts and retains the right people
- We manage performance well and our people are committed to learning and growth
- We successfully plan for and manage change.

Theme 2: Our Culture

- We have an aligned and engaged workforce that lives our values
- We are a diverse, inclusive and socially responsible organisation.

Theme 3: Our Leaders and Teams

- We have constructive, adaptive and resilient leadership
- We have well led, agile, purposeful and effective teams.

Theme 4: Our Workplace

- We have safe, healthy and productive workplaces
- We provide the right tools, equipment and support for people to do their jobs.

Initiatives, measures and targets have been developed for each theme. Progress is tracked and reported regularly.

Learn. Develop. Grow.

Investing in our people capability is fundamental. In 2019/20 staff attended multiple training courses offered through our corporate training calendar, with a total of 2,203 attendances across 89 courses. The training was delivered across several platforms including a concentrated shift to online learning in response to the COVID-19 pandemic.

With the onset of the pandemic, the need to support our staff's mental and physical wellbeing became a priority and a number of online programs were developed and delivered under the Working Well at Home framework. This included webinars and developing support materials on setting up your workstation at home, developing the right work pattern, maintaining physical health, practices to support good mental health and connecting with others.

The Customer Experience Program was a key focus this year and was supported by training to ensure people were able to perform their roles in the new systems. Thirty-eight programs were run in the form of eLearn modules, online interactive learning and drop-in sessions.

Study assistance is available to staff undertaking accredited courses related to their current work or local government careers. In 2019/20, sixteen staff members took advantage of this program, using 585.9 hours of study leave.

Leadership Development Program

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

- Executive Leadership Team development
- ongoing team development for members of the Leadership Network, consisting of our Executive Leadership Team and our managers
- individual coaching for senior staff
- LGPro professional development programs including the LGPro Management Challenge, the Executive Leadership Program and the Ignite Leadership Program for Outdoor Workers.

People management capabilities

As part of the People and Culture Strategy, the People and Team Capability Framework has been developed. This identifies the capabilities that define what good leadership and management looks like every day in every role. This framework will be rolled out in the year ahead and integrated throughout the employee life cycle, reinforced and supported through our human resources processes.

Equal opportunity

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

Our equal employment opportunity policy, Respect for Others, supports our vibrant and diverse work environment, where our people can develop professionally and personally, free from harassment, discrimination and bullying.

Our values of working together, courage and integrity, creative and strategic thinking, personal growth and performance, and accountability support a culture of respect for each other in all aspects of employment, training and service.

This year, 183 new staff members completed eLearning modules on either anti-bullying and harassment or equal opportunity for managers and supervisors since July 2019.

Community focus

We encourage and support employees to contribute to the community outside the realm of their roles.

Initiatives included:

- Give as You Earn donations to charity of choice via payroll deduction with over \$4,500 donated
- morning tea that raised \$300 for Pride Foundation Australia
- blood donation drives with over 80 staff volunteering
- contributing 78 secret santa gifts with 100 staff participating and raising \$1,400 to purchase grocery gift cards.

Employee Assistance Program

Our Employee Assistance Program helps staff to meet the challenges and demands of their personal and work lives. This professional and confidential service provides employees and their immediate families with short term support for a variety of work related and personal issues. During the year, 135 people used 313 hours of the service, to support their ongoing health and wellbeing. This is an increase from the previous year and indicates an uptake of this support available to all Council employees.

During the COVID-19 pandemic, the CEO keenly promoted the importance of looking after mental health to all staff. Along with promoting how to access the Employee Assistance Program, we further supported our employee wellbeing through facilitated staff monthly sessions with a psychologist from Converge. The webinar series was designed to support managers and employees during the COVID-19 outbreak with topics such as dealing with uncertainty, managing stress and building resilience.

Occupational health and safety

We remain committed to maintaining a safe and healthy working environment for all employees, visitors, contractors, subcontractors and the public. Our safety vision is zero harm. To achieve this, we recognise the importance of a strong safety culture and have identified three focus areas to embed our safety culture:

Each focus area is interrelated and throughout 2019/20 we made good progress in the growth of our maturity



Leadership



Systemic approach



Experience

Leadership

We acknowledge that good safety culture starts with leadership. We rolled out training to the Leadership Network on senior-level OHS responsibilities and on the impacts of the Workplace Manslaughter legislation, which came into effect 1 July 2020.

We introduced a 'safety share' as the first agenda item on all team meetings. A safety share is an informal, five-minute chat held at the beginning of every team meeting to discuss health and safety.

Systemic approach

Throughout the year we continued to build our Safety Management System (SMS). We identified 28 procedures that underpin our Health and Safety Policy and which cover a broad range of matters including hazard identification, risk assessments, incident management, reporting, document control, communication and consultation, governance and emergency management.

Workshops were undertaken to ensure an integration of our SMS procedures and business processes. Each procedure will define the minimum operating requirement to ensure that safety is achieved.

Experience

During the year we strongly emphasised the importance of delivering an experience for all employees, contractors and visitors that demonstrates our strong safety culture. During 2019/20 we delivered:

- monthly reporting of all incidents and return to work progress of ill and injured employees
- progress reports against our target Total Injury Frequency Rate (TRIFR)
- investigation of all serious incidents to identify remedial actions to prevent the incident from reoccurring
- regular consultation with Health and Safety Representatives
- scheduled regular OHS Committee meetings
- participation in RUOK day

- monthly wellbeing sessions available to all staff delivered by psychologists
- Employee Assistance Program
- the opportunity for all staff to receive the flu vaccine.

When highlighting our experience, it would be remiss not to mention the program of work that was delivered in response to COVID-19. We developed a set of principles to support the prevention of COVID-19 exposure in the workplace to ensure the safety of employees, contractors and visitors. These principles included:

1. increased cleaning
2. physical distancing
3. technology
4. personal responsibility
5. infection control protocols.

We also increased OHS Committee meetings to fortnightly, delivered a Work Well at Home campaign that provided staff with information, resources tools and learning experiences that supported our people working from home to be as safe and productive as possible.



We offer a number of leadership development experiences and opportunities to support our people.

6

Statutory statements

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Freedom of Information Act

The **Freedom of Information Act 1982** (the Act) provides every person with the right to request access to documents held by Council. The Act requires Council to publish certain details about itself and its functions; it enables individuals to correct their personal information held by Council; and it has built-in rights of appeal against decisions made under the Act. The City of Port Phillip vigorously supports the objectives of this Act.

Requests for access to Council documents under the Act must be in writing and must provide sufficient information to identify the particular document(s) being sought. In 2019/20 the application fee for a request was \$29.60.

More information about Freedom of Information, including a request form, visit portphillip.vic.gov.au

Principal Officer: Peter Smith, CEO

Details of Freedom of Information (FOI) requests 2019/20

Total number of FOI requests received	43
Total number of valid requests (including six requests received in the previous financial year still under consideration)	40
Number of requests where access was granted in full	9
Number of requests where access was granted in part	21
Number of requests where access was denied in full	0
Number of requests where no documentation was found	2
Number of requests not proceeded with	7
Number of valid requests still under consideration at 30 June 2020	9
Number of appeals lodged with the FOI Commissioner	3
Total application fees collected	\$1,154.40
Total application fees waived	\$118.40

Protected Disclosure Act

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

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

More information on public interest disclosures, including procedures for making a disclosure under the Act, is available on our website.

There were no disclosures notified to the Independent Broad-based Anti-corruption Commission under section 21(2) of the Act during the 2019/20 financial year.

Privacy and Data Protection Act

The City of Port Phillip is committed to full compliance with our obligations under the **Privacy and Data Protection Act 2014**.

Our Information Privacy Policy (including guidelines and procedures) is available at Council offices and on our website.

The objective of the policy is to ensure the responsible collection and handling of individuals' personal and health information. The policy explains the ten Information privacy principles, and how Council goes about adhering to these principles.

Contracts

During the year, Council had one instance whereby it engaged a contractor in excess of \$150,000 including GST for goods and services and \$200,000 including GST for works without first conducting a competitive tendering process. One material breach was recorded in August 2019. It was a breach of the **Local Government Act 1989** (the Act) over a two-year period where the \$150,000 threshold was exceeded for untendered activity. This attributed to paid social media communications - which is a legitimate form of advertising and promotion.

The City of Port Phillip has received Ministerial approval for the purposes of section 186(5)(c) of the Act, to engage directly with Facebook Australia Pty Ltd for the provision of advertising services through its social media platform from 1 October 2019 until 30 September 2021.

In order to mitigate the risk of a breach in Section 186 of the Act detailed monthly vendor expenditure reports are distributed to all departments and an ongoing procurement training program is maintained.

Ministerial approval is currently being sought to extend councils waste management contracts to enable better alignment with the sector.

Domestic Animal Management Plan

Under the **Domestic Animals Act 1994**, Council is required to have a four-year Domestic Animal Management Plan (DAMP). In 2017 Council undertook development and public consultation on a new Domestic Animal Management Plan 2017-21, endorsed by Council on the 15 November 2017.

In 2019/20, to promote and ensure responsible pet ownership and pet welfare, we:

- released our 'barking dog kit' online to assist residents in addressing barking dogs with their neighbours
- pro-actively patrolled the foreshore, reserves and other public areas
- attended community events to promote responsible pet ownership
- successfully implemented SMS electronic notifications during the registration period to improve awareness and overall registration numbers
- created a communication plan with an educational social media action plan to educate dog owners in community groups
- carried out a complete review of the microchip database with Council's records
- conducted regular meetings to increase our partnership with Lost Dogs Home to work on enhancing services to help owners reunite with their pets, promote adoption of animals and reduce euthanasia rates across Council in accordance with Actions 29, 30 and 40 of the DAMP
- installed new signage along the foreshore in accordance with Actions 11 and 22 of the DAMP to increase the Summer Amenity Program's focus on off-leash restrictions.

Our focus areas in 2020/21 will be:

- reviewing off-leash restrictions at several off-leash parks
- amending Council's order 26 relating to off-leash requirements
- supporting Council's application for a dog agility park in Elwood
- continuing our focus on patrolling our foreshore.
- increasing temporary signage on our foreshore throughout summer
- implementing our communication plan with a key focus on social media and our website
- looking to commence the creation of a new DAMP.

Carers Recognition Act

The City of Port Phillip acknowledges the important contribution of carers in our community. The **Carers Recognition Act 2012** (the Act) requires councils to report on how we recognise and support carers in our community.

As per the Act, the definition of a care relationship is above what a relationship would typically involve. A care relationship exists 'where the cared for has a disability, a mental illness, is an older person or has a chronic medical condition'. Informal carers are those who provide such care for no payment.

Council responds to the Act with activities that are supported through the intent of Strategic Direction 1 of the Council Plan 2017-27: We embrace difference and people belong. Some of these activities throughout 2019/20 are outlined below.

Impact of a changing landscape and COVID-19

Over recent years, much change has occurred in the services sector and this development continues to compel Council to consider a new direction with its response to the Act.

The aged care reforms and National Disability Insurance Scheme (NDIS) have shifted the orientation of the funding relationship, placing the person who is the service recipient in control of their service decisions. In response to national feedback from carers, the Carers Gateway has been launched this year, with the capacity to respond to the specific needs of a carer. The introduction of the Carers Gateway has streamlined Council officers' interaction with carers, providing one point of referral to address the carers' identified needs.

Carers are recognised within the Council workforce and reflected in the organisation's Enterprise Agreement and Leave Policy, strengthened by the Australian Government **Fair Work Act 2009** and **Carers Act 2010**. The **Victorian Carer Recognition Act 2012** further guides Council's activities with the community.

2019/20 has presented an unusual environment with the COVID-19 pandemic. This has, and continues to have, significant impact on our community, carers included.

Responding to COVID-19, the following Council services have been adapted:

- FOG Theatre, as part of Access Arts Projects and Partnerships at the City of Port Phillip, has successfully gone virtual and sought feedback on this transition from both participants and their carers
- Children and Family Services and community managed centres have access to a lead family worker. With the pandemic occurring, promotion of this service has increased, tailoring support for carers and other vulnerable families to access support and resources. Families are made aware of this Council-funded service via posters in centres, newsletters and when information is posted to families regarding other service news
- In the context of the pandemic conditions, clients of Council's Community Services and Social Inclusion services, along with their carers, have made decisions to reduce the number of people entering their home for service delivery. Services that would typically be centre-based in a group environment have also adapted to one-on-one within the boundaries of government pandemic restrictions. Consequently, the hours of respite care services delivered were lower than in previous years.
- For 2019/20, 706 hours of respite care were delivered for carers of people aged 65 years and over, and for people with an ATSI background aged 50 years and over. This is 21 per cent less for the same demographic than 2018/19 when Council delivered 918 hours of respite care
- For those aged under 65 years, or under 50 years for ATSI background, 810 hours were delivered, compared to 4,703 hours in 2018/19. This significant reduction of 83 per cent is a result of both COVID-19 and of residents under 65 years transitioning their services from Council to the NDIS model
- Council's Social Inclusion service delivered a regular Carers Outings Group, supporting people caring for an older person. This enabled seven carers to participate, totalling 72 hours of carer support. This has been an increase from 2018/19, where five carers benefited from these carers outings where information can be shared among people in similar caring roles
- Council maintains relationships with local carer support groups and services, including Alfred Carers, the Inner South Family and Friends group and the Borderline Personality Disorder Community group. The relationship of mutual exchange of information between Council and local NDIS provider the Brotherhood of St Laurence continues to strengthen.

Carers' involvement in service provision

Council aims to include the views of carers in planning and delivery of all programs and services:

- where Council delivers service to people with disability, older people, families and children in our community, at an operational level, carers are involved in decision making for service provision and review
- at the point of an assessment visit, carers are advised of their eligibility to receive services in their own right, additional to the person they care for, and typically are directed to the Carers Gateway
- where FOG Theatre events are planned for and evaluated, carers are involved in both the decision making and review processes
- Children's Services waiting-list procedure captures information about disability in a family, for prioritisation of access to services
- All Abilities Sports Day in January 2020 provided an opportunity for seven people to participate inclusively in five different activities provided by local sport and recreation organisations and businesses. Carers were consulted in the review of this event to facilitate planning for another event, currently postponed due to the pandemic.

Carer participation

Council acknowledges the Victorian Carer Card program and the concessions attached to it, through offering a concession rate for card holders for their pet registration and for ticketed events run through Council such as FOG Theatre performances.

These discounts can have a significant impact through recognising and valuing the contribution of carers.

Accessibility and disability inclusion

The City of Port Phillip is committed to improve the equitable participation and inclusion of people with disability within our community. 2019 saw the endorsement and introduction of Council’s Access and Inclusion Plan 2019-21. With the introduction of this plan, we aim to move beyond a compliance focus to an organisational culture where access and inclusion is routinely considered as part of ‘the way we do things around here’.

The framework for the Access and Inclusion Plan was designed according to four themes with corresponding outcomes. The outcomes for the four themes are supported through the implementation of the actions listed in the plan. The table below provides an overview of the themes and outcomes.

Access and Inclusion Plan themes and outcomes

Theme	Outcomes
1. We are Inclusive	Fostering a community where people with disability belong
2. We are Thriving	Fostering a liveable community
3. We are Fair	Fostering a respectful and equitable community
4. We are Disability Confident	Fostering organisational capability and culture

The actions contained in the Access and Inclusion Plan take into consideration a range of legislative requirements and guidelines, such as the Victorian Disability Act 2006 and the Disability Discrimination Act 1992.

Plan progress

Most actions scheduled to be delivered in 2019 were completed. Multiple actions in the plan span several years for implementation, with progress tracked to ensure we continue to advance accessibility and disability inclusion. Actions with a status of delayed and/or partial progress made are monitored in an implementation plan to enable progression to completion status.

One action spanning the delivery timeframe of 2019 to 2021 was incomplete for 2019, which is action 5.2.4 to host an annual forum for community members to review progress of our Access and Inclusion Plan. An interim status report was created in lieu of a forum in 2019. This report was published early 2020. The forum for 2020 was held late February, with an opportunity for anyone to discuss the plan and/or the interim status report.

Updates on accessibility and inclusion initiatives 2019/20

Key accessibility and inclusion initiatives as well as other program highlights for 2019/20 are outlined below and grouped by theme.

1. We are Inclusive

We promote inclusion through diverse activities, ranging from arts funding to sports and accessibility at the St Kilda festival.

We celebrated and acknowledged International Day of People with Disability early December 2019 by organising a number of community events to raise awareness of this important day on the calendar. Highlights included library events such as an inclusive storytime and an author talk about mental health.

We supported several inclusive sporting programs including:

- an inclusive swimming program for people with disability. This program runs throughout the school terms but was placed on hold because of COVID-19
- providing beach access matting and free-to-hire beach wheelchair at the St Kilda Life Saving Club and Port Melbourne Life Saving Club during patrol season (November to April)
- an all abilities sports day was delivered in January 2020 in partnership with five local recreational providers, with support from two local disability organisations
- promoting Boxing for Parkinsons, an initiative facilitated by St Kilda Police and the Citizens Youth Club, on the Sport Phillip webpage.

2019/20 saw the continuation of several Access Arts initiatives, such as Fog Theatre, which runs 40 weekly workshops inclusive of adults with intellectual disability. COVID-19 saw the theatre move to online delivery in April (with 100 per cent engagement). The development of the Fog Theatre production, set for July 2020, was cancelled.

SPARC Theatre is a company of diverse performers, many of whom experience barriers to social and cultural participation. With a focus on programs inclusive of adults who live in unstable housing and with lived experience of acquired brain impairment/disability/mental illness, COVID-19 meant fewer weekly workshops, down from 40 sessions in 2018/19 to 28 in 2019/20.

There were several mentoring opportunities for artists with disability:

- In July 2019, Daniel Coulson held his first solo exhibition, 'Aesthetic Distortions'. The show received significant coverage in local media and the artist sold several works
- In October 2019, the Deviser Provider Project supported seven artists with disability to workshop new work with professional mentors
- In January 2020, Chris Fenton was supported to apply for a solo show at Toot Art Space. The application was successful and the artist sold three works.

The Cultural Development Fund supported an interactive and inclusive art installation (Serene Lau - Port Phillip Dragon, March and April 2020) in collaboration with participants through local community organisations. It explored affordable housing and homelessness in our community using sustainable/recycled materials.

How the worlds of art and sport collide was explored in Fanaticus, an inclusive outdoor performative event held by Rawcus in February 2020. This engaged young people of culturally diverse backgrounds and people with and without disability in fun, creative development workshops and a public presentation at the St Kilda Peanut Farm.

In November 2019, 'Paint Out' was held at Gasworks Arts Park and consisted of two accessible painting days, where artists, community participants and spectators were invited to create artworks collaboratively, followed by a pop-up exhibition and celebration.

In January 2020, 21 artists were supported to apply for funding projects in Port Phillip through THRIVE Grants, a partnership with Arts Access Victoria. \$10,000 was available per project with an additional (up to) \$1,000 for access considerations. This resulted in four successful projects that highlight disability culture and aesthetics, to be presented later in 2020 (restrictions permitting).

In response to COVID-19, we developed three streams of small quick response grants to support local artists, cultural organisations and creative groups impacted by the pandemic. This included the THRIVE Local stream for disability and deaf arts groups or for individual artists who live or work in Port Phillip.

This year's St Kilda Festival again facilitated a viewing platform as well as providing additional accessible vehicle parking allocation.

2. We are Thriving

- The review and updating of key City strategy documentation continues, with accessible and inclusive design to be addressed in the planning scheme review through the:
 - **Municipal Planning Framework** - in the Urban Design Strategic Directions
 - **Planning Policy Framework** - in the Urban Design Clause 15.01-1L. While the translation and drafting is ongoing, accessibility may also be addressed in a broader range of Planning Policy Framework clauses.
- Council's ongoing review work in the area of accessible parking spaces saw eight parking spaces upgraded in the period 2019/20.
- Some great examples of improved design features and accessibility were implemented as part of action 2.5.1: identify and implement accessibility improvements for public space and parks, such as:
 - accessibility improvements at Alma Park East in St Kilda East (part of the construction of the Alma Park stormwater harvesting system). Works implemented between July 2019 and June 2020
 - accessible play equipment, accessible paths, an accessible drinking fountain and an accessible picnic table were introduced at Chipton Park in St Kilda in November 2019. This park aims to provide opportunities for recreational activity for a diverse range of people, given its function as the only park in its catchment area
 - Pakington Street Reserve in St Kilda which opened in June 2020 with improvements such as the installation of an accessible drinking fountain, modifying gravel paths into asphalt hard surface paths and elevated planter beds within the community garden

- significant improvements at Newton Court Reserve (next to the St Kilda Adventure playground). Works undertaken included the implementation of accessible paths, installation of an accessible drinking fountain and new lighting. As an added bonus, the adventure playground next to the reserve has benefitted from the access improvements, given entry can be gained via the reserve. The improved reserve opened in September 2019
 - accessibility improvement for access to the lawn at O'Donnell Gardens in St Kilda.
 - A delay is experienced in relation to the Fishermans Bend Urban Renewal Area (action 2.6.1 in the Access and Inclusion Plan). The Fishermans Bend Taskforce (Victorian Government) is continuing detailed precinct planning and other projects to further implement the Fishermans Bend Framework. This work is being undertaken in collaboration with Council, and community engagement will be undertaken in due course. This work will provide the foundation for service planning to commence for community infrastructure and asset planning projects within this area.
 - Progress was made for a range of community infrastructure and asset planning projects, with accessibility improvements made at Kiosk 7 (Beaconsfield Parade, Albert Park); South Melbourne Town Hall; Elwood Beach Restaurant; Elwood Life Saving Club/foreshore public toilets; and 222 Bank Street, South Melbourne (Arthub).
- collaboration with the wider team to run (online) parent information sessions to promote good health and wellbeing for children
 - a small event on RUOK Day was run at Elwood College (September 2019)
 - accessing and promoting services for young people at Head Space - Youth Mental Health Service
 - the Resilience survey, completed with over 2,500 young people (term 4 in 2019)
 - production of advocacy report and infographics on young people's resilience outlining key themes including mental health (May to June 2020)
 - youth network series for professionals on supporting young people through COVID-19 restrictions. Series included a focus on mental health and online safety (March to June 2020)
 - over 100 young people participating in the Student Leadership Program. They have developed a self-care plan in response to challenges faced by COVID-19 restrictions (March 2020).

3. We are Fair

- The front service counter at the South Melbourne Town Hall was awarded with the SCOPE Communication Access qualification in December 2019. Communication access was retained at all other front service counters and call centre.
- Partial progress has been made to develop access and inclusion guidelines for suppliers and partners. The Social Procurement Reference Group was established in 2019 and further work has continued in 2020 with the drafting of content for a Social and Sustainable Procurement Framework.
- The Middle Years and Youth Services team undertook various activities to promote good mental health, accessibility and inclusion for school-aged children, such as:
 - providing ongoing support on mental health and promotion of a healthy lifestyle through Middle Years and Youth Support programs, youth events and social media

4. We are Disability Confident

- 2020 saw the introduction of an Accessibility and Disability Inclusion toolkit for staff, featuring resources to create an equitable workplace and inclusive community.
- A variety of employee awareness sessions were hosted during 2019/20 with the aim of increasing employees' disability confidence in various topics. Topics covered included digital accessibility, Auslan (Australian sign language) awareness, universal design; and disability confidence.
- We took part in AccessAbility Day (an Australian Government initiative) in November 2019. Council staff hosted job shadow opportunities for jobseekers with disability. Opportunities were offered for a wide range of council roles and jobseekers were sourced through an external organisation.

A copy of the Access and Inclusion Plan can be downloaded from our website. Council also maintains a comprehensive implementation plan for the Access and Inclusion Plan. While this is an internal document, community members are welcome to contact City of Port Phillip's Access Planner to enquire about the actions in the plan. More information on Council's activities in relation to accessibility and inclusion can also be found on our Accessibility and Disability Inclusion webpage.

Food Act Ministerial direction

In accordance with Section 7E of the **Food Act 1984**, a council is required to publish a summary of any Ministerial directions received during the financial year in its annual report. No such Ministerial directions were received by Council during the financial year.

Road Management Act Ministerial direction

Direction In accordance with Section 22 of the **Road Management Act 2004**, a council must publish a copy or summary of any Ministerial direction in its annual report. No such Ministerial directions were received by Council during the financial year.

Planning and Environment Act

In accordance with Section 46GM and 46QD of the **Planning and Environment Act 1987**, a council that is a collecting or development agency, must prepare and give a report to the Minister for Planning on infrastructure development contributions including levies and works in kind. The report must be published in a council's annual report.

For the 2019/20 year the following information Development Contributions Plans (DCP) is disclosed.

Total DCP levies received in 2019/20

Council	City of Port Phillip
DCP name	C13 Port Melbourne DCP
Year approved	1999
Levies received	\$55,968.00

DCP land, works, services or facilities accepted as works-in-kind in 2019/20

Council	Nil
DCP name	C13 Port Melbourne DCP
Year approved	1999
Project value	\$0.00

Total DCP contributions received and expended to date

(for DCPs approved after 1 June 2016)

DCP name and year approved	C13 Port Melbourne DCP 1999
Total levies received	\$0.00
Total levies expended	\$0.00
Total works in kind accepted	\$0.00
Total DCP contributions received (levies and works in kind)	\$0.00

Land, works, services or facilities delivered in 2019-20 financial year from DCP levies collected

Project description	Greening Port Phillip further funding for Graham Street and other greening project in the DCP area
Project ID	80757
DCP name and year approved	C13 Port Melbourne DCP 1999
DCP fund expended \$	\$138,463.00
Works-in-kind accepted \$	\$0.00
Council's contribution \$	\$63,136.97
Other contributions \$	\$0.00
Total project expenditure \$	\$201,599.97
Percentage of item delivered	100 %
Total project expenditure	\$130,267.00

National Competition Policy

Council has an obligation to comply with requirements of competitive neutrality policy when it is operating a significant business. Competitive neutrality policy requires us to implement competitively neutral measures to mitigate any net advantage over our private competitors arising from government ownership or demonstrate that restricting competition is in the public interest.

Child Safe Standards

As a child safe organisation that has zero tolerance for child abuse, we continue to review and implement policies and procedure to prevent, respond and report allegations of child abuse.

Council has implemented robust screening, supervision and training protocols for new and existing staff.

These include:

- all staff working with or around children have valid Working with Children Checks
- vetting procedures including identity checks, thorough referee checks and work history checks
- mandatory online training to help all staff recognise the signs of abuse and the understand the role every adult has in preventing and reporting any concerns or allegations of abuse.

Child safety remains a priority for Council with some major achievements during 2019/20 including:

- establishment of an organisation wide governance model ensuring a child safe culture is a key focus and commitment across the organisation
- commitment to an ongoing resource to support and guide implementation and compliance with the state legislation
- child safety organisational risk register that has a key focus on mitigating the risk of abuse to children and young people
- implementing processes to ensure we capture accurate records of volunteers and contractors to ensure all parties understand their responsibilities under the Child Safe Standards.

Best value report

We are committed to continuously improving our services and providing value for money to our residents. This commitment is in compliance with the **Local Government Act 1989**.

In 2019/20, we focused on delivering improvement initiatives to complement our Customer Experience Program and continued to improve the culture and capability of our staff to ensure that they are working together to solve problems which meet our customer needs and expectations.

In addition, we have uplifted our staff's capability around improving customer experience and management of complaints. The training and uplift are designed provide a clear line of sight to customers' expectations and address any pain points.

In response to the changing needs of our community, particularly in response to COVID-19, we have been able to continue delivery of services and consultation with the community online, including:

- online Budget Focus Group sessions
- online Budget Q&A sessions
- virtual citizenship ceremonies
- St Kilda Festival online
- virtual sustainability workshops
- virtual Council meetings.

The upgrade of our telephone system was also completed during this time to support improved reliability for our customers using that channel.

These initiatives as well as other projects to improve the services has reduced the time the community waits for our services by over 9,200 days during 2019/20.

At the same time, we created internal efficiencies that will result in over 11,900 hours of staff time savings by streamlining some of the following internal processes: converted paper-based auditing processes to digital, moving more services online for payment and digitising internal paper forms and workflows. This freed up time was redirected to more value-adding tasks.

We continued our Productivity and Efficiency Savings Program, which was established in 2014/15 to identify and realise efficiency savings across the organisation, as a way of responding to external and internal budgetary pressures and demonstrating value for money to the community.

The **Local Government Act 1989** details six best value principles:

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

Governance and management checklist

This checklist increases transparent reporting and is prescribed under the **Local Government Act 1989** (The Act). The checklist measures whether a council has strong governance and management frameworks in place covering community

engagement, planning, monitoring, reporting and decision making. The following are the results in the prescribed form of council's assessment against the governance and management checklist

Community engagement policy	No Policy 
Outlines Council's commitment to engaging with the community on matters of public interest	<p>Our commitment to community engagement is outlined in the Council Plan 2017-27.</p> <p>Our Communications and Engagement Framework provides an overarching road map towards building organisational capability to support community engagement. The framework is supported by an engagement toolkit to guide officers in community engagement planning and delivery. Council's practice of community engagement satisfied requirements over 2019/20 for engagement with the community in Council's decision making. We also engaged with our community in February and March 2020 to inform a draft Community Engagement Policy, which is expected to be released for community consultation prior to its adoption by 1 March 2021 as required by the Local Government Act 2020. Under the new Local Government Act 2020, Council is required to have a community engagement policy that underpins our commitment to ensuring our community has the opportunity to engage with Council on local priorities and the future of their community and City.</p>
Community engagement guidelines	Guidelines (online toolkit) 
Assists staff to determine when and how to engage with the community	Date of operation of current guidelines: 20 March 2012
Strategic Resource Plan	Adopted in accordance with Section 126 of the Act 
Plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years	Date of adoption: 19 August 2020 as part of the Integrated Council Plan 2017-27
Annual Budget	Adopted in accordance with 
Plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months, and the funding and other resources required	Date of adoption: 19 August 2020 as part of the Integrated Council Plan 2017-27
Asset Management plans	Plans 
Sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years	Date of operation: 26 June 2017
Rating Strategy	Strategy 
Sets out the rating structure of Council to levy rates and charges	Date of adoption: 20 June 2018

Risk Policy	Policy	✓
Outlines Council's commitment and approach to minimising the risks to Council's operations	Date of adoption: 7 June 2017	
Fraud Policy	Policy	✓
Outlines Council's commitment and approach to minimising the risk of fraud	Date of operation of current policy: 6 May 2020	
Municipal Emergency Management Plan	Prepared and maintained in accordance with Section 20 of the Emergency Management Act 1986	✓
Plan under Section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery	Date of preparation: 24 May 2019	
Procurement Policy	Prepared and approved in accordance with Section 186A of the Local Government Act 1989	✓
Policy under Section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to purchases of all goods, services and works	Date of adoption: 17 June 2020	
Business Continuity Plan	Plan	✓
Sets out the actions that will be taken to ensure that key services continue to operate in the event of a disaster	Date of operation of current plan: 31 December 2019	
Disaster Recovery Plan	Plan	✓
Sets out the actions that will be undertaken to recover and restore business capability in the event of a disaster	Date of operation of current plan: 11 May 2018	
Risk Management Framework	Framework	✓
Outlines Council's approach to managing risks to Council's operations	Date of operation of current framework: 9 July 2018	
Audit Committee	Established in accordance with Section 139 of the Act	✓
Advisory committee of Council under Section 139 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to Council's operations and compliance with applicable legal, ethical, and regulatory requirements	Date of establishment: 19 December 1995 The Charter is reviewed each year. The date of the most recent review is 23 June 2020.	
Internal audit	Engaged	✓
Independent accounting professionals engaged by Council to provide analysis and recommendations aimed at improving Council's governance, risk and management controls	Date of engagement of current provider: 1 May 2019	
Performance Reporting Framework	Framework	✓
Indicators measuring financial and non-financial performance, including the performance indicators referred to in Section 131 of the Act	Date of operation of current framework: 23 March 2020	

Council Plan reporting	Reports	✓
Reviews the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year	Date reports presented: 19 February 2020, 5 August 2020	
Financial reporting	Statements presented to Council in accordance with Section 138(1) of the Act	✓
Quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure	Dates statements presented: 2 October 2019, 19 February 2020, 6 May 2020, 16 September 2020	
Risk reporting	Reports	✓
Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring, and risk minimisation strategies	Date of reports: 8 July 2019, 12 August 2019, 9 September 2019, 14 October 2019, 11 November 2019, 9 December 2019, 28 January 2020, 10 March 2020, 14 April 2020, 11 May 2020, 9 June 2020	
Performance reporting	Reports	✓
Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the Act	Date of reports: 19 February 2020, 5 August 2020	
Annual Report	Considered at an Ordinary meeting of Council in accordance with Section 134 of the Act	✓
Annual Report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements	Date of consideration: 16 October 2019	
Councillor Code of Conduct	Reviewed in accordance with Section 76C of the Act	✓
Code under Section 76C of the Act setting out the conduct principles and dispute resolution processes to be followed by Councillors	Date reviewed: 15 February 2017	
Delegations	Reviewed in accordance with Section 98(6) of the Act	✓
Sets out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff	Date reviewed: Council delegations to CEO: 19 August 2020 Additional powers: - COVID-19 State of Emergency: 25 March 2020, revoked 6 May 2020 - Power to call a special meeting of Council: 6 May 2020, revoked 1 September 2020 CEO delegations to staff: 1 April 2020 Council delegations to staff: 4 September 2019	

Meeting procedures	Meeting procedures local law made in accordance with Section 91(1) of the Act	<input checked="" type="checkbox"/>
Local law governing the conduct of meetings of Council and special committees	Date local law made: 18 September 2019	

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



Councillor Bernadene Voss

Mayor
City of Port Phillip

20 September 2019
St Kilda



Peter Smith
Chief Executive Officer

11 September 2019
St Kilda

Public document

Council has a Public Transparency Policy which supports Council in its ongoing drive for good governance and the importance of open and accountable conduct and how council information is to be made publicly available.

The public transparency policy is a statutory document required under the **Local Government Act 2020**, which must:

- give effect to the public transparency principles;
- describe the ways in which Council information is to be made publicly available;
- specify which Council information must be publicly available, including all policies, plans and reports required under this Act or any other Act.

Council information will be made available via:

- Council website: portphillip.vic.gov.au
- Open Data www.data.gov.au
- Council offices
- request.

Members of the public can make different kinds of information requests to the council (e.g. informal requests for documents and information or formal FOI requests). Council will respond to requests for information in alignment with:

- the Act including the Public Transparency Principles, and this policy,
- Part II statement made under the **Freedom of Information Act 1982**.

Council offices were closed to the public on 23 March 2020 in response to the COVID-19 pandemic.



7

Financial Report

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Understanding the Financial Report

The Financial Report includes a General Purpose Financial Report and a Performance Statement for the Port Phillip City Council for the year ended 30 June 2020.

The report highlights Council's financial performance and overall position at the close of the 2019/20 financial year (30 June 2020) and is presented in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the **Local Government Act 1989, Local Government (Finance and Reporting) Regulations 2004** and the **Local Government (Planning and Reporting) Regulations 2014**.

Introduction

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

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

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

What is contained in the annual Financial Reports?

Council's Financial Report has two main sections: the financial statements and the accompanying notes.

There are five financial statements and 41 notes.

The five financial statements are the:

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

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

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

Comprehensive Income Statement

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

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

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

Balance Sheet

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

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

The components of the Balance Sheet are described here.

Current and non-current assets

- **Cash and cash equivalents** includes cash and investments - that is, cash on hand, cash held in the bank, and cash investments maturing within three months
- **Trade and other receivables** are monies owed to Council for rates, parking, fines, GST refunds, home support, and other services provided by Council
- **Other financial assets** reference the value of Council's longer term financial investments (maturity greater than three months), such as bank bills, term deposits and floating rate notes, as well as the value of shares that Council holds
- **Other assets** represents income due to Council, but not yet paid or billed, and prepayments which are expenses that have been paid in advance by Council

- **Investments in associates and joint ventures** includes Council's portion of post-acquisition profits or losses of arrangements in which they have either significant influence or joint control
- **Property, infrastructure, plant and equipment** are the largest components of Council's worth and represent the current value of land, buildings, roads, drainage, and equipment which have been purchased by, or contributed to, Council over many years. It also includes those assets which Council does not own, but has significant control over, and responsibility for, such as foreshore pavilions, parks and Crown land, and leased vehicles
- **Right of use assets** are items Council has an exclusive right to use for the duration of a contract or lease period.

Current and non-current liabilities

- **Trade and other payables** are suppliers to whom Council owes money as at 30 June
- **Trust funds and deposits** represent monies held in trust or deposits received and held by Council
- **Provisions** include long service and annual leave entitlements owing to employees at the end of the financial year
- **Interest bearing loans and borrowings** are the borrowings taken out by Council
- **Lease liabilities** are the amounts payable by Council under contract or lease terms for the right of use assets.

Net assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net value of Council as at 30 June. The net value of Council is also synonymous with total equity.

Total equity

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

- **Accumulated surplus** - the profit or loss results of all financial years totalled and carried forward
- **Reserves** comprise asset revaluation reserves, which are the difference between the previously recorded value of assets and their current valuations; and general reserves, which are allocations from the accumulated surplus for specific projects.

Statement of changes in equity

During the course of the year the value of total equity, as set out in the Balance Sheet, changes. This statement shows the values of such changes and how these changes arose.

The main reasons for changes in equity stem from:

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

Statement of cash flows

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

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

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

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

Operating activities

- **Receipts:** All cash received into Council's bank account from ratepayers and others who owed money to Council. Receipts also include the interest earnings from Council's cash investments
- **Payments:** all cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.

Investing activities

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

Financing activities

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

Statement of Capital Works

The Statement of Capital Works expands on the payments Council has made for property, infrastructure, plant and equipment identified in the Statement of Cash Flow. It is prepared on a cash basis, not an accrual basis.

Council's capital works occurs in three main areas:

- **Property** relates to land and buildings. Improvements to existing assets are separately identified and heritage buildings are separated from other buildings
- **Plant and Equipment** comprises fixtures, fittings and furniture, computers and telecommunications, library books, heritage plant and equipment and other plant, machinery and equipment
- **Infrastructure** includes roads, bridges, footpaths and cycleways, drainage, recreational, leisure and community facilities, waste management, parks, open space and streetscapes, and off-street car parks.

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

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

Notes to the accounts

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

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

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

Notes are grouped into the following categories:

- Performance against budget
- Analysis of Council results by program
- Funding for delivery of our services
- The cost of delivering services
- Our financial position
- Assets we manage
- People and relationships
- Managing uncertainties
- Other matters
- Change in accounting policy.

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

Performance Statement

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

Statements by Principal Accounting Officer and Councillors

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

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

Auditor General's Report

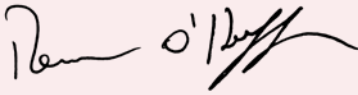
The Independent Audit Report is the external and independent opinion on the financial statements. The audit opinion confirms that the financial statements fairly present the results in all material respects of the council and comply with the statutory reporting requirements of the **Local Government Act 1989** and the **Local Government (Planning and Reporting) Regulations 2014**. A separate Independent Audit report is also provided on the Performance Statement, which confirms that it fairly presents in all material aspects the Council's performance in accordance with the statutory requirements of the **Local Government Act 1989** and the **Local Government (Planning and Reporting) Regulations 2014**.

Financial statements

For year ended 30 June 2020

Certification of the Financial Report

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



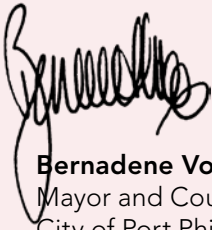
Dennis O'Keeffe CA
Principal Accounting Officer

22 September 2020
St Kilda

In our opinion, the accompanying Financial Report presents fairly the financial transactions of the City of Port Phillip for the year ended 30 June 2020 and the financial position of the Council as at that date.

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

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



Bernadene Voss
Mayor and Councillor
City of Port Phillip

22 September 2020
St Kilda



Tim Baxter
Deputy Mayor and Councillor
City of Port Phillip

22 September 2020
St Kilda



Peter Smith
Chief Executive Officer
City of Port Phillip

22 September 2020
St Kilda



Independent Auditor's Report

To the Councillors of City of Port Phillip

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
25 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria



Independent Auditor's Report

To the Councillors of City of Port Phillip

Opinion	<p>I have audited the accompanying performance statement of City of Port Phillip (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • notes to the performance statement and • the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control</p>

Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
25 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the year ended 30 June 2020

	Note	2020	2019
Income			
Rates and charges	3.1	129,017	125,324
Statutory fees and fines	3.2	19,483	21,399
User fees	3.3	37,691	39,629
Grants - operating	3.4	12,003	11,898
Grants - capital	3.4	3,249	4,146
Contributions - monetary	3.5	10,362	10,339
Contributions - non-monetary	3.5	40	243
Other income	3.7	25,028	18,078
Total income		236,873	231,056
Expenses			
Employee costs	4.1	94,675	91,648
Materials and services	4.2	84,279	83,594
Depreciation	4.3	25,799	25,740
Amortisation- Right of use assets	4.4	700	-
Bad and doubtful debts	4.5	4,636	6,048
Borrowing costs	4.6	349	399
Finance costs- Leases	4.7	75	-
Other expenses	4.8	18,318	11,034
Net loss on disposal of property, infrastructure, plant and equipment	3.6	1,117	5,424
Share of net losses of associates and joint ventures	6.3	18	21
Total Expenses		229,966	223,908
Surplus/(Deficit) for the year		6,907	7,148
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1	12,704	48,272
Total comprehensive result		19,611	55,420

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

Balance Sheet

As at 30 June 2020

	Note	2020	2019
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	7,642	3,261
Trade and other receivables	5.1(c)	17,865	17,249
Other financial assets	5.1(b)	87,000	83,000
Non-current assets classified as held for sale	6.1	2,211	-
Other assets	5.2(a)	1,916	4,353
Total current assets		116,634	107,863
Non-current assets			
Trade and other receivables	5.1(c)	516	474
Other financial assets	5.1(b)	5	235
Investments in associates and joint ventures	6.3	307	326
Property, infrastructure, plant and equipment	6.2	3,200,370	3,197,775
Right-of-use assets	5.8	1,339	-
Total non-current assets		3,202,537	3,198,810
Total assets		3,319,171	3,306,673
Liabilities			
Current liabilities			
Trade and other payables	5.3(a), (c)	8,316	18,884
Trust funds and deposits	5.3(b)	7,949	7,086
Provisions	5.5	15,513	13,884
Interest-bearing liabilities	5.4	-	465
Lease liabilities	5.8	585	-
Total current liabilities		32,363	40,319
Non-current liabilities			
Provisions	5.5	3,367	2,370
Interest-bearing liabilities	5.4	7,500	8,443
Lease liabilities	5.8	789	-
Total non-current liabilities		11,656	10,813
Total liabilities		44,019	51,132
Net Assets		3,275,152	3,255,541
Equity			
Accumulated surplus		639,697	647,632
Reserves	9.1(b)	2,635,455	2,607,909
Total Equity		3,275,152	3,255,541

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

Statement of Changes in Equity

For the year ended 30 June 2020

		\$'000			
	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2020					
Balance at beginning of the financial year		3,255,541	647,632	2,545,076	62,833
Impact of change in accounting policy- AASB 15 Revenue from Contracts with Customers	10	-	-	-	-
Impact of change in accounting policy- AASB 1058 Income of Not-for-Profit Entities	10	-	-	-	-
Impact of change in accounting policy- AASB 16 Leases	5.8	-	-	-	-
Adjusted Opening balance		3,255,541	647,632	2,545,076	62,833
Surplus/(deficit) for the year		6,907	6,907	-	-
Net asset revaluation increment/(decrement)	9.1(a)	12,704	-	12,704	-
Transfers to other reserves	9.1(b)	-	(43,419)	-	43,419
Transfers from other reserves	9.1(b)	-	28,577	-	(28,577)
Balance at end of the financial year		3,275,152	639,697	2,557,780	77,675
2019					
Balance at beginning of the financial year		3,200,121	645,669	2,496,804	57,648
Surplus/(deficit) for the year		7,148	7,148	-	-
Net asset revaluation increment/(decrement)	9.1(a)	48,272	-	48,272	-
Transfers to other reserves	9.1(b)	-	(25,274)	-	25,274
Transfers from other reserves	9.1(b)	-	20,089	-	(20,089)
Balance at end of the financial year		3,255,541	647,632	2,545,076	62,833

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

Statement of Cash Flows

For the year ended 30 June 2020

		\$'000	
	Note	2020 Inflows / (outflows)	2019 Inflows / (outflows)
Cash flows from operating activities			
Rates and charges		125,278	125,201
Statutory fees and fines		16,021	16,634
User fees		39,792	41,554
Grants - operating		12,939	11,860
Grants - capital		3,249	4,146
Contributions - monetary		10,362	8,032
Interest received		1,383	1,863
Trust funds and deposits taken		56,770	55,357
Other receipts		13,992	13,631
Net GST refund		8,330	9,047
Employee costs		(94,751)	(92,394)
Materials and services		(96,338)	(94,562)
Short term, low value and variable lease payments		(691)	-
Trust funds and deposits repaid		(55,907)	(53,779)
Other payments	9.2	(8,774)	(9,610)
Net cash provided by/ (used in) operating activities		31,655	36,980
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(22,370)	(34,842)
Proceeds from sale of property, infrastructure, plant and equipment		218	220
Payments for investments		(87,000)	(83,000)
Proceeds from sale of investments		83,000	68,500
Net cash provided by/used in) investing activities		(26,152)	(49,122)
Cash flows from financing activities			
Finance costs		(349)	(399)
Repayment of borrowings		-	-
Interest paid- lease liability		(75)	(441)
Repayment of lease liabilities		(698)	
Net cash provided by/(used in) financing activities		(1,122)	(840)
Net (decrease) increase in cash and cash equivalents		4,381	(12,982)
Cash and cash equivalents at the beginning of the financial year		3,261	16,243
Cash and cash equivalents at the end of the financial year		7,642	3,261
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works

For the year ended 30 June 2020

	Note	2020	2019
Property			
Buildings		8,697	15,408
Heritage buildings		-	-
Building improvements		-	-
Total buildings		8,697	15,408
Total property		8,697	15,408
Plant and equipment			
Heritage plant and equipment		105	37
Plant, machinery and equipment		925	1,234
Fixtures, fittings and furniture		468	558
Computers and telecommunications		583	1,025
Library books		886	830
Total plant and equipment		2,967	3,684
Infrastructure			
Roads		1,863	1,899
Bridges		25	-
Footpaths and cycleways		1,506	2,201
Drainage		1,565	3,884
Parks, open space and streetscapes		3,509	6,248
Other infrastructure		2,238	1,510
Total infrastructure		10,706	15,742
Total capital works expenditure		22,370	34,834
Represented by			
New asset expenditure		1,653	4,226
Asset renewal expenditure		10,202	16,124
Asset expansion expenditure		2,060	2,901
Asset upgrade expenditure		8,455	11,583
Total capital works expenditure		22,370	34,834

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

Notes to the Financial Report

For the year ended 30 June 2020

Overview

Introduction

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

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.2)
- the determination of employee provisions (refer to note 5.5)

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

Impact of COVID-19

Judgements and estimates have taken into consideration the impact of the Covid-19 global pandemic where stated. For detailed information on the impact on the financial results in 2019/20 and the financial outlook for the City of Port Phillip refer to Note 9.4.

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

Note 1 Performance against budget

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

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

1.1 Income and expenditure 2020

			\$'000	%	Ref
	Budget	Actual	Variance	Variance	
Income					
Rates and charges	129,149	129,017	(132)	-0.10 %	
Statutory fees and fines	24,046	19,483	(4,563)	-18.98 %	1
User fees	38,801	37,691	(1,110)	-2.86 %	2
Grants - operating	9,430	12,003	2,573	27.29 %	3
Grants - capital	2,586	3,249	663	25.64 %	4
Contributions - monetary	6,045	10,362	4,317	71.41 %	5
Contributions - non-monetary	-	40	40	0.00 %	
Other income	14,381	25,028	10,647	74.04 %	6
Total income	224,438	236,873	12,435	5.54 %	
Expenses					
Employee costs	96,637	94,675	1,962	2.03 %	7
Materials and services	91,466	84,279	7,187	7.86 %	8
Depreciation	24,911	25,799	(888)	-3.56 %	
Amortisation					
- Right of use assets	-	700	(700)	0.00 %	
Bad and doubtful debts	3,862	4,636	(774)	-20.04 %	9
Borrowing costs	450	349	101	22.44 %	10
Finance costs - Leases	-	75	(75)	0.00 %	
Other expenses	8,473	18,318	(9,845)	-116.19 %	11
Net loss on disposal of property, infrastructure, plant and equipment	4,310	1,117	3,193	74.08 %	12
Share of net profits losses of associates and joint ventures	-	18	(18)	0.00 %	
Total expenses	230,109	229,966	143	0.06 %	
Surplus for the year	(5,671)	6,907	12,578	5.60 %	

1.1 Income and Expenditure - Explanation of Material Variances

Ref	Item	Explanation
1	Statutory fees and fines	The unfavourable variance of \$4.56 million is due to the following: <ul style="list-style-type: none"> • COVID-19 lockdown restrictions have contributed to the lower parking enforcement income by \$3.9m. • A slowdown in development activity has seen a \$0.5m reduction in planning application fees income.
2	User fees	The favourable variance of \$1.11 million is due to: <ul style="list-style-type: none"> • COVID-19 lockdown restrictions have contributed to the lower income from paid parking by \$2.0m, childcare income \$1.8m, food registration and footpath trading \$0.4m. • This is partly offset by \$2.6m of favourable development related income (such as Street Occupation and Road Closure fees) from projects that commenced prior COVID-19. • \$0.6m of unbudgeted compensation from Rail Project Victoria for the loss of Domain precinct paid parking income.
3	Grants - operating	The favourable variance of \$2.57 million is due to: <ul style="list-style-type: none"> • the early receipt of the 2020/21 Victorian Grants Commission instalments of \$1.52 million. • \$0.27m unbudgeted one-off Victorian Government support funding for waste and recycling crisis. • \$0.38m Commonwealth Government provided additional COVID-19 support for Food Services to the vulnerable.
4	Grants - capital	The favourable variance of \$0.66 million is mainly due to: <ul style="list-style-type: none"> • \$0.65m unbudgeted funding for Kings Plaza Pocket Park development. • \$0.65m unbudgeted funding for Hostile Vehicle Mitigation at Luna Park and Palais Theatre. • (\$0.60m) Park St Bike Link part of the public realm improvements to the ANZAC station precinct has been rescheduled to align with the Masterplan timelines - completion expected in 2021/22.
5	Contributions - monetary	The favourable variance of \$4.32 million is due to higher than expected property development within the municipality, especially in the St Kilda Road, South Melbourne, Elwood and Middle Park neighbourhoods.
6	Other income	The favourable variance of \$10.65 million is mainly due to the recognising \$10.5 million for the market value of subsidised rent (non-cash) to community groups which is matched by subsidised rent expenditure reported under other expenses.

Ref	Item	Explanation
7	Employee costs	<p>The favourable variance of \$1.96 million is mainly due to:</p> <ul style="list-style-type: none"> • \$1.45 million relates to the lower utilisation and temporary lockdown closure of Council managed long day child care centres in addition to the efficiency gains from active management of staff requirements. • \$1.41 million relates to enterprise vacancies during the year, tight fiscal controls put in place due to COVID-19 including vacant positions were put on hold unless necessary, agency and contract minimised • (\$0.9) million payments to the Municipal Association Victoria WorkCover Fund's as a Capital Recovery Contribution due to its poor investment return impacted by COVID-19.
8	Materials and services	<p>The favourable variance of \$7.18 million is mainly due to:</p> <ul style="list-style-type: none"> • \$3.54 million Customer Experience Program deferred expenditure due to timing of work streams and contingency not being required - project completion date in August 2021 expected to be met. • \$1.40 million relates to the deferments and reductions in the capital works program to address the financial impacts of COVID-19 - this has resulted in lower than budgeted non-capitalised costs such as landscaping and demolitions costs. • \$1.41 million of operating project deferrals to 2020/21 financial year partly due to COVID-19 delays. • \$1.46 million relates to the tight fiscal controls put in place to reduce operational expenditure to address the financial impact of COVID-19 including lower staff training, professional services, and fleet running costs. • (\$0.62) million of additional OHS related expenditure for the safety of our staff and our community including personal protective equipment and extra cleaning.
9	Bad and doubtful debts	The unfavourable variance of \$0.77 million is mainly due to system issues implemented by Fines Victoria which has caused an increase in outstanding debt.
10	Borrowing costs	The minor favourable variance of \$0.10 million is mainly due to the reclassification of borrowing costs for finance leases to be reported under Finance costs - Leases in accordance with new reporting requirements.
11	Other expenses	The unfavourable variance of \$9.85 million is mainly due to the recognition of the \$10.1 million market value of subsidised rent to community groups which is matched by the increased other income.
12	Net loss on disposal of property, infrastructure, plant and equipment	The favourable variance of \$3.19 million is mainly due to the lower residual value written off for infrastructure assets upgraded in 2019/20 as a result of the reduction and deferment in the capital works program to future years.

1.2 Capital Works 2020

	\$'000			%	Ref
	Budget	Actual	Variance	Variance	
Property					
Land	-	-	-	0 %	
Total land	-	-	-	0 %	
Buildings	19,566	8,697	(10,869)	-56 %	1
Total buildings	19,566	8,697	(10,869)	-56 %	
Total property	19,566	8,697	(10,869)	-56 %	
Plant and equipment					
Heritage plant and equipment	30	105	75	250 %	2
Plant, machinery and equipment	2,007	925	(1,082)	-54 %	3
Fixtures, fittings and furniture	370	468	98	26 %	4
Computers and telecommunications	500	583	83	17 %	5
Library books	852	886	34	4 %	
Total plant and equipment	3,759	2,967	(792)	-21 %	
Infrastructure					
Roads	2,844	1,888	(956)	-34 %	6
Footpaths and cycleways	2,776	1,506	(1,270)	-46 %	7
Drainage	1,774	1,565	(209)	-12 %	8
Parks, open space and streetscapes	8,313	3,509	(4,804)	-58 %	9
Other infrastructure	210	2,238	2,028	966 %	10
Total infrastructure	15,917	10,706	(5,211)	-33 %	
Total capital works expenditure	39,242	22,370	(16,872)	-43 %	
Represented by:					
New asset expenditure	2,674	1,653	(1,021)	-38 %	10
Asset renewal expenditure	18,459	10,202	(8,257)	-45 %	11
Asset expansion expenditure	2,658	2,060	(598)	-22 %	12
Asset upgrade expenditure	15,451	8,455	(6,996)	-45 %	13
Total capital works expenditure	39,242	22,370	(16,872)	-43 %	

1.2 Capital Works - Explanation of Material Variances

Ref	Item	Explanation
1	Building	Net under-spend of \$10.9 million due to a number of large building projects deferred to future years including \$3.6 million South Melbourne Town Hall Major Works, \$1.5m St Kilda Town Hall Fitout, \$1.1 million South Melbourne Market Building Compliance works, \$1.2 million Palais Theatre Renewal and Upgrade.
2	Heritage plant and equipment	Net over expenditure of \$0.08 million due to minor purchases for Councils art collection and restoration.
3	Plant, machinery and equipment	Net under expenditure of \$1.1 million mainly due to procurement delays with hybrid fleet vehicles.
4	Fixtures, fittings and furniture	Net over expenditure of \$0.1 million due to additional equipment required in work and meeting spaces in response to COVID-19 requirements.
5	Computers and telecommunications	Net over expenditure of \$0.08 million is due to additional equipment requirements for staff for the transition to remote working in response to COVID-19 directives.
6	Roads	Net under expenditure of \$0.96 million largely due to; <ul style="list-style-type: none"> • St Kilda Junction Safety Upgrade reliance on Department of Transport to prepare Masterplan on the whole junction. • Wellington Street Upgrade \$0.22 million delayed due to Vic Road issues with the design
7	Footpaths and cycleways	Under-spend of \$1.27 million due to a few large projects: <ul style="list-style-type: none"> • \$0.60m Park Street Bike Link funded by Rail Projects Victoria - majority of works expected in 2021/22. • \$0.64m Garden City Shared Path construction deferred to 2020/21.
8	Drainage	Net under expenditure of \$0.21 million due to deferral of projects in the last quarter of the financial year in response to Government restrictions related to COVID-19.
9	Parks, open space and streetscapes	Under expenditure of \$4.80 million due to: <ul style="list-style-type: none"> • \$2.99m deferral of expenditure to 2020/20 for Gasworks Arts Park Reinstatement, Rotary Park Playspace, JL Murphy Playspace, Point Ormond playground reallocated to Buckingham Reserve and Public Space Security Improvements. • \$0.40m Maritime Reactive Minor Works budget not used due to no urgent works identified from the Maritime asset audit.
10	Other infrastructure	A large portion of expenditure did not meet Asset Accounting Policy criteria for capitalisation.
11	New asset expenditure	Under expenditure of \$1.02 million on asset expansion primarily deferral of open space and building expenditure.
12	Asset renewal expenditure	In order to address the financial impacts of COVID-19, Council have reduced our capital works program with a mix of scope reductions and deferrals to future years. This has resulted in a lower asset renewal spend than was budgeted by \$8.28 million particularly works on our building \$6.20 million, parks, open space and streetscapes \$1.04 million and motor vehicle replacements \$0.76 million.
13	Asset expansion expenditure	In order to address the financial impacts of COVID-19, Council have reduced our capital works program with a mix of scope reductions and deferrals to future years. This has resulted in a lower asset expansion spend than was budgeted by \$0.60 million particularly works on our parks, open space & streetscapes
14	Asset upgrade expenditure	In order to address the financial impacts of COVID-19, Council have reduced our capital works program with a mix of scope reductions and deferrals to future years. This has resulted in a lower asset upgrade spend than was budgeted by \$7.00 million particularly works on our buildings \$4.58 million, parks, open space and streetscapes \$1.30 million and footpaths and cycleways \$0.85 million.

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2(a) Description of Council programs

Community and Economic Development

This division is responsible for delivering high quality community, economic development, cultural and creative services by:

- Promoting inclusion, participation, respect and access;
- Creating healthy and liveable communities eg Fishermans Bend urban renewal program;
- Facilitating independence and promoting social connectedness for older people and those with disability through the provision of high quality support services;
- Supporting Council in its celebration and advocacy of our diverse communities and delivering a suite of services, community development programs, and events to ensure an inclusive, accessible and connected community;
- Understanding the changing community need and population growth in order to support healthy and liveable communities;
- Building a dynamic and creative city and economy while honouring our cultural heritage;
- Upholding Council's commitment to social justice with a focus on partnerships that support the City's most marginalised and at times vulnerable communities including those who are homeless or at risk of homelessness;

- Supporting the design of safe and connected communities where the rights of all citizens are valued and respected - this includes Council's obligations in relation to promoting gender equity in a targeted response to reducing men's violence against women;
- Driving a whole of Council commitment to reconciliation and improved outcomes for Aboriginal and Torres Strait Islander peoples;
- Delivering upon Council's twenty-year commitment to the Citizens of Suai and Covalima in East Timor; and
- All children, young people and families are healthy and connected to reach their full potential.

Customer and Corporate Services

This division enables an innovative high performance organisation that delivers best value to the growing community through:

- Ensuring the organisation has the alignment, assets, systems, tools, information, and support required to deliver best value to the community;
- Promoting a culture and capability of value for money, whole of organisation (enterprise) thinking, continuous improvement and customer experience; and
- Ensuring the financial sustainability of the Council and effective management of organisational risk and compliance.

Infrastructure and Amenity

This division works with our community and other stakeholders to deliver a high standard of amenity and safety across our City by:

- Delivering clean, well maintained and improved streets, buildings, villages, beaches and public spaces;
- Facilitating participation in sport and recreation;
- Managing and improving our parks and open spaces;
- Designing and building improved city facilities; and
- Delivering frontline services to ensure community safety and amenity such as health, parking, animal management, planning compliance and emergency management.

Office of the CEO

This division seeks to provide greater focus on the organisational strategy and performance of Council through:

- Council planning, risk, audit and Occupational Health and Safety;
- Governance of Councils project portfolio;
- Strategic partnerships and place management including markets; and
- Communications and engagement and governance.

City Strategy and Sustainable Development

This division seeks to enhance the liveability and sustainability of our places and precincts in an environment of growth and change through:

- Leading the Council Plan themes of transport and parking and waste and water;
- Playing a key role in Fishermans Bend and statutory planning;
- Leading the Council Plan themes of transport and parking, waste, environment and water;
- Delivering statutory planning, building and local law permitting services that promote sustainable and safe development;
- Ensuring a well-connected transport future for our city, connecting people and places, as well as protecting the safety of all road users;
- Implementing education programs and services that reduce carbon emissions, water use and waste generation to ensure adaptive and resilient communities, and
- Excellent strategic planning and urban design that protects our neighbourhood character and meets the need of communities now and into the future.

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

	\$'000				
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
2020					
Community & Economic Development	19,628	35,431	(15,803)	7,285	276,117
Customer & Corporate Services	149,538	67,963	81,575	3,006	375,636
Infrastructure & Amenity	40,888	92,509	(51,621)	4,959	2,615,007
Office of the CEO	7,604	19,457	(11,853)	-	26,505
City Strategy & Sustainable Development	19,215	14,606	4,609	2	25,906
	236,873	229,966	6,907	15,252	3,319,171
2019					
Community & Economic Development	21,344	42,786	(21,442)	7,702	299,788
Customer & Corporate Services	137,255	61,867	75,388	2,715	281,147
Infrastructure & Amenity	49,856	89,740	(39,884)	5,601	2,629,726
Office of the CEO	7,941	15,599	(7,658)		48,341
City Strategy & Sustainable Development	14,660	13,916	744	26	47,671
	231,056	223,908	7,148	16,044	3,306,673

Note 3 Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2019/2020 was \$3.457 billion (2018/2019 was \$3.576 billion). The 2019/2020 rate in the NAV dollar was \$0.037139 (2018/2019: \$0.034808).

	\$'000	
	2020	2019
General Rates	127,973	123,965
Waste management charge	214	196
Special rates and charges	655	649
Special rates and charges applied	(655)	(649)
Supplementary rates and rate adjustments	489	750
Interest on rates and charges	341	413
Total rates and charges	129,017	125,324

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

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

3.2 Statutory fees and fines

	\$'000	
	2020	2019
Infringements and costs	353	343
Court recoveries	16	44
Town planning fees	1,408	1,579
Land information certificates	176	166
Permits	1,483	1,440
Parking fines and parking permits	16,047	17,827
Total statutory fees and fines	19,483	21,399

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

3.3 User fees

	\$'000	
	2020	2019
Aged and health services	509	528
Leisure centre and recreation	495	810
Child care/children's programs	9,670	10,280
Parking	16,641	18,844
Registration and other permits	7,301	5,886
Building services	630	745
Waste management services	288	278
Other fees and charges	2,157	2,258
Total user fees	37,691	39,629
User fees by timing of revenue recognition		
User fees recognised over time	-	-
User fees recognised at a point in time	37,691	-
Total user fees	37,691	-

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

3.4 Funding from other levels of government

Grants were received in respect of the following.

Summary of grants

	\$'000	
	2020	2019
Commonwealth funded grants	7,369	6,873
State funded grants	7,883	9,171
Total grants received	15,252	16,044

a) Operating Grants

Recurrent - Commonwealth Government		
Aged care	232	227
Community health	376	368
General home care	2,821	2,781
Recreation	95	93
Financial Assistance Grants	2,932	2,715
Recurrent - State Government		
Aged care	21	32
Community health	175	178
Environmental Planning	-	26
Family and children	700	764
General home care	651	1,065
Libraries	713	696
Maternal and child health	884	857
Other	693	802
Recreation	79	68
School crossing supervisors	148	133
Total recurrent operating grants	10,520	10,805
Non-recurrent - Commonwealth Government		
Community health	19	-
Family and children	119	94
General home care	492	-
Other	-	30
Non-recurrent - State Government		
Aged Care	-	-
Community health	379	488
Environmental planning	-	86
Family and children	73	58
Other	401	188
Recreation	-	149
Total non-recurrent operating grants	1,483	1,093
Total operating grants	12,003	11,898

b) Capital Grants

	\$'000	
	2020	2019
Recurrent - Commonwealth Government		
Roads to recovery	277	280
Total recurrent capital grants	277	280
Non-recurrent - Commonwealth Government		
Environmental Planning	-	-
Other	6	285
Non-recurrent - State Government		
Building	1,124	2,606
Other	699	667
Parks and streetscapes	1,087	195
Roads	56	113
Total non-recurrent capital grants	2,972	3,866
Total capital grants	3,249	4,146

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

Operating		
Balance at start of year	3,533	3,438
Received during the financial year and remained unspent at balance date	2,596	2,846
Received in prior years and spent during the financial year	(2,865)	(2,751)
Balance at year end	3,264	3,533
Capital		
Balance at start of year	-	-
Received during the financial year and remained unspent at balance date	1,100	
Received in prior years and spent during the financial year	-	
Balance at year end	1,100	-

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

3.5 Contributions

	\$'000	
	2020	2019
Monetary	10,362	10,339
Non-monetary	40	243
Total contributions	10,402	10,582

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

	2020	2019
Other infrastructure	-	208
Other	40	35
Total non-monetary contributions	40	243

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

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

	\$'000	
	2020	2019
Proceeds of sale	218	220
Written down value of assets disposed	(1,335)	(5,644)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,117)	(5,424)

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

3.7 Other income

	\$'000	
	2020	2019
Interest	1,705	2,185
Property rental*	13,802	6,940
Other rent	5,519	6,273
Other	4,002	2,680
Total other income	25,028	18,078

Interest is recognised as it is earned.

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

* Property rental includes the non-cash adjustment for rental subsidies provided by Council to community groups. This is offset by the subsidised rent expenditure reported in Other expenses (Note 4.8).

Note 4 The cost of delivering services

4.1 Employee costs

(a) Employee costs

	\$'000	
	2020	2019
Wages and salaries	66,309	63,384
WorkCover	2,126	945
Casual, temporary and agency staff	9,392	10,963
Superannuation	7,260	6,829
Fringe benefits tax	386	396
Annual and long service leave	8,743	7,871
Other	459	1,260
Total employee costs	94,675	91,648

(b) Superannuation

Council made contributions to the following funds:

	\$'000	
	2020	2019
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	377	368
	377	368
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	4,508	5,005
Employer contributions - other funds	2,375	1,456
	6,883	6,461
Employer contributions payable at reporting date.	-	1

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

4.2 Materials and services

	\$'000	
	2020	2019
Consultants	13,372	12,759
Waste management contracts	11,833	11,170
Parks and gardens contract	9,768	9,196
Maintenance and construction contracts	9,552	11,571
Building and general maintenance	8,070	7,719
Parking administration contracts	5,811	5,590
Office administration	5,057	5,570
Information technology	4,233	2,767
Family and community support contracts	3,827	4,396
Utilities	3,183	3,757
Cleaning contract	3,300	2,816
Other contract payments	2,277	2,551
Security	2,155	2,022
Insurance	1,841	1,710
Total materials and services	84,279	83,594

4.3 Depreciation

	\$'000	
	2020	2019
Property	8,478	6,732
Plant and equipment	4,403	4,771
Infrastructure	12,918	14,237
Total depreciation	25,799	25,740

Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Amortisation - Right of use assets

	\$'000	
	2020	2019
Vehicles	533	-
Property, Plant and Equipment	167	-
Total Amortisation - Right of use assets	700	-

4.5 Bad and doubtful debts

	\$'000	
	2020	2019
Parking fine debtors	4,572	5,771
Other debtors	64	277
Total bad and doubtful debts	4,636	6,048

Movement in provisions for doubtful debts

Balance at the beginning of the year	19,217	14,515
New Provisions recognised during the year	5,266	8,345
Amounts already provided for and written off as uncollectible	(116)	(1,346)
Amounts provided for but recovered during the year	(1,871)	(2,297)
Balance at end of year	22,496	19,217

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

4.6 Borrowing costs

	\$'000	
	2020	2019
Interest - borrowings	349	399
Total borrowing costs	349	399

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

4.7 Finance costs - Leases

	\$'000	
	2020	2019
Interest - Lease liabilities	75	-
Total finance cost - leases	75	-

4.8 Other expenses

	\$'000	
	2020	2019
Contributions and donations *	12,578	5,335
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	73	73
Auditors' remuneration - Internal	195	235
Councillors' allowances	387	375
Operating lease rentals	1,056	924
Bank charges	605	689
Catering costs	268	346
Subscriptions	524	500
Other	2,632	2,557
Total other expenses	18,318	11,034

* Contributions and donations includes the non-cash adjustment for subsidised rent expenditure- the cost of rental subsidies provided by Council to community groups. This is offset by the subsidised rent income reported in Other income (Note 3.7).

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

	\$'000	
	2020	2019
Cash on hand	24	20
Cash at bank	4,618	1,241
Term deposits	3,000	2,000
Total cash and cash equivalents	7,642	3,261

(b) Other financial assets

	\$'000	
	2020	2019
Current		
Term deposits	87,000	83,000
	87,000	83,000
Non-current		
Shares in Municipal Associations Purchasing Scheme (MAPS)	5	5
Shares in Regional Kitchen Group Pty Ltd	-	230
	5	235
Total other financial assets	87,005	83,235
Total financial assets	94,647	86,496

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

- Trust funds and deposits (Note 5.3(b))	7,949	7,086
Total restricted funds	7,949	7,086
Total unrestricted cash and cash equivalents*	(307)	(3,825)

* Council has liquid funds invested longer term disclosed as Other financial assets which, if taken into account, would show a positive balance for unrestricted cash and cash equivalents.

Intended allocations

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

	\$'000	
	2020	2019
- Statutory reserve balances (Note 9.1(b))	28,361	22,522
- Cash held to fund carried forward capital works	13,248	4,766
- Child Care Centre's infrastructure levy	5,682	5,360
- Tied grants	4,385	3,533
- Palais Theatre	3,030	2,699
- Sustainable transport	2,749	2,205
- In Our Backyard - Growing affordable housing in Port Phillip	2,000	2,000
- Middle Park Beach ongoing maintenance	1,223	1,280
Total funds subject to intended allocations	60,678	44,365

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

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

(c) Trade and other receivables

	\$'000	
	2020	2019
Current		
Statutory receivables		
Rate debtors	7,113	3,374
Infringement debtors	27,601	24,554
Provision for doubtful debts - infringements	(22,079)	(18,749)
GST receivable	1,065	1,520
Non-statutory receivables		
Other debtors	4,582	7,018
Provision for doubtful debts - other debtors	(417)	(468)
Total current trade and other receivables	17,865	17,249
Non-current		
Other debtors	516	474
Total non current trade and other receivables	516	474
Total trade and other receivables	18,381	17,723

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method. It is expected that the recoverability of debt in the 2020/21 financial year will be significantly impacted by the Covid-19 pandemic which was taken into consideration when assessing the provision for doubtful debts for the 2019/20 financial year. Sundry debtor balances at the end of financial year decreased from the prior year due to service reductions and waivers and deferrals of debt. For more information refer to Note 9.4.

d) Ageing of Receivables

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

	\$'000	
	2020	2019
Current (not yet due)	1,252	4,087
Past due by up to 30 days	56	430
Past due between 31 and 180 days	116	102
Past due between 181 and 365 days	138	74
Past due by more than 1 year	47	490
Total trade and other receivables	1,609	5,183

e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$3.49 million (2019: \$2.31 million) were impaired. The amount of the provision raised against these debtors was \$0.42 million (2019: \$0.47 million). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

	\$'000	
	2020	2019
Current (not yet due)	2,391	1,538
Past due by up to 30 days	351	422
Past due between 31 and 180 days	426	123
Past due between 181 and 365 days	145	136
Past due by more than 1 year	176	90
Total trade and other receivables	3,489	2,309

5.2 Non-financial assets**(a) Other assets**

	\$'000	
	2020	2019
Prepayments	831	2,940
Accrued income	1,085	1,413
Total other assets	1,916	4,353

5.3 Payables

a) Trade and other payables

	\$'000	
	2020	2019
Trade payables	5,259	14,881
Accrued expenses	480	4,003
Total trade and other payables	5,739	18,884

b) Trust funds and deposits

	\$'000	
	2020	2019
Refundable deposits	773	657
Fire Services Levy	1,231	620
Other refundable deposits	5,945	5,809
Total trust funds and deposits	7,949	7,086

c) Unearned income

	\$'000	
	2020	2019
Other	2,577	-
Total unearned income	2,577	-

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

Purpose and nature of items

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

Fire Services Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

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

5.4 Interest-bearing liabilities

	\$'000	
	2020	2019
Current		
Finance leases*	-	465
	-	465
Non-current		
Finance leases*		943
Borrowings- secured (1)	7,500	7,500
	7,500	8,443
Total	7,500	8,908

(1) Borrowings are secured by Council rate income

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

Not later than one year	-	-
Later than one year and not later than five years	7,500	7,500
Later than five years	-	-
	7,500	7,500

* From 1 July 2019 finance and operating leases are classified in accordance with AASB 16 Leases and are disclosed in Note 5.8 which does not require the disclosure of prior year comparatives. 2018/19 comparative figures are disclosed here in accordance with the accounting treatment during that financial year.

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

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

5.5 Provisions

a) Employee Provisions

	\$'000	
	2020	2019
Balance at beginning of the financial year	16,254	16,341
Additional provisions	8,794	8,650
Amounts used	(7,331)	(8,721)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	231	(16)
Balance at the end of the financial year	17,948	16,254
Current provisions expected to be wholly settled within 12 months		
Annual leave	4,561	3,924
Long service leave	7,908	7,664
Retirement gratuity	14	13
Other	394	296
	12,877	11,897
Current provisions expected to be wholly settled after 12 months		
Annual leave	2,328	1,868
Retirement gratuity	122	119
	2,450	1,987
Total current employee provisions	15,327	13,884
Non-current		
Long service leave	2,622	2,370
Total non-current employee provisions	2,622	2,370
Aggregate carrying amount of employee benefits		
Current	15,327	13,884
Non-current	2,622	2,370
Total aggregate carrying amount of employee provisions	17,949	16,254

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

Wages and salaries, and annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

	\$'000	
	2020	2019
Key assumptions		
- discount rate	1.98 %	2.73 %
- inflation	2.10 %	2.43 %
- settlement	9.45 %	17.70 %

The assumptions used by Council in determining the value of the long service leave liability were based on the 10 year average assumptions used in the long term financial plan. The future economic outlook data has factored in the impact of Covid-19 on financial markets and economic growth which is significantly lower than prior years. Please refer to Note 9.4.

b) Other Provisions

	\$'000	
	2020	2019
Current		
Workcover MAV insurance scheme shortfall *	186	-
Non-current		
Workcover MAV insurance scheme shortfall *	745	-
Total other provisions	931	-
Total Provisions		
Current	15,513	13,884
Non Current	3,367	2,370
	18,880	16,254

* Council was advised in June 2020 of a funding shortfall in the MAV self insurance scheme for Workcover. MAV's insurance licence stipulates that the scheme must be adequately funded to meet all current and future liabilities. As a result of the impacts of COVID-19, the scheme investments have not met performance expectations resulting in the shortfall. A capital recovery contribution from all Scheme members is payable over five years. Based on the 2020/21 premium pool with City of Port Phillip required to pay \$186,272 by 31 December 2020 (year 1) and the remaining balance annually (\$186,272 per year).

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2020.

	\$'000	
	2020	2019
Bank overdraft	1,500	1,500
Credit card facilities	167	167
Purchasing card facilities	2,000	2,000
Other facilities- LGFV Municipal Bond	7,500	7,500
Total facilities	11,167	11,167
Used facilities	7,533	7,519
Unused facilities	3,634	3,648

5.7 Commitments

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

	\$'000	\$'000	\$'000	\$'000	\$'000
	Not later than one year	Later than one year and not later than two years	Later than two years and not later than five years	Later than five years	Total
2020					
Operating					
Open space management	20,918	4,957	-	-	25,875
Building maintenance	11,656	1,054	38	-	12,748
Garbage collection and recycling	6,469	1,027	3,019	670	11,185
Consultancies	4,850	499	25	-	5,374
Community Services	4,328	1,238	540	-	6,106
Computers and technology	3,919	3,197	7,995	2,568	17,679
Operational services	3,026	2,412	6,125	7,952	19,515
Cleaning contracts for council buildings	455	455	115	-	1,025
Total	55,621	14,839	17,857	11,190	99,507
Capital					
Buildings	1,325	-	-	-	1,325
Parks, open spaces & streetscapes	503	-	-	-	503
Total	1,828	-	-	-	1,828
Total	57,449	14,839	17,857	11,190	101,335
2019					
Operating					
Open space management	27,385	22,323	5,071	-	54,779
Building maintenance	9,371	8,859	718	-	18,948
Garbage collection and recycling	9,037	5,073	24	-	14,134
Consultancies	7,258	4,924	433	-	12,615
Community Services	4,538	2,234	1,152	-	7,924
Computers and technology	4,373	3,171	6,314	9,976	23,834
Operational services	2,803	706	169	-	3,678
Cleaning contracts for council buildings	1,113	-	-	-	1,113
Total	65,878	47,290	13,881	9,976	137,025
Capital					
Buildings	3,282	-	-	-	3,282
Parks, open spaces and streetscapes	2,310	-	-	-	2,310
Total	5,592	-	-	-	5,592
Total	71,470	47,290	13,881	9,976	142,617

C13 Developer Contributions Scheme

In 1998 the C13 Developer Contribution Scheme was signed off by Council to facilitate streetscape works to the value of \$8.082 million for works in Port Melbourne over a 20 year period commencing in the year 2000 to 2020. These works were completed during the 2019/20 financial year per the terms of the scheme.

	\$'000	
	2020	2019
Value of works outstanding at 1 July	124	2,902
Adjustment to works outstanding	-	(2,648)
Works completed	(124)	(130)
	-	124
CPI adjustment (included in future works 2020/21)	-	-
Value of works outstanding at 30 June	-	124

5.8 Leases

Policy applicable before 1 July 2019

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

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

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

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

Policy applicable after 1 July 2019

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

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

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

To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
 - The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
 - The customer has the right to direct the use of the asset.
- This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

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

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

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

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

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

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

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

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

			\$'000
	Vehicles	Plant and equipment	Total
Right-of-Use Assets			
Balance at 1 July 2019	1,376	-	1,376
Additions	398	273	671
Disposals	(8)	-	(8)
Amortisation charge	(533)	(167)	(700)
Balance at 30 June 2020	1,233	106	1,339

	\$'000
	2020
Lease Liabilities	
Maturity analysis - contractual undiscounted cash flows	
Less than one year	585
One to five years	789
More than five years	-
Total undiscounted lease liabilities as at 30 June:	1,374
Lease liabilities included in the Balance Sheet at 30 June	
Current	585
Non-current	789
Total lease liabilities	1,374

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of property and machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD \$5,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	\$'000
Expenses relating to:	
Short-term leases	1,049
Leases of low value assets	7
Total	1,056

Variable lease payments (not included in measurement of lease liabilities).

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

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

Payable	
Within one year	287
Later than one year but not later than five years	122
Later than five years	14
Total lease commitments	423

i. Leases classified as operating leases under AASB 117 Leases

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

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

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

ii. Leases previously classified as finance leases

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

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

Impact on financial statements

On transition to AASB 16 Leases, Council recognised an additional \$1.376 million of right-of-use assets and \$1.376 m of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 4.65 per cent.

	\$'000
	2019
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	669
Discounted using the incremental borrowing rate at 1 July 2019	(19)
Finance lease liability recognised as at 30 June 2019	1,408
	2,058
Recognition exemption for	
- short-term leases	(337)
- leases of low-value assets	(22)
Extension and termination options reasonably certain to be exercised	
- Residual value guarantees	-
- Lease liabilities recognised as at 1 July 2019	1,699

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

	\$'000	
	2020	2019
Asset at carrying value	2,211	-
Total non-current assets classified as held for sale	2,211	-

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

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	\$'000									
	At Fair Value 30 June 2019	Additions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Non current assets classified as held for sale	Transfer to Right of Use as per AASB16	At Fair Value 30 June 2019
Land	2,486,000	-	-	2,675	-	-	-	(2,200)	-	2,486,475
Buildings	227,458	4,130	-	(1,859)	(8,479)	-	9,061	(11)	-	230,300
Infrastructure	437,036	3,634	-	11,888	(12,917)	(854)	2,250	-	-	441,037
Plant and equipment	32,752	2,735	40	-	(4,403)	(481)	-	-	(1,376)	29,267
Work in progress	14,529	11,871	-	-	-	-	(13,109)	-	-	13,291
	3,197,775	22,370	40	12,704	(25,799)	(1,335)	(1,798)	(2,211)	(1,376)	3,200,370

Summary of work in progress

	\$'000				
	Opening WIP	Additions	Transfers	Write-offs	Closing WIP
Buildings	9,441	4,567	(9,061)	(332)	4,615
Infrastructure	5,082	7,086	(2,250)	(1,466)	8,452
Plant and equipment	6	218	-	-	224
Total	14,529	11,871	(11,311)	(1,798)	13,291

a) Property

	\$'000		
	Land - specialised	Buildings - specialised	Total Property
At fair value 1 July 2019	2,486,000	443,160	2,929,160
Accumulated depreciation at 1 July 2019	-	(215,702)	(215,702)
WDV at beginning of financial year	2,486,000	227,458	2,713,458
Movements in fair value			
Additions	-	4,130	4,130
Revaluation increments/decrements	2,675	(4,072)	(1,397)
Disposal	-	-	-
Write-off	-	-	-
Transfers	-	9,061	9,061
Non-current assets classified as held for sale	(2,200)	(560)	(2,760)
	475	8,559	9,034
Movements in accumulated depreciation			
Depreciation and amortisation	-	(8,479)	(8,479)
Accumulated depreciation of disposals	-	-	-
Revaluation increments/decrements	-	2,213	2,213
Non-current assets classified as held for sale	-	549	549
	-	(5,717)	(5,717)
At fair value 30 June 2020	2,486,475	451,719	2,938,194
Accumulated depreciation at 30 June 2020	-	(221,419)	(221,419)
WDV at end of financial year	2,486,475	230,300	2,716,775

Note - all land and buildings are considered specialised by their nature.

b) Plant and equipment

\$'000

	Heritage plant and equipment	Plant, machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Total Plant and Equipment	Total Works in Progress
At fair value 1 July 2019	20,618	11,795	3,638	7,100	11,701	54,852	14,529
Accumulated depreciation at 1 July 2019	-	(7,135)	(2,219)	(3,369)	(9,377)	(22,100)	-
WDV at beginning of financial year	20,618	4,660	1,419	3,731	2,324	32,752	14,529
Movements in fair value							
Additions	84	912	468	449	822	2,735	11,871
Contributions	40	-	-	-	-	40	-
Revaluation increments/decrements	-	-	-	-	-	-	-
Disposal	-	(1,738)	(1,883)	(896)	(7,658)	(12,175)	-
Write-off	-	-	-	-	-	-	(1,798)
Transfers	-	-	-	-	-	-	(11,311)
Transfer to Right of Use as per AASB16	-	(3,404)	-	-	-	(3,404)	-
	124	(4,230)	(1,415)	(447)	(6,836)	(12,804)	(1,238)
Movements in accumulated depreciation							
Depreciation and amortisation	(198)	(1,296)	(489)	(1,584)	(836)	(4,403)	-
Accumulated depreciation of disposals	-	1,333	1,809	893	7,659	11,694	-
Revaluation increments/decrements	-	-	-	-	-	-	-
Transfer to Right of Use as per AASB16	-	2,028	-	-	-	2,028	-
	(198)	2,065	1,320	(691)	6,823	9,319	-
At fair value 30 June 2020	20,742	7,565	2,223	6,653	4,865	42,048	13,291
Accumulated depreciation at 30 June 2020	(198)	(5,070)	(899)	(4,060)	(2,554)	(12,781)	-
WDV at end of financial year	20,544	2,495	1,324	2,593	2,311	29,267	13,291

c) Infrastructure

\$'000

	Roads	Bridges	Footpaths and cycleways	Drainage	Parks, open spaces and streetscapes	Off street carparks	Other Infrastructure	Total Infrastructure
At fair value 1 July 2019	260,926	4,631	123,047	125,793	102,145	9,794	17,332	643,668
Accumulated depreciation at 1 July 2019	(54,991)	(2,706)	(50,174)	(49,767)	(39,769)	(1,733)	(7,492)	(206,632)
WDV at beginning of financial year	205,935	1,925	72,873	76,026	62,376	8,061	9,840	437,036
Movements in fair value								
Additions	813	-	836	518	1,348	75	44	3,634
Contributions	-	-	-	-	-	-	-	-
Revaluation increments/decrements	(6,922)	83	5,761	5,979	5,536	3,610	(5,472)	8,575
Disposal	(349)	-	(341)	(132)	(1,313)	-	(174)	(2,309)
Write-off	-	-	-	-	-	-	-	-
Transfers	-	-	3	9	1,988	-	250	2,250
Transfer to other asset class	-	-	15,825	535	(16,341)	-	(19)	-
	(6,458)	83	22,084	6,909	(8,782)	3,685	(5,371)	12,150
Movements in accumulated depreciation								
Depreciation and amortisation	(2,933)	(49)	(3,410)	(871)	(4,544)	(97)	(1,013)	(12,917)
Accumulated depreciation of disposals	262	-	247	53	800	-	93	1,455
Revaluation increments/decrements	(5,606)	(129)	8,382	(2,939)	1,782	(364)	2,187	3,313
Transfer to other asset class	-	-	(8,746)	(6)	8,351	-	401	-
	(8,277)	(178)	(3,527)	(3,763)	6,389	(461)	1,668	(8,149)
At fair value 30 June 2020	254,468	4,714	145,131	132,702	93,363	13,479	11,961	655,818
Accumulated depreciation at 30 June 2020	(63,268)	(2,884)	(53,701)	(53,530)	(33,380)	(2,194)	(5,824)	(214,781)
WDV at end of financial year	191,200	1,830	91,430	79,172	59,983	11,285	6,137	441,037

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods

	Depreciation period	Threshold limit
Land and land improvements		
land	-	All
land improvements	10 - 100 years	\$5,000
Buildings		
heritage buildings	100 years	\$5,000
buildings	25 - 100 years	\$5,000
building improvements	100 years	\$5,000
Plant and equipment		
heritage plant and equipment	100 years	\$2,000
plant, machinery and equipment	4 - 7 years	\$2,000
fixtures, fittings and furniture	5 years	\$2,000
computers and telecommunications	3 - 6 years	\$2,000
library books	5 years	All
motor vehicles	5 years	All
Infrastructure		
road pavements and seals	18 - 30 years	\$5,000
road substructure	100 years	\$5,000
road formation and earthworks	250 years	\$5,000
road kerb, channel and minor culverts and other	50 years	\$5,000
bridges deck	20 - 80 years	\$5,000
bridges substructure	40 - 100 years	\$5,000
footpaths and cycleways	40 - 50 years	\$5,000
drainage	150 years	\$5,000
waste management	10 years	\$5,000
parks, open space and streetscapes	10 - 100 years	\$5,000
off street carparks	100 years	\$5,000

Depreciation and amortisation

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, Frank Carbone AAPI (Val 1764). The valuation of buildings is a depreciated replacement cost. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

In the 2019/20 financial year the declaration of a global pandemic following the COVID-19 virus outbreak resulted in significant impacts on global financial markets. As a result of this, Council considers there to be significant material valuation uncertainty. The valuation is current as at the date of valuation and reflects the market values at this time. Significant changes may occur as the markets responds to the impacts of government directed measures, the impacts of which cannot be reasonably foreseen by the Valuer as at the date of valuation.

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

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

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

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

	\$'000			DoV
	Level 1	Level 2	Level 3	
Specialised land	-	-	2,486,475	June 20
Buildings	-	-	230,300	June 20
	-	-	2,716,775	

Valuation of land under roads

Council does not recognise land under roads that it controlled prior to 30 June 2008 in its Financial Report. From 1 July 2008, Council recognises any material land under roads that comes in Council's control within the Financial Report at fair value.

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Mr Mohamed El-Saafin ME (Civil).

In the 2019/20 financial year the declaration of a global pandemic following the COVID-19 virus outbreak resulted in significant impacts on global financial markets. As a result of this, Council considers there to be significant material valuation uncertainty. The valuation is current as at the date of valuation and reflects the market values at this time. Significant changes may occur as the markets responds to the impacts of government directed measures, the impacts of which cannot be reasonably foreseen by the Valuer as at the date of valuation.

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

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

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

	\$'000			DoV
	Level 1	Level 2	Level 3	
Roads	-	-	191,200	June 20
Bridges	-	-	1,830	June 20
Footpaths and cycleways	-	-	91,430	June 20
Drainage	-	-	79,172	June 20
Parks, open spaces and streetscapes	-	-	59,983	June 20
Off street carparks	-	-	11,285	June 20
Other infrastructure*	-	-	6,137	June 20
	-	-	441,037	

* Other infrastructure includes street furniture.

Valuation of heritage and works of art

Valuation of Heritage assets and works of art are undertaken by qualified independent valuers. The valuation is at market value based on current market prices for similar types of assets based on use, type and condition.

Heritage and works of art valuations as at 30 June 2020 were performed by the following independent valuers:

- **Australian Art Valuers** - contemporary, visual, historical and public art;
- **Sainsbury Books** - heritage photographs; and
- **Leonard Joel** - historical items, artworks, monuments and memorials, mayoral robes, chains and other attire.

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

	\$'000			DoV
	Level 1	Level 2	Level 3	
Heritage and works of art	-	-	20,544	June 19

Description of significant unobservable inputs into level 3 valuations

Specialised land is valued using a replacement cost technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 10 % and 90 per cent. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1,800 and \$7,000 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$300 to \$4,500 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 2 years to 98 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 250 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land

	\$'000	
	2020	2019
Parks and reserves	1,955,511	1,956,036
Commercial	204,974	201,774
Community	212,503	214,703
Council office land	113,487	113,487
Total specialised land	2,486,475	2,486,000

6.3 Investments in associates, joint ventures and subsidiaries

Joint Arrangement - Joint Venture

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

Joint Venture - Albert Park Hockey and Tennis Centre

In 1997 Council entered into a 21 year Joint Venture agreement with Wesley College, St Kilda Rd, Prahran for the maintenance and operation of the Albert Park Hockey and Tennis Centre. The Centre is located in Hockey Drive, St Kilda a part of the Albert Park Reserve and is the subject of a tenancy from the landlord Parks Victoria. A new 21 year lease between Parks Victoria, Wesley College and Council, and a new 21 Year Joint Venture Agreement between Council and Wesley, was executed in August 2020.

The objective of the Joint Venture is to provide, manage and maintain the Albert Park Hockey and Tennis Centre for use by sporting clubs, schools and residents of Port Phillip municipality and the students of Wesley College. The Joint Venture Agreement provides for joint control via a Management Committee with 50 per cent representation and 50 per cent voting power for each of the Joint Venture parties with decisions being made by a majority vote. The Joint Venture Agreement also provides for each party to share equally in the profits or losses occurring each year and provides for an equal share of the net assets.

The Joint Venture reporting period has historically been for the 12 months to 31 March each year and this timeframe continues under the new Joint Venture Agreement.

Council has been provided with draft audited Joint Venture financial statements for the 12 months ended 31 March 2020 and Council's carrying value in the joint venture investment represents a 50 per cent share of the net assets and liabilities of the Albert Park Hockey & Tennis Centre as at 31 March 2020.

	\$'000	
	2020	2019
Fair value of Council's investment in Albert Park Hockey and Tennis Centre	307	326
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	326	347
Reported surplus(deficit) for year	(18)	(21)
Council's share of accumulated surplus(deficit) at end of year	308	326
Movement in carrying value of specific investment		
Carrying value of investment at start of year	326	347
Share of surplus(deficit) for year	(18)	(21)
Carrying value of investment at end of year	308	326
Council's share of expenditure commitments		
Operating commitments	3	3
Capital commitments	12	12
Council's share of expenditure commitments	15	15
Council's share of contingent liabilities and contingent assets	nil	nil
Significant restrictions	nil	nil

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

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

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

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

Committees of management

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

Principles of consolidation

An assessment by management has determined that there are no consolidated entities for the 30 June 2020 reporting period.

Note 7 People and relationships

7.1 Council and key management remuneration

a) Related Parties

Parent entity - City of Port Phillip is the parent entity

Subsidiaries and Associates - Interests in subsidiaries and associates are detailed in Note 6.3.

b) Key Management Personnel

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

Councillors

Councillor Bernadene Voss (Mayor from 14 November 2019)	Councillor Dick Gross (Mayor to 13 November 2019)
Councillor Louise Crawford	Councillor Marcus Pearl
Councillor Andrew Bond	Councillor Ogy Simic
Councillor Katherine Copsey	Councillor David Brand
Councillor Tim Baxter	

Other

Chief Executive Officer	Peter Smith
Director - Office of the CEO	Kylie Bennetts
General Manager - Customer and Corporate Services	Chris Carroll
General Manager - Infrastructure and Amenity (to 21 February 2020) *	Fiona Blair
Interim General Manager - Infrastructure and Amenity (from 2 February 2020) *	Lachlan Johnson
General Manager - Community and Economic Development	Tony Keenan
General Manager - City Strategy and Sustainable Development	Lili Rosic
Chief Financial Officer	Dennis O'Keeffe

	2020	2019
Total number of Councillors	9	9
Total of Chief Executive Officer and other Key Management Personnel	8	9
Total Number of Key Management Personnel	17	18

* Overlap in General Manager Infrastructure and Amenity from 2 February 2020 to 21 February 2020 due to staff transition.

c) Remuneration of Key Management Personnel

	\$'000	
	2020	2019
Total remuneration of key management personnel		
Short-term benefits	2,272	2,249
Post-employment benefits	183	176
Other long-term benefits	47	67
Total remuneration*	2,502	2,492

* Total remuneration includes salary, bonuses, allowances, superannuation, termination, leave payments and accrued long service leave but excludes accrued annual leave.

	Number	
	2020	2019
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$30,000 - \$39,999	7	7
\$60,000 - \$69,999	1	1
\$70,000 - \$79,999	-	1
\$80,000 - \$89,999	1	1
\$150,000 - \$159,999	-	1
\$190,000 - \$199,999	1	1
\$220,000 - \$229,999	2	-
\$230,000 - \$239,999	-	2
\$240,000 - \$249,999	-	1
\$250,000 - \$259,999	2	-
\$260,000 - \$269,999	1	-
\$270,000 - \$279,999	-	1
\$280,000 - \$289,999	1	1
\$390,000 - \$399,999	1	1
	17	18

d) Senior Officers Remuneration

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

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

	Number	
	2019	2018
The number of Senior Officers in their relevant income bands:		
\$151,000 - \$159,999	3	6
\$160,000 - \$169,999	5	4
\$170,000 - \$179,999	9	8
\$180,000 - \$189,999	3	5
\$190,000 - \$199,999	5	6
\$200,000 - \$209,999	2	-
\$210,000 - \$219,999	1	1
\$250,000 - \$259,999	-	1
\$320,000 - \$329,999	1	-
	29	31
		\$'000
	2020	2019
Total Remuneration* for the reporting year for Senior Officers included above, amounted to	5,352	5,553

* Total remuneration includes salary, bonuses, allowances, superannuation, termination, leave payments and accrued long service leave but excludes accrued annual leave.

Total Annual Remuneration under AASB 124 includes termination and annual leave and long service leave balance payouts due to senior staff ceasing employment with the City of Port Phillip during the financial year.

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

There are no transactions by Council with related parties.

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

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

(d) Commitments to/from related parties

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

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

a) Contingent assets

	\$'000	
	2020	2019
Open space contributions		
Council estimates that assets will pass to Council in the future in respect of anticipated development contributions for open space improvements.	2,532	7,124

Operating lease receivables

Council has entered into leases and licences for some of the property it owns or controls as a Committee of Management for crown land. Properties used for commercial purpose are held under leases which have varying terms. Long term leases usually reflect significant private investment in the buildings on the land. Most leases include an annual rental increase and periodical reviews to market. Council also enters into licence agreements with stallholders at the South Melbourne Market.

	\$'000	
	2020	2019
Future minimum rentals receivables under non-cancellable operating leases are as follows:		
Not later than one year	9,922	9,846
Later than one year and not later than five years	17,886	20,904
Later than five years	49,926	51,956
	77,734	82,706

b) Contingent liabilities

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

Superannuation

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

Future superannuation contributions

The City of Port Phillip has not had to make any unfunded liability payments to Vision Super during the year (\$ nil for the 2018/2019 year). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is \$372,621.

Legal matters

The Council is presently involved in a number of confidential legal matters which are being conducted through Council's solicitors. These matters are yet to be finalised and the financial outcome cannot be determined.

8.2 Changes in accounting standards

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

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

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

It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;

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

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

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

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

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

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

8.3 Financial instruments

a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on

which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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

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

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

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

c) Credit risk

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

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

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

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

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

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

d) Liquidity risk

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

To help reduce these risks Council:

- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;

- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

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

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

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

e) Sensitivity disclosure analysis

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

- A parallel shift of +0.25 per cent and -1.00 per cent in market interest rates (AUD) from year-end rates of 1.35 per cent.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the

nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 3 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior

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

Impairment of assets

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

8.5 Events occurring after balance date

Refer to Note 9.4 for Subsequent event information pertaining to COVID-19.

No other matters have occurred after balance date that require disclosure in the Financial Report.

Note 9 Other matters

9.1 Reserves

a) Asset revaluation reserves

	\$'000		
	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
2020			
Property			
Land and land improvements	2,216,048	2,675	2,218,723
Buildings	94,174	(1,859)	92,315
	2,310,222	816	2,311,038
Infrastructure			
Roads	133,627	(12,528)	121,099
Bridges	942	(46)	896
Footpaths and cycleways	24,446	14,143	38,589
Drainage	33,144	3,040	36,184
Parks, open spaces and streetscapes	16,816	7,318	24,134
Off street carparks	5,003	3,246	8,249
Other infrastructure	6,599	(3,285)	3,314
	220,577	11,888	232,465
Plant and equipment			
Heritage plant and equipment	14,277		14,277
	14,277	-	14,277
Total Asset revaluation reserves	2,545,076	12,704	2,557,780

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

	\$'000		
	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
2019			
Property			
Land	2,248,394	(32,346)	2,216,048
Buildings	78,413	15,761	94,174
	2,326,807	(16,585)	2,310,222
Infrastructure			
Roads	70,741	62,886	133,627
Bridges	825	117	942
Footpaths and cycleways	27,881	(3,435)	24,446
Drainage	33,144		33,144
Parks, open spaces and streetscapes	16,816		16,816
Off street carparks	3,862	1,141	5,003
Other infrastructure	6,342	257	6,599
	159,611	60,966	220,577
Plant and equipment			
Heritage plant and equipment	10,386	3,891	14,277
	10,386	3,891	14,277
Total Asset revaluation reserves	2,496,804	48,272	2,545,076

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

b) Other reserves

	\$'000			
	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
2020				
General Reserve	40,311	33,335	(24,332)	49,314
Statutory Reserves				
Resort and recreation reserve	20,518	10,028	(3,976)	26,570
Contributions for car parking reserve	1,791	-	-	1,791
Contribution for C13 infrastructure reserve	213	56	(269)	-
	22,522	10,084	(4,245)	28,361
Total Other reserves	62,833	43,419	(28,577)	77,675
2019				
General Reserve	37,418	18,818	(15,925)	40,311
Statutory Reserves				
Resort and recreation reserve	18,226	6,456	(4,164)	20,518
Contributions for car parking reserve	1,791	-	-	1,791
Contribution for C13 infrastructure reserve	213			213
	20,230	6,456	(4,164)	22,522
Total Other reserves	57,648	25,274	(20,089)	62,833
			\$'000	
			2019	2018
Asset revaluation reserve			2,557,780	2,545,076
Other reserves			77,675	62,833
Total reserves			2,635,455	2,607,909

General Reserves will be maintained at levels sufficient to ensure operational liquidity and for contingencies. The general reserve also comprises allocations made by the council for the purpose of funding major medium term expenditure initiatives and future commitments that relate to the unexpended portion of government grants received.

Resort and recreation reserve

The resort and recreation reserve is for the accumulation of developer contributions which are to be expended at a future date on recreational infrastructure.

Contributions for car parking reserve

The car parking reserve is for the accumulation of developers contributions which are to be expended at a future date on improved car parking facilities.

Contributions for C13 infrastructure reserve

The C13 infrastructure reserve is for the accumulation of developers contributions which are to be expended at a future date on specific infrastructure. See note 5.7 for further information.

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

	\$'000	
	2020	2019
Surplus/(deficit) for the year	6,907	7,148
Depreciation/amortisation	26,499	25,740
(Profit)/loss on disposal of property, infrastructure, plant and equipment	1,117	5,424
Contributions - non-monetary assets	(40)	(243)
Other	2,430	745
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(616)	(2,257)
(Increase)/decrease in prepayments	2,109	18
(Increase)/decrease in accrued income	328	(679)
Increase/(decrease) in trade and other payables	(10,568)	(67)
(Decrease)/increase in other liabilities	863	1,578
Increase/(decrease) in provisions	2,626	(427)
Net cash provided by operating activities	31,655	36,980

9.3 Superannuation

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

Accumulation

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

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made.

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

Funding arrangements

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

As at 30 June 2019, a interim actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1 %. To determine the VBI, the Fund Actuary used the following long-term assumptions:

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

Vision Super has reported that the estimated VBI at 30 June 2020 was 104.6 %. The VBI is to be used as the primary funding indicator. Because the VBI was above 100 %, the 30 June 2019 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2019 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5 % of members salaries (9.5 % in 2018/2019). This rate will increase in line with any increases in the SG contribution rate.

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

Funding calls

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

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

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

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

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

2019 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim actuarial investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

	\$'000	
	2019	2017
The Fund's actuarial investigations identified the following in the defined benefit category of which Council is a contributing employer:		
A VBI surplus	151.3	69.8
A total service liability surplus	233.4	193.5
A discounted accrued benefits surplus	256.7	228.8

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

The 2020 triennial actuarial investigation

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

	2020 Triennial investigation	2017 Triennial investigation
Net investment return	5.6 % p.a.	6.5 % p.a.
Salary inflation	2.5 % p.a. for the first two years and 2.75 % thereafter	3.5 % p.a.
Price inflation	2.0 % p.a.	2.5 % p.a.

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

Scheme	Type of Scheme	Rate	\$'000	
			2019	2017
Vision super	Defined benefit	9.50 %	377	368
Vision super	Accumulation fund	9.50 %	4,508	5,005

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

9.4 Impact of COVID-19 crisis on City of Port Phillip's 2019-20 operations and Financial Report

On 30 January 2020, COVID-19 was declared as a global pandemic by the World Health Organisation. In response to the crisis, various measures have been undertaken by all three levels of Government in Australia to reduce the spread of the COVID-19 virus.

These measures have significantly impacted the global and local economy and the financial results for the Council in 2019/20. Additionally, Council responded to the community during this crisis by providing relief and support packages.

Details of areas impacted during the financial year are as follows:

- In response to government directives amidst the COVID-19 outbreak, libraries, community centres and recreational facilities were closed. These closures resulted in a decrease in the council user fee revenue by \$0.63 million (Note 3.2, 3.3).
- Council provided rent relief and deferment for tenants in Council managed facilities including the South Melbourne Market Stallholders between 1 April to 30 June 2020. This resulted in a decrease in rent revenue of \$1.58 million.
- A reduction in planning, building, and development revenue of \$0.45 million (Note 3.2, 3.6)
- Government directed lockdowns of businesses across the the municipality and restrictions on travel decreased footpath trading, premises registration and parking revenue by \$5.93 million (Note 3.2, 3.3)
- Restrictions on eligibility to access child care services during the Government directed State of Emergency, as well as high unemployment rates reduced demand for childcare services by \$1.25 million (Note 3.2)
- Global economic downturn resulted in low money market yield reducing available interest rates from 2.65 % to 0.8 %. (Note 3.7)
- Additional \$0.72 million of expenditure to ensure safety for our staff and our community including cleaning, personal protective equipments and security.

Subsequent events

- Since 30 June 2020, there has been COVID-19 related developments that warrant disclosure. The significant increase in community transmission (second wave) and stage 4 restrictions for metro Melbourne will impact negatively to Council's financial position
- Impacts to service delivery (e.g. temporary closure of facilities), impact on revenue streams and additional expenses are expected to be in the same categories as disclosed above
- Council delayed its budget 2020/21 adoption to August 2020 to take into consideration the impacts of COVID-19 reflecting on updated assumptions and estimates
- Council estimates an unfavourable revenue impact of \$21 million in 2020/21, an increase on 2019/20
- Council's mitigating financial strategy for 2020/21 includes a mix of reducing and deferring our portfolio spend, reduced service levels in consultation with our community, the execution of a zero based budget which resulted in efficiency savings and reduction in discretionary spend such as training and consultancy, and an organisation restructure that has resulted in a flatter and more efficient organisation structure
- The 2020/21 Budget has been developed to ensure we continue to be in a position to deliver the key services and priorities our community expects while building in support for those hardest hit by COVID-19 with a \$5.6 million economic and social recovery program
- Council will continue to monitor closely its financial position in 2020/21 and the impact of COVID-19 on our staff and our community
- Management consider the going concern assumption remains the appropriate basis to prepare the Financial Report.

Note 10 Change in accounting policy

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

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

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

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

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

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

b) AASB 16 Leases

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

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

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

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

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

d) Transition impacts

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

	\$'000
	2019
Retained earnings at 30 June 2019	647,632
Revenue adjustment - impact of AASB 15 Revenue from Contracts with Customers	-
Income adjustment - impact of AASB 1058 Income of Not-for-Profit Entities	-
Retained earnings at 1 July 2019	647,632

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of **AASB 16 Leases**.

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ended 30 June 2019.

	\$'000		
	As reported 30 June 2019	Adjustments	Post adoption
Assets			
Property infrastructure plant and equipment	1,376	(1,376)	-
Right of use assets	-	1,699	1,699
Grants receivable	-	-	-
	-	1,699	1,699
Liabilities			
Unearned income - operating grants	-	-	-
Unearned income - capital grants	-	-	-
Interest bearing liabilities			
Lease liability - current	465	180	645
Lease liability - non-current	943	111	1054
	1,408	291	1,699

Glossary

Item	Explanation
Accrual accounting	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
Accumulated surplus	The value of all net assets accumulated over time.
AIFRS	Australian equivalents to International Financial Reporting Standards.
Asset expansion expenditure	Expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to beneficiaries.
Asset renewal expenditure	Expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
Asset upgrade expenditure	Expenditure that: (a) enhances an existing asset to provide a higher level of service or (b) increases the life of the asset beyond its original life."
Assets	Future economic benefits controlled by Council as a result of past transactions or other past events.
Bad and doubtful debts	Bad debts written off and the movement in the bad debt provision for infringement debtors and sundry debtors.
Balance sheet	A quantitative summary of Council's financial condition at 30 June, including assets, liabilities and net equity.
Borrowing costs	Interest paid on borrowings.
Capital expenditure	Capital expenditure is relatively large (material) expenditure that produces economic benefits expected to last for more than 12 months. A pre-determined 'threshold' may be used which indicates the level of expenditure deemed to be material in accordance with Council's policy. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and upgrade expenditures, the total project cost needs to be allocated accordingly.
Cash and cash equivalents	Cash and investments readily convertible to cash, including cash on hand, cash held in the bank, deposits at call and highly liquid investments.
Contributions	Contributions received by Council are received for the purpose of providing and improving public open space, provision/improvement of the drainage system and in relation to specific projects.
Comprehensive Income Statement	A financial statement highlighting the accounting surplus or deficit which highlights whether Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrement reversal) and share of other comprehensive income of associates and joint ventures accounted for by the equity method, to arrive at a 'comprehensive result'. The comprehensive result equates to the movement in net assets or total equity.
Current assets	Assets where Council expects to receive the future economic benefit within the next twelve months unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Current liabilities	Liabilities where Council expects to fulfil its obligation within the next twelve months unless the Council does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.
Depreciation	An expense which recognises the value of a fixed asset as it is used up over time.

Item	Explanation
Employee benefits	Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax, WorkCover and redundancy payments.
Equity	The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.
Expense	An outgoing payment made by Council.
Financing activities	Financing activities means those activities which relate to changing the size and composition of the financial structure of the entity, including equity and borrowings not falling within the definition of cash.
Fixed assets	See Property, infrastructure, plant and equipment.
Grants – non-recurrent	Grant income received for a 'one off' specific purpose, generally for a particular project.
Grants – recurrent	Grant income received on a regular basis (i.e. quarterly, annually) and granted to Council by another entity for specific or general purposes.
Income	Income is the amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
Infrastructure	Non-current property, plant and equipment excluding land.
Interest	Includes interest earned on all cash and investment balances, interest earned on rates and unrealised gains on managed fund investments.
Interest bearing loans and borrowings	Council's borrowings.
Investing activities	Investing activities means those activities which relate to acquisition and disposal of non-current assets, including property, plant and equipment and other productive assets, and investments not falling within the definition of cash.
Liabilities	Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.
Materials and administrative costs	Expenditure incurred in relation to building maintenance, general maintenance, plant and equipment maintenance, office and administration, insurance, registration and Metropolitan Fire Brigade levy, financial and legal costs and information technology costs.
Changes in equity for the period	The net movement in the net surplus (deficit) and asset revaluation increments (decrements). This is also equal to the change in net assets.
Net asset revaluation increment (decrement)	This represents the increase (decrease) between the old valuation and new valuation of property and infrastructure asset classes, which were re-valued during the year.
Net assets	The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.
Net gain (loss) on disposal of property, plant and equipment, infrastructure	The net of income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year.
New asset expenditure	Expenditure that creates a new asset that provides a service that does not currently exist.
Non-current assets	Assets where the future economic benefit is not expected to be received within the next twelve months or where the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Item	Explanation
Non-current assets classified as held for sale	Non-current assets that Council intends to sell within the next twelve months.
Non-recurrent grants	Means a grant obtained on the condition that it is expended in a specified manner and is not expected to be received again during the period covered by a Council's Strategic Resource Plan.
Non-current liabilities	Liabilities where the obligation is not expected to be fulfilled within the next twelve months or where Council has a right to defer settlement of the liability for at least twelve months after reporting date.
Other expenses	Includes auditors' remuneration, Councillors' allowances, operating lease rentals, impairment losses, community grants and contributions, training and professional development expenditure, contract settlement expenditure and expenditure incurred in relation to special rate schemes.
Other income	Income received from donations, insurance recoveries, craft markets, festivals, local laws, right-of-way sales, transport and other sources.
Prepayments	Payments made by Council in advance of receiving the goods or services.
Property, infrastructure, plant and equipment	Often referred to as Fixed Assets. This is the largest component of Council's asset base or worth. This represents the value of all land, buildings, roads, footpaths, drains, bridges, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
Provisions	Includes accrued long-service leave, annual leave, sick leave and rostered days off owing to employees at reporting date.
Rate and charges	Income received from ratepayers in relation to general rates, garbage rates and special rate schemes.
Recurrent grant	A grant other than a non-recurrent grant.
Reserves	Includes the asset revaluation reserve which includes the net revaluation increments and decrements arising from the revaluation of fixed assets in accordance with AASB 1041 'Revaluation of Non-Current Assets'. Other reserves include statutory reserves such as resort and recreation and carpark and general reserves where money is held in reserve for specific projects.
Restricted cash	Cash and cash equivalents, within the meaning of AAS, that are not available for use other than a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.
Right-of-way	Former laneway no longer required for access to surrounding properties.
Share of net profits (losses) of associates and joint ventures	Council's share of the net profit/loss recognised in its joint venture partnerships.
Statement of capital works	Means a statement which shows all capital expenditure of a council in relation to non-current assets and asset expenditure type.
Statement of cash flows	The statement of cash flows shows the net cash inflows and outflows in the forthcoming year in the form of a reconciliation between the opening and closing balances of total cash and investments for the year. The cash flow statement should be prepared in accordance with the requirements of AASB 107 Statement of Cash Flows.
Statement of changes in equity	The statement of changes in equity shows the movement in Accumulated Surplus and reserves for the year. The net movement in the net surplus (deficit) and asset revaluation increments (decrements). This is also equal to the change in net assets.

Item	Explanation
Statutory fees and fines	Includes parking infringements and costs, PERIN court recoveries, town planning fees, land information certificates and trader parking and street furniture permits.
Statutory reserves	Statutory reserves are funds set aside for specified statutory purposes in accordance with various legislative requirements. These reserves are not available for other purposes.
Strategic Resource Plan	Means the Strategic Resource Plan prepared by Council under Section 126 of the Act.
Surplus (deficit)	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Trade and other payables	Monies owed by Council to other entities/individuals.
Trade and other receivables	Monies owed to Council by ratepayers and other parties less provisions for doubtful debts.
Trust funds and deposits	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (e.g. Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.
Unrestricted cash	Unrestricted cash represents all cash and cash equivalents other than restricted cash.
User fees	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, child care/children's program fees, debt collection recovery charges, debt collection recovery charges, election fines, recreation fees, library fines and other charges and tow-away charges.

Performance statement

For the year ended 30 June 2020

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

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The basis of the preparation of the Performance Statement presents the actual results for the current year, the prescribed financial performance indicators and measures and the results forecast by the Council's strategic resource plan. The **Local Government (Planning and Reporting) Regulations 2014** requires explanation of any material variations in the results contained in the performance statement. Explanations are provided where the previous results are outside a ten per cent materiality threshold.

The forecast figures included in the Performance Statement are those adopted by Council in its Strategic Resource Plan on 19 August 2020 and forms part of the Council Plan 2017-27.

The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained from the Council website at portphillip.vic.gov.au

About the City of Port Phillip

The City of Port Phillip is located south of Melbourne's city centre on the northern shore of Port Phillip Bay. The foreshore stretches over 11 kilometres. A network of public open spaces makes the City a desirable place for residents and visitors to enjoy. Significant employment areas within Port Phillip include the St Kilda Road office district, and the industrial, warehousing and manufacturing districts in South Melbourne, Port Melbourne and Fishermans Bend.

The City of Port Phillip is one of the smallest and most densely populated municipalities in Victoria, covering an area of 20.6 kilometres and being home to 115,601 people¹. Our population will continue to grow with Fishermans Bend expecting to be home to around 80,000 residents and provide jobs for 40,000 over the next four decades.

¹ Source: ABS Estimated Residential Population (ERP), Regional Population Growth, Australia (2401.0) as at 30 June 2020

Sustainable capacity indicators

For the year ended 30 June 2020

Service / indicator / measure	2015	2016	2017	2018	2019	Result 2020
Population						
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,701.51	\$1,737.12	\$1,818.52	\$1,960.69	\$1,977.99	\$1,989.31
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$5,516.95	\$5,528.54	\$5,739.61	\$5,659.57	\$6,287.75	\$6,175.51
Material variation explanation						
This result has decreased in 2019/20 due to the reduction in the capital works program delivery which was directly impacted by the Stage 3 restrictions in response to the COVID-19 pandemic which saw projects deferred.						
Population density per length of road [Municipal population / kilometres of local roads]	388.32	396.77	401.75	416.59	425.56	436.23
Own-source revenue						
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,573.38	\$1,668.41	\$1,730.46	\$1,785.99	\$1,805.92	\$1,827.14
Recurrent grants						
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$111.46	\$85.52	\$110.68	\$100.75	\$97.92	\$93.40
Material variation explanation						
This ratio has decreased due to a reduction in recurrent grants received in 2019/20.						
Disadvantage						
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	10.00	10.00	10.00	10.00	10.00	10.00

Definitions

“adjusted underlying revenue” means total income other than:

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

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

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

“population” means the resident population estimated by Council

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

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

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

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

Service performance indicators

For the year ended 30 June 2020

Service / indicator / measure	2015	2016	2017	2018	2019	Result 2020
Animal Management						
Health and safety	New in	New in	New in	New in	New in	100.00 %
Animal management prosecutions	2020	2020	2020	2020	2020	
[Number of successful animal management prosecutions]						
Material variation explanation						
The number of animal management prosecutions has significantly increased from 2018/19 of 6 prosecutions to 11 prosecutions in 2019/20. Port Phillip City Council has been diligent with education on responsible pet ownership and successfully prosecuted all serious dog attacks along with resolving animal related issues with a consistent and proactive approach.						
Food Safety						
Health and safety	95.55 %	99.11 %	99.28 %	100.00 %	100.00 %	100.00 %
Critical and major non-compliance outcome notifications						
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100						
Material variation explanation						
Council has achieved a 100 per cent follow-up inspection rate of all major or critical non-compliances identified within registered food premises throughout the reporting period.						
Governance						
Satisfaction	60	59	57	57	59	58
Satisfaction with Council decisions						
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]						
Material variation explanation						
The level of community satisfaction on how the Council has performed in making decisions in the interest of the community in 2020 is one point lower than last year. Council continues to explore ways to improve community consultation to ensure Council decisions are informed by the community's views.						
Libraries						
Participation	20.14 %	19.4 %	19.21 %	20.39 %	18.63 %	18.46 %
Active library members						
[Number of active library members / Municipal population] x100						
Material variation explanation						
The number of active library members decreased by 177,417 in 2019/20. The change to the three year average and the impact of COVID-19 on social distancing restrictions with library closures for the months of March through to June has highlighted a decrease in active library borrowers. Active membership has tracked consistently to date with the emergence of online materials and increased level of engagement with library services via digital platforms.						

Service / indicator / measure	2015	2016	2017	2018	2019	Result 2020
Maternal and Child Health (MCH)						
Participation	83.55 %	84.22 %	82.89 %	84.80 %	74.28 %	87.38 %
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100						
Material variation explanation						
This result demonstrates that Maternal and Child Health Service participation rates are high in the City of Port Phillip. Given the current pandemic, the need is great because we are one of the very few community services that are engaging face to face with their clients.						
Participation	69.05 %	87.20 %	84.48 %	94.74 %	80.00 %	95.00 %
Participation in the MCH service by Aboriginal children Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100						
Material variation explanation						
Port Phillip City Council continues to embed continuous improvement initiatives to engage indigenous families registered in the Maternal Child Health Service. Twenty Aboriginal children were enrolled in the service and 19 visits occurred providing a participation rate of 95 per cent.						
Roads						
Satisfaction	73	70	70	67	68	69
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]						
Material variation explanation						
Satisfaction with sealed local roads remains largely consistent for the past four years.						
Statutory Planning						
Decision making	73.08 %	70.91 %	70.00 %	61.04 %	72.22 %	77.13 %
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100						
Material variation explanation						
The overall result has increased from 72 per cent last year to 77 per cent this year. Allowing for mediated and withdrawn outcomes, Council decisions upheld at VCAT is 83 per cent.						
Waste Collection						
Waste diversion	34.50 %	34.11 %	32.94 %	31.71 %	29.18 %	30.47 %
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100						
Material variation explanation						
Target not achieved for 2019/20 due to the Victorian recycling crises that accrued in 2019, with the collapse of SKM Recycling. Councils kerbside recycling collected materials were diverted to landfill for a period of four months. In order to respond to the decreased result in waste management through the implementation of the Don't Waste It! - Waste Management Strategy 2018-28 providing the blueprint for how Council and community work together to create a more sustainable future for Port Phillip through the way we manage our waste, recyclables and organics.						

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed an item from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

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

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

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

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

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the Food Act 1984

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

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

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

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

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

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

Financial performance indicators

For the year ended 30 June 2020

Service / indicator / measure						Result	Forecast				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency											
Revenue level						\$1,754.55	\$1,754.59	\$1,776.60	\$1,802.21	\$1,831.30	
Average residential rate per residential property assessment	New in 2020	New in 2020	New in 2020	New in 2020	New in 2020						
[Residential rate revenue / Number of residential property assessments]											
Material variation explanation											
This is a new indicator for the 2019/20 financial year. The current year result is in line with expectations and is expected to increase slightly in future years.											
Expenditure level	\$2,623.49	\$2,619.67	\$2,798.66	\$3,006.31	\$3,072.16	\$3,142.99	\$3,128.32	\$3,082.36	\$3,106.11	\$3,109.31	
Expenses per property assessment											
[Total expenses / Number of property assessments]											
Material variation explanation											
This result has slightly increased from prior year due to a change in policy recognising rental subsidies provided by Council to tenants, which increased by \$7 million from prior year.											
Workforce turnover	9.95 %	10.43 %	10.00 %	11.75 %	18.04 %	14.24 %	10.05 %	10.01 %	10.02 %	10.07 %	
Resignations and terminations compared to average staff											
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100											
Material variation explanation											
Although turnover continues to be higher than target, the result has continued to reduce as the year progressed and we have finished the year closer to the metropolitan benchmark. Succession planning and talent management remain as a high priority. Significant reduction has been experienced and is returning to the metropolitan average (14 per cent). Council staff continue to be highly sought after by other councils and Victorian Government.											
Liquidity											
Working capital	220.88 %	243.22 %	231.65 %	265.45 %	267.53 %	360.39 %	228.60 %	234.88 %	228.44 %	237.21 %	
Current assets compared to current liabilities											
[Current assets / Current liabilities] x100											
Material variation explanation											
Council can comfortably meet its short term financial commitments. The increased ratio is largely driven by a reduction in trade and other payables of \$10 million from prior year. In response to the COVID-19 global pandemic Council commenced paying all suppliers within seven days. In addition, the assets, finance and procurement modules of the new ERP platform went live on 1 July 2020 which required all invoices in the old system to be paid. Cash holdings increased by \$8 million from prior year due to increased rates revenue, and delivery of the 2019/20 capital works program not meeting forecast expectations which was directly impacted by COVID-19. In future years when operations return to optimal levels this ratio is expected to decline as cash is drawn down.											
Unrestricted cash	15.35 %	-10.44 %	-41.14 %	-50.19 %	-85.93 %	-207.81 %	-82.07 %	-107.51 %	-112.29 %	-106.04 %	
Unrestricted cash compared to current liabilities											
[Unrestricted cash / Current liabilities] x100											
Material variation explanation											
Councils unrestricted cash ratio has decreased to 207.81 per cent due to funds being placed in longer term investments, including current financial assets. This has enabled Council to achieve optimal investment returns during a global economic downturn as a result of the COVID-19 pandemic and reflects strong cash management practices. Council has \$94.642 million of cash and other financial assets (investments) \$74.896 million of which is restricted. This will fund the completion of projects in future years, placing Council in a strong position to continue to meet its financial obligation, as reflected in the working capital ratio.											

Service / indicator / measure						Result	Forecast				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Obligations											
Asset renewal						72.23 %	116.99 %	153.73 %	147.16 %	139.84 %	
Asset renewal compared to depreciation	New in 2020	New in 2020	New in 2020	New in 2020	New in 2020						
[Asset renewal expense / Asset depreciation] x100											
Material variation explanation											
Due to deferral and delay of the capital works program in 2019/20 in response to the COVID-19 pandemic Council did not achieve their target on this ratio. This is expected to improve in future years as restrictions ease.											
Loans and borrowings											
Loans and borrowings compared to rates	8.47 %	8.02 %	7.47 %	6.79 %	7.15 %	5.81 %	5.66 %	0.00 %	0.00 %	0.00 %	
[Interest bearing loans and borrowings / Rate revenue] x100											
Material variation explanation											
From the 2019/20 financial year the new accounting standard for leases (AASB 16) applied to all non-profit entities. This has resulted in lease liabilities (formerly known as Finance leases) recognised separately from other interest bearing loans and borrowings. As a result this ratio has declined slightly reflecting the exclusion of these liabilities. Council has a seven year fixed interest loan which is due for repayment in the 2021/22 financial year. In accordance with the 10 Year Financial Plan, there are no other borrowings planned so the ratio will remain consistent in future years.											
Loans and borrowings repayments compared to rates	0.97 %	0.98 %	0.92 %	0.82 %	0.67 %	0.27 %	0.26 %	5.80 %	0.00 %	0.00 %	
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100											
Material variation explanation											
From the 2019/20 financial year the new accounting standard for leases (AASB 16) applied to all non-profit entities. This has resulted in lease liabilities (formerly known as Finance leases) recognised separately from other interest bearing loans and borrowings. As a result this ratio has declined slightly reflecting the exclusion of these liabilities. Council has a 7 year fixed interest loan which is due for repayment in the 2021/22 financial year. In accordance with the 10 Year Financial Plan, there are no other borrowings planned so the ratio will remain consistent in future years.											
Indebtedness	6.65 %	6.40 %	5.85 %	5.25 %	5.29 %	5.52 %	1.50 %	1.57 %	1.56 %	1.59 %	
Non-current liabilities compared to own source revenue											
[Non-current liabilities / Own source revenue] x100											
Material variation explanation											
Council participate in a Workcover self-insurance scheme through the Municipal Association of Victoria. In 2019/20 the scheme advised that as a result of the economic downturn from the COVID-19 global pandemic, the scheme was in shortfall and participants are required to contribute to the recovery over the next five years. Council has recognised their share as a \$745,000 non-current liability (\$186,000 current liability). This has resulted in a slight increase in this ratio, which will decline in future years as the shortfall is repaid.											

Service / indicator / measure						Result	Forecast			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating position										
Adjusted underlying result	-0.64 %	1.03 %	1.25 %	-3.34 %	-3.37 %	-2.89 %	-10.45 %	-2.43 %	-0.83 %	1.03 %
Adjusted underlying surplus (or deficit)										
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100										

Material variation explanation

This result is negative due to a reduction in recurrent revenue streams which have been directly impacted by COVID-19. In response to the pandemic and to support the community Council provided relief packages which resulted in deferral and waivers of fees and charges. In addition, the Stage 3 restrictions and lockdowns during the State of Emergency resulted in a significant reductions in parking income and income from other Council run programs. The improvement from prior year is attributable offsetting expenditure reductions for bad and doubtful debts and losses on asset disposals. As restrictions ease enabling programs and operations to return to normal, this ratio is expected to improve year on year.

Stability

Rates concentration	60.23 %	61.21 %	58.67 %	57.51 %	57.56 %	57.73 %	62.33 %	59.04 %	58.50 %	58.29 %
Rates compared to adjusted underlying revenue										
[Rate revenue / Adjusted underlying revenue] x100										

Material variation explanation

This result is consistent with prior years.

Rates effort	0.22 %	0.23 %	0.20 %	0.20 %	0.18 %	0.19 %	0.19 %	0.20 %	0.20 %	0.21 %
Rates compared to property values										
[Rate revenue / Capital improved value of rateable properties in the municipality] x100										

Material variation explanation

This result is consistent with prior years.

Definitions

“adjusted underlying revenue” means total income other than:

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

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

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

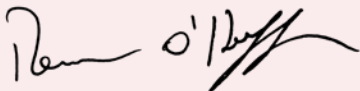
“current assets” has the same meaning as in the AAS (Australian Accounting Standards)

“current liabilities” has the same meaning as in the AAS (Australian Accounting Standards)

“non-current assets” means all assets other than current assets

Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the **Local Government Act 1989**, the **Local Government (Planning and Reporting) Regulations 2014**.



Dennis O'Keeffe CA
Principal Accounting Officer

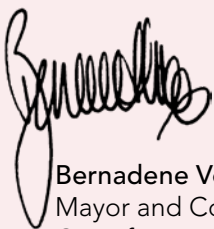
22 September 2020
St Kilda

In our opinion, the accompanying performance statement of the City of Port Phillip for the year ended 30 June 2020 presents fairly the results of Council's performance in accordance with the **Local Government Act 1989**, the **Local Government (Planning and Reporting) Regulations 2014**.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



Bernadene Voss
Mayor and Councillor
City of Port Phillip

22 September 2020
St Kilda



Tim Baxter
Deputy Mayor and Councillor

22 September 2020
St Kilda



Peter Smith
Chief Executive Officer

22 September 2020
St Kilda

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