

A MUNICIPALITY ON THE NORTH EASTERN SHORES OF PORT PHILLIP BAY, THE CITY OF PORT PHILLIP COVERS 20.4 SQUARE KILOMETRES, AND IS ONE OF THE OLDEST AREAS OF EUROPEAN SETTLEMENT IN MELBOURNE. PORT PHILLIP IS KNOWN FOR ITS MANY DYNAMIC URBAN VILLAGES AND A FORESHORE THAT STRETCHES FOR NEARLY 10 KILOMETRES, INCORPORATING SEVERAL OF MELBOURNE'S MOST POPULAR BEACHES. IT ALSO FEATURES SOME OF VICTORIA'S MOST CELEBRATED AND INNOVATIVE CULTURAL EVENTS, RECREATIONAL FACILITIES, RESTAURANTS AND ENTERTAINMENT VENUES.

THE PORT PHILLIP COMMUNITY COMPRISES MANY DIFFERENT CULTURES, RELIGIONS, NATIONALITIES AND SOCIO-ECONOMIC BACKGROUNDS, WITH ONE THIRD OF THE POPULATION HAVING BEEN BORN OVERSEAS, PRIMARILY IN THE UNITED KINGDOM, THE FORMER USSR, GREECE AND POLAND.

LIKE ITS COMMUNITY, THE URBAN CHARACTER OF THE CITY OF PORT PHILLIP IS MARKED BY A RICHNESS OF DIVERSITY, AND THE INTEGRATED MIX OF RESIDENTIAL NEIGHBOURHOODS, URBAN CENTRES, INDUSTRY, BUSINESS AND LEISURE ATTRACTIONS OFFER AMENITY, INTEREST AND CHOICE. THE CITY IS ALSO HOST TO MANY MAGNIFICENT HERITAGE BUILDINGS, AND BEAUTIFUL PARKS AND GARDENS.



CITY OF PORT PHILLIP

ANNUAL REPORT

2001/2002

THE CITY EXPERIENCED A SIGNIFICANT AMOUNT OF RESIDENTIAL DEVELOPMENT IN THE 1990S, PARTICULARLY IN AREAS CLOSE TO THE FORESHORE, AND IS WELL SERVED BY A NUMBER OF VARIED AND SUBSTANTIAL RETAIL, ENTERTAINMENT AND LEISURE PRECINCTS. THESE INCLUDE BAY STREET (PORT MELBOURNE), CLARENDON STREET (SOUTH MELBOURNE), FITZROY AND ACLAND STREETS (ST KILDA) AND CARLISLE STREET (BALACLAVA).

A NUMBER OF SIGNIFICANT EMPLOYMENT AREAS SIT WITHIN PORT PHILLIP, INCLUDING THE ST KILDA ROAD OFFICE DISTRICT, AND INDUSTRIAL, WAREHOUSING AND MANUFACTURING DISTRICTS IN SOUTH MELBOURNE AND PORT MELBOURNE. PORT PHILLIP IS WELL SERVED BY PUBLIC TRANSPORT WITH A SUBSTANTIAL TRAM NETWORK, THE ST KILDA AND PORT MELBOURNE LIGHT RAIL LINES AND TWO STATIONS ON THE SANDRINGHAM RAIL LINE.



CONTACT US

Council Offices

The City of Port Phillip operates from three main locations:

ST KILDA TOWN HALL

Corner Carlisle Street and Brighton Road, St Kilda

Monday: 8.30 am - 6.00 pm

Tuesday - Friday: 8.30 am - 5.00 pm

Enquiry counter and cashier for payment of fees and rates

SOUTH MELBOURNE TOWN HALL

208 Bank Street, South Melbourne

Monday, Wednesday, Thursday, Friday: 8.30 am - 5.00 pm

Tuesday: 8.30 am - 6.00 pm

Enquiry counter and cashier for payment of fees and rates, planning and building approvals

PORT MELBOURNE TOWN HALL

333 Bay Street, Port Melbourne

Monday - Friday: 8.30 am - 5.00 pm

Enquiry counter and cashier for payment of fees and rates

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

The City of Port Phillip operates five libraries:

Branch	Address	Telephone Number
ALBERT PARK	319 Montague Street, Albert Park	(03) 9209 6622
EMERALD HILL	195 Bank Street, South Melbourne	(03) 9209 6611
MIDDLE PARK	Corner Nimmo Street and Richardson Street, Middle Park	(03) 9209 6633
PORT MELBOURNE	147 Liardet Street, Port Melbourne	(03) 9209 6644
ST KILDA	150 Carlisle Street, St Kilda	(03) 9209 6655

ASSIST Centre

The City of Port Phillip ASSIST Centre was launched in December 1997, and provides the community with a first point of contact for all council-related requests. The community can access the service by phone, fax and email or at the Port Melbourne, South Melbourne and St Kilda Town Halls. ASSIST staff are available to receive and resolve enquiries as they arise by liaising with other departments and council service providers. The ASSIST Centre aims to satisfy requests for service and information in an efficient and accurate manner.

COUNCIL CONTACT DETAILS:

Email	assist@portphillip.vic.gov.au
Facsimile	(03) 9536 2722
Mail	City of Port Phillip, Private Bag 3, St Kilda, VIC 3182

TELEPHONE

General enquiries (ASSIST)	(03) 9209 6777
Rates	(03) 9209 6366
Planning	(03) 9209 6424
Building	(03) 9209 6253
Port Phillip Parking Service (fines)	(03) 9611 7660
Waste Management	(03) 9209 6533

Further Information

Further information about the City of Port Phillip is available on council's website at www.portphillip.vic.gov.au.

If you would like to receive free email updates about the City of Port Phillip council services, information and initiatives, community information and website updates, see the Port Phillip on Line Update page on the website for details.

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THE MAYOR

Always close to the public eye and never far away from community debate, this interesting and diverse City has experienced growth, success and consolidation during the 2001/2002 financial year.

Consolidation has been achieved, in part, by the return this year of six out of six incumbent councillors – a feat not achieved anywhere else in metropolitan Melbourne. Clearly our community feel that we are heading in the right direction. The benefits of working as a united team of councillors continue to see significant benefits for our City.

Council's finances have never been healthier, with balanced budgets now 'par for the course'. Indeed, our major debt is not reflected in operational costs but in the accrued superannuation debt that resulted from the amalgamation of the former Cities of Port Melbourne, South Melbourne and St Kilda.

That is not to say we don't face continuing pressures as a result of decreased government funding and higher service expectations. We do! However, over the last year we have put many monitoring tools in place, such as the Chief Executive Officer's Monthly Management Report, which is now made available to our residents at every monthly council meeting.

I will leave any further discussion on controlling expenditure to our Chief Executive Officer so that I can continue to boast about the achievements of council. But before I do, I need to acknowledge the dedicated and passionate staff team who make all our ideas work on the ground.

On the planning front, the St Kilda Foreshore Urban Design Framework is a major achievement that has secured a shared, long-term community vision for the future of the St Kilda foreshore. There is also greater ownership of this vision by government agencies that were partners in the planning and consultation process.

The ten-year parking plan introduced in 2000 has matured to the point where Port Phillip's parking permit policy is fully operational and delivering the desired outcomes – better management of one of our scarcest resources, parking spaces. Compliance is improving and complaints about residential and visitor parking have reduced. The fact that we effectively wiped thousands of illegal permits from the system has also improved residential parking for many who live in key commercial/residential interface areas.

Through our planning processes and those of the Victorian Civil and Administrative Tribunal, we have demonstrated consistency and skilful advocacy on behalf of the community in relation to small and large developments - from ensuring home renovations are consistent with the planning scheme and respect the immediate environment, to holding steadfast to our commitment toward maintaining height controls.

As part of its priority on 'growing democracy', the council established a program of monthly neighbourhood forums. These are held in locations across the City twice per year in each neighbourhood. The forums have proven to be highly successful and now attract residents in the hundreds who engage directly with councillors, and learn about new projects and initiatives happening in their neighbourhoods. Most importantly, the neighbourhood forums provide an opportunity for the council to hear local views about local matters first hand.

Our commitment to sustainable building design was recognised on the international stage at the Stockholm Partnership Awards held on World Environment Day this year, specifically for the Inkerman Oasis development. The council was also recognised at the State Government's Savewater Awards for our water conservation initiatives and took out the Minister's Award for Contribution to Water Sustainability – the award of awards for the event. On the human front, Port Phillip won two 'Diversity at Work' awards for its Indigenous Recruitment Strategy.

Looking to the future, one of our greatest challenges is to meet community expectations with diminishing financial resources. The City of Port Phillip is under constant pressure to absorb rises in the cost of providing services, while also delivering balanced budgets and value for ratepayer money.

Taking into account the good health of the organisation and the council's close and ongoing engagement with the community it serves, I am confident we will deal with future challenges professionally, openly and with the vigour characteristic of our City.

Councillor Darren Ray, Mayor



THE CHIEF EXECUTIVE OFFICER

The City of Port Phillip ended the 2001/2002 financial year on budget.

There were many achievements and successes during 2001/2002. For instance, over 90 percent of the milestones listed in the corporate plan have been met. This is largely due to the spirit of partnership between councillors, staff and the public. Good lines of communication and a shared understanding are needed between all three to be able to deliver on these commitments.

To emphasise the primacy of service culture, the organisation embarked on a major service improvement campaign in 2001, which will continue for the foreseeable future.

A key initiative was the establishment of 54 service improvement projects in the organisation in a way that involves virtually every staff member in one of these projects, either as a member of their immediate work group, or as a part of inter-departmental teams working on organisation wide initiatives.

Here is where industrial relations and the service culture have found common ground. A component of the Enterprise Bargaining Agreement 2002 with the Australian Services Union is subject to work groups successfully implementing their service improvement projects. Clearly, we are in the fortunate circumstance that Port Phillip employees understand the link between service delivery and personal reward, and not just in terms of the personal satisfaction I know our staff gain from working with local communities.

A realignment of responsibilities in the organisation has increased the focus on service culture and the integration of service planning and delivery between the council's many operational areas. The purpose of this is to build on the organisation's ability to engage with both its staff and the public that it serves in order to pave the way for improvements in service delivery and two-way communication with the community.

Hence, the Corporate Development division was established to better nurture the organisation's service culture and staff effectiveness, and the Governance and Council Services division was established to support the council in nurturing citizenship, local democracy and encouraging community participation in council affairs.

Further down the line, enforcement services were given greater management focus, including planning enforcement and animal management, and the council's communications functions became better equipped to utilise person-to-person engagement, particularly via the Port Phillip on Line website

and improvements to requests and complaints and call centre operations.

There were some disappointments in 2001/2002. While our annual community survey showed that satisfaction with the standard of our services is high and generally rising, it is disappointing that this rate of improvement has slowed in some areas.

Some capital projects became delayed and we were not able to fulfil expectations within the timeframe intended. This is partly due to the stringency of our own planning application criteria, as well as uncertainty about securing external funding for some projects.

There are a number of challenges the City of Port Phillip needs to address in the future, not least of all maintaining service levels in an environment of shrinking financial resources.

Bearing in mind that the cost of delivering council services will continue to grow, we need to plan on the assumption that revenues, for instance in the form of government funding, will not increase proportionately. Our task then is to exert restraints over expenditure, and to ensure that we gain maximum value for every dollar spent.

One of the strategies for this is to introduce multiple uses for appropriate council sites, either as operational headquarters for the organisation, or as civic hubs where council supported and other community services are provided under the same roof. The refurbishment of the Port Melbourne Town Hall and the eventual relocation of the Port Melbourne library into this building is an example of the move toward multi-purpose centres.

In March 2002, the Australian Electoral Commission conducted a council election on behalf of the City of Port Phillip. Following the election, an action was brought against council claiming that the validity of the election was compromised because of errors in the voters' roll. The City of Port Phillip will be defending this claim in the Municipal Electoral Tribunal, maintaining that the election was conducted in accordance with the relevant legislation.

Finally, the election of a new council provided the organisation with an opportunity to review our corporate plan and restate the major priorities to guide us during the council's term. This task has been completed.

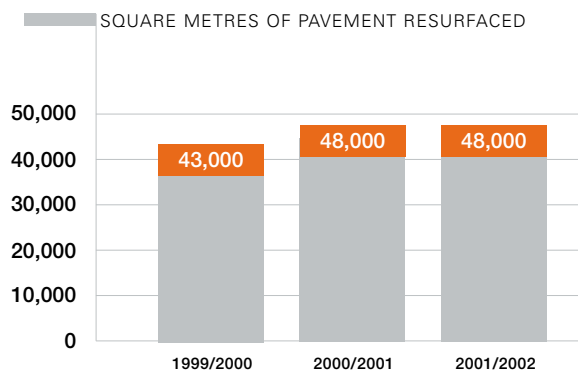
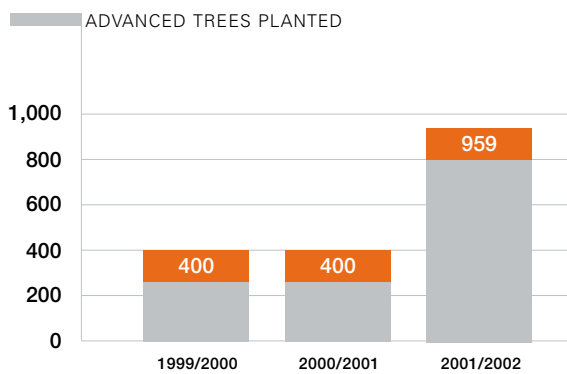
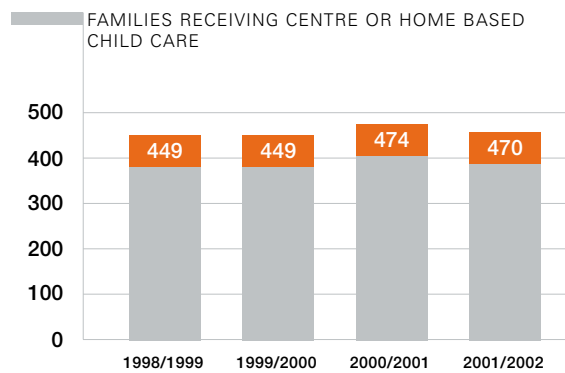
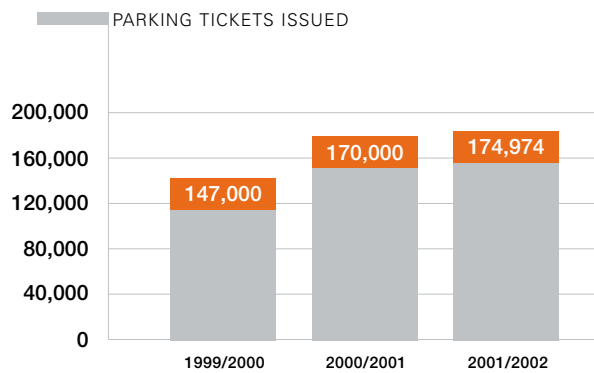
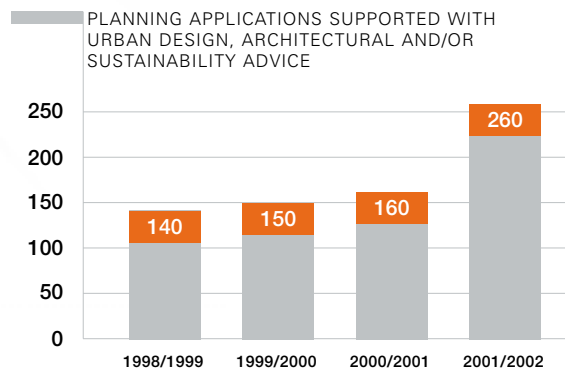
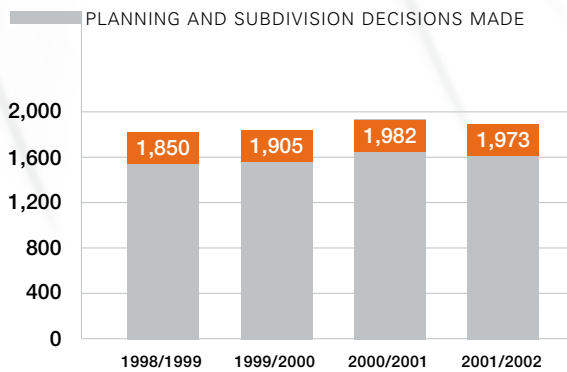
David Spokes, Chief Executive Officer

SNAPSHOT

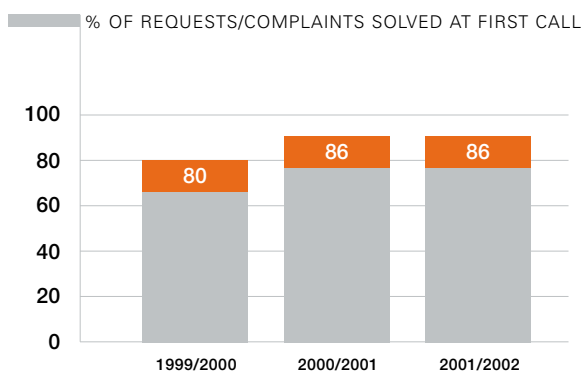
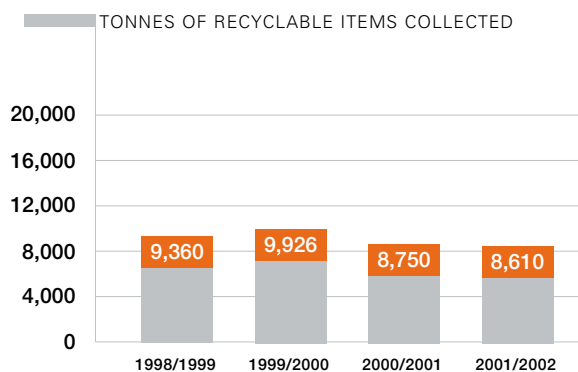
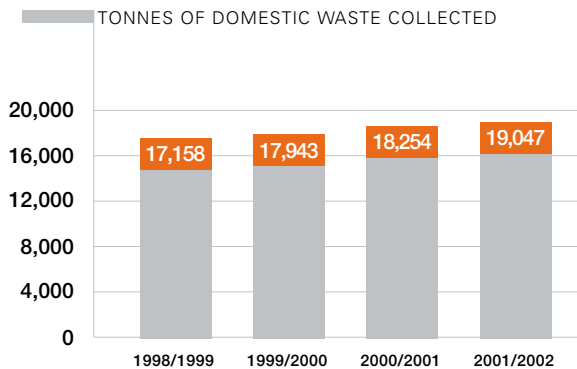


HIGHLIGHTS

- Completed or on track with 90 percent of actions set out in the corporate plan
- Implemented capital works program of \$12.89 million across all neighbourhoods
- Undertook extensive consultation regarding refurbishment plans to house the Port Melbourne library and related municipal civic functions in the Port Melbourne Town Hall
- Adopted the Sustainable Community Progress Indicators Project to establish performance against economic, social, environmental and cultural sustainability goals
- Implemented the Local Drugs Strategy in partnership with State Government and local community organisations
- Integrated the Victoria Police local safety committee into the Healthy and Safer Cities Alliance and established the Port Phillip Safer Cities Accord
- Recognised as having a community housing program which continues to lead Australian local government initiatives, winning an international award for the Inkerman Oasis development
- Established monthly neighbourhood forums, enabling residents to engage directly with councillors and providing an opportunity for council to hear local views about local matters first hand
- Achieved 86% first point resolution for people contacting council
- Improved council's communications functions through the Port Phillip on Line website
- Involved 102 households from the Port Phillip community in the Sustainable Living at Home program
- Won two State awards for the City of Port Phillip Indigenous Recruitment Strategy
- Conducted seven sustainable value service reviews
- Negotiated and certified the City of Port Phillip Enterprise Bargaining Agreement 2002, linking pay increases with notable improvements in service delivery
- Implemented a comprehensive training and development program throughout the organisation
- Developed a Communications Toolkit for all staff to guide information, publicity and media dissemination
- Substantially resolved the planning amendment regarding the Esplanade Hotel
- Secured a shared, long-term community vision for the future of the St Kilda foreshore through the St Kilda Foreshore Urban Design Framework
- Established a Fast Track service for appropriate planning applications



THE CITY



A municipality on the north eastern shores of Port Phillip Bay, the City of Port Phillip covers 20.4 square kilometres, and is one of the oldest areas of European settlement in Melbourne. Port Phillip is known for its many dynamic urban villages and a foreshore that stretches for nearly 10 kilometres, incorporating several of Melbourne's most popular beaches. It also features some of Victoria's most celebrated and innovative cultural events, recreational facilities, restaurants and entertainment venues.

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

Like its community, the urban character of the City of Port Phillip is marked by a richness of diversity, and the integrated mix of residential neighbourhoods, urban centres, industry, business and leisure attractions offer amenity, interest and choice. The City is also host to many magnificent heritage buildings, and beautiful parks and gardens.

The City experienced a significant amount of residential development in the 1990s, particularly in areas close to the foreshore, and is well served by a number of varied and substantial retail, entertainment and leisure precincts. These include Bay Street (Port Melbourne), Clarendon Street (South Melbourne), Fitzroy and Acland Streets (St Kilda) and Carlisle Street (Balaclava).

A number of significant employment areas sit within Port Phillip, including the St Kilda Road office district, and industrial, warehousing and manufacturing districts in South Melbourne and Port Melbourne.

Port Phillip is well served by public transport with a substantial tram network, the St Kilda and Port Melbourne light rail lines and two stations on the Sandringham rail line.

GOVERNANCE



LOCAL GOVERNMENT

Local government is a major sector of the Victorian economy. As the sphere of government at the community level, it exerts significant influence on local economies and communities.

Constitutional responsibility for local government rests with the State, which provides the legal framework in which local governments operate. Local government in Victoria is administered under the Local Government Act 1989, which provides a framework for councils by articulating their purposes, objectives, functions and powers.

Local governments are elected to represent their local communities; to be a responsible and accountable sphere of democratic governance; to be a focus for community identity and civic spirit; to provide appropriate services to meet community needs in an efficient and effective manner; and to facilitate and coordinate local efforts and resources in pursuit of community goals.

ESTABLISHMENT OF THE CITY

The City of Port Phillip was established on 22 June 1994, following a State Government review of Victorian local government boundaries.

Three former cities - St Kilda, South Melbourne and Port Melbourne - were amalgamated to form the City of Port Phillip.

Between establishment in 1994 and the first council election for the City of Port Phillip in March 1996, three State Government appointed commissioners carried out the functions of the mayor and councillors.

NEIGHBOURHOODS AND WARDS

Port Phillip is home to seven distinct neighbourhoods - Albert Park and Middle Park; East St Kilda; Elwood and Ripponlea; Port Melbourne and Garden City; South Melbourne; St Kilda; and St Kilda Road and Queens Road - with which members of the community identify, especially in terms of where they live. The council uses the neighbourhood model to manage the delivery of council services and for the purposes of community consultation in the development of community strategies.

Neighbourhoods are different to municipal wards. The Port Phillip municipality is divided into seven electoral wards - Albert Park, Alma, Blessington, Emerald Hill, Ormond, Sandridge and St Kilda - for democratic purposes. One councillor is elected in each ward to represent those residents and businesses. To foster the democratic concept of representative government, there is approximately the same number of people/voters in each ward. Ward boundaries are periodically reviewed to ensure this.

Neighbourhoods, on the other hand, are local areas or suburbs for which parts of the community feel an affiliation. There is a clear desire from the Port Phillip community to maintain and enhance the diversity and special qualities of the various neighbourhoods. In recognising this, the City of Port Phillip endeavours to be responsive to the needs of neighbourhood communities, and conducts services and activities on a neighbourhood basis. This neighbourhood approach has been adopted in the City of Port Phillip's corporate plan activities and planning scheme, wherever possible.

COUNCILLORS

DAVID BRAND

In his second term as councillor for St Kilda Ward, Councillor David Brand is an architect who has worked for many years as a consultant on heritage, urban conservation and planning issues affecting St Kilda and the City of Port Phillip. He works from his home on the St Kilda Esplanade where he has lived since 1983. Cr Brand also teaches architectural history at the University of Melbourne and design at RMIT University part-time. Working as an historian before turning to architecture in the 1980s, Cr Brand played a leading role in the Esplanade Alliance campaigns that stopped a proposed 38-storey development on the Esplanade Hotel site and negotiated major design revisions at the St Kilda Sea Baths.

PHONE (business hours only) (03) 9209 6705 **MOBILE** 0413 334 520 **FAX** (03) 9536 2714 **EMAIL** dbrand@portphillip.vic.gov.au
WARD St Kilda **DATE OF ELECTION** (current term) 16/3/02 **DATE OF RETIREMENT** 19/3/05



DICK GROSS

Councillor Dick Gross is in his third term as councillor for Blessington Ward, including two terms as mayor from 1998-2000. Although not a formally endorsed Labor candidate for his ward, Cr Gross is a member of the Australian Labor Party and is also a member of, and was supported by, the Community Alliance of Port Phillip. He is a trained lawyer with a background in consumer and corporate law, and was co-founder and the first coordinator of the Consumer Credit Legal Service, as well as serving on a number of government reform committees dealing with debt recovery and drug reform issues. Cr Gross is also a broadcaster and an author, and runs his own financial investment business. He has lived in Port Phillip for over 20 years.

PHONE (business hours only) (03) 9209 6705 **MOBILE** 0411 446 167 **FAX** (03) 9536 2719 **EMAIL** dgross@portphillip.vic.gov.au
WARD Blessington **DATE OF ELECTION** (current term) 16/3/02 **DATE OF RETIREMENT** 19/3/05



JULIAN HILL

Councillor Julian Hill is in his second term as councillor for Sandridge Ward. He has served two terms as mayor from 2000-2002 and at only 26 years of age, was the youngest mayor in the history of Port Phillip. Cr Hill holds law and science degrees from Monash University, and was awarded the Weary Dunlop Prize for Best First Year Asian Language Student from the Australian Asian Association. Describing himself as a pragmatic progressive, Cr Hill has been a member of the Australian Labor Party since 1993. He has worked at various jobs, most recently as an electorate officer and adviser for Federal MP Alan Griffin from 1995-1999. Cr Hill has lived in Port Phillip for nine years and Port Melbourne for five years.

PHONE (business hours only) (03) 9209 6705 **MOBILE** 0419 886 541 **FAX** (03) 9536 2713 **EMAIL** jhill@portphillip.vic.gov.au
WARD Sandridge **DATE OF ELECTION** (current term) 16/3/02 **DATE OF RETIREMENT** 19/3/05



CAROLYN HUTCHENS

Councillor Carolyn Hutchens has lived in the Albert Park Ward for 27 years and is now in her second term as councillor for the ward. Working for many years as a part-time maternal and child health nurse, Cr Hutchens also worked as a nurse teacher in Papua New Guinea in the mid 1960s, as a research assistant in London at the Royal College of Surgeons and as a district nurse on her return to Melbourne. Cr Hutchens has served as president of several local community organisations, including a childcare cooperative and school parents' association. She is a foundation member of Save Albert Park and was its president for two years. Cr Hutchens was also involved with the South Port Hospice program as a volunteer home visiting nurse.

PHONE (business hours only) (03) 9209 6705 **MOBILE** 0413 334 522 **FAX** (03) 9536 2716 **EMAIL** chutchen@portphillip.vic.gov.au
WARD Albert Park **DATE OF ELECTION** (current term) 16/3/02 **DATE OF RETIREMENT** 19/3/05





LIZ JOHNSTONE

Council's current deputy mayor, Councillor Liz Johnstone, has lived in the Ormond ward for the past 15 years and has a background in accounting and small business. With a long involvement in local issues, Cr Johnstone has been treasurer for local out of school hours care programs and child care centres, and a founding member of the Elwood Canal Taskforce and Save Elwood Streets. Cr Johnstone is currently on the boards of the Elwood Community Bank, Elwood Primary School and the Victorian Coastal Council, and also chairs the Central Coastal Board. Cr Johnstone focuses her efforts on council in the planning and environmental area and on securing the future of the children's service system in Elwood.

PHONE (business hours only) (03) 9209 6705 **MOBILE** 0412 135 350 **FAX** (03) 9536 2717 **EMAIL** ljohnsto@portphillip.vic.gov.au
WARD Ormond **DATE OF ELECTION** (current term) 16/3/02 **DATE OF RETIREMENT** 19/3/05



PETER LOGAN

Councillor Peter Logan has lived in South Melbourne for over 50 years. He has been involved in many community activities and is also a founding member of the Friends of Emerald Hill Library and Save Albert Park. Cr Logan is active in local sport, and is a life member and currently vice-president of the South Melbourne Athletic Club. He has no political affiliations and was elected on a platform of working for cleaner streets, a vibrant Clarendon Street shopping centre, improved library and social services and better sporting and recreation opportunities for youth and children in the City of Port Phillip. He is also keen to use his skills as a fleet manager to ensure effective use of rates by monitoring council budgets and operations.

PHONE (business hours only) (03) 9209 6705 **FAX** (03) 9536 2718 **EMAIL** plogan@portphillip.vic.gov.au
WARD Emerald Hill **DATE OF ELECTION** (current term) 16/3/02 **DATE OF RETIREMENT** 19/3/05



DARREN RAY

Councillor Darren Ray was first elected in 1999 as a councillor for Alma Ward, where he has lived for nearly 10 years, and was unanimously elected as mayor in March 2002. Before taking up his mayoral duties full-time, Cr Ray worked as a national project officer for the Australian Physiotherapy Association. Previously, he was inaugural executive director for the ALSO Foundation, managed a youth refuge and family reconciliation program and has been adviser to both State and federal MPs in Western Australia. Cr Ray comes from a long line of Jewish ancestors from the Cohen and Greene family trees. As well as a broad range of professional skills, Cr Ray brings over 16 years of experience in community activism to the council.

PHONE (business hours only) (03) 9209 6431 **MOBILE** 0413 334 523 **FAX** (03) 9536 2711 **EMAIL** mayor@portphillip.vic.gov.au
WARD Alma **DATE OF ELECTION** (current term) 16/3/02 **DATE OF RETIREMENT** 19/3/05

DECISION MAKING

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

Statutory Planning Committee

Chair (July 2001 – June 2002): Cr Ray, Cr Gross, Cr Hill

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

The purpose of Statutory Planning Committee meetings is:

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

Strategy and Policy Review Committee

Chair (September 2001 - June 2002): Cr Johnstone, Cr Lewisohn, Cr Gross, Cr Ray

Council established the Strategy and Policy Review Committee in August 2001. It is a combination of the Neighbourhood and Environment Committee and the Community and Services Development Committee. The Strategy and Policy Review Committee does not have delegated powers, however it can make recommendations, which are then referred to the council meeting for ratification. Council's regular meeting cycle includes one Strategy and Policy Review Committee meeting per month.

The purpose of Strategy and Policy Review Committee meetings is:

- to resolve issues relating to the setting of council's strategic direction and the development of council policy
- to determine all matters relating to the key result areas of council's corporate plan
- to address major organisational matters, important legal matters, deliberations about the budget and planning scheme amendments
- to receive reports from councillors as delegates on external bodies

Council

Chair (July 2001 - March 2002): Cr Hill as Mayor

Chair (April 2002 - June 2002): Cr Ray as Mayor

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

The purpose of Council meetings is:

- to adopt, amend or reject the recommendations from committees and address urgent business, subject to the provisions of the Port Phillip City Council Local Law No. 2/2000 which relates to council meetings procedures

Special Council

Chair (July 2001 - March 2002): Cr Hill as Mayor

Chair (April 2002 - June 2002): Cr Ray as Mayor

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

Council in Committee

Chair (July 2001 - August 2001): Cr Ray as Mayor

Council abolished the Council in Committee in August 2001. This committee was used for urgent items, with meetings held as required.

The purpose of Council in Committee meetings was:

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

Neighbourhood and Environment Committee

Chair (July 2001 - August 2001): Cr Johnstone, Cr Brand

Council abolished the Neighbourhood and Environment Committee in August 2001. This committee did not have delegated powers, however it could make recommendations, which were then referred to the council meeting for ratification.

Council's regular meeting cycle included one Neighbourhood and Environment Committee meeting per month.

The purpose of Neighbourhood and Environment Committee meetings was:

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

Community and Services Development Committee

Chair (July 2001 - August 2001): Cr Hill, Cr Ray

Council abolished the Community and Services Development Committee in August 2001. This committee did not have delegated powers, however it could make recommendations, which were then referred to the council meeting for ratification. Council's regular meeting cycle included one Neighbourhood and Environment Committee meeting per month.

The purpose of Community and Services Development Committee meetings was:

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

COUNCILLORS AS REPRESENTATIVES OF THE CITY OF PORT PHILLIP

The councillors represent the City of Port Phillip and the council on external and internal committees, boards, steering groups, panels, alliances, forums, reference groups and associations. The following table shows the entities with which each councillor was associated at the end of June 2002.

CR BRAND

- Cultural Programs Board
- Friends of Suai Community Steering Group
- St Kilda Breakwater Protection Committee

CR GROSS

- Drugs Round Table
- EcoCentre Committee of Management
- Elwood Canal Implementation Committee
- Gay and Lesbian Advisory Committee
- Implementation Committee on Street Prostitution
- St Kilda Botanical Gardens Reference Group
- Victorian Local Governance Association
- Western Region Waste Management Group

CR HILL

- Drugs Round Table
- Eastern Bayside Traffic Monitoring Committee
- External Relations Committee
- Gay and Lesbian Advisory Committee
- Human Resources Committee
- Metropolitan Transport Forum

CR HUTCHENS

- Australian Local Government Women's Association
- Community Grants Advisory Panel
- Healthy and Safer Cities Alliance
- Implementation Committee on Street Prostitution
- Melbourne Sports and Aquatic Centre Advisory Committee
- Multicultural Advisory Committee
- Older Persons Reference Group
- South Melbourne Market Management Committee
- South Port Community Residential Home Management Committee
- Sustainable Environment Advisory Committee
- Urban History Reference Group

CR JOHNSTONE

- Association of Bayside Municipalities
- Australian Local Government Women's Association
- Eastern Bayside Traffic Monitoring Committee
- Elwood Canal Implementation Committee
- External Relations Committee
- Human Resources Committee
- Library Advisory Committee
- Municipal Association of Victoria
- Port Phillip Business Association

CR LOGAN

- Community Grants Advisory Panel
- National Academy of Music Liaison Representative
- St Vincent's Gardens Advisory Committee
- South Melbourne Business Association
- South Melbourne Market Management Committee
- Youth Advisory Committee

CR RAY

- City of Port Phillip Audit Committee
- External Relations Committee
- Friends of Suai Community Steering Group
- Human Resources Committee
- Inner South Metropolitan Mayors' Forum
- Memorandum of Understanding and Indigenous Reference Group
- Port Phillip Housing Association Inc. Committee of Management
- State Government Housing Council (Victorian Local Government Association representative)

RISK MANAGEMENT

Insurance

Council's insurance policies provide coverage for the following areas: public liability, products liability and professional indemnity, industrial special risks, motor vehicle, councillors' and officers' liability, personal accident, machinery/computer breakdown and boiler explosion, marine hull, construction works and fidelity guarantee.

Risk Management Awareness Program

The City of Port Phillip has made significant progress this year in strategic risk management. This has been largely driven by the involvement of the internal auditors in pursuing risk management as a key function. Training has been provided to senior management on risk management principles, and this will cascade down through each division over the next 12 months.

The implementation of risk identification and assessment programs has commenced in some of council's operational and functional areas, and will continue to be rolled out until a risk management plan has been developed for each and every unit.

The level of awareness of risk management as a technique has been improved over the past two years, and a firm basis for further improvement has been laid.

An annual risk assessment of council's operations is undertaken by the public liability insurer, Civic Mutual Plus, to provide a percentage rating on performance of the organisation against set criteria and expectations. The City of Port Phillip's performance in this assessment was satisfactory in all areas assessed, and the City obtained a score of 79%. This represents a very satisfactory result, given that the State average reduced significantly from 78% in 2000/2001 to 69% in 2001/2002.

There were three major reasons why the overall average fell this year.

The first reason was that the rating criteria were made more stringent this year and it was more difficult to achieve the higher rating levels.

The second reason was that, for the first time, weightings were applied against the individual areas assessed. These weightings were based on scheme claims experience in these areas, and were designed to provide guidance to councils in which areas to concentrate their risk management efforts. If a council performed relatively

poorly, from a risk management perspective, in one or more of the higher-weighted areas, then this would have had a significant effect upon the overall result. This was not the case with the City of Port Phillip.

The third major reason was the requirement for documentary evidence to be provided to substantiate answers to questions provided.

There were several very good risk management practices identified in the individual areas assessed. The level of documentation for programs and procedures has improved, and systems in place for carrying out the council's activities serve the council's interests well in terms of potential liability exposure.

Of particular note were the performances achieved in the playground management, contract management and professional liability management areas, where several maximum scores were achieved for the individual elements assessed. There were numerous other maximum scores spread through the range of areas assessed.

The challenge for the year ahead is to ensure council's approach to risk management becomes part of everyday business, and forms part of staff induction and training programs.

Audit Committee and Internal Audit

As part of its duty to fulfil governance obligations to the community, the City of Port Phillip has established an audit committee to ensure:

- effective management of financial risks
- the enhancement of the credibility and objectivity of financial reports
- compliance with laws and regulations
- the effectiveness of the annual audit program
- the provision of an effective means for communication between the Victorian Auditor General's Office, internal audit and council management

The audit committee is an advisory committee of the council and was established in December 1995. Council has adopted a charter, terms of reference and documented responsibilities to govern the activities of the audit committee. The audit committee membership consists of two external representatives, the mayor of the City of Port Phillip and the Director Governance and Council Services. The internal auditor attends the meetings to present audit

reports and provide advice to the audit committee. The chief executive officer also attends the meetings. The committee is chaired by one of the external representatives. During 2001/2002, the committee met on four occasions.

The audit committee is an important element of the checks and balances within a council. In consultation with council management, the audit committee develops an annual internal audit program to address the risks that the organisation may confront. This audit program is a dynamic strategy that can be continually developed and realigned to suit the needs of the organisation.

Council's internal auditor, Day Neilson, an independent firm of chartered accountants, conducts the audits listed in the annual internal audit program and submits audit reports to the audit committee for review. Audit recommendations remain on the audit committee agenda until the committee considers that council management has satisfactorily addressed each recommendation.

The major issues discussed by the audit committee during 2001/2002 included:

- 2001/2002 audit program
- goods and services tax post implementation review
- review of council's budget documentation
- national competition policy compliance

- maintenance of public toilets review
- risk assessment
- 2000/2001 audit of the statements of account
- collection of outstanding and overdue rates
- council's obligations with respect to legislative compliance
- 2000/2001 annual report
- Whistleblower Protection Act 2001
- 2001/2002 annual budget
- Victorian Information Privacy Act
- monthly performance reporting

The audit committee and the internal auditor are key elements of council's system of checks and balances. However, they are not the only elements. Councils are required to be externally audited annually by the Auditor General or his/her representative, and the external auditor presents this audit of the annual statements to the audit committee. Councils must also comply with the requirements of the Local Government Act 1989 and many other pieces of legislation and are required to provide the Minister for Local Government with detailed reports including the annual report, budget and corporate plan.

These measures are in place to ensure that councils are accountable to their stakeholders, including residents, ratepayers, business and government.

NATIONAL COMPETITION POLICY

The Federal Government introduced its National Competition Policy (NCP) in 1995 in an effort to reform government monopolies; separate government's regulatory and business functions; remove legislative restrictions on competition; and adopt pricing reforms to recognise and offset the public ownership advantages enjoyed by government businesses (competitive neutrality).

Government businesses are not subjected to a variety of taxes and imposts paid by private businesses and therefore have a competitive advantage over private operators. Government businesses are now required to include these taxes and imposts in their pricing structures to negate the public ownership advantages.

The Federal Government allocates money annually to each State for compliance with National Competition Policy, and the States share this funding with their

respective local governments. To receive a share of this funding, the City of Port Phillip must comply with National Competition Policy requirements and must submit an annual National Competition Policy Statement to the State Government's Department of Infrastructure, outlining the City's compliance with the legislation.

To meet its compliance requirements, council has:

- complied with national trade practices legislation which prohibits certain forms of anti-competitive behaviour
- reviewed its local laws to ensure they do not restrict competition
- identified its significant businesses and applied competitive neutral pricing to those businesses

Council is also implementing competitive neutrality during its best value review processes as outlined in the following section.

BEST VALUE

Overview

In December 1999, the Compulsory Competitive Tendering (CCT) provisions of the Local Government Act were repealed and replaced with the Best Value Victoria provisions.

The best value legislation includes the following principles:

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

The City of Port Phillip has 'badged' its best value program as the sustainable value program, with a formal review of services being a key element.

This comprehensive sustainable value program includes:

- a comprehensive model for undertaking service reviews
- direct input from the community on service levels
- the requirement to broadly consult with the community
- a program for benchmarking
- direct involvement of council
- the engagement of relevant industry expertise
- external independence at the review phase

The program is subject to continuous improvement with a view to assisting the organisation in achieving 'best value' out of the best value program. We believe our program is of high standard and continue with its development.

In the second year of reviews, seven service reviews commenced as part of council's sustainable value program with five completed and two still in progress.

Council is required to report to the community at least once a year on council's performance against the best value principles and the following table represents a summary of the City of Port Phillip's Best Value Victoria Report for 2001/2002.

Summary of Service Review Outcomes – 2001/2002

Service

FAMILY AND YOUTH SUPPORT

Date of review completion

September 2001

Key Improvement Strategies

Inner South Foster Care now delivered by non-government organisation agency – increased organisation capacity.

Council contribution to preventative/early intervention end of service continuum.

Aggregate Improvements made to Service

The structural changes that were recommended through the review process were implemented and significant improvements have been achieved through actioning the recommendations, including increased level of participation rate of maternal child health key developmental assessments and the successful application of enhanced family support funding.

Recommendations Implemented

31 recommendations, 85% completed and/or actioned to be completed and 15% yet to be actioned.

Comments

Service specifications presented to council.

Service

INFRASTRUCTURE AND CAPITAL WORKS

Date of review completion

October 2001

Key Improvement Strategies

Integration of the complaints handling system – improved interface with the community.

StAMP – introduction of asset management software. Shortened response times and improved delivery of repairs and advice.

Aggregate Improvements made to Service

Shortened response times and improved delivery of repairs and advice.

Software not yet purchased but scope identification has resulted in more targeted areas of priority.

Recommendations Implemented

8 recommendations, 100% acted upon, 6 completed, 2 ongoing.

Comments

Service specifications presented to council. ►

Service

CORPORATE COMMUNICATIONS

Date of review completion

December 2001

Key Improvement Strategies

Review distribution of council publications and increased focus on web – improved access/reliability of communications delivery to the community.

Internal – development of communications toolkit to help officers.

Aggregate Improvements made to Service

The service review has contributed to an improved flow of communications between the divisions and media outlets, the provision of communication services within the organisation and an increase in the standard of communication mediums. Resources are better deployed to enable the allocation of personnel to dealing with issues management.

Recommendations Implemented

19 recommendations of which more than 70% have been fully implemented. The remaining 30% are in the process of being implemented.

Comments

Service specifications presented to council.

Service

INFORMATION MANAGEMENT GROUP

Date of review completion

April 2002

Key Improvement Strategies

The Information Management Group services and strategic direction are aligned with the City of Port Phillip corporate plan objectives and goals.

Aggregate Improvements made to Service

Has formally linked several service units to provide a better integrated service and has articulated a formal process for integrated longer-term decision making.

Recommendations Implemented

27 recommendations approved 17 July 2002. 9 actions have commenced with remainder due as scheduled in service review plan.

Comments

Service specifications presented to the general management team.

Service

INTEGRATED TRANSPORT MANAGEMENT

Date of review completion

June 2002

Key Improvement Strategies

Panel report to be considered by general management team.

Aggregate Improvements made to Service

Response to panel yet to be reported to council.

Recommendations Implemented

N/A

Comments

Service specifications yet to be presented to council.

Service

WASTE MANAGEMENT/STREET AND BEACH CLEANING

Date of review completion

In progress

Key Improvement Strategies

Panel report yet to be completed.

Aggregate Improvements made to Service

Response to panel yet to be reported to council.

Recommendations Implemented

N/A

Comments

Service specifications yet to be presented to council.

Service

GOVERNANCE

Date of review completion

In progress

Key Improvement Strategies

Panel report yet to be completed.

Aggregate Improvements made to Service

Response to panel yet to be reported to council.

Recommendations Implemented

N/A

Comments

Service specifications yet to be presented to council.

For a full copy of the best value annual report, visit www.portphillip.vic.gov.au or contact the City of Port Phillip's ASSIST Centre to request a printed copy.

VICTORIAN LOCAL GOVERNMENT INDICATORS

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

CATEGORY	INDICATOR	RESULT	DEFINITIONS	COMMENTS	
1	Affordability/ Cost of Governance	Average rates and charges per assessment	\$880	Rates and charges declared as being receivable, in the calculations for the adopted rates, at the beginning of the year, including: general rates and charges declared under ss.160, 161, 161A of the Local Government Act 1989; municipal charges and service rates and charges (i.e. garbage services) levied under ss.159, 162 respectively; and supplementary rates declared, <i>divided by</i> the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck).	
		Average rates and charges per residential assessment	\$691	Rates and charges declared for all residential assessments (as per the definition in (1) above, except for residential assessment only) <i>divided by</i> the number of residential assessments.	
3	Sustainability	Average liabilities per assessment	\$486	Total liabilities as per the published financial statements (i.e. AAS27); less items held in trust (reflected in assets also held); <i>divided by</i> the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck).	
		Operating result per assessment	\$62	Operating result per financial statements (i.e. AAS27); <i>divided by</i> the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck).	No major factors were included during the current financial year, which contributed to the result.
5	Services	Average operating expenditure per assessment	\$1,721	Operating expenditure per the financial statements (i.e. AAS27) (including asset sales and depreciation); <i>divided by</i> the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck).	
		Community satisfaction rating for overall performance generally of the council	69 indexed mean	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart One: Summary of Results – Result No. 1), coordinated by the Local Government Division.	

CATEGORY	INDICATOR	RESULT	DEFINITIONS	COMMENTS
7	Infrastructure Average capital expenditure per assessment	\$240	Amount capitalised to the Balance Sheet, and contributions by a local government to major assets not owned by the local government, including expenditure on: <ul style="list-style-type: none"> capital renewal of existing assets which returns the service potential or the life of the asset to that which it had originally; capital expansion which extends an existing asset at the same standard as currently enjoyed by residents to a new group of users; and capital upgrade which upgrades an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally, <i>divided by the number of assessments used in the calculation of the adopted rate (i.e. when the rate is struck).</i>	
8	Renewal gap	84%	Ratio of current spending on renewal (as defined in (7) above) to the long term AAAC*. <i>divided by useful life; and totalled for each and every infrastructure asset.</i> * <i>The Average Annual Asset Consumption is (AAAC) the amount of a local government's asset base consumed during a year based on current replacement cost (i.e. cost or fair value).</i>	
9	Renewal and maintenance gap	89%	Ratio of current spending on renewal (as defined in (7) above) plus maintenance to AAAC plus maintenance (i.e. the expected level of maintenance which was used in the calculation of the useful life of the asset) <i>divided by useful life; and totalled for each and every infrastructure asset.</i>	
10	Governance Community satisfaction rating for council's advocacy and community representation on key local issues	67 indexed mean	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart One: Summary of Results – Result No. 4), coordinated by the Local Government Division.	
11	Community satisfaction rating for council's engagement in decision making on key local issues	65 indexed mean	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart One: Summary of Results – Result No. 5), coordinated by the Local Government Division.	

COMMITMENTS



DELIVERING COMMITMENTS

Past Achievements – 2001/2002 Corporate Plan

At the end of 2001/2002, 90 percent of the total actions set out in the corporate plan were on track or completed, indicating that council is delivering on its commitments.

The other 10 percent were not delivered due to events beyond council's control or failure to attract funding, as well as changes in internal priorities.

KEY RESULT AREA (KRA)	NUMBER OF ACTIONS	NUMBER ON TRACK
KRA 1: Building stronger communities Goal - All individuals living within the City of Port Phillip will participate in and experience connectedness with the community.	78	71
KRA 2: Improving our built environment Goal - We will preserve and enhance our built environment through excellent planning, design and maintenance.	86	72
KRA 3: Building a sustainable environment Goal - A community which understands the impact of its behaviour on the natural environment and its biodiversity, and actively participates in achieving improved environmental outcomes for Port Phillip.	46	43
KRA 4: Enhancing our neighbourhoods and places Goal - We will have a mind set that considers the place and the community living there when delivering a service or implementing a project - providing a better service or outcome, one that is attuned to the needs of the community.	34	31
KRA 5: Improving our service and capabilities Goal - We will listen and respond to the needs of the community, and strive to reduce the gap between community expectations and our performance.	48	43
KRA 6: Ensuring a sustainable organisation Goal - The City of Port Phillip will be a leader in local government in the provision of cost competitive services through partnerships with the community and contractors, and innovative management of corporate resources.	41	38

Future Directions – 2002/2006 Corporate Plan

Council approved the 2002/2006 corporate plan and 2002/2003 business plan in June 2002. The corporate plan provides a new framework for council for the next 4 years and is based on the overarching goal of sustainability.

Council has moved away from a focus on Key Result Areas towards a model that reflects the interdependence of the four key elements that contribute to the organisation's sustainability.

These key elements are; economic viability, environmental responsibility, cultural vitality and social equity.

PERFORMANCE STATEMENT

We have measured progress towards achieving each of the six key result areas in the three year corporate plan through a set of standard performance indicators. The indicators and targets were established in 1999 and have since been tracked on an annual basis.

A mix of indicators is employed, with the majority representing the community's perceptions of outcomes. Telephone surveys amongst a random sample of the community are used to gauge these indicators. Other indicators relating to council processes and outputs have also been employed.

The following results highlight key achievements:

KRA 1: Building stronger communities

- 74% community agreement with not feeling isolated and receiving support when experiencing difficult life events
- 74% community satisfaction with safety and security
- 65% community satisfaction with sports and recreation
- 72% community satisfaction with arts and cultural events

KRA 2: Improving our built environment

- 9 design and development awards given for design excellence
- 67% community satisfaction with parks and gardens

KRA 3: Building a sustainable environment

- 500 planning permits which included an environmental assessment

KRA 4: Enhancing our neighbourhoods and places

- 66% community agreement that a sense of community spirit exists in neighbourhood
- 27 alliances developed with community groups/organisations for neighbourhood recreation
- 67% community shopped at the South Melbourne Market

KRA 5: Improving our service and capabilities

- Indexed mean of 70 for community satisfaction with customer contact
- 68% community agreement that council communications and services are accessible for the community

KRA 6: Ensuring a sustainable organisation

- 28 community alliances established for service delivery
- \$1.54 million grants received related to maintenance and ongoing programs

It should be noted that a number of the targets were over estimated when set in 1999 and may have resulted in some significant variances in some areas, which is not considered to be indicative of poor performance, but rather indicative of events beyond council control. In other areas the figures have provided council with important feedback that will be addressed in service delivery.

Another measure which council uses to judge its performance has been through the Monthly Management Report from the Chief Executive Officer. The Chief Executive Officer reports financial information, variance analysis and key performance indicators and major achievements on a monthly basis. Last year an indicator was introduced in the Monthly Management Report to track progress with the 333 corporate plan actions listed in the 2001/2002 corporate plan. In 2001/2002 approximately 90 percent of the total actions were on track, which provides a good indication that the council is delivering on its commitments and targets.

City of Port Phillip Performance Indicators for the Year Ended 30 June 2002

KEY PERFORMANCE INDICATOR	2001/2002			NOTE	2000/2001	DIFFERENCE BETWEEN 2001/2002 AND 2000/2001 ACTUALS
	TARGET	ACTUAL	DIFFERENCE		ACTUAL	

KRA 1: Building Stronger Communities

Objective 1: Reduce social isolation and ensure specific lifecycle needs are met

1	% community agreement with not feeling isolated and receiving support when experiencing difficult life events	80%	74%	-6%		72%	2%
2	% community agreement that feel encouraged to participate in the decisions that affect individual and their community	70%	53%	-17%	1.	54%	-1%
3	% of total population participating in community groups' projects/events that address reducing social isolation and specific life cycle needs	15%	23%	8%		16%	7%

Objective 2: Promote diversity

4	% community agreement that council's communication and services are accessible for people with specific multicultural needs	65%	62%	-3%		58%	4%
5	% community agreement that have not observed inequalities based on either class, ethnicity, race, age, gender or sexual divisions	75%	54%	-21%	2.	50%	4%
6	Number of indigenous trainees employed	6	5	-1		8	-3

Objective 3: Ensure a safe and healthy environment

7	% community satisfaction with safety and security (E&G*)	85%	74%	-11%	3.	73%	1%
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Objective 4: Foster an environment where recreation, arts, culture and knowledge are valued

8	% community satisfaction with sports and recreation (E&G*)	75%	65%	-10%		70%	-5%
9	% community satisfaction with arts and cultural events (E&G*)	65%	72%	7%		74%	-2%

KRA 2: Improving our built environment

Objective 1: Develop urban character and preserve heritage

10	% community satisfaction with town planning policy and approvals (indexed mean)	62	60	-2		57	3
11	Number of design and development awards given for design excellence	6	9	3	4.	6	3

Objective 2: Improve access into and within the City

12	% community satisfaction with parking availability (E&G*)	32%	19%	-13%	5.	21%	-2%
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Objective 3: Enhance the City's appearance

13	% community satisfaction with parks and gardens (E&G*)	70%	67%	-3%		67%	0
14	% community satisfaction with street and beach cleaning (E&G*)	60% 65%	52% 56%	-8% -9%		46% 52%	6% 4%
15	% community satisfaction with appearance of streetscapes (E&G*)	62%	47%	-15%	6.	48%	-1%
16	% community satisfaction with appearance and cleanliness of the beaches and foreshores (E&G*)	60%	48%	-12%	7.	42%	6%

Objective 4: Improve the City's physical infrastructure

17	% community satisfaction with roads and footpaths (indexed mean)	63	64	1		61	3
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KRA 3: Building a sustainable environment

Objective 1: Encourage environmentally focused behaviour

18	Council building energy use - GJ (gigajoules)	26,906	25,816	-1,090		26,145	-329
19	Street lighting energy use - GJ (gigajoules)	20,729	18,953	-1,776		19,193	-240
20	% of community aware of EcoCentre	40%	33%	-7%		29%	4%
21	Number of promotional material and media releases relating to environmental initiatives	40	42	2		56	-14

Objective 2: Reduce effects of pollution

22	Street litter picked up (tonnes per month)	125	89	-36	8.	96.4	-7.4
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KEY PERFORMANCE INDICATOR	2001/2002			NOTE	2000/2001	DIFFERENCE BETWEEN 2001/2002 AND 2000/2001 ACTUALS
	TARGET	ACTUAL	DIFFERENCE		ACTUAL	

Objective 3: Integrating sustainable objectives into urban planning

23	Number of planning permits which included environmental assessments	150	500	350	9.	139	361
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KRA 4: Enhancing our neighbourhoods and places**Objective 1: Promote a sense of place and community identity**

24	% community agreement that a sense of community spirit exists in neighbourhood	70%	66%	-4%		68%	-2%
25	% community participation in community and neighbourhood centre programs	37%	27%	-10%		29%	-2%

Objective 2: Deliver coordinated services to identified geographical places

26	% community satisfaction with maintenance of local shopping centre (E&G*)	57%	54%	-3%		57%	-3%
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Objective 3: Deliver coordinated services to identified neighbourhood community groups

27	Number of community groups/ organisations develop alliances with for neighbourhood recreation	3	27	24	10.	3	24
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Objective 4: Encourage appropriate commerce, industry and tourism

28	% community shopped at the South Melbourne Market	75%	67%	-8%		73%	-6%
29	% business satisfaction with council	55%	45%	-10%		45%	0
30	% of council's capital works budget spent on shopping centre improvements	3%	7%	4%		10%	-3%

KRA 5: Improving our service and capabilities**Objective 1: Align service delivery with consumer priorities**

31	Community satisfaction with overall performance of council (E&G*)	57%	55%	-2%		50%	5%
32	Community satisfaction with customer contact (indexed mean)	77	70	-7		69	1

Objective 2: Improve organisational effectiveness

33	Number of services reviewed for effectiveness and best value	6	7	1		5	2
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Objective 3: Improve effectiveness of communication

34	% community agreement that council communications and services are accessible for the community	77%	68%	-9%		69%	-1%
35	% of community who visited Port Phillip website	20%	14%	-6%		11%	3%
36	% community readership of Community Update	60%	55%	-5%		64%	-9%
37	Number of new residents packs distributed	5,000	189	-4,811	11.	282	-193

KRA 6: Ensuring a sustainable organisation**Objective 1: Improve financial viability**

38	Total \$ variance between mid year's revised budget and the original budget	0	\$501,000 favourable	\$501,000		\$746,000 favourable	-\$245,000
39	% return on sales on the South Melbourne Market	33%	30%	-3%		35%	-5%

Objective 2: Improve competitiveness of service delivery

40	Number of services reviewed for effectiveness and best value	6	7	1		5	2
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Objective 3: Develop community alliances for service delivery

41	Number of community alliances established for service delivery	14	28	14	12.	28	0
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Objective 4: Promote effective inter-governmental relationships

42	\$ capital grants received for projects (million)	\$1.50	\$1.89	\$0.49		\$0.97	\$0.92
43	\$ grants received related to maintenance and ongoing programs (million)	\$1.50	\$1.54	\$0.04		\$1.5	\$0.04

Notes to and forming part of the Performance Statement for 2001/2002

The Key Performance Indicators (KPIs) in this plan are indicators for each Key Result Area (KRA), as required by S153A (1)(c) of the Local Government Act 1989. These KPIs are reported in the performance statement and audited as the annual business plan performance targets and measures, as required by S153A (1)(f) and 153B (2)(a)(b) of the Local Government Act 1989.

Common Terms

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

Budget – the originally published budget of the council.

E&G – percentage of respondents indicating their satisfaction as excellent or good in an annual survey conducted by the independent strategic research consultants Newton Wayman Research for the City of Port Phillip.

Indexed mean – indexed mean of 350 respondents' answers in a survey, conducted by the independent strategic research consultants Newton Wayman Research conducted for the Department of Infrastructure.

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

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

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

Explanations of Significant Variations

1. *% community agreement that feel encouraged to participate in the decisions that affect individual and their community*

This figure is surprising given the city's ongoing efforts to engage community members in both general policy discussion or in issues directly affecting their neighbourhood. Council will continue to commit to involving the community in decision making and information processes through the Sustainable Community Progress Indicators Project, the neighbourhood forums, in the forthcoming governance review and through other council processes.

2. *% community agreement that have not observed inequalities based on either class, ethnicity, race, age, gender or sexual divisions*

It is considered that the initial target was overestimated. This is an indicator that represents community quality of life in general and does not link directly to council performance, but a perception that we can attempt to influence in our service delivery.

3. *% community satisfaction with safety and security (E&G*)*

The initial target was overestimated, as council is only partly able to influence the level of safety and security within the municipality. This figure may have also reduced since 1999/2000 due to publicity on illegal drug and street sex worker activities, which may have negatively influenced respondents' perceptions.

4. *Number of design and development awards given for design excellence*

The number of awards has increased due to the success of the awards in promoting design excellence and innovation within the city. New award categories include the best contribution to sustainable design and to urban design.

5. *% community satisfaction with parking availability (E&G*)*

The level of community satisfaction with parking availability is a constant source of community concern and is one of the top issues identified by the community each year in the annual satisfaction surveys. Council will continue to address this issue within the context of council 's parking policy and aim to improve parking management and community understanding of council's parking policies.

6. *% community satisfaction with appearance of streetscapes (E&G*)*

The level of community satisfaction with the appearance of streetscapes is consistent with the previous year but below the target set in 1999 and will be addressed in service delivery efforts and in the sustainable value service review to be carried out in 2002/2003.

7. *% community satisfaction with appearance and cleanliness of the beaches and foreshores (E&G*)*

The level of community satisfaction with beach appearance and cleanliness whilst still below the target set in 1999 has improved by 6% over the previous period and reflects greater targeting of effort in this area.

8. *Street litter picked up (tonnes per month)*

The amount of litter picked up is below target because the volume of litter collected has been less than what was anticipated when the targets were developed in 1999. The lower levels of street litter available for collection may be due to a number of factors such as the inclination of the community to use bins, decreases in disposable packaging, greater efforts to recycle certain materials or less use of the public bins by traders for waste disposal.

9. *Number of planning permits which included environmental assessments*

This figure is well above the target established in 1999 because environmental assessment has become part of the standard application assessment with the introduction of Amendment C5 to the Port Phillip Planning Scheme as well as the introduction of ResCode.

10. *Number of community groups/organisations develop alliances with for neighbourhood recreation*

The city has exceeded its target of alliances with community groups/organisations for neighbourhood recreation. 27 agreements in the form of leases and licences with sporting and recreation groups were signed in the 2001/2002 financial year. The reason why there were so many established over this period was that new agreements were entered into with existing clubs that required new agreements as the former agreements had either lapsed or not been formally stated.

11. *Number of new residents packs distributed*

The number of new residents to the city in 2001/2002 was overestimated when setting targets. Kits are sent out on request, and far less requests were made than originally estimated.

12. *Number of community alliances established for service delivery*

The target has been exceeded because all community alliances that have been established and maintained through Social Development service agreements have been included in order to properly reflect the effective management and successful partnering with community based organisations to deliver community services.

COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

In our opinion, the accompanying performance statement of the Port Phillip City Council in respect of the 2001/2002 financial year is presented fairly in accordance with the Local Government Act 1989.

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

Council's corporate plan set out these measures in relation to the achievement of the business plan for the 2001/2002 financial year. The corporate plan also included many performance indicators above and beyond those required by the Local Government Branch.

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



Darren Ray
Mayor and Councillor

Dated: 26 September 2002



Elizabeth Johnstone
Deputy Mayor and Councillor

Dated: 26 September 2002

AUDITOR GENERAL'S REPORT ON PERFORMANCE STATEMENT



AUDITOR GENERAL
VICTORIA

To the responsible Ministers and Councillors of Port Phillip City Council

Matters relating to the electronic presentation of the Audited Performance Statement

This audit report relates to the performance statement of Port Phillip City Council in respect of the 2001-2002 financial year included on the Council's web site. The Councillors of the Port Phillip City Council are responsible for the integrity of the Council's web site. I have not been engaged to report on the integrity of the Council's web site. The audit report refers only to the statement named below. An opinion is not provided on any other information which may have been hyperlinked to or from the statement. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on this web site.

Audit Scope

The accompanying performance statement of Port Phillip City Council in respect of the 30 June 2002 financial year has been audited. The Councillors are responsible for the preparation and presentation of the statement and the information it contains. An independent audit of the statement has been carried out in order to express an opinion on the statement to the responsible Ministers and the Councillors as required by the Local Government Act 1989.

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

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

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

Audit Opinion

In my opinion, the performance statement of Port Phillip City Council in respect of the 30 June 2002 financial year is presented fairly in accordance with the Local Government Act 1989.

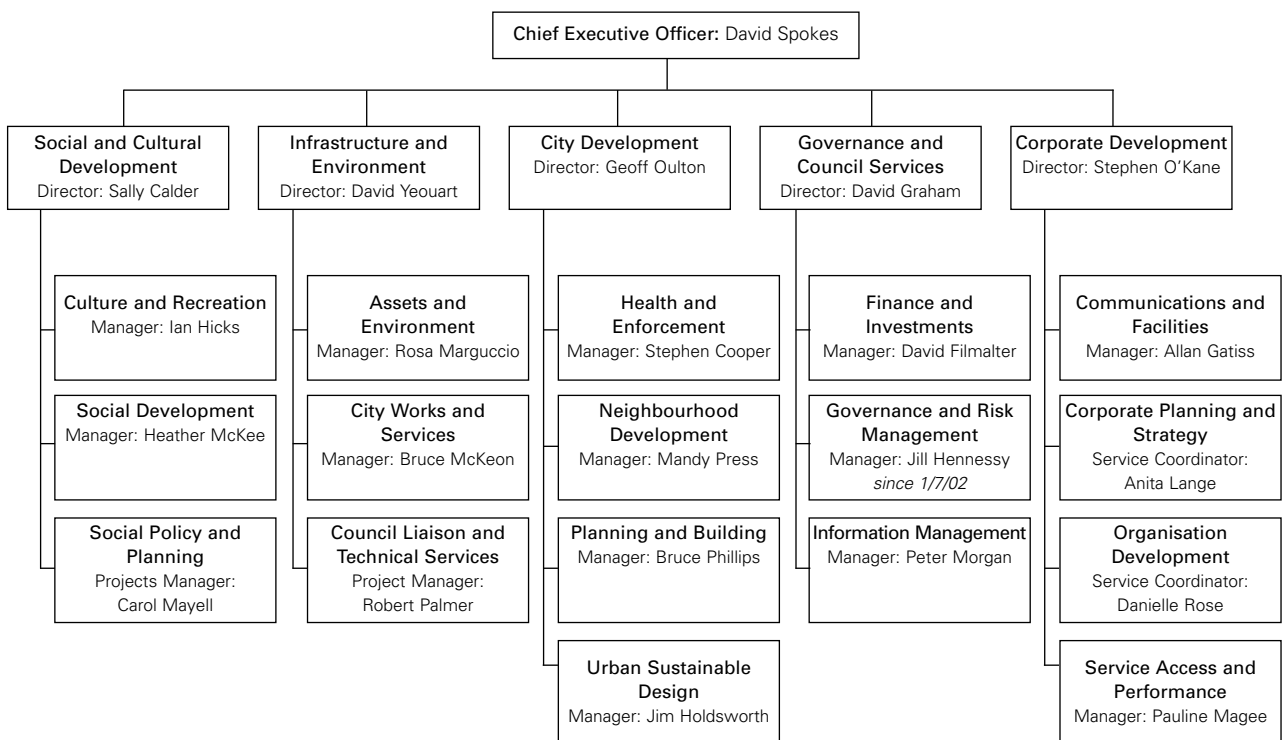
Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

MANAGEMENT



THE ORGANISATION

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



THE DIRECTORS

DAVID SPOKES, CHIEF EXECUTIVE OFFICER

David Spokes joined Port Phillip in 1995 as a general manager before being appointed Chief Executive Officer in March 2001. His professional experience includes over 18 years in a variety of local government settings in Victoria and New South Wales, including seven years in executive roles at the City of Melbourne. He also enjoyed a significant period in community health and ran his own planning consultancy for several years. David has degrees in arts and social work from the University of Melbourne, and he recently completed the Cranlana Foundation Leadership program.

PHONE (03) 9209 6464 **FAX** (03) 9536 2729 **EMAIL** dspokes@portphillip.vic.gov.au

SALLY CALDER, DIRECTOR SOCIAL AND CULTURAL DEVELOPMENT

Sally Calder was appointed Director of Social and Cultural Development in May 2001. Prior to moving into local government, Sally worked for over 10 years as a senior manager in NSW Health, and in a variety of executive roles in primary health care in regional and remote New South Wales. She also set up one of the first Skillshare programs for the long-term unemployed in rural New South Wales. Sally has a masters of arts and diploma of education from the University of Sydney, as well as a graduate diploma in business administration.

PHONE (03) 9209 6313 **FAX** (03) 9536 2567 **EMAIL** scalder@portphillip.vic.gov.au

DAVID YEOUART, DIRECTOR INFRASTRUCTURE AND ENVIRONMENT

David Yeouart is a civil engineer by training and has had extensive experience in the management of infrastructure and council services. Prior to his appointment as director in 2001, David was the manager of the Infrastructure department. A major achievement during his time in this role was the development of the Strategic Asset Management Plan (StAMP) for all areas of physical assets managed by the council on behalf of the community.

PHONE (03) 9209 6481 **FAX** (03) 9209 6220 **EMAIL** dyeouart@portphillip.vic.gov.au

GEOFF OULTON, DIRECTOR CITY DEVELOPMENT

Geoff Oulton has been with the City of Port Phillip since May 1995 and held several management roles before being appointed Director City Development in 1997. Geoff has a bachelor degree in engineering, a masters degree in traffic and transport engineering and a masters of business administration. Geoff's previous experience includes a short stint in a research capacity, work for a small consulting firm and five years with the City of Nunawading and then the City of Whitehorse in a number of management roles.

PHONE (03) 9209 6300 **FAX** (03) 9536 2728 **EMAIL** goulton@portphillip.vic.gov.au

DAVID GRAHAM, DIRECTOR GOVERNANCE AND COUNCIL SERVICES

David Graham has been in local government for more than 30 years. His work experience includes line management roles within Port Melbourne, Darebin and Kew councils, and he was chief executive officer of Port Melbourne Council prior to local government amalgamations in 1994. He is now head of council's Governance and Council Services division. David has a bachelor degree in business (accounting), a diploma of local government administration and a masters of business administration.

PHONE (03) 9209 6432 **FAX** (03) 9536 2726 **EMAIL** dgraham@portphillip.vic.gov.au

STEPHEN O'KANE, DIRECTOR CORPORATE DEVELOPMENT

Dr Stephen O'Kane has a strong background in organisation development and general management. He has worked in a variety of senior public sector roles in local government, State Government and in private consulting. Stephen has had previous responsibility for many of the functions included in his portfolio, notably communications, service culture and human resources. He is a former political studies fellow at the Australian Parliament and an alumni of the Williamson Community Leadership program.

PHONE (03) 9209 6712 **FAX** (03) 9209 6556 **EMAIL** sokane@portphillip.vic.gov.au

ACTIVITIES AND ACHIEVEMENTS

The following section reports on the specific activities and achievements of each division over the year. Together, these activities address the Key Result Areas outlined in council's corporate plan, which can only be achieved with the cooperation of the entire organisation.

Social and Cultural Development

The Social and Cultural Development division provides a comprehensive range of human services and cultural and recreational activities to support and promote the social and cultural aspirations of the community. Working in partnership with the community, including other providers and stakeholders, the division aims to reduce isolation, promote diversity, ensure safety and health, and to foster an environment where recreation, arts, culture and knowledge are valued.

Culture and Recreation

The Culture and Recreation unit facilitates access to cultural and recreational programs for people in the community. It focuses on involving people of all abilities in sport and recreation activities, funding and facilitating experiences in arts and culture, and ensuring access to information via the library service. The unit's services are directed at residents and visitors, artists, sporting and recreation clubs, and commercial operators utilising facilities within the City of Port Phillip.

Services Provided

- Library and heritage services
- Neighbourhood and community centres and adventure playgrounds
- Recreational services, including school holiday programs and the provision of sporting facilities
- Cultural development, including management of cultural activities and festivals
- Management of exhibition and work space for artists
- Foreshore utilisation and events management

Measurable Outputs

In the 2001/2002 financial year, outputs by Culture and Recreation included:

- 561,852 visitors to and 926,264 items borrowed from 5 library branches
- 2 major festivals - the St Kilda Film Festival and the St Kilda Music Festival - held
- \$110,000 in grants supporting cultural/artistic innovations distributed within the City of Port Phillip
- \$76,977 in grants to sporting and recreational organisations distributed within the City of Port Phillip
- 1,093 people (average) used the senior citizens centres activities and programs per month

- 1,580 hours (approximately) of support provided to people with disabilities each month
- 50,000 children (approximately) and their families used adventure playgrounds

Major Achievements

Completed the Albert Park Library refurbishment, implemented a new and improved library information management system, SPYDUS, and introduced the Surf-it internet access program for young people at the libraries.

Purchased new works for the City of Port Phillip contemporary art collection.

Social Development

The Social Development unit addresses the life-stage needs of residents and connects services for frail and older people, people with disabilities, families, young people and children in the City of Port Phillip.

Services Provided

- Child and family health services including maternal and child health services
- Family support services such as in-home support and youth support services
- Child care and education including centre-based care, home-based care, occasional care, preschools, kindergartens and vacation care programs
- Support to children with additional needs attending childcare
- Social support (ADASS)
- Home care and property maintenance
- Delivered and centre-based meals
- Housing information and support ▶

Measurable Outputs

In the 2001/2002 financial year, outputs by Social Development included:

- 55,408 hours of home care support provided to frail, aged and disabled residents
- 2,755 hours of property maintenance provided to frail, aged and disabled residents
- 75 frail older and disabled people provided with 14,850 hours of planned activities
- 8 planned activities groups provided on a weekly basis
- 118,772 delivered and centre-based meals provided
- 320 families used centre-based child care and 150 families used home-based child care services
- 605 first-time mothers provided with maternal and child health services
- 996 children newly enrolled in the maternal and child health service
- 2,626 children and parents accessed the maternal and child health service
- 500 residents provided with housing information and referral and support

Major Achievements

Extended the outreach Eroke program with the development of the Social Meals Project, which supports older and disabled residents of rooming houses, and developed an intergenerational project between the Eroke program and a local child care centre.

Selected as the preferred provider of the Department of Veterans' Affairs Home Care Program.

Increased utilisation of child care centres with centres achieving maximum utilisation rates throughout the year, achieved highest levels of accreditation at two child care centres and registered home-based child care to undertake quality assurance certification.

Implemented the Connecting program as part of the Local Drugs Strategy.

Social Planning and Policy

The Social Planning and Policy unit provides demographic analysis, policy development and community development services to strengthen the service sector for the benefit of the local community. The unit operates on principles that include improving access and equity and life-stage planning approaches.

Services Provided

- Collection and analysis of data to inform planning and policy development
- Policy analysis to realign local community and council services to local needs and council priorities
- Civic recognition and support projects including operation of the community grants scheme, a community group training program and community management resource sharing and redevelopment projects
- Implementation and monitoring of the City of Port Phillip Memorandum Of Understanding with the local indigenous community

Measurable outputs

In the 2001/2002 financial year, outputs by Social Planning and Policy included:

- 91 community groups assisted with funding grants
- 5 community groups assisted to share resources and realign service delivery in response to changing needs
- 8 three-year service agreements with community organisations reviewed and realigned to provide 10 new service agreements directed to meeting changing needs and sustainable service outcomes
- 1 social survey and issues assessment of newer Port Melbourne residents conducted

Major Achievement

Completed a social survey of the newer and changing population of Port Melbourne to increase council understanding of their needs and expectations.

Infrastructure and Environment

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

Assets and Environment

The Assets and Environment unit shapes civic places across the City of Port Phillip through the planning and design of parks, gardens and physical infrastructure, and promotes environmental initiatives within the organisation and the community at large. Service users include residents, businesses, shopping centre traders, visitors, tourists and other internal service units.

Services Provided

- Infrastructure and strategic asset management planning and sustainable infrastructure management
- Development of yearly and three-year capital works program
- Design and tendering of capital works projects
- Strategic storm water management plans
- Parks project design, planning and construction
- Municipal planning
- Environmentally-based programs for business, council and the community, including greenhouse gas reduction, sustainable living, and energy and water management initiatives
- Environmental education for staff and the community
- Development of partnerships for environmental projects
- Establishment and support of environmental community groups

Measurable Outputs

In the 2001/2002 financial year, outputs by Environmental Services included:

- 3% reduction (approximately) in greenhouse emissions from council and community operations achieved, culminating in a reduction of an estimated 636 tonnes of CO₂
- 102 households from the Port Phillip community involved in the Sustainable Living At Home program

Major Achievements

Initiated the highly successful and popular Sustainable Living At Home program, an educational program aimed at encouraging people to modify their lifestyles and attitudes to minimise their impact on the environment, and attracted sponsorship for the program from Melbourne Water, South East Water and the Australian Greenhouse Office.

Relocated the drainage outfall on Sandridge Beach to the Batman Road groyne and installed a gross pollutant litter trap in the new drainage system, clearing the beach of outfall and improving the site for a future State Life Saving Club Headquarters.

City Works and Services

The City Works and Services unit coordinates council's waste management program and shapes civic places across the City of Port Phillip through parks management, construction and maintenance of roadways and drainage, and other capital works activities in the City's landscapes, seascapes and streetscapes. Service users include residents and businesses, shopping centre traders, visitors and tourists.

Services Provided

- Waste management, including collection of domestic refuse, recyclables, hard and green waste and public litter bin refuse
- Transfer station operation and waste disposal management
- Litter and waste education
- Street, beach and drain cleaning
- Stormwater drainage maintenance
- Maintenance of parks and gardens
- Street tree planting and pruning
- Capital works management
- Civil infrastructure construction and maintenance
- Civic building maintenance ▶

Measurable Outputs

In the 2001/2002 financial year, outputs by City Works and Services included:

Waste Management

- 19,047 tonnes of domestic waste collected from residential premises and deposited in land fill
- 8,610 tonnes of materials collected for recycling
- 434 public litter bins emptied an average of 6.3 times per week
- 1,380 users (approximately) utilised the transfer station for waste and recycling per month

Cleaning

- 1,130 kilometres of local street and arterial road channels swept per month
- 161 hectares of shopping centre footpaths swept per month
- 4.5 hectares of laneways swept and cleaned per month
- 104 hectares of beach sanded areas cleaned per month during the summer season
- 1,750 stormwater drainage pits cleaned per month

Parks and Open Space

- 24 significant gardens and landscapes maintained
- 70 parks and reserves maintained
- 959 advanced trees planted

Capital Works and Building Maintenance

- 49 capital works projects, totalling \$5.7 million, completed on time and to budget
- 4,479 building maintenance cases closed

Major Achievement

Formed the City Works and Services unit in June 2002, which is responsible for delivery of physical services, including parks management, waste management and street cleansing, and brings together the various construction sections of council.

City Development

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

Health and Enforcement

The Health and Enforcement unit enhances the community's health, safety and amenity by providing integrated services to residents, ratepayers and businesses, and visitors such as motorists, workers and tourists. This unit also provides services to government authorities and non-government and community organisations and to animal welfare organisations, local dog groups, pet owners, pedestrians and open space users.

Services Provided

- Parking enforcement
- Public health and safety, food surveillance and infectious disease prevention
- Animal management

Measurable Outputs

In the 2001/2002 financial year, outputs by Health and Enforcement included:

- 1,102 abandoned/derelict vehicles removed from the streets
- 174,974 parking tickets issued
- 970 registered food premises and 218 Health Act registered premises serviced
- 538 eating establishment and 266 retailer education visits regarding smoke free dining, advertising and sales to minors conducted
- 185 test purchases of the sale of cigarettes to minors performed
- 20 school crossings supervised each day
- 56 community, 12 high school and 7 kindergarten/child care centre immunisation sessions carried out
- 5% increase in the immunisation rate of 12 to 18 month old babies achieved
- 1,429 after hours complaints received by the parking enforcement team
- 3,561 dogs and 3,167 cats registered

Major Achievements

Successfully implemented Victoria's tobacco laws relating to advertising and sales to minors, and smoke free dining, helping to limit complaints regarding smoking in eating establishments to only 25 for the year.

Successfully lifted the immunisation rate of 12 to 18 month old babies to only 1% below the State average (N.B. the transitory population in parts of Port Phillip means that the immunisation rate is expected to be below State average) through council's Immunisation Rate Improvement Plan.

Returned the animal management service from contract to in-house service delivery.

Neighbourhood Development

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

Services Provided

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

Measurable Outputs

In the 2001/2002 financial year, outputs by Neighbourhood Development included:

- 40 traffic management Capital Works Projects implemented at a total cost in excess of \$1 million
- \$7.4 million raised through pay parking ►

- 175,000 parking infringements processed through parking contractor
- 75% of total projects costs for Woodstock rooming house project in Balaclava funded by the Office of Housing
- 1 Neighbourhood Shopping Guide produced and 1 local business website established
- 2 highly successful business breakfast seminars conducted
- \$493,000 generated from management of kerbside trading
- 8 neighbourhood forums and 8 community local drug education and community partnerships forums coordinated

Major Achievements

Adopted the Sustainable Community Progress Indicators Project, committing council to a 10-year measurement program to establish progress toward achieving economic, social, environmental and cultural sustainability goals, and an annual report card to the community on progress against the 14 indicators.

Integrated the Victoria Police local safety committee into the Healthy and Safer Cities Alliance and established the Port Phillip Safer Cities Accord, in conjunction with police and licensed premises, to promote responsible serving and consumption of alcohol in the municipality.

One of only 13 international winners of the Stockholm partnership for Sustainable Cities Awards 2002 for the Inkerman Oasis development, and winner of the National Royal Australian Planning Institute (RAPI) Excellence Award for the Community Participation Tool Kit.

Planning and Building

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

Services Provided

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

Measurable Outputs

In the 2001/2002 financial year, outputs by Planning and Building included:

- 1,773 planning permit applications decided
- 200 subdivision certification applications approved
- 200 planning appeals contested
- 273 building permits issued
- 774 building inspections undertaken (includes 296 essential services inspections)
- 76 building emergency/dangerous situations investigated
- 326 building responses to illegal/legal works complaints made
- 705 planning non-compliance matters investigated
- 52 Planning Infringement Notices issued
- 39 Magistrate Court actions in planning and building matters dealt with
- 1,622 local laws complaints dealt with via the ASSIST Centre

Major Achievements

Successfully advocated that the Beacon Cove Stage 2 proposal was an overdevelopment and substantially resolved the planning amendment regarding the Esplanade Hotel.

Established a Fast Track application process and well on the way to achieving an improved urban planning service, delivering streaming of applications and significantly shorter turnaround times.

Adopted delegations and authorisations under the Building Act and Local Government Act for the Municipal Building Surveyor and building staff.

Commenced Phase 3 of the Planning and Building Records Management Strategy, involving imaging of permits and plans, which will lead to significant improvements in gaining fast access to electronic records and result in improved service to the development community, council officers and residents.

Improved the enforcement capability of the community amenity and planning enforcement units by combining them under one manager.

Urban Sustainable Design

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

Services Provided

- Urban design, architectural, landscape and environmental guidelines and advice to developers and property owners
- Sustainable energy guidelines
- Design input into strategic planning projects and planning policy
- Design of public spaces and management of nominated capital works projects
- Conduct of council's annual design and development awards program
- Administration of council's urban art program

Measurable Outputs

In the 2001/2002 financial year, outputs by Urban Sustainable Design included:

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

Major Achievement

Raised awareness in the development community of the importance and good environmental outcomes of integrating sustainable design policies into building and planning processes, leading to the adoption of an innovative sustainable design policy by council.

Governance and Council Services

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

Finance and Investments

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

Services Provided

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

Measurable Outputs

In the 2001/2002 financial year, outputs by Finance and Investments included:

- 96.5% rate collection rate achieved, compared to a metropolitan average of approximately 94%
- 14,476 purchase orders processed
- 14,159 cheques and electronic fund transfer payments raised
- 29,391 invoices issued to non-council debtors
- 4.63% average rate of return on investments achieved, compared to an average Reserve Bank discount rate of 4.50% during 2001/2002
- 92% satisfaction rate with the financial management information systems training achieved, with 61 of the 66 participants rating the courses as very good or excellent

Major Achievements

Implemented a comprehensive monthly performance reporting and rolling financial forecasting system for council.

Implemented a range of convenient payment options for council debtors who can now pay their accounts using credit cards, over the phone, at Australia Post and via the internet.

Rolled out two well-received training courses in the use of council's financial management information system to 66 staff from across the organisation.

Governance and Risk Management

The Governance and Risk Management unit supports the statutory activities of the organisation. Service users are primarily councillors and other internal service units.

Services Provided

- Governance activities, including promotion of participatory, transparent and ethical decision making procedures
- Ethical standards
- Mayor and councillor support
- Statutory functions
- Legal services
- Risk and insurance claims management
- Valuations
- External relations, including sister cities

Measurable Outputs

In the 2001/2002 financial year, outputs by Governance and Risk Management included:

- 35 Freedom of Information requests processed
- 421 people naturalised at Citizenship ceremonies
- 222 insurance claims finalised
- 2,865 supplementary valuations undertaken

Major Achievement

Consolidated statutory and governance activities within the organisation through the creation of the Governance and Risk Management unit and completed a review of the council and committee meeting structure including roles, responsibilities and composition.

Information Management

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

Services Provided

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

Measurable Outputs

In the 2001/2002 financial year, outputs by Information Management included:

- 500 personal computers, 80 printers and 20 servers maintained at 9 locations
- Over 530 helpdesk queries handled each month
- 97 map layers, connected to 5 corporate databases, maintained
- 279 staff members provided with access to the geographic information system at their own work station
- 90 geographic information system training sessions held
- 437 information systems training sessions held
- 111 TRIM (records management software) training sessions held
- 144,923 records management transactions processed in TRIM
- 297,264 pieces of outgoing mail processed

Major Achievements

Achieved industry best practice standards of over 98% in system availability, in that computer systems have been available for staff use for in excess of 98% of production time which is between 8.00 am and 6.00 pm every week day, excluding public holidays.

Completed the Information Management Group service review, with the recommendations adopted by the organisation.

South Melbourne Market

The South Melbourne Market unit operates the council owned market in South Melbourne. Service users include customers and visitors at the market and market stallholders.

Services Provided

- Strategic development and day-to-day management for the South Melbourne Market
- Marketing and promotion of the market
- Maintenance and waste management services for the market
- Collection of rental income for council

Measurable Outputs

In the 2001/2002 financial year, outputs by the South Melbourne Market included:

- 1.88 million people visited the market
- 10% increase in the average number of weekly shoppers and visitors to the market achieved
- 73% of resident shoppers at the market rated its performance as good or excellent, including 24% rating it as excellent (compared to 12% in 2000/2001)
- 1.3% increase in the market's gross revenues achieved
- 98% average permanent stall occupancy rate maintained
- \$368,000 expenditure on capital works at the market made, including footpath and landscaping works in Cecil and Coventry Streets and infrastructure improvements to the roof, electrical systems and trade waste

Major Achievement

Successfully launched a new marketing campaign, expanded the variety of goods and services offered at the market through the introduction of a number of new businesses, and increased satisfaction levels of resident shoppers at the market.

Corporate Development

The Corporate Development division exists to drive and support a culture of service - utilising ideas, energy and resources - to lead to a sustainable organisation. The Division aims to facilitate a strategic approach to organisational change and to contribute to the implementation of service unit initiatives leading to sustainable change. The ASSIST Centre, the public face of the organisation, is also within this division.

Communications and Facilities

The Communications and Facilities unit ensures that information about council services is appropriately targeted and accessible to all the community. The unit also plays a significant role in improving internal communication within the organisation, and manages council function and meeting room facilities. This unit provides services to a broad section of the community both within and outside the City of Port Phillip, to other internal service units and to users of council facilities.

Services Provided

- Production of recognisable, accurate and timely information regarding council services and key activities
- Corporate publicity, public affairs and media liaison
- Communications consultancy to internal service units
- Market research
- Function facilities and meeting room facilities

Measurable Outputs

In the 2001/2002 financial year, outputs by Communications and Facilities included:

- 6 Diversity community newsletters distributed
- 6 audio versions of Diversity recorded
- 48 corporate newspaper columns published

Major Achievement

Integrated council's communications resources to ensure that information provided in the Diversity community newsletter and/or the weekly column is concurrently available on the internet/intranet, and using the telephone on-hold message system to provide key council information to the community.

Corporate Planning and Strategy

The Corporate Planning and Strategy unit helps guide council's directions and priorities through corporate and business planning processes and monitors the

organisation's progress against its set goals. Services are provided to councillors, senior management, staff and the Port Phillip community.

Services Provided

- Corporate strategy and strategy coordination
- Development and monitoring of council's corporate plan
- Support of service and business planning across the organisation

Measurable Outputs

In the 2001/2002 financial year, outputs by Corporate Planning and Strategy included:

- 1 corporate plan framework developed for the next four years, including the development of 2002/2003 highlights
- 3 four-monthly internal reports completed, monitoring progress against the 2001/2002 corporate plan
- 16 specific market research projects and 1 global market research project undertaken

Major Achievement

Developed the 2002/2006 corporate plan.

Organisation Development

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

Services Provided

- Industrial and employee relations
- Human resources policy development and dissemination
- Workforce planning
- Recruitment
- Staff performance management and review
- Employee assistance and outplacement support

- Equal employment opportunity program
- Occupational health and safety consulting
- WorkCover claims management
- Remuneration packaging, payroll and superannuation

Measurable Outputs

In the 2001/2002 financial year, outputs by Organisation Development included:

- 143 new permanent full-time and part-time workers recruited
- 5 indigenous trainees placed into permanent positions within council
- 1 indigenous trainee placed into a traineeship
- 37 courses offered as part of an organisational wide Training and Development Program

Major Achievement

Negotiated and certified the City of Port Phillip Enterprise Bargaining Agreement 2002.

Service Access and Performance

The Service Access and Performance unit drives service improvement initiatives across the organisation and provides a first point of contact for all council-related requests. Service users include other internal service units, people accessing council's website and anyone communicating with council either face-to-face or by phone, fax, email or letter.

Services Provided

- Service culture improvement initiatives
- Development of council's sustainable value program
- Conduct of sustainable value service reviews
- ASSIST Centre, including call centre and front desk reception services
- Service request and complaint resolution
- Residential permits
- Port Phillip on Line (PPoL) intranet and internet development

Measurable Outputs

In the 2001/2002 financial year, outputs by Service Access and Performance included:

- 5 service reviews completed (Infrastructure and Capital Works, Family and Youth Services, Complaints and Requests, Health and Amenity, Corporate Communications)
- 2 further service reviews completed with reports due for presentation to council (Integrated Transport Management, Information Management Group)
- 149,200 telephone enquiries handled
- 52,440 visitors to Town Hall ASSIST front desks served
- 20,500 requests and complaints satisfactorily resolved
- 86% first point resolution for people contacting council face to face or by phone, fax, email or letter achieved
- 100% coverage of the organisation by the customer tracking system achieved for the first time, including contractors

Major Achievement

Introduced a process to issue visitor parking permits over the counter.

THE PEOPLE



WORKFORCE DETAILS

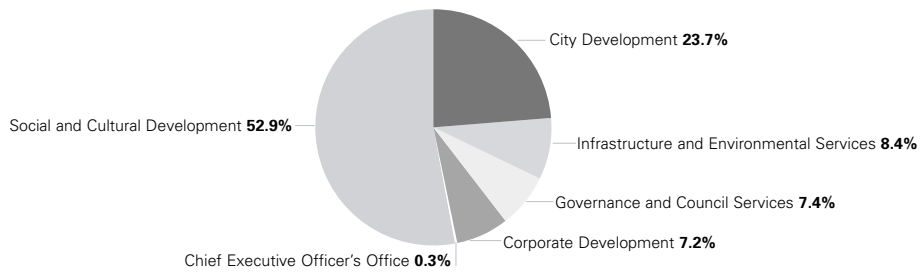
The following table outlines the number, classification and types of jobs within the City of Port Phillip organisation, including the numbers of staff of both sex, and members of staff in designated groups.

These numbers are a head count rather than an indication of EFT (Equivalent Full Time) employees. Casuals include on-call and/or intermittent staff.

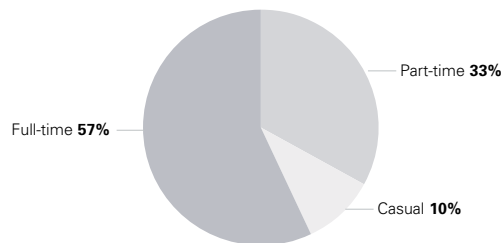
	FULL-TIME		PART-TIME		CASUAL		TOTAL
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
Chief Executive Officer's Office	1	1	0	0	0	0	2
Corporate Development	18	18	3	8	1	1	49
City Development	64	51	14	23	3	6	161
Social and Cultural Development	27	115	37	128	10	42	359
Infrastructure and Environmental Services	42	14	0	1	0	0	57
Governance and Council Services	18	22	0	8	1	1	50
Total	170	221	54	168	15	50	678

Figures indicate the people paid in the last pay run for the 2001/2002 financial year (i.e. 26 June 2002).

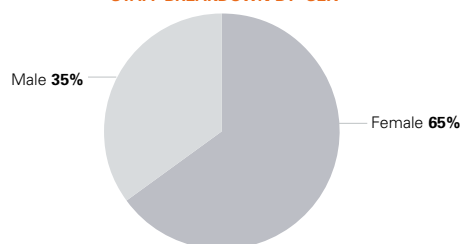
STAFF BREAKDOWN BY DIVISION



STAFF BREAKDOWN BY EMPLOYMENT STATUS



STAFF BREAKDOWN BY SEX



TRAINING AND DEVELOPMENT

A comprehensive training and development calendar is compiled by the City of Port Phillip every six months. The courses offered are available and applicable to all levels of staff within the organisation. Supervisors are encouraged to support employees' attendance at training courses through performance work plans. Of particular interest in 2001/2002 has been the instigation of the Frontline Management Initiative, a 12-month accredited program undertaken in partnership with Swinburne University and offered through an expression of interest to all staff. 20 employees will participate each year.

EQUAL EMPLOYMENT OPPORTUNITY

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

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

- The Memorandum of Understanding with the indigenous community, which includes an Indigenous Recruitment Strategy, demonstrates the City's commitment to sustainable employment and career opportunities for indigenous people by employing 18 indigenous people into permanent positions over a three-year period. To date, five trainees have graduated and have accepted ongoing employment with the City of Port Phillip. One trainee is currently completing the 12 month course and 13 trainees have used the skills learned at the City of Port Phillip to seek employment elsewhere.
- The City of Port Phillip continues to recognise the challenges that face individuals as they balance their work and family responsibilities. To this end, the City of Port Phillip has committed to and implemented a more innovative and flexible approach to the way employees can manage their work and family responsibilities through the City of Port Phillip Enterprise Bargaining Agreement 2002.
- The organisation is continuing to provide equal employment opportunity training specifically related to the differing needs of various service units and the needs continuously evolving within the community. Training on indigenous issues, cross cultural awareness and topics specifically relating to sexual harassment and expected behaviour within the workplace will continue to form part of the 2002/2003 organisational training calendar. Equal employment opportunity and service delivery will be a key training program offered to all staff.

OCCUPATIONAL HEALTH AND SAFETY

The City of Port Phillip is seeking to ensure that all managers and employees embrace the principles of a healthy and safe workplace. An audit of occupational health and safety has recently been conducted and will form the basis for ensuring that occupational health and safety obligations continue to be supported and communicated.

EMPLOYEE RELATIONS

The City of Port Phillip Enterprise Bargaining Agreement 2002 was effective from 1 January 2002. Council's intent is to link pay increases with notable improvements in service delivery. As a result, service projects have been committed to by every team and a senior manager nominated as a sponsor, and future pay increases across the organisation will be linked to the successful completion of these projects.

WHISTLEBLOWERS

The City of Port Phillip is committed to the aims and objectives of the Whistleblowers Protection Act 2001. 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 Whistleblowers Protection Act 2001 came into operation on 1 January 2002. The purpose of the Act is to encourage and facilitate disclosures of improper conduct by public officers and public bodies, and to provide protection for persons who make the disclosures and persons who may suffer reprisals in relation to those disclosures. The Act also provides for the matters disclosed to be properly investigated by the Ombudsman or the nominated investigator. The Act applies to all public bodies and public officers, including councillors and council staff. To date, the City of Port Phillip has received no complaints under the legislation.

In accordance with the Whistleblowers Protection Act, the following specific reporting requirements have been included in the City of Port Phillip's annual report:

The number and types of disclosures made to the City of Port Phillip during the year	nil
The number of disclosures referred during the year by the City of Port Phillip to the Ombudsman for determination as to whether they are public interest disclosures	nil
The number and types of disclosed matters referred to the City of Port Phillip during the year by the Ombudsman	nil
The number and types of disclosed matters referred during the year by the City of Port Phillip to the Ombudsman to investigate	nil
The number and types of investigations of disclosed matters taken over by the Ombudsman from the City of Port Phillip during the year	nil
The number of requests made under Section 74 (relates to persons making requests to the Ombudsman) during the year to the Ombudsman to investigate disclosed matters	nil
The number and types of disclosed matters that the City of Port Phillip has declined to investigate during the year	nil
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	nil
Any recommendations of the Ombudsman under the Act that relate to the City of Port Phillip	nil

Council has adopted a detailed whistleblowers protection procedures manual and specific guidelines for ASSIST and records management staff. The current procedures established by the City of Port Phillip under Part 6 of the Whistleblowers Protection Act, which relates to the establishment of procedures by public bodies, are outlined in an appendix at the end of this report.

- Full procedures manual is included in APPENDIX

INFORMATION



PUBLIC DOCUMENTS

The following documents are available for public inspection on request. All documents are available from the St Kilda Town Hall. To inspect accounts documents contact the Finance unit, for all other documents contact the Statutory Functions unit unless otherwise stated. These units can be reached by contacting the City of Port Phillip's ASSIST Centre. In some instances, requests may need to be made in writing or on a specific form.

Accounts

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

Other Documents

- Details of current allowances fixed for the mayor and councillors
- Details of senior officers' total salary packages for the current financial year and the previous year
- Details of overseas or interstate travel undertaken in an official capacity by councillors or any member of council staff in the previous 12 months
- Names of council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted
- Agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public
- A list of all special committees established by council and the purpose for which each committee was established
- A list of all special committees established by the council which were abolished or ceased to function during the financial year

- Minutes of meetings of special committees held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public
- Applications for enrolment on the voters' roll for the immediate past roll and the next roll being prepared (contact the Rates unit)
- A register of delegations
- Submissions received in accordance with the Local Government Act during the previous 12 months
- Agreements to establish regional libraries (not applicable)
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the council as lessor or lessee
- A register of authorised officers
- A list of donations and grants made by the council during the financial year
- A list of the names of the organisations of which the council was a member during the financial year
- A list of contracts valued at \$100,000 or more which the council entered into during the financial year without first engaging in a competitive process
- A list of local laws, including any amendments during the financial year
- A list of senior officers given approval to engage in paid employment outside the duties of her or his office
- A register of returns of interest submitted by councillors
- A register of notice of rescission motions
- A register of documents signed and sealed by council
- A register of notices calling for a special council meeting

FREEDOM OF INFORMATION

Background

The Freedom of Information Act (Victoria) 1982 gives members of the public a legal right of access to certain documents held by the council. Requests for access to council documents under this Act must be in writing and should provide sufficient information to identify the particular document(s) being sought. The Act also stipulates that an application fee of \$20 must accompany each request. Enquiries regarding freedom of information can be directed to the City of Port Phillip's ASSIST Centre.

Freedom of Information Statistics for 2001/2002

Freedom of information applications received	35
Access granted in full	12
Access granted in part	17
Refusals	6
Requests still under consideration (N.B. access already granted in part)	1
Internal reviews sought	0
Appeals lodged with Victorian Civil and Administrative Tribunal	0
Total charges collected	\$560.00
Total charges waived	\$140.00

GLOSSARY

Annual community satisfaction survey for local governments

A survey relating to the community's satisfaction with local government across Victoria, coordinated by the Local Government Division of the Office of Local Government.

Annual report

Details council's activities and achievements from each financial year (July to June).

The Local Government Act 1989 and the Local Government Regulations 2001 outline what is to be contained in the annual report, including:

- a report of the council's operations during the financial year
- audited financial statements for the financial year
- audited performance statement for the financial year

The report of operations provides an accurate description of the operations of the council for the year and includes a review of the performance of the council against the council's corporate plan.

The Victorian Auditor General is responsible for the audit of the financial statements and performance statement.

A copy of the annual report is sent to the Minister for Local Government by 30 September each year.

Annual review

Summarises council's activities and achievements from each financial year (July to June).

The annual review is not audited.

The annual review is distributed across the municipality with council's community newsletter and is forwarded to non-resident ratepayers by mail.

Best value

Refers to the provision of services at a good price relative to the market, and where the standard of delivery responds closely to community needs. It is a way of approaching service delivery that the State Government has identified for all councils within Victoria. It is based on six key principles, that all services be:

- measured against quality and cost standards
- responsive to the needs of the community
- accessible to those for whom the service is provided
- subject to continuous improvement
- linked to a program of regular community consultation

- subject to reporting of results to the community in relation to performance under the above principles

Business Plan

The business plan contains a number of selected highlights under each of the four pillars of the corporate plan for the coming year and is prepared in accordance with Section 153A of the Local Government Act 1989. The business plan contains performance measures and targets for each highlight against which the council's performance will be audited in accordance with Section 153B of the Local Government Act 1989. The business plan measures and targets will be reported in the 2002/2003 performance statement as part of the 2002/2003 annual report.

Community

The Port Phillip community is comprised of all those who live, or work in or visit the municipality.

Community hub

A hub or hive of related activities/facilities that locate together or close to each other in order to share resources or audiences, or to support each other. Council supports these hubs as viable and vibrant places for the community to visit and use. Council's role is in coordinating planning and service delivery from these hubs and in urban design/planning to ensure these hubs function as well as possible and are attractive, safe and representative spaces.

Community Plan 1997

A document outlining aspirations of the Port Phillip community that were canvassed in the Community Summit held shortly after the 1996 council election (post amalgamation). The plan reflects the views of a wide cross section of the community and contains a vision for Port Phillip from 1997 to 2007. It includes a list of priority issues, which the community said were important in achieving the council's vision, and which have formed the basis of council's annual corporate plans since 1997.

It is proposed to revisit the Community Plan 1997 in the second half of 2002 to check that the vision and goals are still strongly supported by our community.

Corporate plan

A three-year framework that sets out the council's corporate objectives, strategies and indicators. ►

Growing democracy project

A project which covers a number of linked council activities concerned with lifting the profile of and community engagement on issues such as citizen rights, responsibilities and participation, in order to support a more democratic and active community.

Health and Community Safety Plan 1999

A plan to create a healthy and safer Port Phillip by establishing and resourcing programs to improve health and life expectancy and enhance the wellbeing of people within the City of Port Phillip. The plan outlines a number of key programs to achieve these goals.

Key Result Area (KRA)

The six key goals of the 2001/2002 corporate plan, including:

KRA 1: Building stronger communities

KRA 2: Improving our built environment

KRA 3: Building a sustainable environment

KRA 4: Enhancing our neighbourhoods and places

KRA 5: Improving our service and capabilities

KRA 6: Ensuring a sustainable organisation

Each Key Result Area has two councillor sponsors and a senior management leader.

Memorandum Of Understanding (MOU)

Sets out council's key commitments to working towards achieving reconciliation within the municipality. The City of Port Phillip entered into its current agreement with the local indigenous community in 1999. It is proposed to implement a new Memorandum Of Understanding with our indigenous community in 2002/2003.

Neighbourhood

The local area or suburb that a particular part of the Port Phillip community identifies with in terms of where they live and the community affiliation they feel. There are seven neighbourhoods within the municipality: Albert Park and Middle Park; East St Kilda; Elwood and Ripponlea; Port Melbourne and Garden City; South Melbourne; St Kilda; and St Kilda Road and Queens Road.

A significant message over the years has been the clear community desire to maintain and enhance the diversity and special qualities of the various neighbourhoods as well as experience services and activities on a neighbourhood basis. Council has responded by adopting a neighbourhood approach to the delivery of services, corporate plan activities and its planning scheme, wherever practicable.

Place management

A way of planning, delivering and communicating services that is oriented towards meeting the needs and expectations of a particular place, be it a neighbourhood or a particular location such as the South Melbourne Market or a neighbourhood shopping centre. It encourages an integrated approach to both the planning and delivery of council services.

In particular, place management considers how the place or neighbourhood experiences the services that council is delivering and attempts to optimise the delivery of services from this perspective. To be effective, such an approach relies on community consultation and feedback on the planning and delivery of services to ensure that council properly understands the needs of service recipients.

Port Phillip on Line (PPoL)

The collective name for the council's internet development activities.

Service at Port Phillip

Service at Port Phillip is about entrenching an approach to service that responds to queries or requests in a quick, friendly and efficient manner.

StAMP

An acronym for council's Strategic Asset Management Plan, which aims to ensure that the management and maintenance of assets takes a long-term view of costs and asset life to ensure the assets' sustainability.

Sustainable value service review

Council's program of regular reviews of services to ensure they are consistent with the best value legislation and the principles outlined under the best value definition.

Sustainability

Sustainability for Port Phillip is about establishing processes and actions that support economic viability, environmental responsibility, cultural vitality and social equity to ensure that we provide for future generations to the best of our current ability.

Victorian Local Government Indicators

Indicators against which all local governments within Victoria are required to assess their performance and report the results in their annual report.

FINANCES



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2002

	NOTE	2002 \$'000	2001 \$'000
REVENUES			
Revenue from ordinary activities			
Rates	2	45,939	43,999
Parking fees and fines	3	19,197	19,805
User charges and other fines	4	8,452	7,701
Grants	5	10,631	9,803
Developer contributions	6	2,795	2,359
Other revenue	7	1,383	1,846
Interest		1,071	1,156
Contributed assets		-	24,816
Rent		3,739	3,709
Proceeds from disposal of property, plant and equipment	8	91	150
		93,298	115,344
EXPENSES			
Expenses from ordinary activities			
Employee expenses	9	27,092	24,926
Contract payments, materials and services	10	28,384	25,404
Bad and doubtful debts	11	2,071	2,224
Depreciation	12	11,122	11,431
Consultants and utility payments		6,552	5,359
Other expenses	14	13,198	10,878
Written down value of assets sold	8	949	4,828
		89,368	85,050
Less borrowing costs expense	13	(746)	(843)
Add share of net profits of joint ventures accounted for using the equity method	34	72	31
Profit from ordinary activities		3,256	29,482
Net result for the reporting period		3,256	29,482
Movements in equity			
Net increase in asset revaluation reserve	22	139,885	-
Total movements directly recognised as equity		139,885	-
Total changes in equity for the year		143,141	29,482

The accompanying notes form part of this financial report.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002

	NOTE	2002 \$'000	2001 \$'000
ASSETS			
Current assets			
Cash assets	15	26,372	24,560
Receivables	16	9,933	10,512
Accrued income		140	1,135
Prepayments		204	1,304
Total current assets		36,649	37,511
Non-current assets			
Investment in joint venture	34	602	530
Other financial assets		284	296
Receivables	16	5,905	5,845
Property, infrastructure, plant and equipment	17	982,884	841,055
Total non-current assets		989,675	847,726
Total Assets		1,026,324	885,237
LIABILITIES			
Current liabilities			
Payables	18	8,061	10,170
Trust funds	19	881	833
Provisions	20	2,605	2,179
Interest-bearing liabilities	21	676	636
Total current liabilities		12,223	13,818
Non-current liabilities			
Provisions	20	2,271	2,056
Interest-bearing liabilities	21	10,928	11,602
Total non-current liabilities		13,199	13,658
Total liabilities		25,422	27,476
Net Assets		1,000,902	857,761
Represented by:			
Accumulated surplus		501,933	499,992
Reserves	22	498,969	357,769
Equity		1,000,902	857,761

The accompanying notes form part of this financial report.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2002

	NOTE	TOTAL 2002 \$'000	TOTAL 2001 \$'000	ACCUMULATED SURPLUS 2002 \$'000	ACCUMULATED SURPLUS 2001 \$'000	ASSET REVALUATION RESERVE 2002 \$'000	ASSET REVALUATION RESERVE 2001 \$'000	OTHER RESERVES 2002 \$'000	OTHER RESERVES 2001 \$'000
Balance at beginning of the financial year		857,761	828,279	499,992	473,284	336,510	336,510	21,259	18,485
Result for the year		3,256	29,482	3,256	29,482	-	-	-	-
Net asset revaluation increment	22	139,885	-	-	-	139,885	-	-	-
Transfers to other reserves	22	-	-	4,470	(6,211)	-	-	(4,470)	6,211
Transfers from other reserves	22	-	-	(5,785)	3,437	-	-	5,785	(3,437)
Balance at end of the financial year		1,000,902	857,761	501,933	499,992	476,395	336,510	22,574	21,259

The accompanying notes form part of this financial report.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2002

	NOTE	2002 INFLOWS/ (OUTFLOWS) \$'000	2001 INFLOWS/ (OUTFLOWS) \$'000
Cash flows from operating activities			
Rates		45,509	44,400
Parking fees and fines		19,423	17,779
User charges and other fines (inclusive of GST)		10,386	10,736
Grants		10,631	7,444
Contributions		2,795	2,359
Interest		1,071	1,156
Rents		3,739	3,361
Other receipts (inclusive of GST)		3,684	5,003
Net GST refund		2,778	2,151
Payments to suppliers (inclusive of GST)		(42,607)	(32,695)
Payments to employees (including redundancies)		(27,438)	(24,787)
Borrowing costs		(746)	(843)
Other payments		(12,867)	(15,769)
Net cash provided by operating activities	23	16,358	20,295
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(14,015)	(13,508)
Payments for investments		-	(6,638)
Proceeds from sale of investments		2,796	-
Proceeds from sale of assets		91	150
Net cash used in investing activities		(11,128)	(19,996)
Cash flows from financing activities			
Proceeds from borrowings		-	38
Repayment of borrowings		(635)	(637)
Net cash used in financing activities		(635)	(599)
Change in cash held		4,595	(300)
Cash at the beginning of the financial year		1,767	2,067
Cash at the end of the financial year	24	6,363	1,767
Financing arrangements	25	7,532	10,020

The accompanying notes form part of this financial report.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Note 1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This financial report of the Port Phillip City Council is a general purpose financial report that consists of a Statement of Financial Performance, a Statement of Financial Position, a Statement of Cash Flows, a Statement of Changes in Equity and notes accompanying these 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 Regulations 2001.

This financial report has been prepared on an accrual and going concern bases. The financial report has also been prepared under the historical cost convention except where specifically stated.

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

(b) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition.

Where assets are constructed by Council, cost includes an appropriate share of fixed and variable overheads.

The asset capitalisation limit of \$500 was increased during the financial year to \$1,000.

The following assets have been recognised in Note 17. In accordance with Council's policy, the threshold limits below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

Class of Asset	THRESHOLD LIMIT \$'000
Land and Buildings	
Land	0
Buildings	5
Land improvements	5
Plant and equipment	1
Plant and machinery	1
Furniture, equipment and computers	1
Infrastructure	
Roads (including parking lanes on VicRoads roads)	
- Earthworks	5
- Substructure	5
- Seal	5
Footpaths	5
Kerb and channel	5
Drains	5
Bridges	
- Substructure	5
- Deck	5
Other	
Irrigation and sprinkler systems	5
Street furniture	5
Parks and gardens furniture and equipment	5
Playground equipment	5
Fencing	5
Artworks	1
Library books	> 1 Dollar.
Heritage assets	> 1 Dollar.

Revaluation

At balance date, the Council reviewed the carrying value of the individual classes of assets within land and buildings and infrastructure assets. Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment are measured at fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets within the land and buildings and infrastructure assets to ensure that each asset materially approximates its fair value. Where the carrying value materially differs from the fair value, the assets class is revalued.

In addition, Council undertakes a formal revaluation either by experienced council officers or independent experts of land, buildings and infrastructure assets on a cyclical basis.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve. If a revaluation decrement exceeds a previous increment then the net decrease is recognised as an expense in the statement of financial performance.

Land Under Roads

The Council has elected not to recognise land under roads as an asset in accordance with AAS 27A 'Amendments to the Transitional Provisions in AAS 27'.

(c) Change in Accounting Policy

Change in asset revaluation policy

In previous reporting periods up to 30 June 2001, plant and equipment was measured on a revaluation basis. In changing from a revaluation basis to the cost basis, the carrying amount for plant and equipment at 1 July 2001 was deemed to equal the cost of those assets. Accordingly, the change in accounting policy for plant and equipment has had no impact on either the current year statement of financial performance or opening accumulated surplus.

(d) Depreciation and amortisation of non-current assets

Property, infrastructure, plant and equipment 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 readily identifiable separate components that have distinct useful lives and/or residual values a separate depreciation rate is determined for each component.

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

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated: ►

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Note 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	PERIOD
Land and Buildings	
Buildings	100 years
Heritage Assets	
Heritage assets	100 years
Other Plant and Equipment	
Communications equipment	3 to 5.5 years
Furniture	3 to 5.5 years
Information Technology	3 years
Library books	5 years
Motor vehicles	5 years
Office Equipment	3 to 5.5 years
Pay parking equipment	5 years
Infrastructure	
Roads (including parking lanes - Substructure on VicRoads roads)	100 years (all road components 1998 / 99)
- Surface	6 - 12 years
Footpaths	40 years
Kerb and channel	50 years
Drains	100 years
Bridges	100 years
Improvements to parks and gardens	40 years
Right of ways	100 years

(e) Repairs and maintenance

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

(f) Leases

Operating Leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred.

(g) Employee entitlements

Salaries and Wages

Liabilities for salaries and wages and rostered days off are recognised and are measured as the amount unpaid at balance date. Entitlements include on-costs that are calculated using employee remuneration rates as at balance date.

Annual Leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date, having regard to current rates of pay and on-costs. Annual leave entitlements are provided for at their nominal value.

Long Service Leave

Long service leave entitlements payable are assessed at balance date having regard to current employee remuneration rates, employment related on-costs and other factors including accumulated years of employment, future remuneration levels, and experience of employee departure per year of service. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these entitlements. Commonwealth Bond Rates are used for discounting future cash flows.

Superannuation

The City of Port Phillip does not have any unfunded liability of defined benefit superannuation schemes to which its employees are members.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of these arrangements are set out in Note 27.

Retirement Gratuities

Retirement gratuities were provided to certain employees who joined the Council prior to 30 June 1995. The liability represents a set proportion of accumulated sick leave that is payable on retirement. At balance date, the liability is measured on the present value of estimated future cash flows to be made for this entitlement.

(h) Revenue recognition

Rates, grants and contributions

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year, or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they would be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is transferred to a reserve account and disclosed in Note 5.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date. ►

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Note 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Revenue recognition (continued)

User charges, fees and fines

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

A provision for doubtful debts is recognised as 50% of the balance of debtors > 90 days whose collection is in doubt.

Sale of property, plant and equipment

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

Interest and rents

Interest and rentals are recognised as revenue on an accrual basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Dividends

The City of Port Phillip does not hold any investments which entitle it to receive dividends.

(j) Cash assets

For the purposes of the statement of cash flows, cash assets include cash on hand and highly liquid investments with short periods to maturity that are readily convertible to cash on hand at the Council's option and are subject to insignificant risk of changes in values, net of outstanding bank overdrafts.

(k) Investments

Investments are measured at cost.

(l) Public Housing Agreements

Council has financial interests in 13 properties, 8 of which are Council owned, 2 part owned with the State Government's Office of Housing and 1 (Inkerman Oasis) involving units provided for Council under an agreement with a private developer. Apart from Inkerman Oasis, all are subject to Joint Venture agreements with the Office of Housing. Nine properties are operational under the management of the St Kilda Housing Association Inc., one is under construction and three yet to be developed.

Assets acquired are initially recorded at cost. Council has no ongoing liabilities for costs which are borne by the Port Phillip Housing Association under the terms of the management agreement. Recent projects comprise Inkerman Oasis, St Kilda which is to be provided by a developer and is under construction; Excelsior Hall and Liardet community housing in Port Melbourne and Woodstock in Balaclava, which are either seeking planning approval or are yet to be developed.

(m) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs include interest on borrowings.

(n) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Council's operational cycle.

(o) Budget information

Amounts shown in the financial report as budget information have been disclosed for information purposes only. Where necessary, budget information has been recast to comply with current presentation requirements. The budgeted figures have been drawn from Council's budget approved at the time the rates and corporate plan were adopted by Council for the 2001-2002 year.

(p) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the statement of financial position.

(q) Rounding

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

(r) Tender deposits

Any amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust Funds until they are returned or forfeited.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
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Note 2 RATES

Council uses Net Annual Value (NAV) as the basis of valuation 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 2001/2002 was \$902.1 million (2000/2001 \$881.7 million). The 2001/2002 rate in the NAV dollar was 4.903 (2000/2001 4.788).

Residential	24,401	24,136
Commercial	10,131	11,544
Industrial	3,277	3,145
Supplementary rates and rate adjustments	1,098	1,181
Garbage bin charge	113	117
Interest on rates	386	467
Municipal charge	1,190	1,373
Investment flats	5,343	2,036
	45,939	43,999

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2002 and the valuation first applied to the rating period commencing 1 July 2002.

The date of the next general revaluation of land for rating purposes within the municipal district will be 1 January 2004 and the valuation will be first applied in the rating year commencing 1 July 2004.

Note 3 PARKING FEES AND FINES

Infringements and costs	5,164	8,123
PERIN court recoveries	6,212	4,118
Fees - ticket machines	7,384	7,333
Permits	437	231
	19,197	19,805

Note 4 USER CHARGES AND OTHER FINES

Advertising Levy	125	80
Aged Services	942	837
Animal Management Services	109	167
Building Services	555	499
Child Care/Children's Programs	2,444	2,187
Festivals	204	208
Health and Food Act Fees	491	482
Kerbside Permits	498	367
Land Information Certificates	134	110
Market Fees	314	264
Planning Fees	1,250	970
Re-instatement Works	644	524
Waste Management	316	416
Other Fees and Charges	426	590
	8,452	7,701

	2002 \$'000	2001 \$'000
Note 5 GRANTS		
Grants were received in respect of the following :		
Community services grants and subsidies		
Home help – elderly	1,238	1,203
Addas	198	194
Specific home care	232	235
Home maintenance services	107	107
Senior citizen centres	58	49
Meals on wheels	145	145
Pre school	89	74
Maternal and child health	230	224
Child care centre	277	404
Family day care	222	352
Adventure playground and leisure	551	537
Immunisation	18	14
Dental program	7	7
Family support	157	128
Arts	94	105
Indigenous	22	14
Drug strategy	285	215
Isephac	338	497
Information grants and subsidies		
Library subsidy	404	360
Environmental grants and subsidies		
Beach clean	305	216
Trade waste	23	5
Coastal and marine grant	81	350
EPA grant	135	260
Storm water retention	-	43
Transport grants and subsidies		
VicRoads	1,078	956
Walksafe	8	306
50km signage	-	8
School crossing	62	53
Capital grants	1,895	968
Other		
Registered premises	32	39
Town hall refurbishment	-	50
National competition policy	137	135
SES subsidy	-	3
Urban planning	14	30
Clock tower refurbishment	350	-
International year of volunteers	14	-
Inkerman Oasis housing development	150	-
Rooming house social meals	13	-
Upper Esplanade design grant	54	-
Sports and recreation grants	67	-
	9,090	8,286
Unclassified grant		
Grants commission	1,541	1,517
Total grants and subsidies	10,631	9,803
Recurrent	7,999	8,075
Non-Recurrent	2,632	1,728
Total	10,631	9,803



NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
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Note 5 GRANTS (CONTINUED)

Conditions on contributions

Grants recognised as revenue during the year and were obtained on the condition that they be expended in a specified manner and that had not been used at balance date were:

Children services	-	14
Coastal and marine planning	-	239
Community buses	-	31
Community housing	55	-
Community services	-	340
Cultural and recreational services	382	123
Drug strategy	68	168
Environmental	90	-
Health services	-	28
Healthy cities	-	82
Indigenous program	-	39
Kindergartens	6	-
Parking strategy	35	179
Pt Melb design refurbishment	-	50
Social support	57	52
Sustainable development	125	-
Youth development	42	-
	860	1,345

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

Children services	14	N/A
Coastal and marine planning	239	N/A
Community buses	31	N/A
Community services	340	N/A
Cultural and recreational services	123	N/A
Drug strategy	168	N/A
Health services	28	N/A
Healthy cities	82	N/A
Indigenous program	39	N/A
Parking strategy	179	N/A
Pt Melb design refurbishment	50	N/A
Social support	52	N/A
	1,345	-

Note 6 DEVELOPER CONTRIBUTIONS

Open space contributions	2,793	2,183
Car park contributions	2	176
	2,795	2,359

	2002 \$'000	2001 \$'000
Note 7 OTHER REVENUE		
Operating		
Contributions and donations	186	172
Sales	215	138
Sundry income	921	1,442
Other	61	94
	1,383	1,846
Note 8 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment.		
Proceeds from sale of assets	91	150
Written down value of assets sold	(949)	(4,828)
Loss on sale of property, plant and equipment	(858)	(4,678)
Note 9 EMPLOYEE EXPENSES		
Wages and salaries	21,841	20,588
Casual staff	1,052	2,782
Annual leave and long service leave	2,187	798
Superannuation	1,943	314
Redundancy	69	444
	27,092	24,926
Note 10 CONTRACT PAYMENTS, MATERIALS AND SERVICES		
Contract Payments		
Cleaning	4,604	3,717
Health/Child Care Centres/Kindergartens/Schools	405	724
Festivals/Programs	469	559
Food Production	607	596
Information Systems	402	473
Maintenance and Construction	4,912	4,793
Parking Admin/Management	1,465	1,445
Parks/Gardens/Reserves	4,444	3,737
Perin Lodgement Fees	1,958	1,079
Recycling/Waste Management	3,770	3,662
Revenue Management/Rates	524	544
Security Services	761	656
Valuations	530	758
Other	2,321	1,383
	27,172	24,126
Materials and Services		
Materials, Consumables and Minor Asset Purchases <\$1000	1,212	1,271
Other	-	7
Sub Total	1,212	1,278
TOTAL	28,384	25,404

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
Note 11 BAD AND DOUBTFUL DEBTS		
Parking fine debtors	787	541
Parking related debtors – PERIN Court	1,153	1,581
Other debtors	131	102
	2,071	2,224
Note 12 DEPRECIATION		
Buildings	1,559	1,531
Heritage and works of art	52	52
Plant and machinery	981	1,269
Furniture, equipment and computers	1,720	1,926
Infrastructure Assets		
Roads, streets, and bridges	5,229	5,132
Land improvements	814	764
Drainage works	767	757
	11,122	11,431
Note 13 BORROWING COSTS EXPENSE		
Interest – Borrowings	746	843
	746	843
Note 14 OTHER EXPENSES		
Advertising	809	772
Internal auditors remuneration	34	50
External auditors remuneration	36	48
Contributions – other	1,854	1,767
Insurance	1,070	412
Metropolitan Fire Brigade levy	1,215	1,126
Printing and stationery	907	910
Telephone charges	1,260	946
Training	444	359
Operating lease expenses	2,082	1,795
Election expenses	186	16
Catering charges	212	197
Postage	217	247
General transport	254	119
Activities/programs	255	231
Bank charges	309	272
Software costs	374	327
Fringe benefits tax	408	419
Other	1,272	865
	13,198	10,878

	2002 \$'000	2001 \$'000
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Note 15 CASH ASSETS**Cash deposits**

Cash on hand	342	15
Cash at bank	301	810
Money market call account	5,720	942
	6,363	1,767

(Note 24)

Other financial assets

Bank bills	20,009	22,793
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Total Cash Assets**26,372** **24,560****Note 16 RECEIVABLES****Current**

Rates debtors	2,117	1,687
Parking infringement debtors	1,627	3,798
Provision for doubtful debts – parking infringements	(163)	(949)
Parking infringement debtors at PERIN Court	12,399	14,652
Provision for doubtful debts – PERIN Court	(7,886)	(11,298)
Other debtors	963	1,787
Provision for doubtful debts – other debtors	(58)	(129)
Rent Debtors	256	252
Net GST receivable	678	712
	9,933	10,512

Non-Current

Other debtors	5,845	5,845
Deferred Debtors	60	-
	5,905	5,845

Total Receivables**15,838** **16,357****Note 17 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT****Land and Buildings**

Land		
at cost	-	612
at valuation as at 1 January 2000*	-	149,714
Controlled land at Council's valuation as at 1 January 2000*	-	369,970
Controlled land at Council's valuation as at 30 June 2001**	-	19,965
at fair value as at 30 June 2002***	202,225	-
Controlled land at fair value as at 30 June 2002***	481,065	-
	683,290	540,261
Land Improvements		
at cost	4,417	3,223
at valuation as at 1 January 2000*	28,945	28,945
Less: accumulated depreciation	(16,500)	(15,686)
	16,862	16,482



NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
Note 17 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTINUED)		
Buildings		
at cost	-	2,724
at Council valuation as at 1 January 2000*	-	72,639
Controlled buildings at Council valuation as at 1 January 2000*	-	73,532
at fair value as at 30 June 2002***	73,110	-
Controlled buildings at fair value as at 30 June 2002***	87,976	-
Less: accumulated depreciation	(110,849)	(99,415)
Total	50,237	49,480
Plant and Equipment		
Plant and Equipment		
at cost	1,253	898
at Council valuation as at 1 January 2000*	-	6,729
at deemed cost as at 1 July 2001	2,284	-
Less: accumulated depreciation	(981)	(4,434)
Total	2,556	3,193
Furniture and Fittings		
at cost	3,949	2,218
at Council valuation as at 1 January 2000*	-	7,476
at deemed cost as at 1 July 2001	562	-
Less: accumulated depreciation	(1,720)	(6,755)
Total	2,791	2,939
Heritage and works of art		
at cost	13	-
at Council's valuation as at 1 January 2000*	5,225	5,225
Less: accumulated depreciation	(129)	(77)
Total	5,109	5,148
Infrastructure		
Roads, footpaths and bridges		
at cost	14,320	7,964
at Council's valuation as at 1 January 2000*	251,987	253,718
at Council's valuation as at 30 June 2001**	3,509	3,509
Less: accumulated depreciation	(95,116)	(90,734)
Total	174,700	174,457
Drains		
at cost	288	1,990
at Council's valuation as at 1 January 2000*	-	74,523
at Council's valuation as at 30 June 2001**	-	1,342
at fair value as at 30 June 2002***	64,590	-
Less: accumulated depreciation	(25,870)	(35,867)
Total	39,008	41,988
Work in progress – at cost	8,331	7,107
Total property, infrastructure, plant and equipment	982,884	841,055

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

The valuations were performed by the following:

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

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

The valuations were performed by the following:

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

*** Current cost valuations were undertaken in 2001/2002 in respect of Land and Buildings and Infrastructure (Drains)

The valuations were performed by the following:

- Land and buildings – Mr B McKeon, AAPI, CPV
- Infrastructure (Drains) – Mr D Yeouart BE, MIE Aust., CP Eng.

Fair Value Basis of Valuation

Fair value is determined based on the following:

- the market value or market price, where there is a quoted market price in an active and liquid market, or
- the market evidence, where there is no quoted market prices, but there is available market evidence of fair value with respect to similar assets, or
- the assets buying price, where the market buying and selling prices differ materially or where no market exists for the asset.

In determining fair value, the following basis of valuation was used for each class of asset revalued as at 30 June 2002:

Land and Buildings

Valuation of land and buildings were undertaken by a qualified valuer. The valuation of buildings is at current replacement cost less accumulated depreciation. The valuation of land is market value based on highest and best use permitted by relevant land planning provisions. All freehold land reserved for public open space is valued using a discount rate to arrive at a market value.

Drainage

Drainage assets were revalued at fair value as at 30 June 2002. The valuation is at replacement cost less accumulated depreciation.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Note 17 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTINUED)

INFRASTRUCTURE	ROADS, FOOTPATHS AND BRIDGES	DRAINAGE	TOTAL INFRASTRUCTURE 2002 \$'000	
WDV Balance at beginning of financial year:	174,457	41,988	216,445	
Acquisition of assets	6,356	288	6,644	
Depreciation (Note 12)	(5,229)	(767)	(5,996)	
Revaluation decrement	-	(2,501)	(2,501)	
WDV of disposals (Note 8)	(884)	-	(884)	
WDV Balance at end of financial year	174,700	39,008	213,708	

LAND AND BUILDINGS	LAND	BUILDINGS	LAND IMPROVEMENTS	TOTAL LAND AND BUILDINGS 2002 \$'000
WDV Balance at beginning of financial year:	540,261	49,480	16,482	606,223
Acquisition of assets	-	3,208	1,194	4,402
Depreciation (Note 12)	-	(1,559)	(814)	(2,373)
Revaluation increment/(decrement)	143,029	(643)	-	142,386
WDV adjustments/transfers	-	(249)	-	(249)
WDV Balance at end of financial year	683,290	50,237	16,862	750,389

PLANT AND EQUIPMENT	PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	HERITAGE AND ART WORKS	TOTAL PLANT AND EQUIPMENT 2002 \$'000
WDV Balance at beginning of financial year:	3,193	2,939	5,148	11,280
Acquisition of assets	355	1,731	13	2,099
Depreciation (Note 12)	(981)	(1,720)	(52)	(2,753)
WDV of disposals (Note 8)	(11)	(159)	-	(170)
WDV Balance at end of financial year	2,556	2,791	5,109	10,456

W.I.P.	W.I.P.	TOTAL NON CURRENT ASSETS
WDV Balance at beginning of financial year:	7,107	841,055
Acquisition of assets	8,260	21,405
Depreciation	-	(11,122)
Revaluation increment (Note 22)	-	139,885
WDV adjustments/transfers	-	(249)
WDV of disposals	(1,825)	(2,879)
Capitalisations of W.I.P.	(5,211)	(5,211)
WDV Balance at end of financial year	8,331	982,884

	2002 \$'000	2001 \$'000
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Note 18 PAYABLES

Trade creditors	5,190	6,472
Superannuation	45	132
Accrued expenses	2,817	3,052
Other	9	514
	8,061	10,170

Note 19 TRUST FUNDS

Refundable building deposits	95	228
Refundable contract deposits	153	103
Refundable tender deposits	59	36
Refundable civic facilities deposits	21	-
Retention amounts	155	90
Other refundable deposits	398	376
	881	833

Note 20 PROVISIONS

Current		
Employee Entitlements		
Annual leave	2,074	1,855
Long service leave	220	192
Retirement gratuity	32	37
Other	279	95
	2,605	2,179
Non-current		
Employee Entitlements		
Long service leave	1,986	1,727
Retirement gratuity	285	329
	2,271	2,056
Aggregate Carrying Amount of Provisions		
Current	2,605	2,179
Non-current	2,271	2,056
	4,876	4,235

Note 21 INTEREST-BEARING LIABILITIES

Current		
Loans – Secured	676	636
Non-Current		
Loans – Secured	10,928	11,602
Total	11,604	12,238
The maturity profile for Council's borrowings is:		
Not later than one year	676	636
Later than one year and not later than five years	3,157	2,970
Later than five years	7,771	8,632
	11,604	12,238

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
Note 22 RESERVES		
Asset revaluation reserve		
The asset revaluation reserve is for the revaluation of non-current assets.		
Property, Plant and Equipment		
Balance at beginning of year	336,510	336,510
Increment	139,885	-
Balance at end of year	476,395	336,510
General reserve		
The general reserve aggregates a number of specific purpose reserve funds including public housing and tree root damage.		
Balance at beginning of year	15,599	13,150
Transfer from accumulated surplus	3,016	3,808
Transfer to accumulated surplus	(2,058)	(1,359)
Balance at end of year	16,557	15,599
Statutory reserve		
Resort and Recreation Reserve		
The resort and recreation reserve is for the accumulation of developers contributions which are to be expended at a future date on recreational infrastructure.		
Balance at beginning of year	4,437	4,319
Transfer from accumulated surplus	2,673	2,187
Transfer to accumulated surplus	(2,345)	(2,069)
Balance at end of year	4,765	4,437
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.		
Balance at beginning of year	1,156	949
Transfer from accumulated surplus	96	216
Transfer to accumulated surplus	-	(9)
Balance at end of year	1,252	1,156
Sale of Laneways Reserve		
The sale of laneway reserve is for funds allocated to laneway construction.		
Balance at beginning of year	67	67
Transfer from accumulated surplus	-	-
Transfer to accumulated surplus	(67)	-
Balance at end of year	-	67
Statutory Reserve Total	6,017	5,660
Total Reserves	498,969	357,769

	2002 \$'000	2001 \$'000
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Note 23 RECONCILIATION OF OPERATING RESULT WITH NET CASH FROM OPERATIONS

Profit from ordinary activities	3,256	29,482
Depreciation	11,122	11,431
Loss on disposal of property, plant and equipment (see Note 8)	858	4,678
Profit on joint venture	(72)	(31)
Contributed Assets	-	(24,816)
Change in assets and liabilities:		
Decrease/(increase) in receivables	519	(493)
Decrease/(increase) in prepayments	1,100	(491)
Decrease/(increase) in accrued income	995	(917)
(Decrease)/increase in payables	(2,061)	1,943
Decrease in other liabilities	(30)	(715)
Increase in employee entitlements	671	192
Decrease in other current assets	-	32
Net cash provided by operating activities	16,358	20,295

Note 24 RECONCILIATION OF CASH AT YEAR-END TO CASH ASSETS

Cash assets (see Note 15)	6,363	1,767
	6,363	1,767

Note 25 FINANCING ARRANGEMENTS

Bank overdraft	7,500	10,000
Used facilities	-	-
Unused facilities	7,500	10,000
Credit Card Facilities	34	20
Used facilities	2	-
Unused facilities	32	20

Note 26 RESTRICTED ASSETS

Council has Cash Assets (Note 15) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave). Restrictions are also placed on the use of Statutory Reserve balances.

Cash assets to provide for long service leave.	2,509	1,800
Statutory Reserve balances (Note 22)	6,017	5,660
	8,526	7,460

Additionally, included in Assets Note 17' Property, infrastructure, plant and equipment' are housing assets which have restrictions on them. These assets which total \$17.9 million (2000/2001 \$13.8 million) are used for community housing and were purchased with assistance from State Government funding. This funding imposes restrictions preventing Council from using these assets for any other purpose. If the funding conditions in the respective funding agreements for each property are defaulted upon Council is liable to repay to the State Government an amount determined in those agreements. Based upon the \$17.9 million gross value included in the accounts, the amount that would be required to be repaid to the State Government in a default situation would be \$6.9 million (2000/2001: \$7.0 million).

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Note 27 SUPERANNUATION

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (LASB). The fund has two categories of membership, each of which are funded differently.

During 2001/2002 Council's superannuation contribution relating to LASPLAN members was \$1,465,970 (\$1,669,098 in 2000/2001).

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

Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Fund's Trustee. The rate is currently 9.25% of superannuation salary (9.25% in 2000/2001).

During 2001/2002 Council's superannuation contribution relating to that year's defined member's service was \$944,121 (\$282,248 in 2000/2001).

In addition, Council reimburses the Fund for the difference between resignation and retrenchment benefits paid to its retrenched employees. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

The amount owed by Council to the LASB as at 30 June 2002 is \$33,590 (2000/2001, \$131,000).

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

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

Note 28 COMMITMENTS

The Council has entered into the following contracts:

2002	NOT LATER THAN 1 YEAR	LATER THAN 1 YEAR AND NOT LATER THAN 5 YEARS	LATER THAN 5 YEARS	TOTAL
Operating				
Autocite Machines	37	-	-	37
Civil Infrastructure Construction	6,000	16,500	-	22,500
Cleaning	3,812	6,126	-	9,938
Financial system support	38	-	-	38
Food Production	286	-	-	286
Health Care	286	-	-	286
Mailing Equipment	4	11	-	15
Parking Services	1,133	2,754	-	3,887
Rates Management	575	268	-	843
Recycling Collection	1,309	786	-	2,095
Rubbish Collection	1,616	971	-	2,587
Software Licences	44	132	-	176
Street Tree Maintenance	1,100	1,400	-	2,500
Syringe Disposal Services	42	42	-	84
Valuations and Property Mgt Services	450	1,433	-	1,883
	16,732	30,423	-	47,155
Capital				
Construction	1,354	-	-	1,354
	18,086	30,423	-	48,509

2001	NOT LATER THAN 1 YEAR	LATER THAN 1 YEAR AND NOT LATER THAN 5 YEARS	LATER THAN 5 YEARS	TOTAL
Operating				
Animal Management	175	-	-	175
Civil Infrastructure Construction	271	-	-	271
Cleaning	5,269	9,311	-	14,580
Financial system support	80	-	-	80
Food Production	564	286	-	850
Health Care	564	286	-	850
Parking Services	1,423	4,459	-	5,882
Parks	2,132	4,824	-	6,956
Rates Management	270	-	-	270
Recycling Collection	1,368	2,738	-	4,106
Rubbish Collection	1,367	2,734	-	4,101
Security services	150	-	-	150
Software Licences	2	132	-	134
Street Tree Maintenance	600	1,357	-	1,957
Valuations and Property Mgt Services	512	249	-	761
	14,747	26,376	-	41,123
Capital				
Construction	1,630	-	-	1,630
	16,377	26,376	-	42,753

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

	2002 \$'000	2001 \$'000
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Note 29 OPERATING LEASE COMMITMENTS

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities).

Not later than one year	650	326
Later than one year and not later than five years	1,858	273
Later than five years	1,545	337
	4,053	936

Note 30 CONTINGENT LIABILITIES

Guarantee

Council has executed a bank guarantee guaranteeing repayment of a loan facility granted to the Port Melbourne Yacht Club Inc. Council is expected to be released from this guarantee early in the 2002/2003 financial year.

1	50

Open Space Contributions

Council is no longer exposed to a potential liability for return of open space developer contributions.

-	50
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Legal Matters

Council is presently involved in several confidential legal matters which are being conducted through Council's solicitors.

As these matters are yet to be finalised and the financial outcome cannot be confirmed, a contingency of \$74,000 has been included.

74	-
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Note 31 FINANCIAL INSTRUMENTS

(a) Accounting Policy, Terms and Conditions

RECOGNISED FINANCIAL INSTRUMENTS	NOTE	ACCOUNTING POLICY	TERMS AND CONDITIONS
Financial Assets			
Cash assets	15	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and Bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	On call deposits returned a floating interest rate of between 4.15% and 4.90% in 2001/2002. The interest rate at balance date was 4.65% in 2001/2002. Term deposits and bills returned fixed interest rate of between 4.27% and 5.29% in 2001/2002.\
Receivables	16	Rates are carried at nominal amounts due plus penalty interest and legal fees on overdue rates. Rate debts are a charge attached to the rateable land that is recoverable on sale, therefore, no provision for doubtful debts is made. Interest rates are reviewed annually.	Rates are payable by four instalments during the year. Arrears, including deferred rates, attract interest. The interest rate was 11.5% in 2001/2002 at balance date for general rates. Interest rates charged for Special Rate and Private Street Schemes was 11.5% at balance date in 2001/2002.
Rates debtors			
Parking infringement debtors	16	PINS/PERIN Court debtors are measured at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	Parking infringements are unsecured. The provision for parking infringement doubtful debts is calculated as a percentage of total parking infringement revenue and has been evaluated and recognised based on previous payment and collection history.
Other debtors	16	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and do not attract interest. Credit terms are based between 7 and 30 days depending on nature of service.
Financial Liabilities			
Payables	18	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at 2001/2002 balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing liabilities	21	Loans are carried at their principal amounts. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The interest on interest-bearing liabilities was fixed at 6.15% in 2001/2002.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Note 31 FINANCIAL INSTRUMENTS

(b) Interest Rate Risk

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

FINANCIAL INSTRUMENTS	FLOATING INTEREST RATE		FIXED INTEREST RATE MATURING IN:		NON INTEREST BEARING		TOTAL CARRYING AMOUNT AS PER STATEMENT OF FINANCIAL POSITION		RANGE OF EFFECTIVE INTEREST RATES	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2001 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 %	2001 %
Financial assets										
Cash assets	6,363	1,767	-	-	-	-	6,363	1,767	4.15%-4.90%	4.90%-6.15%
Other financial assets	20,009	22,793	-	-	-	-	20,009	22,793	4.27%-5.29%	5.01%-6.64%
Receivables	-	-	-	-	15,838	16,357	15,838	16,357	N/A	N/A
Accrued income	-	-	-	-	140	1,135	140	1,135	N/A	N/A
Total financial assets	26,372	24,560	-	-	15,978	17,492	42,350	42,052	-	-
Financial Liabilities										
Payables	-	-	-	-	8,061	10,170	8,061	10,170	N/A	N/A
Interest-bearing liabilities	-	-	11,604	12,238	-	-	11,604	12,238	6.15%	6.15%
Total financial liabilities	-	-	11,604	12,238	8,061	10,170	19,665	22,408	-	-

(c) Net Fair Values

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

FINANCIAL INSTRUMENTS	TOTAL CARRYING AMOUNT AS PER STATEMENT OF FINANCIAL POSITION		AGGREGATE NET FAIR VALUE	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
(1) Financial assets				
Cash assets	6,363	1,767	6,363	1,767
Other financial assets	20,009	22,793	20,009	22,793
Receivables	15,838	16,357	15,838	16,357
Accrued income	140	1,135	140	1,135
Total financial assets	42,350	42,052	42,350	42,052
(2) Financial liabilities				
Payables	8,061	10,170	8,061	10,170
Interest-bearing liabilities	11,604	12,238	11,604	12,238
Total financial liabilities	19,665	22,408	19,665	22,408

(d) Credit Risk

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

Note 32 AUDITORS' REMUNERATION

Audit fee to conduct external audit - Victorian Auditor-General	36	48
Internal audit fees – Day Neilson	34	50
	70	98

Note 33 RELATED PARTY TRANSACTIONS

(1) Names of persons holding the position of a Responsible Person during the reporting year are:

Councillors	Councillor Darren Ray (Mayor 20/03/02 to current)
	Councillor Julian Hill (Mayor 30/03/01 to 16/03/02)
	David Brand
	Carolyn Hutchens
	Dick Gross
	Liz Johnstone
	John Lewisohn
	Peter Logan

Chief Executive Officer David Spokes

(2) Remuneration of Responsible Persons

Annualised remuneration of responsible persons were within the following bands:

	2002 No.	2001 No.
1 - \$10,000	1	-
\$10,001 - \$20,000	5	6
\$20,001 - \$30,000	1	-
\$30,001 - \$40,000	1	1
\$190,001 - \$200,000	-	1
\$200,001 - \$210,000	1	-
	9	8

Total Remuneration for the reporting year for Responsible Persons included above amounted to \$340,281.

(3) No retirement benefits have been made by the Council to a Responsible Person (2000/2001, Nil).

(4) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2000/2001, Nil).

(5) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2000/2001, Nil).

(6) Senior Officers Remuneration

A Senior Officer of Council is a person, other than a Responsible Person, occupying a management role within Council, and receiving annual remuneration of \$80,000 or greater.

The number of senior officers, other than the Responsible Persons, whose total remuneration exceeded \$80,000 during the reporting year, are shown below in their relevant income bands:

	2002 No.	2001 No.
\$80,001 - \$90,000	4	2
\$90,001 - \$100,000	6	7
\$100,001 - \$110,000	1	4
\$110,001 - \$120,000	2	-
\$120,001 - \$130,000	3	2
\$130,001 - \$140,000	2	3
\$160,001 - \$170,000	1	-
	19	18
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	2,039	1,892

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Note 34 JOINT VENTURE INFORMATION

Joint venture – streetsahead cleaning service

During 1999/2000 the Port Phillip City Council and Stonnington City Council formed an agreement to participate in a joint venture for the purpose of providing cleansing services primarily to Victorian Local Government clients. The Joint Venture called 'Streetsahead' commenced operating on 1 February 2000 and performs street sweeping, footpath sweeping, lane sweeping, weed control, beach and foreshore cleaning, litter bin clearing and pit cleaning. The Council has a 50% interest which is detailed below, in the assets, liabilities and operating results of this Joint Venture.

During the financial year, the Council purchased cleaning services from the Joint Venture on normal commercial terms and conditions.

The increase in equity derived from the Joint Venture operations to 30 June 2002 is \$72,064 (2000/2001 \$31,143).

	2002 \$'000	2001 \$'000
Revenue	2726	2456
Expences	2654	2425
	72	31
The Council's share of the net assets and liabilities of the Joint Venture are included as Non-current Assets.		
This investment is represented by the following assets and liabilities:		
	2002 \$'000	2001 \$'000
Current Assets		
Cash assets	482	15
Receivables	100	242
Other financial investments	300	350
Other	1	34
Total Current Assets	883	641
Current Liabilities		
Payables	217	146
Provisions	189	167
Total Liabilities	406	313
Net Current Assets employed in Joint Venture	476	328
Non-Current Assets		
Property plant and equipment	293	353
Non-Current Liabilities		
Provisions	168	151
Net Non-current Assets employed in Joint Venture	125	202
Net Assets employed in Joint Venture	602	530
Equity		
Accumulated surplus	130	530
Joint Venturers' Equity	472	-
Equity employed in Joint Venture	602	530

Note 35 REVENUES, EXPENSES AND ASSETS BY FUNCTION/ACTIVITY

	INFRASTRUCTURE AND ENVIRONMENTAL SERVICES		CITY DEVELOPMENT		CORPORATE DEVELOPMENT		GOVERNANCE AND COUNCIL SERVICES		SOCIAL AND CULTURAL DEVELOPMENT		OTHER* NOT ATTRIBUTED		TOTAL	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	2001 \$'000	2001 \$'000
Revenue														
Grants	3,665	1,780	627	1,225	45	16	1,680	1,652	4,614	5,130	-	-	10,631	9,803
Proceeds from sales	-	-	37	-	9	-	10	150	35	-	-	-	91	150
Other	1,087	1,187	25,309	25,133	235	1	5,448	30,518	4,538	4,436	46,031	44,147	82,648	105,422
Total	4,752	2,967	25,973	26,358	289	17	7,139	32,320	9,187	9,566	46,031	44,147	93,370	115,375
Expences	26,001	18,955	17,488	17,403	3,596	3,319	24,271	28,494	18,758	17,722	-	-	90,114	85,893
Surplus/ (deficit) For Year	(21,249)	(15,988)	8,485	8,955	(3,307)	(3,302)	(17,132)	3,826	(9,571)	(8,156)	46,031	44,147	3,256	29,482
Total Assets By Division	7,195	3,171	799	3,636	13	-	975,620	835,035	203	39	42,494	43,356	1,026,324	885,237

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

An organisational restructure took place on 1 May 2002. This restructure moved a number of key departments and services between different divisions.

This affects the allocation of balances in the 2001 comparatives for revenue, expenses and assets at a divisional level.

Activities**Infrastructure and Environmental Services**

Responsible for ensuring effective delivery of environmental and engineering services.

The Division includes the following Departments:

Assets and Environment, City Works and Services, and Council Liaison and Technical Services.

City Development

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

The Division includes the following Departments:

Neighbourhood Development, Urban Design and Architecture, Enforcement and Public Health, and Planning and Building Services.

Corporate Development

Responsible for service support, contract management and human resources.

The Division includes the following Departments:

Corporate Communications and Facilities, Organisation Development, Service Access and Performance, and Corporate Planning and Strategy.

Governance and Council Services

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

The Division includes the following Departments:

Finance and Investments, Governance and Risk Management, Information Management Group, and Business Development.

Social and Cultural Development

Responsible for ensuring effective access and delivery of community services.

The Division includes the following Departments:

Social Development, Culture and Recreation, and Planning and Policy.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Note 36 FINANCIAL RATIOS (PERFORMANCE INDICATORS)

	2002 \$'000	2002	2001 \$'000	2001	2000 \$'000	2000
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
Debt servicing costs	<u>-746</u>	= -0.80%	<u>-843</u>	= -0.93%	<u>811</u>	= 0.97%
Total revenue	93,298		90,528		83,619	

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease interest and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

(b) Debt commitment ratio (to identify Council's debt redemption strategy)

Debt servicing & redemption costs	<u>-110</u>	= -0.24%	<u>-244</u>	= -0.55%	<u>1,374</u>	= 3.40%
Rate revenue	45,939		43,999		40,362	

The strategy involves the payment of loan principal and interest, finance lease principal and interest. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

(c) Revenue ratio (to identify Council's dependence on rate income)

Rate revenue	<u>45,939</u>	= 49.24%	<u>43,999</u>	= 48.60%	<u>40,362</u>	= 48.27%
Total revenue	93,298		90,528		83,619	

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

(d) Debt Exposure Ratio (to identify Council's exposure to debt)

Total indebtedness	<u>16,896</u>	= 1:17.29	<u>20,016</u>	= 1:20.70	<u>26,537</u>	= 1:16.62
Total realisable assets	292,102		414,310		440,943	

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (Note 26) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets: land – other controlled; buildings on other controlled land; restricted assets; heritage assets; roads and lanes; footpaths; kerb and channel; drains; bridges; and Council's investment in the Rupert Bunny artists trust fund.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.

(e) Working Capital Ratio (to assess Council's ability to meet current commitments)

Current assets	<u>36,649</u>	= 2.99:1	<u>37,511</u>	= 2.71:1	<u>28,857</u>	= 2.27:1
Current liabilities	12,223		13,818		12,689	

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Note 37 COMPARISON OF ACTUAL TO BUDGET RESULTS

	OPERATING RESULTS			
	2002 ACTUAL \$'000	2002 BUDGET \$'000	2001 ACTUAL \$'000	2001 BUDGET \$'000
Revenue from ordinary activities				
Rates	45,939	45,323	43,999	43,574
Parking fees and fines	19,197	21,211	19,805	17,345
User charges and other fines	8,452	6,355	7,701	6,421
Grants	10,631	9,837	9,803	7,454
Contributions	2,795	2,440	2,359	2,241
Other revenue	1,383	670	1,846	713
Interest	1,071	576	1,156	700
Contributed Assets	-	-	24,816	-
Rent	3,739	3,554	3,709	3,404
Proceeds from disposal of property, plant and equipment	91	-	150	-
	93,298	89,966	115,344	81,852
Expenses from ordinary activities				
Employee expenses	27,092	25,033	24,926	23,359
Contract payments, materials and services	28,384	25,749	25,404	23,695
Bad and doubtful debts	2,071	2,934	2,224	810
Depreciation	11,122	11,527	11,431	11,735
Consultants and utility payments	6,552	6,158	5,359	5,756
Other expenses	13,198	14,110	10,878	12,286
Written down value of assets sold	949	-	4,828	-
	89,368	85,511	85,050	77,641
Less borrowing costs expense	(746)	(844)	(843)	(836)
Add share of net profits of joint ventures	72	-	31	-
Result from ordinary activities	3,256	3,611	29,482	3,375

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Note 37 COMPARISON OF ACTUAL TO BUDGET RESULTS

	CASH FLOW			
	2002 ACTUAL \$'000	2002 BUDGET \$'000	2001 ACTUAL \$'000	2001 BUDGET \$'000
Cash flows from operating activities				
Rates	45,509	45,322	44,400	43,574
Parking fees and fines	19,423	18,518	17,779	14,765
User charges and other fines (inclusive of GST)	10,386	10,417	10,736	9,050
Grants	10,631	7,477	7,444	7,446
Contributions	2,795	2,440	2,359	2,200
Interest	1,071	576	1,156	700
Other receipts (inclusive of GST)	7,423	2,360	8,364	4,117
Net GST refund	2,778	-	2,151	-
Payments to suppliers (inclusive of GST)	(42,607)	(31,971)	(32,695)	(23,695)
Payments to employees (including redundancies)	(27,438)	(25,038)	(24,787)	(23,359)
Borrowing costs	(746)	(844)	(843)	(836)
Other payments	(12,867)	(13,315)	(15,769)	(19,096)
Net cash provided by operating activities	16,358	15,942	20,295	14,866
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment	(14,015)	(16,524)	(20,146)	(20,333)
Proceeds from sale of assets	2,887	-	150	2,313
Net cash (used in) investing activities	(11,128)	(16,524)	(19,996)	(18,020)
Cash flows from financing activities				
Proceeds from borrowings	-	1,500	38	-
Repayment of borrowings	(635)	(845)	(637)	(598)
Net cash (used in) financing activities	(635)	655	(599)	(598)
Change in cash held	4,595	73	(300)	(3,752)
Cash at the beginning of the financial year	1,767	1,767	2,067	4,498
Cash at the end of the financial year	6,363	1,840	1,767	746

Note 37 COMPARISON OF ACTUAL TO BUDGET RESULTS

	RATE DETERMINATION			
	2002 ACTUAL \$'000	2002 BUDGET \$'000	2001 ACTUAL \$'000	2001 BUDGET \$'000
Revenue from ordinary activities				
Rates	45,938	45,323	43,999	43,574
Grants	7,195	5,963	8,286	8,132
Interest	1,143	576	1,187	700
Grants commission	1,541	1,514	1,517	1,514
Charges, fees, fines	27,649	27,567	27,506	23,815
Contributions	4,690	4,800	2,359	2,241
Other	5,123	4,226	5,555	1,876
Total Revenue from ordinary activities	93,279	89,967	90,409	81,852
Expenses from ordinary activities				
Employee costs	27,092	25,033	24,926	23,359
Materials and contracts	28,453	25,749	25,404	23,695
Utility payments	2,273	2,100	2,084	2,056
Depreciation	-	-	-	-
Consultants	4,214	3,939	3,273	3,700
Borrowing costs expense	746	844	843	836
Other expenses	15,265	17,163	13,102	13,340
Total Expenses from ordinary activities	78,043	74,828	69,632	66,986
Surplus after ordinary activities	15,236	15,139	20,777	14,866
Capital expenditure	(14,683)	(20,163)	(13,769)	(16,542)
Proceeds from disposal of assets	91	-	150	-
Proceeds from sale of property	-	1,500	-	749
Loan Repayments	(636)	(845)	(598)	(598)
Reserve transfers (net)	(1,316)	(454)	(2,774)	(2,227)
Brought Forward Surplus 2000/2001	7,286	4,823	3,500	4,498
Surplus	5,978	1	7,286	746

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2002

Note 37 EXPLANATION OF MATERIAL VARIANCES BETWEEN BUDGET AND ACTUAL OPERATING RESULTS

Revenue

User Charges and Other Fines

Budget did not include income from the Child Care Centres (\$2.09M).

Contributions

Greater than anticipated property development resulted in increased developed open space contributions.

Other Revenues

Interest – Delays in the phasing of Council's Capital Works Budget resulted in there being excess funds available for investment.

Expenses

Contract payments, Material and Services

Council agreed to the purchase of additional services from its Parks and Open Space contractor for Works and open space maintenance.

Written down value of assets sold

No Budget was made for fixed asset disposals.

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

Principal Accounting Officer



David Graham

Dated: 26 September 2002

In our opinion the accompanying financial statements present fairly the financial transactions of the Port Phillip City Council for the year ended 30 June 2002 and the financial position of the Council as at that date.

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

We have been authorised by the Council on 2 September 2002 to certify the financial statements in their final form.

Mayor and Councillor



Darren Ray

Dated: 26 September 2002

Deputy Mayor and Councillor



Elizabeth Johnstone

Dated: 26 September 2002

Chief Executive Officer



David Spokes

Dated: 26 September 2002

AUDITOR GENERAL'S REPORT



AUDITOR GENERAL
VICTORIA

To the responsible Ministers and Councillors of Port Phillip City Council

Matters relating to the electronic presentation of the Audited Financial Report

This audit report relates to the financial report of Port Phillip City Council for the financial year ended 30 June 2002 included on the Council's web site. The Councillors of the Port Phillip City Council are responsible for the integrity of the Council's web site. I have not been engaged to report on the integrity of the Council's web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Audit Scope

The accompanying financial report of Port Phillip City Council for the financial year ended 30 June 2002, comprising a statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, has been audited. The Councillors are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the responsible Ministers and the Councillors as required by the Audit Act 1994.

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

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

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the Local Government Act 1989, the financial position of Port Phillip City Council as at 30 June 2002, its financial performance and cash flows for the year then ended.

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
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APPENDIX

CITY OF PORT PHILLIP
WHISTLEBLOWERS PROTECTION ACT 2001
PROCEDURES MANUAL

CITY OF PORT PHILLIP

WHISTLEBLOWERS PROTECTION ACT 2001

PROCEDURES MANUAL

1. Statement of support to whistleblowers

The Port Phillip City Council is committed to the aims and objectives of the *Whistleblowers Protection Act 2001* (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 Port Phillip City Council recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Port Phillip City Council will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

2. Purpose of these procedures

These procedures establish a system for reporting disclosures of improper conduct or detrimental action by Port Phillip City Council or its employees. The system enables such disclosures to be made to the protected disclosure coordinator or to one of the nominated protected disclosure officers. Disclosures may be made by employees or by members of the public.

These procedures are designed to complement normal communication channels between supervisors and employees. Employees are encouraged to continue to raise appropriate matters at any time with their supervisors. As an alternative, employees may make a disclosure of improper conduct or detrimental action under the Act in accordance with these procedures.

3. Objects of the Act

The *Whistleblowers Protection Act 2001* commences operation on 1 January 2002. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers who make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

4. Definitions of key terms

Three key concepts in the reporting system are improper conduct, corrupt conduct and detrimental action. Definitions of these terms are set out below.

4.1 Improper conduct

A disclosure may be made about improper conduct by a public body or public official. Improper conduct means conduct that is corrupt, a substantial mismanagement of public resources, or conduct involving substantial risk to public health or safety or to the environment. The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

Examples

To avoid closure of a town's only industry, an environmental health officer ignores or conceals evidence of illegal dumping of waste.
An agricultural officer delays or declines imposing quarantine to allow a financially distressed farmer to sell diseased stock.
A building inspector tolerates poor practices and structural defects in the work of a leading local builder.

See 4.2 below for specific examples of corrupt conduct.

4.2 Corrupt conduct

Corrupt conduct means:

- Conduct of any person (whether or not a public official) that adversely affects the honest performance of a public officer's or public body's functions;
- The performance of a public officer's functions dishonestly or with inappropriate partiality;
- Conduct of a public officer, former public officer or a public body that amounts to a breach of public trust;
- Conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions; or
- A conspiracy or attempt to engage in the above conduct.

Examples

A public officer takes a bribe or receives a payment other than his or her wages or salary in exchange for the discharge of a public duty.
A public officer favours unmeritorious applications for jobs or permits by friends and relatives.
A public officer sells confidential information.

4.3 Detrimental action

The Act makes it an offence for a person to take detrimental action against a person in reprisal for a protected disclosure. Detrimental action includes:

- Action causing injury, loss or damage;
- Intimidation or harassment; and
- Discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business, including the taking of disciplinary action.

Examples

A public body refuses a deserved promotion of a person who makes a disclosure.
A public body demotes, transfers, isolates in the workplace or changes the duties of a whistleblower due to the making of a disclosure.
A person threatens, abuses or carries out other forms of harassment directly or indirectly against the whistleblower, his or her family or friends.
A public body discriminates against the whistleblower or his or her family and associates in subsequent applications for jobs, permits or tenders.

5. The reporting system

5.1 Contact persons within the Port Phillip City Council

Disclosures of improper conduct or detrimental action by the Port Phillip City Council or its employees, may be made to the following officers:

- The protected disclosure coordinator:
Mr Stephen O’Kane, Director Organisation Development, St Kilda Town Hall, (03) 9209 5712
- A protected disclosure officer/s

All correspondence, phone calls and emails from internal or external whistleblowers will be referred to the protected disclosure coordinator.

Where a person is contemplating making a disclosure and is concerned about approaching the protected disclosure coordinator or a protected disclosure officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

5.2 Alternative contact persons

A disclosure about improper conduct or detrimental action by the Port Phillip City Council or its employees, may also be made directly to the Ombudsman:

The Ombudsman Victoria
Level 22, 459 Collins Street, Melbourne Victoria 3000
(DX 210174)

Internet: www.ombudsman.vic.gov.au

Email: ombudvic@ombudsman.vic.gov.au

Tel: 9613 6222

Toll Free: 1800 806 314

Ombudsman: Dr Barry Perry Tel: (03) 9613 6202

The following table sets out where disclosures about persons other than employees of the Port Phillip City Council should be made.

PERSON WHO IS THE SUBJECT OF THE DISCLOSURE	PERSON/BODY TO WHOM THE DISCLOSURE MUST BE MADE
Employee of a public body	That public body or the Ombudsman
Member of Parliament (Legislative Assembly)	Speaker of the Legislative Assembly
Member of Parliament (Legislative Council)	President of the Legislative Council
Councillor	The Ombudsman
Chief Commissioner of Police	The Ombudsman or Deputy Ombudsman
Member of the police force	The Ombudsman, Deputy Ombudsman or Chief Commissioner of Police

6. Roles and responsibilities

6.1 Employees

Employees are encouraged to report known or suspected incidences of improper conduct or detrimental action in accordance with these procedures.

All employees of the Port Phillip City Council have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure. Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

6.2 Protected disclosure officers/coordinator

Protected disclosure officers will:

- Be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action;
- Make arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace;
- Receive any disclosure made orally or in writing (from internal and external whistleblowers);
- Commit to writing any disclosure made orally;
- Impartially assess the allegation and determine whether it is a disclosure made in accordance with Part 2 of the Act (that is, a protected disclosure);
- Take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential; and
- Forward all disclosures and supporting evidence to the protected disclosure coordinator.

6.3 Protected disclosure coordinator

The protected disclosure coordinator has a central clearinghouse role in the internal reporting system. He or she will:

- Receive all disclosures forwarded from the protected disclosure officers;
- Receive all phone calls, emails and letters from members of the public or employees seeking to make a disclosure;
- Impartially assess each disclosure to determine whether it is a public interest disclosure;
- Refer all public interest disclosures to the Ombudsman; ▶

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- Be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to the public body by the Ombudsman;
- Be responsible for overseeing and coordinating an investigation where an investigator has been appointed;
- Appoint a welfare manager to support the whistleblower and to protect him or her from any reprisals;
- Advise the whistleblower of the progress of an investigation into the disclosed matter;
- Establish and manage a confidential filing system;
- Collate and publish statistics on disclosures made;
- Take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential; and
- Liaise with the chief executive officer of the public body.

6.4 Investigator

The investigator will be responsible for carrying out an internal investigation into a disclosure where the Ombudsman has referred a matter to the public body. An investigator may be a person from within an organisation or a consultant engaged for that purpose.

6.5 Welfare manager

The welfare manager is responsible for looking after the general welfare of the whistleblower. The welfare manager will:

- Examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and seek to foster a supportive work environment;
- Advise the whistleblower of the legislative and administrative protections available to him or her;
- and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure; and
- Ensure the expectations of the whistleblower are realistic.

7. Confidentiality

The Port Phillip City Council will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower.

The Act requires any person who receives information due to the handling or investigation of a protected disclosure, not to disclose that information except in certain limited circumstances. Disclosure of information in breach of section 22 constitutes an offence that is punishable by a maximum fine of 60 penalty units (\$6,000) or six months imprisonment or both.

The circumstances in which a person may disclose information obtained about a protected disclosure include:

- Where exercising the functions of the public body under the Act;
- When making a report or recommendation under the Act;
- When publishing statistics in the annual report of a public body; and
- In criminal proceedings for certain offences in the Act.

However, the Act prohibits the inclusion of particulars in any report or recommendation that is likely to lead to the identification of the whistleblower. The Act also prohibits the identification of the person who is the subject of the disclosure in any particulars included in an annual report.

The Port Phillip City Council will ensure all files, whether paper or electronic, are kept in a secure room and can only be accessed by the protected disclosure coordinator, protected disclosure officer, the investigator or welfare manager (in relation to welfare matters). All printed material will be kept in files that are clearly marked as a Whistleblower Protection Act matter, and warn of the criminal penalties that apply to any unauthorised divulging information concerning a protected disclosure. All electronic files will be produced and stored on a stand-alone computer and be given password protection. Backup files will be kept on floppy disc. All materials relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

The Port Phillip City Council will not email documents relevant to a whistleblower matter and will ensure all phone calls and meetings are conducted in private.

8. Collating and publishing statistics

The protected disclosure coordinator will establish a secure register to record the information required to be published in the annual report, and to generally keep account of the status of whistleblower disclosures. The register will be confidential and will not record any information that may identify the whistleblower.

The register will contain the following information:

- The number and types of disclosures made to public bodies during the year;
- The number of disclosures referred to the Ombudsman for determination as to whether they are public interest disclosures;
- The number and types of disclosed matters referred to the public body by the Ombudsman for investigation;
- The number and types of disclosures referred by the public body to the Ombudsman for investigation;
- The number and types of investigations taken over from the public body by the Ombudsman;
- The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body;
- The number and types of disclosed matters that the public body has declined to investigate;
- The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation; and
- Any recommendations made by the Ombudsman that relate to the public body.

9. Receiving and assessing disclosures

9.1 Has the disclosure been made in accordance with Part 2 of the Act?

Where a disclosure has been received by the protected disclosure officer or by the protected disclosure coordinator, he or she will assess whether the disclosure has been made in accordance with Part 2 of the Act and is, therefore, a protected disclosure.

9.1.1 Has the disclosure been made to the appropriate person?

For the disclosure to be responded to by the Port Phillip City Council it must concern an employee, member or officer of the Port Phillip City Council. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed. (See the table in 5.2). If the disclosure has been made anonymously, it should be referred to the Ombudsman.

9.1.2 Does the disclosure contain the essential elements of a protected disclosure?

To be a protected disclosure, a disclosure must satisfy the following criteria:

- Did a natural person (that is, an individual person rather than a corporation) make the disclosure?
- Does the disclosure relate to conduct of a public body or public officer acting in their official capacity?
- Is the alleged conduct either improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure?
- Does the person making a disclosure have reasonable grounds for believing the alleged conduct has occurred?

Where a disclosure is assessed to be a protected disclosure, it is referred to the protected disclosure coordinator. The protected disclosure coordinator will determine whether the disclosure is a public interest disclosure.

Where a disclosure is assessed not to be a protected disclosure, the matter does not need to be dealt with under the Act. The protected disclosure officer will decide how the matter should be responded to in consultation with the protected disclosure coordinator.

9.2 Is the disclosure a public interest disclosure?

Where the protected disclosure officer or coordinator has received a disclosure that has been assessed to be a protected disclosure, the protected disclosure coordinator will determine whether the disclosure amounts to a public interest disclosure. This assessment will be made within 45 days of the receipt of the disclosure.

In reaching a conclusion as to whether a protected disclosure is a public interest disclosure, the protected disclosure coordinator will consider whether the disclosure shows, or tends to show, that the public officer to whom the disclosure relates:

- Has engaged, is engaging or proposes to engage in improper conduct in his or her capacity as a public officer; or
- Has taken, is taking or proposes to take detrimental action in reprisal for the making of the protected disclosure.

Where the protected disclosure coordinator concludes that the disclosure amounts to a public interest disclosure, he or she will:

1. Notify the person who made the disclosure of that conclusion; and
2. Refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a public interest disclosure.

Where the protected disclosure coordinator concludes that the disclosure is not a public interest disclosure, he or she will:

1. Notify the person who made the disclosure of that conclusion; and
2. Advise that person that he or she may request the public body to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a public interest disclosure, and that this request must be made within 28 days of the notification.

In either case, the protected disclosure coordinator will make the notification and the referral within 14 days of the conclusion being reached by the public body. Notification to the whistleblower is not necessary where the disclosure has been made anonymously.

10. Investigations

10.1 Introduction

Where the Ombudsman refers a protected disclosure to the Port Phillip City Council for investigation, the protected disclosure coordinator will appoint an investigator to carry out the investigation.

The objectives of an investigation will be:

- To collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment;
- To consider the information collected and to draw conclusions objectively and impartially;
- To maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure; and
- To make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

10.2 Terms of reference

Before commencing an investigation, the protected disclosure coordinator will draw up terms of reference and obtain authorisation for those terms by the chief executive officer. The terms of reference will set a date by which the investigation report is to be concluded, and will describe the resources available to the investigator to complete the investigation within the time set. The protected disclosure coordinator may approve, if reasonable, an extension of time requested by the investigator. The terms of reference will require the investigator to make regular reports to the protected disclosure coordinator who, in turn, is to keep the Ombudsman informed of general progress. ▶

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10.3 Investigation plan

The investigator will prepare an investigation plan for approval by the protected disclosure coordinator. The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:

- What is being alleged?
- What are the possible findings or offences?
- What are the facts in issue?
- How is the inquiry to be conducted?
- What resources are required?

At the commencement of the investigation, the whistleblower should be:

- Notified by the investigator that he or she has been appointed to conduct the investigation;
- Asked to clarify any matters; and
- Provide any additional material he or she might have.

The investigator will be sensitive to the whistleblower's possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.

10.4 Natural justice

The principles of natural justice will be followed in any investigation of a public interest disclosure. The principles of natural justice concern procedural fairness and ensure a fair decision is reached by an objective decision maker. Maintaining procedural fairness protects the rights of individuals and enhances public confidence in the process.

The Port Phillip City Council will have regard to the following issues in ensuring procedural fairness:

- The person who is the subject of the disclosure is entitled to know the allegations made against him or her and must be given the right to respond. (This does not mean the person must be advised of the allegation as soon as the disclosure is received or the investigation has commenced);
- If the investigator is contemplating making a report adverse to the interests of any person, that person should be given the opportunity to put forward further material that may influence the outcome of the report and that person's defence should be fairly set out in the report;
- All relevant parties to a matter should be heard and all submissions should be considered;
- A decision should not be made until all reasonable inquiries have been made;
- The investigator or any decision maker should not have a personal or direct interest in the matter being investigated;
- All proceedings must be carried out fairly and without bias. Care should be taken to exclude perceived bias from the process; and
- The investigator must be impartial in assessing the credibility of the whistleblowers and any witnesses. Where appropriate, conclusions as to credibility should be included in the investigation report.

10.5 Conduct of the investigation

The investigator will make contemporaneous notes of all discussions and phone calls, and all interviews with witnesses will be taped. All information gathered in an investigation will be stored securely. Interviews will be conducted in private and the investigator will take all reasonable steps to protect the identity of the whistleblower. Where disclosure of the identity of the whistleblower cannot be avoided, due to the nature of the allegations, the investigator will warn the whistleblower and his or her welfare manager of this probability.

It is in the discretion of the investigator to allow any witness to have legal or other representation or support during an interview. If a witness has a special need for legal representation or support, permission should be granted.

10.6 Referral of an investigation to the Ombudsman

The protected disclosure coordinator will make a decision regarding the referral of an investigation to the Ombudsman where, on the advice of the investigator:

- The investigation is being obstructed by, for example, the non-cooperation of key witnesses; or
- The investigation has revealed conduct that may constitute a criminal offence.

10.7 Reporting requirements

The protected disclosure coordinator will ensure the whistleblower is kept regularly informed concerning the handling of a protected disclosure and an investigation.

The protected disclosure coordinator will report to the Ombudsman about the progress of an investigation.

Where the Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

11. Action taken after an investigation

11.1 Investigator's final report

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the protected disclosure coordinator. The report will contain:

- The allegation/s;
- An account of all relevant information received and, if the investigator has rejected evidence as being unreliable, the reasons for this opinion being formed;
- The conclusions reached and the basis for them; and
- Any recommendations arising from the conclusions.

Where the investigator has found that the conduct disclosed by the whistleblower has occurred, recommendations made by the investigator will include:

- The steps that need to be taken by the Port Phillip City Council to prevent the conduct from continuing or occurring in the future; and
- Any action that should be taken by the Port Phillip City Council to remedy any harm or loss arising from the conduct. This action may include bringing disciplinary proceedings against the person responsible for the conduct, and referring the matter to an appropriate authority for further consideration.

The report will be accompanied by:

- The transcript or other record of any oral evidence taken, including tape recordings; and
- All documents, statements or other exhibits received by the officer and accepted as evidence during the course of the investigation.

Where the investigator's report is to include an adverse comment against any person, that person will be given the opportunity to respond and his or her defence will be fairly included in the report.

The report will not disclose particulars likely to lead to the identification of the whistleblower.

11.2 Action to be taken

If the protected disclosure coordinator is satisfied that the investigation has found that the disclosed conduct has occurred, he or she will recommend to the chief executive officer the action that must be taken to prevent the conduct from continuing or occurring in the future. The protected disclosure coordinator may also recommend that action be taken to remedy any harm or loss arising from the conduct.

The protected disclosure coordinator will provide a written report to the Port Phillip City Council, the Ombudsman and the whistleblower setting out the findings of the investigation and any remedial steps taken.

Where the investigation concludes that the disclosed conduct did not occur, the protected disclosure coordinator will report these findings to the Ombudsman and to the whistleblower.

12. Managing the welfare of the whistleblower

12.1 Commitment to protecting whistleblowers

The Port Phillip City Council is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures. The protected disclosure coordinator is responsible for ensuring whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made.

The protected disclosure coordinator will appoint a welfare manager to all whistleblowers who have made a protected disclosure. The welfare manager will:

- Examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and, where the whistleblower is an employee, seek to foster a supportive work environment;
- Advise the whistleblower of the legislative and administrative protections available to him or her;
- Listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure;
- Keep a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow-up action; and
- Ensure the expectations of the whistleblower are realistic.

All employees will be advised that it is an offence for a person to take detrimental action in reprisal for a protected disclosure. The maximum penalty is a fine of 240 penalty units (\$24,000) or two years imprisonment or both. The taking of detrimental action in breach of this provision can also be grounds for making a disclosure under the Act and can result in an investigation.

Detrimental action includes:

- Causing injury, loss or damage;
- Intimidation or harassment; and
- Discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business (including the taking of disciplinary action).

12.2 Keeping the whistleblower informed

The protected disclosure coordinator will ensure the whistleblower is kept informed of action taken in relation to his or her disclosure, and the time frames that apply. The whistleblower will be informed of the objectives of an investigation, the findings of an investigation, and the steps taken by the Port Phillip City Council to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made by the Port Phillip City Council in relation to a protected disclosure. All communication with the whistleblower will be in plain English.

12.3 Occurrence of detrimental action

If a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the welfare manager will:

- Record details of the incident;
- Advise the whistleblower of his or her rights under the Act; and
- Advise the protected disclosure coordinator or chief executive officer of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the protected disclosure coordinator will assess the report as a new disclosure under the Act. Where the protected disclosure coordinator is satisfied that the disclosure is a public interest disclosure, he or she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a public interest disclosure, the Ombudsman may investigate the matter or refer it to another body for investigation as outlined in the Act. ►

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12.4 Whistleblowers implicated in improper conduct

Where a person who makes a disclosure is implicated in misconduct, the Port Phillip City Council will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman's guidelines and these procedures. The Port Phillip City Council acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct. Section 17 of the Act specifically provides that a person's liability for his or her own conduct is not affected by the person's disclosure of that conduct under the Act. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

The chief executive officer will make the final decision on the advice of the protected disclosure coordinator as to whether disciplinary or other action will be taken against a whistleblower. Where disciplinary or other action relates to conduct that is the subject of the whistleblower's disclosure, the disciplinary or other action will only be taken after the disclosed matter has been appropriately dealt with.

In all cases where disciplinary or other action is being contemplated, the chief executive officer must be satisfied that it has been clearly demonstrated that:

- The intention to proceed with disciplinary action is not causally connected to the making of the disclosure (as opposed to the content of the disclosure or other available information);
- There are good and sufficient grounds that would fully justify action against any non-whistleblower in the same circumstances; and
- There are good and sufficient grounds that justify exercising any discretion to institute disciplinary or other action.

The protected disclosure coordinator will thoroughly document the process including recording the reasons why the disciplinary or other action is being taken, and the reasons why the action is not in retribution for the making of the disclosure. The protected disclosure coordinator will clearly advise the whistleblower of the proposed action to be taken, and of any mitigating factors that have been taken into account.

13. Management of the person against whom a disclosure has been made

The Port Phillip City Council recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures.

The Port Phillip City Council will take all reasonable steps to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation, and the identity of the person who is the subject of the disclosure will remain confidential.

The protected disclosure coordinator will ensure the person who is the subject of any disclosure investigated by or on behalf of a public body is:

- Informed as to the substance of the allegations;
- Given the opportunity to answer the allegations before a final decision is made;
- Informed as to the substance of any adverse comment that may be included in any report arising from the investigation; and has
- His or her defence set out fairly in any report.

Where the allegations in a disclosure have been investigated, and the person who is the subject of the disclosure is aware of the allegations or the fact of the investigation, the protected disclosure coordinator will formally advise the person who is the subject of the disclosure of the outcome of the investigation.

The Port Phillip City Council will give its full support to a person who is the subject of a disclosure where the allegations contained in a disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the chief executive officer of the Port Phillip City Council will consider any request by that person to issue a statement of support setting out that the allegations were clearly wrong or unsubstantiated.

14. Criminal offences

The Port Phillip City Council will ensure officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act:

1. It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units (\$24,000) or two years imprisonment or both.
2. It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units (\$6,000) or six months imprisonment or both.
3. It is an offence for a person to obstruct the Ombudsman in performing his responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.
4. It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.

15. Review

These procedures will be reviewed annually to ensure they meet the objectives of the Act and accord with the Ombudsman's guidelines.

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Jest to sprawozdanie roczne gminy Port Phillip (City of Port Phillip) za rok sprawozdawczy 2001/2002. Po informacje na temat tego dokumentu lub ogólnych usług świadczonych przez Radę Miasta skontaktuj się z Wielojęzyczną Linia Telefoniczną (Multi-Lingual Link) Rady Miasta pod numerem 9679 9812.

Αυτή είναι η Ετήσια Έκθεση της Δημαρχίας του Πόρτ Φίλιπ για το 2001/2002. Για πληροφορίες σχετικά μ' αυτό το έγγραφο ή γενικά για τις Δημαρχιακές υπηρεσίες, επικοινωνήστε με την Πολυγλωσσική Γραμμή της Δημαρχίας στον αριθμό 9679 9811.

這是菲利普港市的 '2001/2002 年度報告'。欲了解本報告的內容和市政廳的日常服務，請與市政廳的 Multi-Lingual Link (多元文化連絡辦) 聯繫，電話：9679 9810。