

CITY OF PORT PHILLIP  
ANNUAL REPORT  
2017/18







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



## Who this report is for

This report is designed for a broad audience that reflects the great diversity of our stakeholders, including members of our community, our ratepayers, local businesses, government agencies and departments.

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

## Why this report is different

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

This report uses the best available information. While great care has been taken to ensure the content in the report is accurate, it cannot be guaranteed at time of publication. There may be errors and omissions or it may not be wholly appropriate for your particular purposes. In addition, the publication is a snapshot in time, which is liable to change. The Port Phillip City Council accepts no responsibility and disclaims all liability for any error, loss or other consequence that may arise from you relying on any information contained in this report.

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## Womin djeka

Council respectfully acknowledges the Yaluk ut Weelam Clan of the Boon Wurrung.

We pay our respect to their Elders, both past and present.

We acknowledge and uphold their continuing relationship to this land.





# Our organisational values

working together

courage and integrity

creative and strategic  
thinking

personal growth  
and performance

accountability

community first



# 1

## Welcome

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# About the City of Port Phillip

## Our City

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

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

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

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

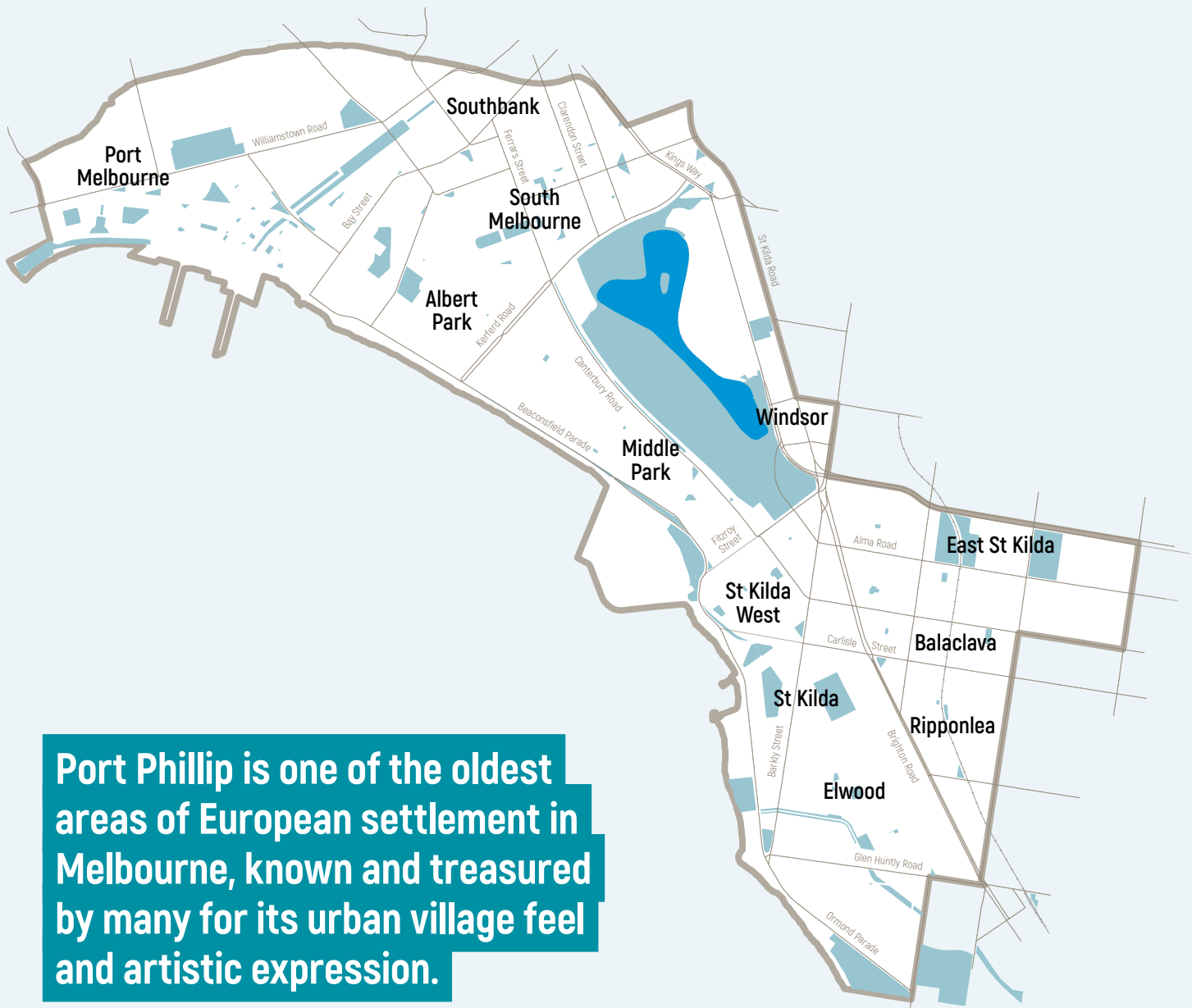
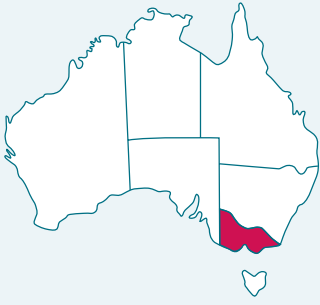
Significant employment areas within Port Phillip include the St Kilda Road district, and the industrial, warehousing and manufacturing districts in South Melbourne, Port Melbourne and Fishermans Bend.

Port Phillip is well served by public transport, with access to St Kilda and Port Melbourne light rail, two railway stations on the Sandringham line, and tram and bus routes. There are 65 kilometres of bike paths and extensive walking paths.

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



Area	Foreshore length	Population	Car ownership	Renters	Born overseas
<b>21km<sup>2</sup></b>	<b>11km</b>	<b>111k</b>	<b>73%</b>	<b>49%</b>	<b>31%</b>



**Port Phillip is one of the oldest areas of European settlement in Melbourne, known and treasured by many for its urban village feel and artistic expression.**

# A snapshot of our community

Port Phillip has a diverse community. It is estimated that in 2017 more than 110,397 people live in the City. Our population will continue to grow. Fishermans Bend is expected to be home to around 80,000 residents and provide jobs for 60,000 people over the next four decades.

The most recent (2016) Census data enables a closer look at the resident population in Port Phillip. It shows that 45 per cent of our population is between 35 and 65 years old, while 7 per cent are over 70 years old. The number of young people (17 years and younger) has increased slightly in recent years, with an average of 1,400 births in Port Phillip each year.

The average household is small, with singles and couples making up 68 per cent of our community. The majority of our residents rent their homes and around eight per cent of our population is in social or public housing. There is a large proportion of high income households, with 30 per cent of our residents earning \$2,500 or more per week.

Getting around by car is the most common method of travel to work (44 per cent), while 26 per cent of residents use public transport, seven per cent walk and four per cent ride bikes.

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

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

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

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





# Mayor's welcome

Councillor Bernadene Voss



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

## Our year in review

In an important step for our community, we implemented the first year of our new Council Plan 2017-27, marking the beginning of our long term commitment to our beautiful City, its people and places.

Fifty-eight per cent of Council Plan outcome indicators have been met, 56 per cent of service measures reached and 89 per cent of Council Plan priorities achieved. Fundamental progress has been made to deliver a liveable, inviting and bold Port Phillip and I'm excited to share significant highlights from our first year with you.

We've continued to deliver core services to our community and progressed many projects, events and developments, which feature throughout this annual report. In this first year, working in collaboration with trusted partners and embedding our strategic direction have been fundamental to ensuring our vision and delivering on our Plan and goals.

This collaborative effort involved many agencies, government departments, local governments and community groups.

Ongoing community engagement with our residents to drive and strengthen our direction has also been instrumental in preparing for our future, and I thank everyone who took the time to share their views and ideas.

The development of our four key strategies will guide the organisational action required to deliver great outcomes for our community through the life of the Council Plan.

## Delivering on our commitments

I am proud of our significant work over the last year. Among many achievements, highlights include:

- the opening of South Melbourne Primary School, which includes Council's multipurpose rooms, Barring Djinang Kindergarten, a new sports club and maternal child health services
- starting construction works to upgrade Linden New Art and redevelop the South Melbourne Life Saving Club and the facilities at Peanut Farm Pavilion for our community to enjoy
- our Design and Development Awards as part of Melbourne Design Week
- recording our highest monthly attendance at South Melbourne Market, with over 530,000 visitors in December 2017 and winning two sustainability awards - the IPAA 'Environmental Sustainability Award' and the 'LGPro Environmental Sustainability Award' for organic waste recycling
- commencing construction of Kirrip Park, the first new park for Fishermans Bend, purchased jointly by Council and the Victorian Government, and lodging our submissions on the draft Fishermans Bend Framework to the Victorian Government
- upgrading the Beach Street, Port Melbourne queuing lane to reduce traffic delays associated with cruise ship arrivals
- renewing our buildings and assets including flooring upgrades to Betty Day and Alma Road community centres and Elwood Croquet Club, and decking access ramp at Elwood St Kilda Neighbourhood Learning Centre

"In an important step for our community, we implemented the first year of our new Council Plan 2017-27, marking the beginning of our long-term commitment to our beautiful City, its people and places."

- constructing a new playground at RF Julier Reserve, a public space at Olive's Corner and delivering our 200th raingarden to reduce stormwater pollutants entering the bay
- launching the online Port Phillip City Art and Heritage Collection platform, enabling people to easily view and search pieces in the collection.

Alongside key partners, we:

- celebrated the milestone opening of Ferrars Street Education and Community Facility in Fishermans Bend with the Victorian Government. The facility includes Victoria's first vertical primary school, Barring Djinang Kindergarten, multipurpose rooms, an indoor and outdoor sports court, maternal and child health consulting rooms and Kirrip Park, currently in its final stages of construction
- worked through the night to conduct this year's StreetCount of people sleeping rough in park lands and streets across the cities of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong. As well as raising awareness, this important survey helps better target assistance for people experiencing homelessness

- established a partnership between the cities of Port Phillip and Melbourne, Metropolitan Waste and Resource Recovery Group, South East Water and the Fishermans Bend Taskforce to collaborate on managing waste and water in a co-located facility (inner Metro Sustainability Hub)
- worked with Melbourne Water, City of Glen Eira, Bayside City Council and City of Kingston to manage flooding in the Elster Creek catchment area
- advocated to the Victorian government and election candidates for support of City of Port Phillip key priorities.

### Our strategies

In conjunction with delivering our key services, we gained community insight to help us create core strategies to provide the foundation for Council's vision for our City to be liveable, inviting, beautiful, caring, bold and real.

These strategies have helped us find better ways of responding to the key challenges identified in the Council Plan, including population growth, urbanisation, climate change, rapid technological change, legislative and policy influences, traffic and parking, and changing economic conditions.

To help respond to the challenges our City faces, we sought feedback on the:

- Council Plan and Budget
- Act and Adapt - Sustainable Environment Strategy 2018-28
- Art and Soul - Creative and Prosperous City Strategy 2018-22
- draft Move, Connect, Live - Integrated Transport Strategy 2018-28
- draft Don't Waste it! - Waste Management Strategy 2018-28.

We've made significant progress and investments this year to provide effective strategies to ensure we can meet our promises in the years to follow. I look forward to updating you on our future successes.



**Councillor Bernadene Voss**

Mayor  
City of Port Phillip

# CEO's overview

Peter Smith



In 2017/18, we have added value to our residents by honouring our commitment to improve our services. Overall, we have implemented changes that reduce the time it takes our community to access our services by over 8,900 days, or two hours for every Port Phillip resident.

We have delivered \$2 million in permanent ongoing efficiency savings through identifying savings with OHS insurance premiums, evaluating our parking meter coin collection methods, making smarter financial investment, absorbing project resources into operating costs and reviewing community survey requirements.

Over 4,700 staff hours have been redirected to more value-adding tasks by streamlining internal communications, health food recall procedures, local laws investigations, food delivery service and the use of physical files within our planning compliance team.

Through advances in technology, our business enablement fund has delivered an augmented reality application for Melbourne Knowledge Week, installed electronic sign-in for parents within our children centres and mobilised employees to increase their presence in the field protecting our community and environment.

Exciting highlights have been achieved across our organisation with five sustainability awards achieved for South Melbourne Market, recognition for both our integrated Council Plan and Annual Report, three senior female leaders listed within the inaugural Top 50 Public Sector Women in Victoria and the delivery of our customer experience program business case, including commencement of the tender process to appoint a partner to execute the delivery of this program.

A handwritten signature in black ink, appearing to read 'PS', written over a light blue horizontal line.

**Peter Smith**

Chief Executive Officer



**Our business enablement fund mobilised employees to increase their presence in the field protecting our community and environment.**



# Challenges our City faces

We have identified seven significant, long term challenges for our City.

How we respond to these challenges will impact the liveability of our City and the health of our community. These challenges have shaped the way we plan for the future and provide our services.

## Population growth

Port Phillip's population is expected to grow to more than 168,549 people by 2041, a 52 per cent increase from the 2017 estimate of 110,942 people.

This growth will not be uniform across the City. While much of this growth will occur in Fishermans Bend, some established neighbourhoods are also growing and have been for some time.

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

## Urbanisation

Population growth will drive an increase in urban density. As more people use our open spaces, roads, footpaths and facilities we need to make sure our assets are fit for purpose and can cater for greater demand.

Urbanisation brings with it challenges of rising land prices and providing services in a more compact environment. Housing affordability will continue to be a concern.

## Climate change

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

## Rapid technological change

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

## Legislative and policy influence

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

## Traffic and parking

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

## Changing economic conditions

Port Phillip's economy was close to \$12 billion in 2015, contributing 4.2 per cent to the greater Melbourne economy. The City's growing and emerging industries are in professional services, health and education, tourism and construction. Other traditional sectors such as creative and cultural industries will continue to make a valued contribution to Port Phillip's social and economic dynamic if they can be retained and encouraged to prosper.

The spectrum of people considered vulnerable is widening due to increased costs of living, rental and property costs, social exclusion and health inequity.



**Population growth will drive an increase in urban density. As more people use our open spaces, roads, footpaths and facilities we need to make sure our assets are fit for purpose and can cater for greater demand.**





# Our 2027 focus

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

## We are Port Phillip

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

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

The Council Plan 2017-27 delivers five important documents in a single integrated format that combines our Council Plan, Municipal Public Health and Wellbeing Plan, Strategic Resource Plan, Ten Year Financial Outlook, and Annual Budget. The plan is supported by the Port Phillip Planning Scheme.

The Plan focuses on creating an integrated transport network that offers real travel choice, revolutionising the way we manage waste, particularly green and organic waste, and delivering innovative water management projects.

The Plan also focuses on Port Phillip being a welcoming place that supports a diverse and healthy community, and a thriving local economy, with a strong emphasis on arts and culture.

It commits Council to working closely with our partners to ensure Fishermans Bend is a unique, liveable community we can be proud of. Finally, the Plan has a strong focus on Council achieving its sustainability goals. This year we have commenced detailed planning and analysis to help us achieve these goals and deliver our vision.

More information on the Council Plan and Budget is available on our website.

## We will deliver our vision through six directions:

We embrace difference, and people belong

We are connected and it's easy to move around

We have smart solutions for a sustainable future

We are growing and keeping our character

We thrive by harnessing creativity

Our commitment to you

# Delivering our 2027 vision

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

More information on Performance Reporting is available on our website.

## Integrated planning and delivery framework



## Engaging and reporting on the Council Plan 2017-27



### Community Engagement

- Annual Council Plan engagement
- Community satisfaction surveys
- Have your say online

### Integrated Council Plan

Over 10 years



- Strategic directions and outcomes
- Financial plan and project portfolio
- Outcome indicators

Over four years



- Priority initiatives
- Service performance measures
- Resourcing

Yearly



- Budget
- Neighbourhood profiles

### Reporting and monitoring

- Annual report
- Monthly CEO report
- Local Government Performance Reporting Framework
- Enterprise reporting

**Beach wheelchairs and matting are now available at both St Kilda and Port Melbourne life saving clubs.**





# 2

## A snapshot of our year

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# The year in review

## July 2017

### NAIDOC Week

We celebrated NAIDOC Week with a flag raising and smoking ceremony at the St Kilda Town Hall.

### Improving local street cleaning

We increased the street cleaning crew and fleet to improve street cleaning in key commercial areas.

### Open House Melbourne

For the sixth consecutive year we participated in the Open House Melbourne program, opening our doors at the South Melbourne Town Hall.

## August 2017

### Lost pets found on The Lost Dogs' Home website

Photos of animals found in the City were added to The Lost Dogs' Home website to help speed up reunions.

### Rainbows at Town Hall

We installed rainbow banners and lights on our town halls and signs in our ASSIST service centres and libraries to show our support for marriage equality.

### Live N Local

We celebrated local music with 200 music acts performing at 50 gigs and two artist development days, as part of the free Live N Local Festival.

### Woodruff Oval lighting upgrade

We completed lighting works at Woodruff Oval, Port Melbourne, lighting the entire playing surface.

## September 2017

### Secured the Rainbow Tick

The Access and Ageing department secured the Rainbow Tick accreditation for a further three years.

### Beach Street queuing lane

We completed a queuing lane, bike lane and pedestrian crossing on Beach Street (near Station Pier), Port Melbourne to reduce congestion and increase safety for visitors and residents.



### October 2017

#### Seniors Festival

We hosted our annual Seniors Festival with 49 events taking place across the City, engaging approximately 2,300 seniors.

#### Ride2Work Day

We led local Ride2Work Day celebrations including a free community breakfast and supporting five St Kilda Road buildings that hosted events for passing bike riders.

#### Acland Street Plaza pop-up playground

Daily pop-up activities including giant chess, connect four, jenga and more transformed the Acland Street Plaza, providing free family fun over the school holidays.

### November 2017

#### Mayoral election

Councillor Bernadene Voss elected Mayor and Councillor Dick Gross elected Deputy Mayor.

#### Walk to School Day

Thousands of local children joined the state-wide VicHealth Walk to School initiative.

#### Final upgrades to the Palais complete

We completed upgrades to the Palais Theatre including an enclosed glass balcony, restoration of the historic ceiling domes in the auditorium and improved access for visitors using mobility aids.

#### Local Law amendment

Additional clauses and amendments to Council's Local Law were adopted, including provisions to strengthen Council's ability to protect the safety and amenity within our municipality.

### December 2017

#### Summer Management Program

We maintained Council's pristine beaches, streets and reserves during the Summer Management Program, cleaning up 29 tonnes of rubbish left behind by party goers over the festive season.





**January 2018****Opening of South Melbourne Primary School**

We celebrated the opening of South Melbourne Primary Education and Community facility, including Victoria's first vertical public school.

**Twilight markets**

We entertained market goers with a range of stalls, food, bars and bands at the South Melbourne Market's 10-week Twilight Market.

**New citizens welcomed**

We welcomed 96 new citizens to Port Phillip as part of our annual Australia Day celebrations.

**Pride March**

We raised the Rainbow Flag at all three town halls to celebrate the iconic Pride March and opening of the Midsumma Festival.

**Community rooms open**

Community spaces opened in Fishermans Bend as part of the South Melbourne Primary School, including long day care kindergarten, multipurpose rooms, indoor/outdoor sports court and maternal health consulting rooms.

**February 2018****Council Plan engagement**

We engaged with our community on the development of the Council Plan 2017-27, Budget 2018/19 and key strategies with special focus group workshops, targeted focus groups, surveys and pop-up conversations.

**St Kilda Festival**

Free Indigenous arts and music kicked off the St Kilda Festival, with Festival Sunday attracting over 460,000 people.

**Queen's Baton Relay**

Residents, visitors and traders gathered to cheer the community baton bearers involved in the local leg of the Gold Coast Commonwealth Games Queen's Baton Relay.

**Lunar New Year at South Melbourne Market**

We celebrated the Year of the Dog for the Lunar New Year with lion dancers spreading good fortune and happiness to all in attendance.

**March 2018****Mussel and Jazz Festival at South Melbourne Market**

The fifth annual festival was held at South Melbourne Market with piping hot mussel paella, wok cooked drunken mussels, craft beer, artisanal ice cream and plenty of jazz.

**Ride2School Day**

We supported 3,000 students across 14 local schools to participate in Ride2School Day.

**Council meeting in Fishermans Bend**

We held the 7 March Council meeting at the South Melbourne Primary School, showcasing the new venue.

**April 2018****Premier's Active April**

We organised free events as part of the Premier's Active April, for people of all fitness levels to take part in and enjoy.



### Youth Week in Port Phillip

We hosted the Victorian Youth Week Arts and Music Festival as part of Youth Week, showcasing art and music from younger members of our community.

### Fitness station launch

We launched a fitness station catering for all abilities at Alma Park.

### Trivia night

We hosted the second annual Friends of Suai/Covalima Trivia Night, with all proceeds supporting our scholarship program in Covalima, Timor-Leste.

### Peanut Farm pavilion upgrade

We commenced work on upgrading the Peanut Farm pavilion, including upgrades to netball courts and a new sports pavilion with unisex change rooms, showers, toilets and kitchen, to provide a new vibrant and more accessible space.

### South Melbourne Life Saving Club redevelopment

We commenced work on redeveloping the South Melbourne Life Saving Club, including a new facility and improved landscape areas, bike and pedestrian paths.

### May 2018

#### Disaster recovery exercise

We performed a successful disaster recovery exercise where all information and communication technology was transferred to our disaster recovery centre, where we operated from for a week.

#### Balaclava tram stop streetscape upgrade

We completed streetscape improvements as part of the Balaclava Station tram stop upgrade undertaken by Yarra Trams and Public Transport Victoria.

#### Reconciliation Week

We celebrated Reconciliation Week, which commemorates the 1967 referendum and the historic High Court Mabo decision.

#### St Kilda Film Festival

We showcased Australian short films at the 35th St Kilda Film Festival, with almost 3,000 people attending the opening night at the Palais Theatre.

### June 2018

#### Revised Council Plan endorsed

We endorsed the revised Council Plan 2017-27 including the Budget for 2018/19.

#### Annual Homeless Memorial

We supported the Annual Homeless Memorial, attended by over 250 people.

#### Homelessness Count

We conducted a survey of people sleeping rough in our parks and streets.



# Our performance at a glance

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

**Council Plan  
outcome indicators  
actions on track**

58%

14 out of 24  
indicators

**Council Plan  
service measures that  
achieved target**

56%

54 out of 96  
measures

**Council Plan  
priorities in progress  
or completed**

89%

117 out of 132  
priorities



**The City of Port Phillip worked with Public Transport Victoria on the Balaclava Station tram stop upgrade.**



# Performance highlights

More detail on Council's performance for the year is provided in Chapter 4 Our Performance.

## Strategic direction 1

We embrace difference, and people belong

- retained Rainbow Tick accreditation
- delivered new community spaces in Fishermans Bend in partnership with the Victorian Government
- commenced construction on the new community park in Montague, and redevelopment of South Melbourne Life Saving Club, and JL Murphy Reserve and Peanut Farm sports pavilions.

## Strategic direction 2

We are connected and it's easy to move around

- improved management of traffic associated with cruise ships in Port Melbourne
- completed Blackspot Safety improvements across the City including Dorcas and Moray streets, South Melbourne, Broadway and Milton Street, Elwood roundabouts and intersection of Coventry and Tope streets, South Melbourne
- released draft Move, Connect, Live - Integrated Transport Strategy 2018-28 which commits us to investing \$37 million over the next 10 years to deliver our transport priorities
- completed parking ticket machine updates, responding to technology upgrades for our devices.

## Strategic direction 3

We have smart solutions for a sustainable future

- gained commitment from Melbourne Water and neighbouring local governments in the Elster Creek Catchment to collectively address flooding issues
- released Act and Adapt - Sustainable Environment Strategy 2018-28, which commits to environmental sustainability for the organisation and the wider community
- released draft Don't Waste It! - Waste Management Strategy 2018-28, which is a blueprint for how Council and the community can work together to achieve a sustainable reduction in waste and manage what is left over in the most sustainable way.

## Strategic direction 4

We are growing and keeping our character

- responded to the Victorian Government's draft Fishermans Bend Framework
- delivered Design and Development Awards as part of Melbourne Design Week.

## Strategic direction 5

We thrive by harnessing creativity

- released Art and Soul - Creative and Prosperous City Strategy 2018-22, which provides a blueprint for Council, community and business to work together to create a thriving social, cultural and economic future for Port Phillip.

## Strategic direction 6

Our commitment to you

- delivered a range of governance improvements including improving risk management, improving live streaming of Council meetings and reporting on the status of Council decisions
- used technology to improve how we deliver our services and made it easier for staff to do their jobs on the go through a range of mobility improvements and system upgrades
- delivered ongoing efficiency savings and maintained low ratings for key financial sustainability measures
- commenced the transformation of how customers experience Council services through the development of the Customer Experience Business Case.



## Awards and third party endorsements

- South Melbourne Market won the 'Environmental Sustainability Award' at both the 2017 IPAA Victoria Leadership in the Public Sector Awards and the 2017 LGPro Awards for Excellence.
- South Melbourne Market received the Australian Organics Recycling Association Award for Outstanding Local Government Initiative in Collection/rocessing/ Marketing.
- South Melbourne Market also received the Hospitality sector and Overall Winner awards at the Facility Management Innovation Awards. This was the result of the numerous sustainability practice innovations introduced at the market including recycling, food rescue, waste and water management and water monitoring.
- St Kilda was nominated for LGBTI Destination of the Year at the Australian LGBTI Awards.
- St Kilda was selected to host the Land Art Generator Initiative (LAGI) international design competition in 2018. LAGI 2018 invited teams to submit proposals for a large-scale public art installation on the St Kilda Triangle that generates clean energy.
- The Acland Street upgrade received a commendation in the Great Place category of the PIA Awards for Planning Excellence.
- The integrated Council Plan 2017-27 was a finalist in the Best Practice and Innovation Award and won the Delegate's Choice Award at the LGPro Corporate Planners Network Awards.
- The Annual Report 2016/17 received a Gold Australasian Reporting Award.
- Our three female General Managers, Fiona Blair, Carol Jeffs and Claire Ferres Miles, were listed in the inaugural list of the Top 50 Public Sector Women in Victoria.
- Together with Glen Eira, Kingston, Greater Dandenong and Bayside councils, we received a high commendation for the YouMeUs - Achieving Inclusion program in the community partnerships initiative division at the LGPro Awards for Excellence.



**South Melbourne Market won five awards in 2017/18 for their sustainability and recycling initiatives.**





# What happened in your local neighbourhood?

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

### Port Melbourne

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

Completed civil works on the Beacon Cove foreshore promenade

Provided beach wheelchairs and matting at Port Melbourne beach

Completed raingarden at Derham Street

Installed four new carshare bays

Upgraded lighting infrastructure on Williamstown Road

Upgraded RF Julier Reserve

Completed upgrade at Liardet Street Community Centre

Conducted feedback opportunities in June on draft design guidelines for Waterfront Place and public realm concept design

Installed sliding doors at the top of the 'loo for you' on Bay Street

### Sandridge / Wirraway

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

Completed detailed design for JL Murphy Reserve Pavilion redevelopment

Completed upgrade to public toilets and internal facilities at Sandridge Trugo Club

Completed construction at JL Murphy Aanenson Football Oval

Victorian Government announced a new secondary school in Wirraway

### Montague

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

Awarded the tender for streetscape works at Ferrars Street

Opened community facilities including maternal child and health service at Ferrars Street Education and Community Precinct

Converted the northern section of Railway Place, next to South Melbourne Primary School, to pedestrian only space

Council endorsed 'Kirrip Park' as the name of Montague's new community park following community consultation

Conducted community consultation on Fishermans Bend parking controls

**South Melbourne**

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

Installed solar PV at Emerald Hill Library

Celebrated the 10th year of the South Melbourne Night Market

Completed safety improvements at Park and Mountain streets and Nelson Road

Installed two new carshare bays

Commenced protected bike lane work on Moray Street as part of the Metro Tunnel Project

Held 5th annual Mussel and Jazz Festival at South Melbourne Market

Delivered safety improvements at Coventry and Tope streets as part of the Blackspot Safety Improvement initiative

Commenced renewal works at South Melbourne Market with several stall refits, a new sprinkler system for the ground floor, CCTV, a new roller door, outdoor furniture and electrical works scheduled to be operational in the coming months

Completed Moray and Dorcas streets roundabout, the first of its kind in Victoria that prioritises pedestrians and people on bicycles

Continued work at South Melbourne Town Hall upgrading the lifts

**Albert Park / Middle Park**

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

Completed renewal of Sandbar roof

Installed solar PV at Albert Park Library

Installed three new carshare bays

Completed construction to improve drainage on Victoria Avenue

Completed construction of Landridge and Park streets raingarden

Commenced redevelopment of the South Melbourne Life Saving Club

Completed roof and gutter maintenance at Mary Kehoe Community Centre, Albert Park

Continued working on options for Albert Park stormwater harvesting

**St Kilda Road**

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

Worked closely with partners to deliver the Metro Tunnel project, commenced Stage 1 of Anzac Station and completed construction of the Park Street tram stop

Commenced construction on Moray Street bike link

Planted almost 50 trees along Queens Road and Louise Street



### St Kilda / St Kilda West

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

Installed new bins along the St Kilda foreshore

Parks Victoria commenced public consultation on concept design options for a new St Kilda Pier

Completed footpath renewal at several sites

Held the 23rd annual Midsumma Pride March

Held Yalukut Weelam Ngargee, the annual free Indigenous arts and cultural festival at O'Donnell Gardens

Council continues to work with partners to plan the Victorian Pride Centre

St Kilda Town Hall Security Upgrade is nearing completion

Continuing installation of CCTV and bollards to improve safety in public places

Completed upgrade of Linden New Art gallery, including new roof, veranda, decking and facade improvements

Installed seven new carshare bays

Completed works to improve drainage at Acland and Carlisle streets

Installed safety bollards at Barkly and Acland streets intersection

Demolished Peanut Farm Reserve sports pavilion

Completed road renewal at Herbert and Smith streets

### East St Kilda / Balaclava

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

Replaced several street trees along Chapel Street

Installed two new carshare bays

Competed street furniture upgrade on Carlisle Street

Worked closely with partners to deliver significant tram stop and streetscape improvements as part of the Balaclava Precinct Program

Launched fitness station at Alma Park Reserve

Continued sustainability improvements to Alma Park through the Stormwater Harvesting project

### Elwood / Ripponlea

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

Progressed work on the Elster Creek Action Plan, including establishment of Community Reference Group and engagement

Installed two new carshare bays

Completed road renewal works at Dickens Street, Elwood

Renewed laneway at Coleridge Street, Elwood

Completed linemarking work on Tennyson Street, Elwood

Developed concept designs for the Elwood playspace, with construction commencing in 2018/19 in conjunction with the Elwood public space wall project

## What you got for \$100

**We delivered a broad range of services to our diverse community of residents, traders, business owners and visitors. This list show how rates revenue was spent across these services for every \$100 spent in 2017/18.**

Read more about each of Council's services in **Chapter 4 Our Performance**, page 4-67








Transport and parking management	\$19.25
Amenity	\$12.90
Public space	\$11.21
Children	\$5.24
Technology, transformation and customer experience	\$4.89
Governance and engagement	\$4.81
Asset management	\$4.56
Community programs and facilities	\$3.55
Libraries	\$3.38
City planning and urban design	\$3.34
Ageing and accessibility	\$3.05
Sustainability	\$2.94
People, culture and capability	\$2.91
Waste reduction	\$2.69
Finance and project management	\$2.62
Festivals	\$2.22
Arts, culture and heritage	\$2.05
Recreation	\$1.91
Families and young people	\$1.82
Economic development and tourism	\$1.24
Affordable housing and homelessness	\$1.01
Local laws and animal management	\$0.95
Development approvals and compliance	\$0.62
Health services	\$0.58
Municipal emergency management	\$0.24
Markets	\$0.02

# Financial report overview

In 2017/18, Council maintained services and infrastructure in addition to delivering priority projects and service improvements valued by our community. In doing so, we have continued our commitment to continuous improvement and efficiency, and keeping rates affordable.

## Financial sustainability indicators

We have delivered another strong financial result and met our strategic financial objectives through the achievement of an overall low financial sustainability risk rating when measured against the Victorian Auditor General's (VAGO) financial sustainability indicators.

Indicator	2013/14	2014/15	2015/16	2016/17	Result 2017/18
<b>Net result</b> Net result greater than 0 %	17.5 %	2.1 %	4.9 %	14.6 %	<b>3.2 %</b> 
<b>Working capital</b> Working capital ratio greater than 100 %	159 %	221 %	243 %	232 %	<b>265 %</b> 
<b>Internal financing</b> Net cashflow from operations to net capital expenditure	57 %	134 %	115 %	155 %	<b>149 %</b> 
<b>Indebtedness</b> Indebtedness ratio less than 40 %	2.5 %	6.6 %	6.3 %	5.9 %	<b>5.2 %</b> 
<b>Recurrent grants per head of municipal population</b> Capital to depreciation greater than 150 %	140 %	125 %	148 %	142 %	<b>103 %</b> 
<b>Infrastructure renewal gap*</b> Renewal and upgrade to depreciation greater than 100 %	101 %	89 %	91 %	115 %	<b>87 %</b> 
<b>Overall financial sustainable risk rating</b>	<b>Low</b>	<b>Low</b>	<b>Low</b>	<b>Low</b>	<b>Low</b> 

\* refer to Total Capital Spend on page 2-38 for details.



## Key financial highlights

Some of the key financial highlights include:

- delivering a cumulative cash surplus balance of \$2.6 million
- positive net operating result of \$7.2 million (3.2 per cent of total revenue)
- an investment portfolio of \$77.5 million
- low levels of debt (6.8 per cent of rates revenue)
- a healthy working capital ratio of 265 per cent
- permanent ongoing efficiency savings of over \$2 million (taking the total to over \$9 million over the past four years).

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

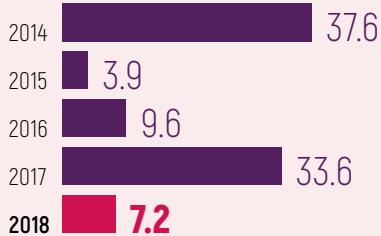
## Cash surplus

As part of our financial strategy, the principal financial report used by Council to monitor its financial performance is the Income Statement Converted to Cash. The cumulative cash surplus balance of \$2.6 million is in line with the previously reported forecast.

	\$'000
	2017/18
<b>Operating surplus</b>	<b>7,170</b>
Add back depreciation	23,417
Add back written down value of disposed assets	7,868
Add back balance sheet work in progress reallocated to operating	983
Less non-monetary contributed assets	(223)
Less share of net surplus of associates and joint ventures	(15)
Less capital expenditure	(24,260)
Less lease repayments	(604)
Less net transfers to reserves	(12,621)
<b>Cash surplus for the financial year</b>	<b>1,715</b>
Brought forward cash surplus	880
<b>Closing balance cash surplus</b>	<b>2,595</b>

### Net operating result

\$ millions



Achieving an operating surplus is a key component of Council’s long term financial strategy. It provides the capacity to renew our \$3.1 billion worth of community assets, meet debt repayment obligations, and manage the impact of financial risks as they arise.

Council’s 2018 operating surplus of \$7.2 million represents a \$26.4 million decrease on the 2017 result. Total operating income decreased by \$7.3 million (3.2 per cent) mainly due to:

- (\$20.4 million) of non-cash contributions from Victorian Government for the Palais Theatre redevelopment and the leaseholder contribution (in excess of the insurance payout) for the rebuild of the Council owned Stokehouse Restaurant recognised in 2017
- \$3.9 million of additional rates revenue, due to rates increase of 2.0 per cent consistent with the Victorian Government Rates Cap and new properties added during the year from development
- \$3.6 million of additional capital grants from other levels of government and monetary contributions from developers to be used to improve community assets
- \$3.8 million of other revenue increased due to the first-time recognition for the market value of subsidised rent to community groups; the full year rent from the newly redeveloped Palais Theatre, and greater interest income.

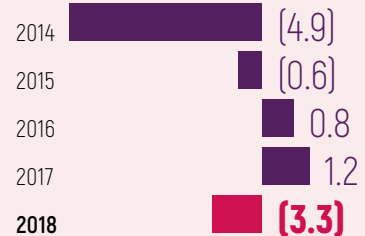
Total operating expenditure has increased by \$19.2 million (9.7 per cent) due to:

- \$8.9 million one-off Pride Centre contribution
- \$2.1 million relinquishing a Committee of Management property of Crown land
- \$5.4 million residual value of assets written off associated with South Melbourne Life Saving Club redevelopment and Peanut Farm Reserve pavilion upgrade.

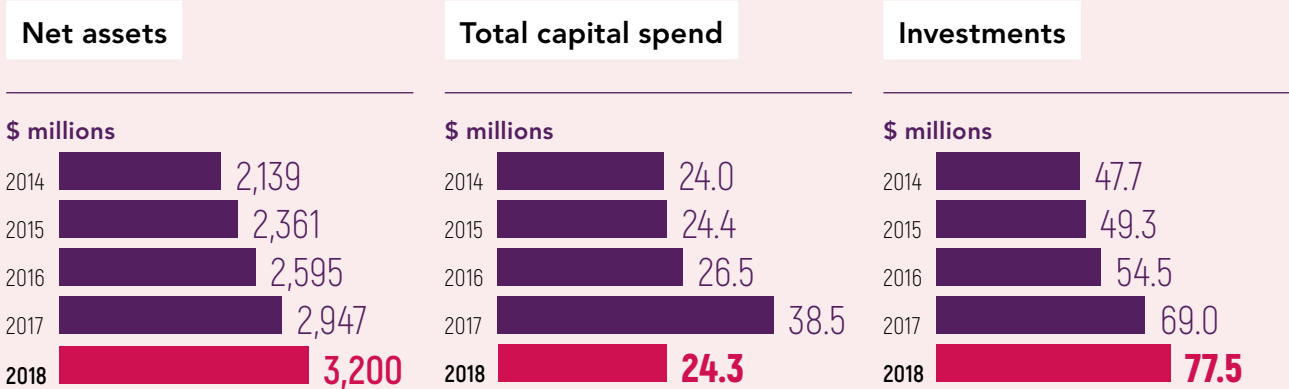
The fluctuating trends over the years, as shown in the graph, are largely due to one-off non-cash accounting adjustments. These include a \$42 million non-cash transfer of Beacon Cove assets from the Victorian Government (2014). Council will maintain its focus on efficiency, as rate capping is expected to result in a reduction in the net operating result in the medium to long term.

### Underlying result

%



Council’s underlying operating result in 2018 is a deficit of \$7.0 million, 3.3 per cent of total underlying total. This is a \$9.5 million decrease from last year’s surplus of \$2.5 million. That said, adjusted for one-off expenditure items in 2018 that totalled \$11 million including Pride Centre contribution and relinquishing a Committee of Management property of Crown land, the underlying result for 2018 would be a surplus of \$4 million.



Council has approximately \$3.2 billion in net assets. The main driver for changes in the value of Council’s assets is the impact of asset revaluations, which take place over a rolling three-year cycle except for land that is currently revalued annually due to ongoing significant increases in value.

The main driver for the increase in 2018 was an increase in Council’s land asset values of \$239 million.

Council spent \$24.3 million in 2017/18 to improve community infrastructure assets and services. This represented a \$14.2 million reduction from 2017. Expenditure in 2017 was inflated by \$6.3 million on land purchase for Kirrip Park and \$5.5 million on the Palais Theatre redevelopment, which was delivered in partnership with the Victorian Government.

In 2018, Capital Replacement Ratio of 103 per cent and Infrastructure Renewal Gap ratio of 87 per cent achieved a medium risk rating. Council encountered issues with retaining and resourcing project managers, and a tight construction market to deliver fully on Council projects. This was impacted by the construction boom linked to the Victorian Government’s investment in large statewide projects.

To address this issue, management initiatives are being undertaken to retain our valued staff and improve our systems, processes and project delivery skills to ensure we meet our 10-year financial plan commitments of over \$40 million per annum adjusted for inflation, to ensure our assets are maintained and improved, while catering for service growth.

Council has grown its investment portfolio to approximately \$77 million from \$69 million. This is mainly due to significant development contributions of \$10.5 million, and delays in project delivery.

The investments fund general reserves (\$37.4 million) employee leave provisions (\$14.2 million), statutory reserves (\$20.2 million), trust funds (\$5.5 million), and the cumulative \$2.5 million cash surplus.

While Council has a reported \$37.4 million in general reserves, a large portion of this relates to contractually committed expenses (such as tied grants) and deferred or planned future capital projects.

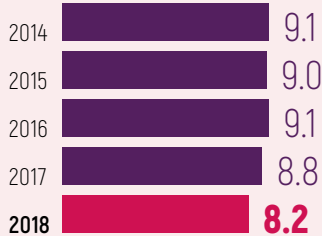
Council’s investment portfolio comprises in the main of term deposits with financial institutions rated not lower than BBB+.

Council is committed to social environmental sustainability. Where practical, Council preferences financial institutions that do not directly or indirectly fund activities including offshore detention, tobacco, fossil fuel energy generation or distribution, gambling or entertainment involving animals including racing. At 30 June, Council invested approximately 77 per cent with fossil free institutions.



**Debt**

\$ millions



Through conservative fiscal management and prudent use of reserves, Council has been able to maintain relatively low levels of debt while increasing its level of capital investment over the past three years. Debt has reduced to around seven per cent of rates revenue.

Debt is expected to remain relatively steady in 2019 with no current plans to increase debt levels.

## Looking forward

For 2018/19 we have prepared a balanced budget (with a modest risk buffer) that delivers on a wide range of services and ongoing investment in our strategic priorities, and within a rates cap increase of 2.25 per cent.

This includes a fully funded project portfolio of \$66 million. This will be used to renew, improve and grow our community infrastructure (including green assets), make improvements to service delivery and asset management, and develop plans for the future.

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

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

A key priority in 2018/19 will be to deliver Year Two initiatives of the Council Plan while ensuring financial sustainability in an environment of population growth, climate change, increasing compliance costs, cost shifting and rate capping.

**Dennis O'Keeffe**

Chief Financial Officer

# Toward Zero progress snapshot

Toward Zero is the City of Port Phillip's sustainable environment strategy to 2020, with nine challenges covering: greenhouse gas emissions, potable water use, waste, contamination and pollution, sustainable transport, sustainable urban design and development, net loss of natural heritage, sustainable purchasing and procurement, and climate change. Each challenge has targets to achieve by 2020.

Council's strong commitment to sustainability has been further demonstrated during 2017/18 through the development of Act and Adapt - Sustainable Environment Strategy 2018-28. This strategy was adopted in June 2018, replacing Toward Zero, and focuses on delivering Direction 3 of our Council Plan - We have smart solutions for a sustainable future.

The Council Plan also includes five outcomes to be achieved by 2027:

- a greener, cooler more liveable City
- a City with lower carbon emissions
- a City that is adapting and resilient to climate change
- a water sensitive City
- a sustained reduction in waste.

Act and Adapt includes priorities for Council's operations and the broader community, and covers a wider range of sustainability challenges, including climate change adaptation and setting emission targets. We will monitor and report on the actions contained in Act and Adapt on an annual basis.

**More detail is provided in Chapter 5 Reporting on Toward Zero, page 5-138.**

## Highlights for 2017/18

Greenhouse gas emissions in council buildings and services have reduced by 70 per cent since 1997.

- installed 70kW of solar energy systems across four buildings: Bubup Nairn Children's Centre, Albert Park Library, Emerald Hill Library and Heritage Centre, and 222 Bank Street, South Melbourne
- reduced energy use by 17 per cent from the previous year at St Kilda Library through energy efficiency works
- reduced Council's potable water usage by 57 per cent since 2000
- harvested 14 million litres of water from Elster Creek to irrigate sporting ovals in Elwood Park
- installed water tanks at St Kilda Life Saving Club and Sandridge Community Centre and Trugo Club
- continued working with partners to investigate a major stormwater harvesting scheme at Albert Park Lake which, if feasible, will significantly contribute to reducing potable water use.

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

- planted 1,519 trees in streets and parks
- replanted 64,000 plants at Moran Reserve, Elwood Park, Tea Tree Reserve, Point Ormond, First Point, HR Johnson Reserve, Lagoon Reserve and Canterbury Road
- increased indigenous vegetated areas by 2,500m<sup>3</sup> and planted indigenous trees at Point Ormond picnic area, Elwood Park and Elwood Canal.

Council's new Sustainable City Community Action Plan (SCCAP) was endorsed in March 2018. The SCCAP outlines a range of programs to support the community to reduce their greenhouse gas emissions, water use and waste.

Highlights of the SCCAP during 2017/18 that addressed Toward Zero targets across emissions, water and waste included:

- launch of the Smart Solutions for Apartments program, with 10 participating apartment buildings completing sustainability audits
- continuation of Smart Solutions for Community Services program (also known as Seedlings), with 10 participating early childhood education and care services reducing their greenhouse gas emissions, water use and waste
- delivered six sustainability workshops to 367 participants, with 81 per cent of participants reporting that they intend to improve their sustainability behaviour as a result of what they learnt
- invested \$200,000 to support the Port Phillip EcoCentre to deliver projects and programs that addressed a range of Toward Zero goals.



Six sustainability workshops were delivered to 367 participants.









**In April 2018, we checked in with our community about our current Council Plan, adopted in June 2017.**

# 3

## Governing our City

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# Role of local government

Australia has three levels of government: federal, state and local. Local government (council) is responsible for planning and delivering a wide range of services for residents, businesses, neighbourhoods and the local community. All councils have the power to make and enforce local laws, and collect revenue to fund their activities. While every Victorian council varies to reflect its community we must all operate in accordance with the **Local Government Act 1989**.

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

## In Victoria, the role of a council is to:

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

## The functions of councils include:

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

# Good governance at the City of Port Phillip

## An open and engaging Council

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

We engage our community on key issues of significance by actively seeking input through community reference groups covering broad cross-sections of the community and through community engagement practices including face-to-face and online mediums.

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

Council commenced live streaming of Council meetings in May 2017. The live stream can be accessed via Council's website and recordings of past meetings are also available to view.

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

## Councillor Code of Conduct

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

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

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

The Councillor Code of Conduct requires Councillors to agree to abide by the **Local Government Act 1989**, Section 3C 'Objectives of a Council', which states that the primary objective of a council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.

Finally, the Councillor Code of Conduct outlines the role of the Mayor, Councillors and the Chief Executive Officer, the legislative obligations of Councillors and an internal issue resolution procedure to deal with potential contraventions of the code.

The Councillor Code of Conduct is available on our website.

# Port Phillip City Council

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

Until 22 October 2016 the City of Port Phillip was divided into seven wards with one Councillor representing each ward.

As a result of an electoral representation review conducted by the Victorian Government, the structure of the Port Phillip City Council was changed to three wards with three Councillors per ward. The three wards are:

- Canal Ward
- Gateway Ward
- Lake Ward.

Council's most recent general election was held on Saturday 22 October 2016 under the new ward structure. Voters elected nine Councillors in total, with three Councillors for each ward. The term of office for each Councillor ends at 6 am on Saturday 24 October 2020.

On Wednesday 8 November 2017, at a Special Meeting of Council, Councillor Bernadene Voss was elected Mayor and Councillor Dick Gross was elected Deputy Mayor.

The role of the Mayor is to provide guidance to Councillors about what is expected of a Councillor, including observing the Councillor Code of Conduct. The Mayor's role includes supporting good working relations between Councillors. The Mayor also acts as the Council's principal spokesperson and is responsible for carrying out the civic and ceremonial duties of the Mayoral office.





# Our Councillors

## Gateway Ward



Councillor Bernadene Voss  
Mayor

### First elected 2012

Audit and Risk Committee, Cultural Heritage Reference Committee, Fishermans Bend Community Forum, Board of Bubup Womindjeka Family and Children's Centre, Health and Wellbeing Alliance Committee (reserve), Inner South Metropolitan Mayors Forum, Victorian Local Governance Association (reserve), Council Neighbourhood Programs Committee, South Melbourne Market Management Committee and Inner Melbourne Action Plan (IMAP) Committee.



Councillor Marcus Pearl

### First elected 2016

Community Grants Assessment Panel.



Councillor Ogy Simic

### First elected 2016

Fishermans Bend Community Forum, Multicultural Forum, HousingFirst Ltd (formerly Phillip Housing Association Ltd), Board of Directors and South Melbourne Market Management Committee.

## Lake Ward



Councillor Katherine Copsey

### First elected 2016

Cultural Development Fund Reference Committee, Health and Wellbeing Alliance Committee and Metropolitan Transport Forum.



Councillor Andrew Bond

### First elected 2012

Esplanade Market Advisory Committee, St Kilda Tourism and Events, and South Melbourne Market Management Committee.



Councillor David Brand

### First elected 1999-2004

Art Acquisition Reference Committee, Esplanade Market Advisory Committee, Fishermans Bend Community Forum, Rupert Bunny Foundation Visual Art Fellowship Reference Committee, Linden Board of Management and Metropolitan Transport Forum.

## Canal Ward



Councillor Tim Baxter

### First elected 2016

Friends of Suai/Covalima Community Reference Committee, Association of Bayside Municipalities, Municipal Association of Victoria (substitute), Port Phillip Multifaith Network Steering Committee and Victorian Local Governance Association.



Councillor Louise Crawford

### First elected 2016

Community Grants Assessment Panel, Gasworks Arts Inc. Board of Management, and Council Neighbourhood Programs Committee.



Councillor Dick Gross  
Deputy Mayor

### First elected 1996-2008

Audit and Risk Committee, Older Persons Consultative Committee, Association of Bayside Municipalities (reserve), Metropolitan Waste and Resource Recovery Group and Municipal Association of Victoria.

## Council meetings

Council meetings are rotated between the St Kilda, South Melbourne and Port Melbourne town halls. One Special Meeting of Council, five Planning Committee meetings, and 21 Ordinary meetings of Council were held in 2017/18.

The City of Port Phillip has a current meeting cycle of two Ordinary Council meetings (first and third Wednesdays) and one Planning Committee meeting (fourth Wednesday) each month, all commencing at 6.30 pm.

## Councillor meeting attendance

	Ordinary Council meetings	Planning Committee meetings	Special Council meetings	Attendance
<b>2017/18</b>				
Councillor Tim Baxter	21	5	1	<b>100 %</b>
Councillor Andrew Bond	18	5	1	<b>89 %</b>
Councillor David Brand	19	4	1	<b>89 %</b>
Councillor Katherine Copsey	21	5	1	<b>100 %</b>
Councillor Louise Crawford	21	4	1	<b>96 %</b>
Councillor Dick Gross	19	5	1	<b>93 %</b>
Councillor Marcus Pearl	19	5	1	<b>93 %</b>
Councillor Ogy Simic	19	4	1	<b>89 %</b>
Councillor Bernadene Voss	21	3	1	<b>93 %</b>

## Ordinary meetings of Council

Date	Location
Wednesday 5 July 2017	South Melbourne Town Hall
Wednesday 19 July 2017	St Kilda Town Hall
Wednesday 2 August 2017	Port Melbourne Town Hall
Wednesday 16 August 2017	St Kilda Town Hall
Wednesday 6 September 2017	South Melbourne Town Hall
Wednesday 19 September 2017	St Kilda Town Hall
Wednesday 4 October 2017	Port Melbourne Town Hall
Wednesday 18 October 2017	St Kilda Town Hall
Wednesday 1 November 2017	South Melbourne Town Hall
Wednesday 15 November 2017	St Kilda Town Hall
Wednesday 6 December 2017	St Kilda Town Hall
Wednesday 13 December 2017	Port Melbourne Town Hall
Wednesday 7 February 2018	Port Melbourne Town Hall
Wednesday 21 February 2018	St Kilda Town Hall
Wednesday 7 March 2018	South Melbourne Primary School
Wednesday 21 March 2018	St Kilda Town Hall
Wednesday 4 April 2018	Port Melbourne Town Hall
Wednesday 18 April 2018	St Kilda Town Hall
Wednesday 16 May 2018	St Kilda Town Hall
Wednesday 6 June 2018	Port Melbourne Town Hall
Wednesday 20 June 2018	St Kilda Town Hall

## Special meetings of Council

Date	Location
Wednesday 8 November 2017	St Kilda Town Hall

## Councillor allowances

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

The following table sets out the current annual allowances fixed for the Mayor and Councillors as at 30 June 2018. These allowances are set by the Victorian Government. The Mayor is entitled to receive a higher allowance.

Councillor	Allowance
Councillor Tim Baxter	\$33,094
Councillor Andrew Bond	\$33,094
Councillor David Brand	\$33,094
Councillor Katherine Copsey	\$33,094
Councillor Louise Crawford	\$33,094
Councillor Dick Gross	\$33,094
Councillor Marcus Pearl	\$33,094
Councillor Ogy Simic	\$33,094
Councillor Bernadene Voss (Mayor)	\$105,705

## Councillor expenses

The following table is a summary of Councillors' expenses for the 2017/18 year. All expenses are related to Councillors' roles and have been incurred in the course of their duties as Councillors.

	Travel expenses	Childcare expenses	ICT expenses	Conference and training expenses	Total
Councillor Tim Baxter	\$1,382.55	\$5,536.84	\$1,617.81	\$7,749.30	\$16,286.50
Councillor Andrew Bond			\$1,937.72		\$1,937.72
Councillor David Brand	\$576.84		\$1,722.14	\$523.40	\$2,822.38
Councillor Katherine Copsey	\$1,653.61		\$1,624.40	\$8,017.18	\$11,295.19
Councillor Louise Crawford	\$44.28		\$1,624.31	\$5,063.40	\$6,731.99
Councillor Dick Gross	\$69.40		\$1,790.48		\$1,859.88
Councillor Marcus Pearl	\$486.56	\$6,894.50	\$1,672.30		\$9,053.36
Councillor Ogy Simic	\$761.94	\$435.00	\$1,722.96	\$8,494.46	\$11,414.36
Councillor Bernadene Voss (Mayor)	*\$10,812.23	\$10,593.48	\$1,776.12	\$14,167.27	\$37,349.10

\*Travel expenses include the provision of a motor vehicle for the Mayor, which is charged out at \$9,000 per annum pro rata to cover operating costs.



# Supporting Council's decision making

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

## Community Reference Committees

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

### Art Acquisition Reference Committee

#### Councillor Brand (Chair)

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

### Audit and Risk Committee

#### Mayor Councillor Voss and Councillor Gross

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

### Community Grants Assessment Panel

#### Councillor Crawford and Councillor Pearl

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

### Cultural Development Fund Reference Committee

#### Councillor Copsey (Chair)

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

### Cultural Heritage Reference Committee

#### Mayor Councillor Voss (Chair)

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

### Esplanade Market Advisory Committee

#### Councillor Bond (Chair) and Councillor Brand

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

### Fishermans Bend Community Forum

#### Mayor Councillor Voss, Councillor Brand and Councillor Simic (alternating chairs)

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

### Friends of Suai/Covalima Community Reference Committee

#### Councillor Baxter

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

### Multicultural Forum

#### Councillor Simic (Chair)

The Multicultural Forum facilitates discussion and advises Council about policies and plans supporting the multicultural community.

## Older Persons Consultative Committee

### Councillor Gross

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

## Rupert Bunny Foundation Visual Art Fellowship Reference Committee

### Councillor Brand (Chair)

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

## External committees

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

## Association of Bayside Municipalities

### Councillor Baxter and Councillor Gross (Reserve)

The Association of Bayside Municipalities represents the interests of 10 councils with frontage to Port Phillip Bay, on various coastal and marine issues.

## Board of Bubup Womindjeka Family and Children's Centre

### Mayor Councillor Voss

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

## Gasworks Arts Inc. Board of Management

### Councillor Crawford

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

## Health and Wellbeing Alliance Committee

### Councillor Copsey and Mayor Councillor Voss (Reserve)

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

**Inner South Metropolitan Mayors Forum****Mayor Councillor Voss**

The Inner South Metropolitan Mayors Forum is the regional peak body for local government councils covering the cities of Bayside, Boroondara, Glen Eira, Kingston, Melbourne, Port Phillip, Stonnington and Yarra.

**Linden Board of Management Inc.****Councillor Brand**

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

**Metropolitan Transport Forum****Councillor Copsey and Councillor Brand**

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

**Metropolitan Waste and Resource Recovery Group****Councillor Gross**

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

**Municipal Association of Victoria****Councillor Gross and Councillor Baxter (Substitute)**

The Municipal Association of Victoria (MAV) is a representative and lobbying body for Victorian councils. It advocates for the interests of local government, raises the sector's profile, and provides policy and strategic advice and insurance services.

**Port Phillip Multifaith Network Steering Committee****Councillor Baxter**

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

**HousingFirst Ltd (formerly Port Phillip Housing Association Ltd)****Councillor Simic**

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

**St Kilda Tourism and Events****Councillor Bond**

As the local St Kilda tourism association, St Kilda Tourism and Events enables St Kilda businesses to formally link into initiatives run by Destination Melbourne, Tourism Victoria and Tourism Australia.

**Victorian Local Governance Association****Councillor Baxter and Mayor Councillor Voss (Reserve)**

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

# Special committees

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

In 2017/18 there were four Special Committees:

## Planning Committee

### All Councillors (Rotating Chair)

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

## Council Neighbourhood Programs Committee

### Mayor Councillor Voss (Chair) and Councillor Crawford

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

## South Melbourne Market Management Committee

### Mayor Councillor Voss, Councillor Simic and Councillor Bond

The South Melbourne Market Management Committee oversees the market's performance and direction, ensuring its financial viability, its pre-eminent position as a community resource and its position as a dynamic retailer.

## Inner Melbourne Action Plan (IMAP) Committee

### Mayor Councillor Voss

The IMAP Committee oversees the implementation of regionally based actions identified in the Inner Melbourne Action Plan. It is a collaboration between the cities of Port Phillip, Melbourne, Yarra, Maribyrnong and Stonnington, and fosters creativity, liveability, prosperity and sustainability in the inner Melbourne region.



## Inner Melbourne Action Plan (IMAP)

**The Inner Melbourne Action Plan (IMAP) is a partnership between the five inner Melbourne councils (the cities of Port Phillip, Melbourne, Yarra, Maribyrnong and Stonnington) to implement five goals and 27 strategies on a diverse range of issues affecting the inner Melbourne region.**

The IMAP Implementation Committee is a Special Committee with representatives from each council. This year marked the 12th year of this successful partnership.

**During 2017/18, the IMAP councils undertook the following joint projects:**

**The 2018 IMAP StreetCount** of people sleeping rough in inner Melbourne on the morning of 19 June. This was the first time the biannual count was undertaken across the five municipalities, resulting in 392 people being counted. The count was aided by corporate donations, 400 volunteers, funding from the Victorian Government and assistance from Launch Housing and other agencies. Significant media attention and a call for greater responsiveness by government are initial outcomes.

**Implementation of the Census for Land use and Employment (CLUE)** - the IMAP Councils received Smart Cities and Suburbs funding grant from the Federal Government to modernise the City of Melbourne's CLUE business database to cloud technology, thus enabling partner councils to participate in the survey in future years.

**IMAP Tourism** partners supported the publication of the 2018 Official Visitor Map in conjunction with Destination Melbourne, and showcased over 70 additional cultural attractions in inner Melbourne in Tourism Victoria's 'Experience Culture Victoria 2017/18' publication.

**Protecting People in Crowded Places** - a working group from across IMAP reviewed the Federal Government's document, shared insights and identified areas for greater collaboration in event management, site security and education on safety in the inner city.

**Wayfinding and Signage** - The IMAP councils along with Transport for Victoria, VicRoads, PTV and Wyndham City are promoting consistent visitor signage across inner Melbourne and the rest of Victoria. During 2017/18 the IMAP councils adopted the group's Wayfinding Signage Standards for Victoria as an operational manual. Comprehensive user testing of new signage designs was undertaken by the City of Melbourne and changes made to the 'family' of signs as a result of feedback. The Office of the Victorian Government Architect and Transport for Victoria have been approached for signage design review and integrated mapping development.

**Regional Active Sport and Recreation Facilities Planning Study** - the IMAP councils have consolidated all data on sporting facilities, infrastructure and use across inner Melbourne and, in 2018, engaged consultants to assess the future provision of active outdoor and aquatic sport and recreation facilities across the region.

**Urban Manufacturing** - the Dilemma of Urban Employment Land - the IMAP councils, in conjunction with the University of Melbourne, completed work on this research project in 2017/18, aimed at helping guide strategic decisions regarding the rezoning of employment land. The study illuminated the impacts of development on small innovative manufacturers providing new skilled employment opportunities in the inner city.

**Mimicking natural ecosystems to improve green roof development** - IMAP, Melbourne Water and the Australian Research Council funded this three year linkage grant to the University of Melbourne. The research examines light weight substrates and plant combinations for optimum water storage capacity and the successful creation of green roofs in inner Melbourne. The work is nearing completion and findings were presented to the Implementation Committee in February 2018.

## Working in partnership

Council partners with other levels of government, community, not-for-profit and business organisations, service providers and residents to improve outcomes for our people and places.

Council has been working with its partners to transform Fishermans Bend, Australia's largest urban renewal project. Key projects that have commenced include the Ferrars Street Education and Community Precinct. This work has been delivered by the Victorian Government and Victorian School Building Authority in close collaboration with Council, and includes the delivery of Montague Community Park. Council is leading work on the surrounding streetscapes.

### Valuing contribution of local volunteers

Council values the contribution of volunteers in our municipality. The 2016 Census estimated that 19.9 per cent of Port Phillip residents volunteer in the community (approximately 17,690).

Council provides opportunities for approximately 250 people to volunteer and contribute to our library services, tree planting activities and programs such as Linking Neighbours.

Council also supports volunteers and volunteering organisations through our grants programs, online portal for volunteer opportunities, networks and community training events.

The Port Phillip Volunteer Coordinators network meets quarterly, providing a platform for local volunteer leaders to come together for peer support, collaboration and resource sharing.

Our training calendar provides much needed free capacity building opportunities for local volunteers and community organisations.

The 2017/18 Community Grants funded the involvement of over 1,248 volunteers who contributed over 2,043 hours toward the health and wellbeing of the Port Phillip community.

# Community engagement

## Council welcomes and relies on our diverse community's input into key projects and initiatives.

To help us keep Port Phillip caring, inviting and beautiful, we regularly undertake transparent, effective and meaningful engagement with our community and where appropriate, incorporate their ideas and feedback.

By regularly having this conversation, we can be sure we know what's important to all of our residents, businesses and visitors - now and into the future.

Community engagement is even more important as we work on being future ready for emerging challenges in a rapidly changing environment.

This year we asked our community to tell us how we should approach some of these key challenges including waste, transport and significant population growth.

By being agile and future ready, we can continue to provide high quality services while responding to challenges.

### Council Plan 2017-27

In April 2018, we checked in with our community about our current Council Plan, adopted in June 2017. This transparent process means we are continually reporting on our progress towards achieving the ambitious goals in the Council Plan.

This engagement also gave our community a chance to provide feedback on our draft Budget.

### New core strategies

The Council Plan identified seven significant long term challenges facing our City. This year we developed four draft strategies that directly address five of these challenges: climate change, population growth, transport and parking, urbanisation and changing economic conditions. We sought community feedback on:

- **Art and Soul** - Creative and Prosperous City Strategy 2018-22
- **Act and Adapt** - Sustainable Environment Strategy 2018-28
- **Move, Connect, Live** - Integrated Transport Strategy 2018-28
- **Don't Waste It!** - Waste Management Strategy 2018-28

We took an innovative approach to community engagement for Art and Soul - Creative and Prosperous City Strategy 2018-22 and Act and Adapt - Sustainable Environment Strategy 2018-28 by linking the process to engagement on the Council Plan, highlighting the links between the strategies and providing a single avenue for community feedback. Both strategies were adopted by Council in June 2018.

### Heritage: Here and Now

In May we started a month-long engagement to find out what heritage means to our community. We knew it meant different things to different people, and this extensive engagement, which included highly targeted focus groups and a community wide survey, helped us gain a clearer picture of the range of perspectives on this issue.

### Naming of Fishermans Bend's new park

Fishermans Bend is set to be home to up to 80,000 new residents by 2050. Planning for this growth is critical to making Fishermans Bend a success. Council and the Victorian Government jointly purchased land in Buckhurst Street to create a new community park in the Ferrars Street Education and Community Precinct.

In November and December of 2017 we sought ideas for a name for the new park. Following a review by Council's Cultural Heritage Reference Committee, Council adopted the Boon Wurrung Foundation's suggestion of Kirrip Park.

### Future alcohol restrictions

On Christmas Day 2017, four full rubbish trucks of waste were left by revellers on South Beach Reserve in St Kilda, much of it glass.

Widely advertised community engagement was undertaken in February. An online survey was completed by nearly 500 members of our community and visitors. The results were crucial in informing Council's approach to alcohol restrictions for summer 2018/19. The engagement also led to a 24/7 ban on glass along the foreshore.

### Ferrars Street Community Facility and South Melbourne Primary School opening

In February 2018 our newest kindergarten, Barring Djinang, opened to its first little students at the Ferrars Street Community Facility. The kindergarten is just one of the services being offered at this ground breaking joint initiative of Council and the Victorian Government.

Along with maternal and child health services, indoor and outdoor sporting facilities, and community rooms, the new site is also home to Victoria's first public vertical school, South Melbourne Primary School.

Council involved the fledgling Fishermans Bend community throughout the project, including helping to decide the name of the new kindergarten on the top floor of this award-winning modern building.

### Continuous improvement

We continuously strive for high quality and effective community engagement with innovative approaches. This year we used an online mapping tool to show the stages of improvements to Peanut Farm Reserve in St Kilda and an interactive poll to get fast and accessible engagement on four name options for the new kindergarten at Fishermans Bend.

We have updated our Communications and Engagement toolkit to help our staff deliver meaningful community engagement. We are developing a community engagement policy to underpin our approach to transparent and effective community engagement.

In the City of Port Phillip, we have an engaged and diverse community as partners to help us make decisions and set an agenda to respond effectively to the challenges we are already facing. This synergy plays a key role in making our City the inviting, beautiful and caring place it is.

#### Other initiatives we sought community input on:

- Domestic Animal Management Plan
- Chipton Park playground
- Middle Park Library
- Events Strategy
- Development of a new Children's Services Policy
- Elwood play space
- Youth Places Feasibility Study
- Local Law Review
- South Melbourne Market Mix
- Newton Court Reserve
- Marlborough Street carpark redevelopment.



# Accountability

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

## Audit and Risk Committee

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

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

The Audit and Risk Committee met on five occasions in 2017/18. Councillors, members and Council officers are required to declare any conflict of interest at the commencement of every meeting. Minutes of Audit and Risk Committee meetings are distributed to all members following the meeting and reports on activities are formally presented to Council following each Audit and Risk Committee meeting.

### Key matters considered by the Committee in 2017/18 included:

- the Financial Reporting Framework and recommending that the annual accounts and the performance statement for adoption by Council in principle
- key Council policies including Codes of Conduct
- the effectiveness of internal controls in the business technology environment, fraud and corruption, and the management of risks encountered by Council
- the Business Continuity Framework.

### The following internal audit reports were presented to the Committee:

- Contract Management
- Privacy and Data Management
- Rates Revenue
- Payroll Data Analytics
- Parking Revenue.

### The following core compliance reports were presented to the Committee:

- meeting and event billing
- gifts and benefits
- Councillor and staff expenditure
- procurement.

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

- Council's activities and performance, including monthly CEO reports
- Integrated Council Plan 2017-27 (including Strategic Resource Plan, Budget 2017/18 and Health and Wellbeing Plan)
- Organisational Strategy
- establishment of Strategic Risk and Internal Audit group (SRIA)
- Investment Policy
- procurement compliance
- project portfolio risk
- management of Occupational Health and Safety - including participation in the MAV WorkCare Self-Insurance Scheme
- Fixed Asset Accounting Policy
- Roads Assets useful life review
- Local Government Act Review / Reform
- Child Safe Standards.

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

All Victorian councils are also externally audited annually by the Victorian Auditor-General.

More information is available on our Advisory Committees webpage.

## Audit and Risk Committee membership

### External representatives

Independent members are remunerated in accordance with Council policy.

#### Ms Helen Lanyon

**Member (12 December 2011 - current)**

**Chair (25 February 2014 - current)**

Ms Helen Lanyon was reappointed as Chair in November 2017. Ms Lanyon is a Fellow of CPA Australia and, over 40 years, has held numerous senior executive roles, primarily in local government. She has broad experience in the corporate services portfolio across a range of disciplines, including finance, governance, human resource management, marketing, customer service and information technology. Ms Lanyon has extensive experience on a range of advisory committees.

#### Ms Kerryn O'Brien

**Member (10 December 2013 - current)**

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

#### Mr Brian Densem

**Member (13 December 2010 - current)**

Mr Brian Densem is a Certified Practising Accountant, a Professional Fellow of the Institute of Internal Auditors and is General Manager Group Audit at a leading Australian mutual company. He has extensive knowledge of internal audit, risk management and compliance, and exposure to numerous industries, with a primary focus on financial services. Mr Densem is a member of two other local government audit and risk committees and is an audit committee member for a water catchment authority.

### Internal representatives

#### Mayor Councillor Bernadene Voss

**(November 2014 - current)**

#### Councillor Dick Gross

**(November 2016 - current)**

# Risk management

## Capability and commitment

A key area of focus in the delivery of the Organisational Strategy was the opportunity to focus on managing strategic risk to build greater trust with our community, Council and partners. To achieve this, the Strategic Risk and Internal Audit Group (SRIA) was established by the organisation, with the first monthly meeting held in February 2018.

The purpose of SRIA is to provide assurance and support to the Audit and Risk Committee to ensure strategic risk, internal audit and compliance matters are well managed and that a positive risk management culture is fostered in the organisation.

To support the establishment of this group, a workshop was held in January 2018 with senior leaders to educate and build consensus on what a strategic risk is at the City of Port Phillip, using the current risk framework as a starting point.

This introduced the principle of 'the waterline', which provides a decision-making tool regarding the level of management and oversight (tolerance or risk appetite) required to manage an opportunity, risk or issue.

Council maintains a strong commitment to proactive operational risk management with the aim of improving its operational decision making, performance, transparency and accountability.

Council's risk management practices contribute to the City's liveability and sustainability by avoiding, minimising and managing risk that may affect the organisation, community and visitors.

## Structure and improvement

Council manages risk through its Risk Management Policy and Risk Management Framework, and by building a culture of risk accountability across our workforce. The framework is based on International Standard ISO 31000:2009 and is reviewed every two years.

All Council department business plans incorporate operational risk profiles that identify priority risks, existing controls and mitigating actions. The budget process also reflects priority risk reduction activities where financial commitment is required.

While risk management is a continuous process, a full operational risk register review is conducted to inform the annual planning process.

The Risk Management policy and framework were reviewed in early 2017, with subsequent enhancements endorsed by Council's Executive Leadership Team, the Audit and Risk Committee, and Council in June 2017. The Framework was updated again in June 2018 to reflect the establishment of SRIA and make other minor changes and improvements.

## Risk registers, treatments and reporting

Council's risk registers cover both strategic and operational risks, and are reviewed in their entirety at least annually.

Strategic risks, controls and improvement actions are detailed in the Strategic Risk Register, which is considered by Council at the commencement of the annual planning process.

An overview of all risk registers is reviewed by the Audit and Risk Committee and the Internal Auditor as part of development of the annual Internal Audit and Compliance Plan.

The Executive Leadership Team reviews the Strategic Risk Register on a quarterly basis and has visibility of all high and extreme rated operational risks and treatment actions monthly. Treatment plans are formulated for any high or extreme level risks, to reduce the level of risk to a more acceptable medium/low risk target.

### Business continuity planning

Council's Business Continuity Plan (BCP) and associated sub-plans continue to be updated on an ongoing basis. As per the three-year review cycle, a full review of the BCP and sub-plans was undertaken during the year by a BCP specialist consultant to ensure they remain fit for purpose. Periodic testing is planned for the 2018/19 financial year.

We continue to test our Business Technology Disaster Recovery Plan on a regular basis, to ensure we can recover data, restore business critical applications and continue operations following service interruptions. The last successful test was conducted in May 2018 where our ICT systems successfully operated from the Disaster Recovery Data Centre for five working days before being returned to the primary production centre.

### Reporting on our performance

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

This includes:

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

More information on Performance Reporting is available on our website.



**In February 2018 our newest kindergarten, Barring Djinang, opened to its first little students at the Ferrars Street Community Facility.**



# 4

## Our performance

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# Delivering Year One of the Council Plan 2017-27

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

**The following outlines Council's performance under each Council Plan 2017-27 strategic direction, telling the story of our:**

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

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







## Direction 1

# We embrace difference, and people belong

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

### Outcome indicators

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Residents that agree Port Phillip is a welcoming and supportive community for everyone	96 %	93 %	94 %	93 %	>95 %
Data from our annual survey of residents in February demonstrates that perceptions regarding whether Port Phillip is welcoming and supportive for all remain stable although below target.					
Social housing as a percentage of housing stock	7.2 %	7.2 %	7.1 %	No data	7.2 %
Results for the proportion of social housing compared with overall housing stock are not available.					
Wellbeing index	No data	77.5	No data	No data	>77.5
Results for our wellbeing index (sourced from a VicHealth Indicators Survey every four years) are not available.					

## Highlights

- Retained Rainbow Tick accreditation for our Access and Ageing department
- Delivered new community spaces in Fishermans Bend alongside the new South Melbourne Primary School in partnership with the Victorian Government
- Commenced redevelopment of the South Melbourne Life Saving Club and public amenities and the Peanut Farm Pavilion and recreational facilities upgrade
- Implemented a range of activities to demonstrate Council's support for the marriage equality campaign
- Constructed a new playground at RF Julier Reserve, Port Melbourne and upgraded Olive's Corner, Port Melbourne
- Completed detailed design for JL Murphy Reserve Pavilion redevelopment and progressed governance model discussions
- Held pop-up conversations across the municipality to investigate the feasibility of establishing a place specifically for young people in our community
- Conducted a point-in-time survey of people sleeping rough in public spaces and streets in our municipality, in partnership with the cities of Melbourne, Stonnington, Yarra and Maribrynong
- Commenced engagement on the development of a new Children's Services Policy
- Partnered with the Brotherhood of St Laurence to help eligible residents living with a disability to transition to the new National Disability Insurance Scheme (NDIS)
- Supported community initiatives with 61 community grant applications from 36 organisations receiving \$281,000 in funding. Three Small Poppy Neighbourhood Grant applications were approved and received \$9,631.46 in total. In partnership with Toyota Community Foundation, 13 applications were approved under the equipment fund, receiving \$12,000 in total.

## Looking forward

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

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

A key focus for 2018/19 will be continued implementation of the In Our Backyard strategy, development of a new Children's Services Policy and upgrade of several recreational facilities.

**Major initiative progress**

## Ferrars Street Education and Community Precinct - community facilities and netball courts

The City of Port Phillip has partnered with the Victorian Government to deliver co-located community facilities within Victoria's first vertical government school in the Montague Precinct of Fishermans Bend. Council worked closely with the Department of Education and Training to establish a Community Joint Use Agreement for the building, which commenced operating in January 2018 and was formally opened in May 2018.

During the first four months of opening:

- the multipurpose rooms hosted 257 participants who booked 429 hours of use, plus five hours per day out of school hours care, which has up to 44 children in care per day
- five local sporting clubs are programmed and commenced regular use of the sports courts after school hours
- school enrolments have increased to around 180 students
- an agreement is in place for Star Health to commence use of the consulting space for health development services in July 2018.

**Actual: \$2,772,000 Budget: \$2,995,000**

## JL Murphy Reserve Pavilion upgrade

The City of Port Phillip is redeveloping the JL Murphy Reserve sports pavilion in Port Melbourne, with funding support from the Victorian Government and the tenant clubs.

The redevelopment will provide additional amenities and facilities that are fully accessible for all genders and abilities, and will also support the increase in female sport participation and allow for the simultaneous use of all sporting fields across the reserve.

Following extensive consultation, the building design work was completed and construction expected to commence late 2018. To support the on-field activities, the design has catered for an improved kitchen and community space for all stakeholders to utilise.

The tenant clubs, with support from Council, are forming a single entity, to ensure activation and usage of the new sports pavilion. The single entity will also support the clubs through the facilitation of a funding agreement with Council. The project experienced a delay in obtaining funding and extended procurement processes due to a tight construction market, which led to the underspend compared to budget.

**Actual: \$92,000 Budget: \$300,000**

## South Melbourne Life Saving Club redevelopment

The City of Port Phillip is redeveloping the South Melbourne Life Saving Club building and public amenities with funding support from the Victorian Government through Life Saving Victoria. The project is jointly funded by Council (\$5.11 million) and Life Saving Victoria (\$2 million).

Extensive community and club consultation was undertaken to inform the design and ensure the building is fit for purpose and sustainable. The new building will meet Life Saving Victoria Clubhouse of the Future Development Guidelines, and enable the Club to deliver this important community service. The redevelopment will also provide a new kiosk, a multipurpose room for community use, accessible public toilets, landscaping and improvements to the safety of the bike path adjacent to the building.

Works commenced in April and the old building was demolished. Temporary facilities will allow the club to continue operating over the 2018/19 summer period. It is anticipated that the building will be ready in October 2019. Delivery of the project commenced earlier than planned, which resulted in higher than budgeted expenditure.

**Actual: \$1,066,000 Budget: \$200,000**

## Peanut Farm Reserve Sports Pavilion upgrade

The City of Port Phillip is redeveloping the Peanut Farm Reserve sports pavilion and multipurpose courts, in partnership with the Victorian Government. The project has been a multi-year project to undertake feasibility, planning, design and delivery of an upgrade to the existing facilities at Peanut Farm Reserve in St Kilda, to ensure the facilities are fit for purpose for all genders and abilities. The official launch was held in April 2018, followed by demolition works and the commencement of construction in June 2018. The project experienced permit and procurement delays during the year which led to the underspend compared to budget.

**Actual: \$555,000 Budget: \$2,315,000**

## In Our Backyard strategy implementation

The In Our Backyard - Growing Affordable Housing in Port Phillip 2015-2025 strategy was endorsed by Council in April 2016. Implementation of the strategy aims to directly facilitate new community housing through allocating property and cash contributions, to enable projects to be delivered by local community housing organisations on Council land.
















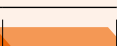









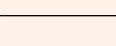












Additional funding was allocated to maintain the 'pop-up' housing program for 2017/18 to create temporary accommodation, address rooming house closures and facilitate redevelopment of existing social housing. This has delivered new accommodation for 38 single women 55+, previously experiencing or at risk of homelessness.

A focus of 2017/18 has been to progress work on Council's property contributions, including the Marlborough Street, Balaclava project and a future pipeline of sites. Council will host a forum in July 2018 to bring together key housing stakeholders and develop a 12-month action plan to focus on implementation of the strategy, including maximising opportunities presented by the Victorian Government's Homes for Victorians policy, and associated funding and programs. Key stakeholders for the forum will include community group representatives, and housing agencies.

**Actual: \$142,000 Budget: \$80,000**



## Four year priority progress

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

Priority

Not started

In progress

Complete

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

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



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



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



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



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



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



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



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



### 1.4 Community diversity is valued and celebrated

Establish the Pride Centre in St Kilda.



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



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



Review the Port Phillip Social Justice Charter.



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



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



## Services that contribute to this direction

### Affordable housing and homelessness

Support people at risk of, or experiencing, homelessness through direct services and facilitating an increasing supply of affordable housing through research and advocacy, contributing property and funding for community housing projects, and facilitating affordable housing developments by the public, private and community sectors.

**Actual: \$1,075,338 Budget: \$1,479,490 Variance: \$404,152**

#### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Number of new social housing units facilitated	No data	4,114 (total)	4,117 (total)	No data	4,482

**Explanation** - Social housing represents the total number of social housing units in Port Phillip. During 2017/18 Council facilitated 68 completed units, with an additional 348 units in the early planning stage.

### Ageing and accessibility

Facilitate independence and promote social connectedness for older people and those living with a disability by providing in-home support services, social inclusion programs and funding for community groups and service providers, assessing clients to determine their needs, and consulting with community committees and networks.

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

**Actual: \$9,959,017 Budget: \$10,393,671 Variance: \$434,654**

#### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Resident satisfaction with services that support older people and people living with disabilities	94 %	93 %	94 %	90 %	>94 %

**Explanation** - Data from our annual survey of residents in February shows a slight drop in satisfaction with services that support older people and people living with disabilities compared to the previous year. This service is undergoing significant change as a result of the introduction of the National Disability Insurance Scheme, which may have influenced the results.

#### Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Home care</b>					
Active home care clients	1,991	1,973	1,710	1,551	⬇️
Hours of general home care	26,758	27,902	19,865	18,867	⬇️
Hours of meal preparation	432	284	219	906	⬆️
Hours of personal care	6,788	6,556	6,239	6,409	⬆️
Hours of home maintenance service	4,003	3,413	2,450	2,652	⬆️
Hours of respite care	8,647	7,356	6,435	5,621	⬇️
Hours of shopping services	9,051	8,373	8,137	7,919	⬇️
Hours of core social support	7,958	9,204	9,919	10,651	⬆️
Hours of high priority social support	10,270	9,183	8,564	6,787	⬇️

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Community meals</b>					
Meals delivered	33,321	31,321	27,688	19,409	↘
Meals provided at centres	4,467	3,798	2,949	3,167	↗
Meals subsidised	80,679	80,037	82,848	126,348	↗
<b>Community transport</b>					
Community bus trips	3,380	1,352	1,981	1,981	↔
Passengers who used the service	32,845	33,150	33,048	31,062	↘
<b>Volunteers</b>					
Community access volunteers	23	15	15	14	↔

## Children

Help families achieve their full potential by providing, funding and advocating for high quality, affordable early childhood education and care, maternal and child health (MCH) services, playgroups and toy libraries.

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

**Actual: \$18,417,501 Budget: \$18,745,446 Variance: \$327,945**

### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Proportion of state regulated family, youth and children's services that meet or exceed national quality and accreditation standards	100 %	100 %	100 %	100 %	100 %
Our family, youth and children's services continue to meet or exceed national quality and accreditation standards.					
Resident satisfaction with services that support families, youth and children	95 %	97 %	94 %	93 %	>95 %
Data from our annual survey of residents in February shows a high level of satisfaction despite a slight drop in satisfaction with family support services compared to the previous year. In June, Council commenced consultation to develop a new children's services policy. This will help Council determine how it can best deliver quality outcomes for children and families.					
<b>Participation</b>					
Participation in first MCH home visits*	104.38 %	103.89 %	103.25 %	100.54 %	100 %
Participation in the MCH service*	83.55 %	84.22 %	82.89 %	84.80 %	>85 %
Participation in the MCH service by Aboriginal children*	69.05 %	87.23 %	84.84 %	94.74 %	>85 %
This year, Council transitioned to a new system to manage the maternal and child health service. This transition has required us to review the data, which resulted in more accurate data, reduced duplication and targeted appointment reminders, that have improved participation. The greater than 100 per cent result for participation in first MCH home visits was due to more visits than birth notifications, because around 30 babies were born late last financial year and received a visit this financial year.					
<b>Service standard</b>					
Infant enrolments in the MCH service*	99.84 %	99.78 %	100.00 %	96.83 %	100 %
The number of infant enrolments was slightly below target with 1,251 infants enrolled from the 1,299 birth notifications received.					
<b>Service cost</b>					
Cost of MCH service per hour*	No data	\$73.37	\$71.80	\$76.50	<\$75.00
The cost of our MCH service increased above target as a result of a slight decrease in hours worked and additional training required for the new system and MERTIL (My Early Relational Trauma Informed Learning).					

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



## Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Maternal and child health services</b>					
Birth notifications received	1,255	1,362	1,344	1,347	○
Community immunisation sessions held	79	80	78	81	○
Infants and children attending immunisation sessions	2,784	2,952	2,801	2,902	⬆️
<b>Childcare</b>					
Total places across the City	1,530	1,620	1,728	1,895	⬆️
Council managed places	318	318	318	318	○
Bubup Nairm Family and Children's Centre	116	116	116	116	○
Clark Street Children's Centre	65	65	65	65	○
Coventry Children's Centre	60	60	60	60	○
North St Kilda Children's Centre	77	77	77	77	○
Community managed places	446	483	568	568	○
Commercially managed places	766	819	842	1225	⬆️

## Community programs and facilities

Support inclusion for all people in our diverse community regardless of age, ethnicity, gender identity, sexuality, faith or socioeconomic status, by working with community organisations, multicultural and multifaith networks, and through planning, programs, grants and facilities.

**Actual: \$16,376,525 Budget: \$17,345,088 Variance: \$968,563**

## Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Resident perception regarding whether City of Port Phillip services contribute to the overall health and wellbeing of the community	No data	66 %	64 %	49 %	67 %
Data from our annual survey of residents in February shows a significant drop in perceptions about the extent that our services contribute to the overall health and wellbeing of the community compared to the previous year. This is due to a higher proportion of residents rating the contribution as 'not much' rather than 'a lot'. The proportion rating of 'not at all' has remained stable. Unfortunately, this result is not comparable to other councils and will drive further investigation into our community's perception. Despite this result, we have an integrated and dedicated Health and Wellbeing Plan that outlines actions to work together with our partners to improve the health and wellbeing of our community.					
Visits per capita to community facilities	1.9	1.7	1.7	1.7	>1.9
Visits to our community facilities remained stable despite missing the target.					

### Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Community centres</b>					
Visits	194,295	172,590	184,140	192,555	↗
Bookings	11,721	11,506	12,276	12,837	↗
Casual hires	1,232	1,071	1,131	1,396	↗

### Families and young people

Support for families and young people through case management services for vulnerable families, middle years services and programs for young people aged 8 to 11 years, and programs and projects for young people aged 12 to 25 years who live, work, study or recreate in Port Phillip.

**Actual: \$3,780,679 Budget: \$4,128,338 Variance: \$347,659**

### Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Family support</b>					
Received in government grants	\$238,372	\$250,208	\$253,000	\$273,047	↗
Target hours provided	2,565	2,729	2,327	3,370	↗
<b>Young people</b>					
Young people (8 to 11 years old) accessing programs that are run or funded by Council	No data	21,187	33,369	31,732	↘
Young people (12 to 25 years old) accessing programs that are run or funded by Council	8,178	26,359	21,946	10,009	↘

### Recreation

Support our community to remain active and healthy through programs, support and funding for local sports and recreation clubs and providers, providing quality sports facilities, and partnering with other organisations to facilitate health and wellbeing outcomes.

**Actual: \$4,035,836 Budget: \$4,959,606 Variance: \$923,770**

### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Community rating of Council's recreational facility performance (index)	No data	76	73	73	>75
Data from our annual survey of residents in February shows that residents continue to rate recreational facilities highly. This is one of our highest rated services and we continue to invest in facilities that make it easier for all to enjoy recreational activities.					
Participation per capita in sport and recreation across formal and informal activities		Establish baseline	19 %	19 %	1% increase on baseline
Participation in sport and recreation continues to be high across both formal and informal activities.					

## Direction 2

# We are connected and it's easy to move around

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

### Outcome indicators

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Residents reporting choosing sustainable transport options to travel to work	57 %	57 %	64 %	65 %	58 %
<p>Data from our annual survey of residents in February shows an increased level of respondents who choose sustainable transport options to travel to work. This year, we developed a draft Move, Connect, Live - Integrated Transport Strategy 2018-22, which outlines how we will respond to the challenges facing our City together to make it easier for people to move around and connect with places in a way that suits them.</p>					
Number of fatal and serious traffic collisions involving all road users	93	97	78	60	<127
<p>The number of fatal and serious traffic collisions involving all road users continues to decrease and is well below target. This year, we developed the draft Move, Connect, Live - Integrated Transport Strategy 2018-22 which outlines how we will respond to the challenges facing our City together to make it safer for all road users.</p>					
Number of schools participating in Ride2School Day and Walk to School Month	8	10	11	12	12
<p>The number of schools involved in Ride2School Day and Walk to School Month increased from the previous year and met target. This year, we developed the draft Move, Connect, Live - Integrated Transport Strategy 2018-22, which encourages active transport.</p>					

## Highlights

- Upgraded the Beach Street, Port Melbourne queuing lane to reduce traffic congestion associated with cruise ship arrivals
- Tendered and commenced implementation of a parking technology contract to improve parking experience in the municipality
- Released the draft Move, Connect, Live - Integrated Transport Strategy 2018-28 for community consultation after establishing priorities and budget allocation for the transport transformation
- Completed the Moray and Dorcas streets roundabout as part of the Moray Street bike lane upgrade with Metro Tunnel - motorists are required to give way to pedestrians and people on bikes
- Commenced construction of safety improvements at Coventry and Tope streets, South Melbourne as part of the Blackspot Safety Improvement initiative
- Delivered streetscape improvements as part of the Balaclava tram stop upgrade in conjunction with works completed by Yarra Trams and Public Transport Victoria
- Completed safety improvements to Victoria Avenue, Albert Park, including establishing a full time tram lane.

## Challenges

### New bike sharing service provider

In July, oBike, a Singapore-based dockless bike share company, introduced their yellow bikes in Melbourne. There were ongoing issues with oBikes obstructing pedestrian access to footpaths and being left in inappropriate locations. Officers worked with oBike, and the cities of Melbourne and Yarra to quickly establish a Memorandum of Understanding in October 2017 to ensure a well managed and well regarded operation that improves safety and amenity across the three municipalities. This required ongoing management and monitoring by officers. oBikes announced they were departing Melbourne in June; however, we continue to work with other potential providers of dockless bike schemes and advocate to the Victorian Government for improved regulatory arrangements.

### Looking forward

The Council Plan 2017-27 sets out a bold plan to ensure the City is connected and it's easy to get around.

Over the next 10 years, Council wants to have an integrated transport network that connects people and places, and designs streets and places for people. Council acknowledges the challenges to our transport network as our City grows and plans to respond to the challenges of parking and car travel.

The key focus for 2018/19 will be the endorsement and implementation of the integrated transport strategy, including parking technology enhancements and safety improvements.



### Transforming transport and parking

The City of Port Phillip is growing. More and more, we are going to feel the effects of this growth on our streets. There will be increased competition for on-street car parks, public transport and spaces for people to socialise and exchange goods.

If we continue to travel the same way we do today, our streets will have to carry an additional 72,000 private car trips and 21,000 additional trips by other transport modes every day.

Over the past year, Council has undertaken significant research to capture insights from residents and visitors, and learn from others, to ensure we all have lots of travel choices that support our quality of life, health and wellbeing.

The draft Move, Connect, Live - Integrated Transport Strategy 2018-28 commits us to investing \$37 million over the next 10 years to deliver our transport priorities. The draft strategy was released in June for community feedback.

### Major initiative progress

#### Beach Street separated queuing lane implementation

In September 2017, Council completed an upgrade to the Beach Street, Port Melbourne roundabout. A dedicated queuing lane was added through the roundabout to improve local traffic congestion, in particular during the cruise ship season.

Traffic surveys to monitor vehicles using the roundabout were undertaken in February 2018. The survey findings demonstrated there have been improvements to congestion. However, there are some instances where additional delays have been observed, linked to increased traffic volumes. Council officers are assessing ways to improve traffic conditions and will undertake community consultation on possible measures and their implementation.

**Actual: \$289,000 Budget: \$519,000**

#### Integrated Transport Strategy development

The draft Move, Connect, Live - Integrated Transport Strategy 2018-28 was endorsed by Council for community consultation on 20 June 2018, and outlines how we will respond to the challenges facing our City together to make it easier for people to move around and connect with places in a way that suits them. A directions paper was released for community feedback in late 2017. This helped to inform the draft strategy, which was endorsed by Council for release for community feedback on 20 June 2018. Following feedback, the strategy will be presented to Council for adoption on 20 September 2018.

**Actual: \$306,000 Budget: \$150,000**

#### Kerferd Road safety improvements

By partnering with the Victorian Government, this project aims to improve road safety along the entire length of Kerferd Road, Albert Park, and improve connectivity for pedestrians and bike riders, and increase green space. Council developed a community engagement plan, a design for a temporary traffic treatments and progressed funding opportunities with VicRoads. This work has been placed on hold until the scope and scale of the Victorian Government's funding commitment of \$13 million for 'Shrine to Sea' is determined. Council is monitoring announcements and liaising with the Victorian Government for updates.

**Actual: \$38,000 Budget: \$195,000**

#### Walk and Bike Plan implementation

This program improves walking and bike riding infrastructure throughout the municipality. Completed initiatives include:

- upgrade of Beacon Cove shared path, Port Melbourne
- signalised pedestrian/bike rider crossing and path realignment at Ingles Street and Light Rail shared path, Port Melbourne
- walking improvements at Station and Raglan streets and Light Rail shared path, Port Melbourne
- bike lane improvements at the intersection of Inkerman and Westbury streets, and Inkerman and Hotham streets, St Kilda
- installation of speed cushions on Cecil Street, South Melbourne
- safety improvements at Park and Mountain streets and Nelson Road, South Melbourne.

**Actual: \$1,034,000 Budget: \$1,040,000**

### Four year priority progress

Priority	Not started	In progress	Complete
<b>2.1 An integrated transport network that connects people and places</b>			
Develop and deliver an Integrated Transport Strategy, including network plans for all modes and intermodal connections.			
Implement walking projects that create safe, high amenity walking routes and reduce barriers to people walking across arterial roads.			
Improve attractiveness of bike riding as part of delivering Council's bike network.			
Deliver the Beach Street separated queuing lane to reduce traffic delays associated with cruise ship arrivals.			
Plan for and deliver Kerferd Road safety and streetscape improvements to enhance walking and bike riding.			
Work with Public Transport Victoria on Balaclava Station interchange and Carlisle Street tram stop interchange.			
Ongoing program of renewals and improvements to laneways, roads, footpaths and street signage.			
Provide funding to groups and organisations that support local networks, encourage community participation and support access and inclusion.			
<b>2.2 Demand for parking and car travel is moderated as our City grows</b>			
Develop a Parking Management Plan as part of the Integrated Transport Strategy, and develop new policies for paid parking, on-street permits and parking provision rates for new developments.			
Investigate Council's carparks for future development opportunities that deliver increased community benefit.			
Implement clever parking initiatives that help manage parking supply and turnover, and improve customer experience.			
Expand the on-street network of carshare vehicles, and encourage provision in new developments.			
Improve local community travel choices, especially by schools, by investing in infrastructure and behaviour change programs.			
Integrate land use and transport planning through a review of the Municipal Strategic Statement.			
<b>2.3 Our streets and places are designed for people</b>			
Implement blackspot safety improvements at high collision locations.			
Work with partners on the St Kilda Junction safety upgrade and St Kilda Road safety improvement study to facilitate walking, bike riding and use of public transport.			
Work with Public Transport Victoria to deliver a pipeline of place and movement projects, with fully integrated urban design and increased public transport service benefits for our communities.			
Complete the streetscape and intersection upgrade of Wellington Street to improve safety and amenity.			
Review and implement the City of Port Phillip Access Plan to support universal access, and implement accessibility improvements to council buildings, streets and public spaces, including the beach.			
Work with partners on the design and implementation of the Anzac Station and precinct			
Progressively review and upgrade disabled parking spaces in commercial areas to meet updated Australian Standards.			

## Services that contribute to this direction

### Transport and parking management

Provide and maintain a safe transport network, develop transport and road safety strategy and policy, measure the impact of education programs, improve the range of travel modes, and manage parking policy, on-street parking controls and enforcement.

**Actual: \$30,899,905 Budget: \$30,690,335 Variance: (\$209,570)**

#### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Resident satisfaction with transport planning policy, safety and design	-	91%	87%	<b>87%</b>	>90%
Data from our annual survey of residents in February shows that in general we have maintained a high level of satisfaction with transport planning policy, safety and design, although slightly below the annual target. The draft Move, Connect, Live - Integrated Transport Strategy 2018-22 outlines our priorities for transport and how we will measure our performance.					
Resident satisfaction with parking management	77%	79%	81%	<b>79%</b>	80%
Data from our annual survey of residents in February shows that in general we have maintained a high level of satisfaction with parking management, although slightly below the annual target. The draft Move, Connect, Live - Integrated Transport Strategy 2018-22 outlines our priorities for transport and how we will measure our performance.					
Resident satisfaction with resident parking permits	-	74%	80%	<b>83%</b>	75%
Data from our annual survey of residents in February shows that in general we have maintained a high level of satisfaction with resident parking permits, achieving the annual target. The draft Move, Connect, Live - Integrated Transport Strategy 2018-22 outlines our priorities for transport and how we will measure our performance.					
<b>Satisfaction</b>					
Sealed local road requests per 100 km of sealed local roads*	59	52	65	<b>69</b>	>60
The number of requests received relating to roads increased slightly above target, but remained consistent with previous years.					
Satisfaction with sealed local roads*	73	70	70	<b>67</b>	>70
Data from our annual survey of residents in February shows a slight decrease compared to previous years; however, both the volume of requests and roads below intervention level remain stable.					
<b>Service cost</b>					
Cost of sealed local road reconstruction (per m <sup>2</sup> )*	\$170.70	\$156.51	\$190.87	<b>\$152.85</b>	<\$160.00
A high volume of bluestone pavers were reset in 2016/17, showing an increased result. This year's cost of sealed local road reconstruction is consistent with previous years and met our annual target.					
Cost of sealed local road resealing (per m <sup>2</sup> )*	\$40.27	\$43.03	\$49.90	<b>\$55.26</b>	<\$50.00
The cost of sealed local roads resealed failed to meet target due to significant decrease in the proportion of roads resealed.					
<b>Condition</b>					
Sealed local roads below the intervention level*	97%	97%	97%	<b>97%</b>	97%
Sealed local roads below intervention level remains stable.					

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

## Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Parking management</b>					
Abandoned vehicles	1,476	1,489	1,679	1,646	↔
Disabled parking permits issued - Blue	1,179	1,236	1,257	1,459	↗
Disabled parking permits issued - Green	217	120	102	156	↗
Resident parking permits issued	6,710	7,646	6,465	8,111	↗
Foreshore permits issued	2,567	2,527	2,266	2,603	↗
Combined permits issued	7,068	7,016	5,842	6,867	↗
Community service permits issued	1,133	1,301	1,038	1,272	↗
Visitor parking permits issued	10,724	11,486	10,193	12,603	↗
Parking enforcement infringements issued	147,647	158,376	162,852	166,571	↗
Parking complaints (officer)	33	17	28	69	↗
Number of parking permits issued per year	18,830	32,986	28,548	34,808	↗



## Direction 3

# We have smart solutions for a sustainable future

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

## Outcome indicators

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Total canopy cover	No data	19 %	No data	No data	20 %
Total canopy cover is measured every five years; no data is available this year.					
Council's greenhouse gas emissions	43 % reduction	60 % reduction	60 % reduction	70 % reduction	71 % reduction
Our energy emissions reduced by 10 percentage points and just fell short of our annual target. Council's Act and Adapt - Sustainable Environment Strategy 2018-28 sets out achievable targets for greenhouse gas emissions.					
Council's potable water use (ML)	209	258	238	226	155
Potable water use has reduced but is above target. Council's Act and Adapt - Sustainable Environment Strategy 2018-28 sets out achievable targets for potable water use.					
Municipality-wide greenhouse gas emissions (tonnes)	No data	No data	No data	1,704,000	Baseline to be established
This year we received data on how much greenhouse gas emissions are emitted from our municipality. Council's Act and Adapt - Sustainable Environment Strategy 2018-28 sets out achievable targets municipality-wide greenhouse gas emissions.					
Kerbside collection waste diverted from landfill*	35 %	34 %	33 %	32 %	>35 %
The kerbside collection of waste diverted from landfill target was set as an aspirational target; actions to improve these results are outlined in the draft Don't Waste It! - Waste Management Strategy 2018-28.					

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

## Highlights

- Signed up to Melbourne Renewable Energy Project, which will reduce Council's emissions from electricity to zero by 2019
- Baselined our community's greenhouse gas emissions so we can prioritise actions that will have impact in the community
- Gained commitment from Melbourne Water and neighbouring local governments in the Elster Creek Catchment to collectively address flooding issues
- Delivered our 200<sup>th</sup> raingarden to reduce stormwater pollutants entering the bay
- Adopted the Act and Adapt - Sustainable Environment Strategy 2018-28, which commits to environmental sustainability outcomes for the organisation and the community
- Released the draft Don't Waste it! - Waste Management Strategy 2018-28 for community consultation, which is a blueprint for how Council and the community can work together to achieve a sustainable reduction in waste and manage what is left over in the most sustainable way
- Developed a new park and tree maintenance contract, which will ensure we continue to maintain the quality of our open spaces as our City changes and densifies
- Installed 45 additional carshare parking bays as part of the CarShare Policy 2016-2021, with a total of 160 bays across the municipality
- Introduced a ban on single-use plastic bags at South Melbourne Market
- Teamed up with the Nature Conservancy for a shell recycling project to help rebuild the lost shellfish reefs of Port Phillip Bay
- South Melbourne Market won five sustainability awards including 'Environmental Sustainability Award' at the 2017 IPAA Victoria Leadership in the Public Sector Awards and the 2017 LGPro Awards for Excellence, 'Outstanding Local Government Initiative' in Collection/Processing/Marketing at the Australian Organics Recycling Association Awards, and the 'Hospitality sector' and 'Overall Winner' awards at the Facility Management Innovation Awards.

## Challenges

### Changes and disruption in the recycling industry

Consultation continued with the Victorian Government regarding pricing in response to the ongoing disruption in the recycling industry and Port Phillip's regional contract with SKM. We have incorporated the potential pricing implications into the draft budget and draft Don't Waste it! - Waste Management Strategy 2018-28.

### Looking forward

The Council Plan 2017-27 has a strong focus on responding to sustainability challenges and ensuring we have smart solutions for a sustainable future.

Over the next 10 years, Council has committed to improve the way in which we manage waste to reduce landfill and invest in innovative water harvesting to reduce our potable water use. We will work with our community to reduce community greenhouse gas emissions and adapt to the impacts of a changing climate, including the risk of flooding.

Key initiatives for 2018/19 include implementation of the Act and Adapt - Sustainable Environment Strategy 2018-28, development and implementation of the Don't Waste It! Waste Management Strategy 2018-28 and investing in stormwater harvesting, solar energy and the Port Phillip EcoCentre.

### Transforming waste management

The next 10 years will bring rapid population growth to the City of Port Phillip, and significant changes to the waste industry. Council is committed to meeting these challenges to reduce the impacts of waste on our community and the environment we enjoy.

The draft Don't Waste It! - Waste Management Strategy 2018-28 is a blueprint for how Council and the community can work together to achieve a sustainable reduction in waste and manage what is left over in the most sustainable way. We released a draft of this important strategy in June 2018 for community feedback.

It is a long term vision setting out new targets and strategies for the next four years (2018 to 2022), and more ambitious goals for the longer term (2022 to 2028).

This year, we established a partnership between the cities of Port Phillip and Melbourne, Metropolitan Waste and Resource Recovery Group, South East Water and the Fishermans Bend Taskforce to collaborate on an approach to manage waste and water in a co-located facility (Inner Metro Sustainability Hub). The Hub would incorporate services currently delivered at Council's depot and transfer station facilities located in the Fishermans Bend urban renewal area. Work is underway to determine the feasibility and viability of the Hub.

The Victorian Government announced its proposed approach to manage e-waste in Victoria, including a statewide ban on e-waste going to landfill starting July 2018. Council extended its e-waste recycling service to include all personal items that have a power cord or battery.

Officers worked with Sustainability Victoria to create an e-waste video to assist residents to comply with landfill bans after receiving an Improving Resource Recovery grant.

### Transforming water management

Lower than average rainfall means our water supply is estimated to reduce by up to 11 per cent by 2020, and with 68 per cent of the City less than three metres above sea level, we are significantly vulnerable to rising sea levels.

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

We have also committed to collaborate with the community and other stakeholders to implement cost effective solutions to reduce flooding in the Elster Creek Catchment.

In 2017, the City of Port Phillip, Bayside City Council, City of Glen Eira, City of Kingston and Melbourne Water formed the Elster Creek Working Group to manage flooding in the Elster Creek Catchment area. The first Elster Creek community forum was held on 7 September, where feedback received helped shape the Elster Creek Catchment Action Plan. The action plan was developed in October in partnership with Melbourne Water, the floodplain management authority and the cities of Bayside, Glen Eira and Kingston, and endorsed by Council in November. The Elster Creek Community Reference Group with community membership from participating cities informs the Elster Creek Catchment Working Group how to best deliver project information and outcomes to the community.

Council is progressing the use of alternative water sources.

In partnership with Parks Victoria and the City of Melbourne, Council is exploring the feasibility of harvesting stormwater from Albert Park Lake. Further investigations have been undertaken to substantiate some elements of the concept design, which was prepared in August 2017. The findings of these investigations will be considered by the project partners before the next steps are taken.

The design of the Alma Park Stormwater Harvesting Scheme is now complete. The scheme will provide water to Alma Park West, the Hank Marvin Market area and Alma Park Oval. The scheme includes a bioretention system for better water treatment and three large underground water storage tanks located beneath Alma Park Oval. Construction is expected to commence in November 2018 and be completed by April 2019.

During the year, we installed our 200<sup>th</sup> raingarden along with installation of raingardens at Derham Street, Port Melbourne, and Langridge Street and Park Road, Middle Park, and we rectified several older assets.

**Major initiative progress**

## Albert Park Stormwater Harvesting development

The Albert Park Lake Stormwater Harvesting project is a multi-stakeholder, multi-year project led by Parks Victoria, in partnership with the City of Port Phillip and the City of Melbourne. The project is investigating an opportunity to supplement Albert Park Lake with treated stormwater and to use this water for the irrigation of nearby parks and reserves. A concept design for the scheme was prepared in August 2017; a subsequent peer review recommended further investigations to substantiate some elements of the design. These investigations are now complete and project partners will consider the next steps to be taken.

Additional expenditure on the project was approved beyond the \$50,000 budget for project management costs and a City of Port Phillip parks and reserves water quality tolerance investigation.

**Actual: \$117,000 Budget: \$50,000**

## Alma Park Stormwater Harvesting development

The Alma Park Stormwater Harvesting project is a multi-year project to design and construct a stormwater harvesting scheme at Alma Park. A concept design for the scheme was approved in April, which includes a bioretention system to treat stormwater to a suitable quality for use in the park, and large underground water storages located beneath Alma Park Oval. We are working closely with adjacent schools, sports clubs and the Hank Marvin Market to ensure that any disruptions to park and oval use are kept to a minimum. Construction is expected to commence late in 2018 with the oval returned for use by April 2019.

**Actual: \$97,000 Budget: \$100,000**

## Baseline of municipal greenhouse gas emissions development

This project is the foundation of all future work in relation to sustainability in the City of Port Phillip. The municipality has a baseline for greenhouse gas emissions of 1,735,646 tonnes of CO<sub>2</sub>e for 2017. The data helped develop and communicate the Community Action Plan and Act and Adapt: Sustainable Environment Strategy 2018-28.

The baseline emissions profile is useful for informing environmental interventions, ensuring that they are targeted to the most appropriate areas. It also provides the baseline necessary to track municipal performance over time.

**Actual: \$92,000 Budget: \$150,000**

## Energy efficiency and solar program

This is an annual program to reduce greenhouse gas emissions and energy costs by implementing a range of energy efficiency and solar projects in council buildings.

Initiatives completed include:

- 70 kW peak generation solar photovoltaic systems installed in Bubup Nairn Childcare Centre, Albert Park Library and Emerald Hill Library and 222 Bank Street, South Melbourne
- heating and lighting efficiency improvements projects undertaken at St Kilda Town Hall, South Melbourne Market, Albert Park Kindergarten, Betty Day Centre and Linden New Art.

**Actual: \$279,000 Budget: \$460,000**



## Stormwater management program

This program seeks to improve the operation and delivery of stormwater infrastructure in the City of Port Phillip. The program completed renewal and rectification works at Robe Street, St Kilda, and North West Corner Beach and Bay Street, Port Melbourne, and pit replacements at various locations.

A focus of this year's program was the purchase of CCTV equipment to enable condition audits of our drainage network to inform flood modelling, a future works program based on asset condition, and reuse of stormwater opportunities. This is expected to be completed in 2018/19.

**Actual: \$ 1,115,000 Budget: \$1,300,000**

## Sustainability Environment Strategy development

Act and Adapt - Sustainable Environment Strategy 2018-28 outlines the City of Port Phillip's commitment to environmental sustainability. It outlines the cultural change and collaborative actions required over the next 10 years across a range of Council services, including city planning and urban design, waste and water management, community outreach and behaviour change programs.

The goals contained within the strategy are designed to be achievable within the 10 year period of the strategy.

A community engagement process for the draft strategy was held between 20 April 2018 and 18 May 2018. This process included town hall drop-in sessions for community members to discuss the draft strategy with officers directly. Following this process, the final strategy was adopted by Council on 20 June 2018.

**Actual: \$136,000 Budget: \$150,000**

## Waste and Resource Recovery Strategy

The City of Port Phillip's draft Don't Waste It! - Waste Management Strategy 2018-28 is a blueprint for how Council and the community can work together to achieve a sustainable reduction in waste and manage what is left over in the most sustainable way. Community consultation on the draft strategy took place from 22 June to 30 July 2018. Following feedback, the final strategy will be presented to Council in late 2018.

**Actual: \$77,000 Budget: \$95,000**

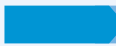
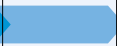








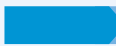
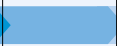
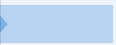
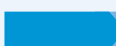



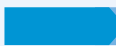
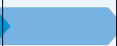
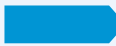

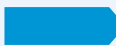











## Water Sensitive Urban Design program


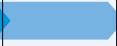

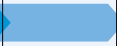

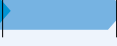


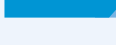
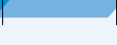








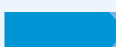






This program is designed to improve the City of Port Phillip's water management by treating the stormwater running off our roads, increasing the permeability of streetscapes and helping implement a greener Port Phillip. Council has installed over 200 raingardens since the commencement of the program. The following initiatives were completed in 2017/18:

- a raingarden at Derham and Williamstown roads, Port Melbourne
- seven raingardens at Park/Langridge streets intersection, Middle Park
- rectification works for several older assets.

**Actual: \$247,000 Budget: \$300,000**

## Four year priority progress

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

Priority	Not started	In progress	Complete
<b>3.4 A water sensitive City</b>			
Undertake integrated water management planning, including partnering with Melbourne Water and others to review and implement relevant plans.			
Plan and deliver water sensitive urban design interventions to reduce contaminants in water entering Port Phillip Bay.			
Investigate and implement (subject to viability) stormwater harvesting and flood mitigation works at key locations.			
Implement irrigation upgrades at key sports fields and parks to optimise water use.			
Increase the permeability of ground surfaces across public streets and spaces, and work with the community to achieve greater permeability on private property.			
Collaborate with the Cooperative Research Centre for Water Sensitive Cities.			
Develop a Stormwater Asset Management Plan and continue to invest in drainage improvements.			
Develop a Stormwater Management Policy and Guidelines to require onsite stormwater detention for new developments.			
<b>3.5 A sustained reduction in waste</b>			
Develop and implement a new municipal Waste Management and Resource Recovery Strategy, including an implementation plan to divert organic waste from landfill.			
Increase investment in street cleaning, litter bins and equipment to improve amenity and responsiveness, and investigate opportunities for further improvements to service delivery.			
Work with the Melbourne Metro Waste Group to develop a business case to establish an inner metropolitan organic waste management service.			
Pursue waste innovations in Fishermans Bend.			
Update waste management guidelines for apartment developments, and implement education programs.			

## Services that contribute to this direction

### Amenity

Manage waste collection, clean streets, beaches, foreshore, roads, footpaths, medians, trade commercial areas, public toilets and barbecues, maintain Council buildings and assets, respond to graffiti complaints and remove graffiti.

**Actual: \$19,257,596 Budget: \$19,941,346 Variance: \$683,750**

#### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Resident satisfaction with street cleaning	89 %	89 %	88 %	87 %	>90 %
Data from our annual survey of residents in February shows that we have maintained a level of satisfaction with our street cleaning.					
Street cleaning audit compliance	85 %	95 %	94 %	94 %	>95 %
We continued to see a high level of compliance with our audit of street cleaning. Council will review this service in 2018/19 to ensure it remains fit for purpose and cost effective.					

### Sustainability

Reduce Council and community impact on the environment and coordinate long term approaches to climate adaptation through policy and tools to achieve environmental sustainability outcomes, behaviour change programs, community outreach, advice and support, partnership programs, advocacy, and by embedding sustainability into Council operations and projects.

**Actual: \$4,071,813 Budget: \$5,057,623 Variance: \$985,810**

#### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
New trees planted per year	1,305	1,466	1,117	1,519	1,055
Council has planted more trees this year than targeted to replace trees removed by development, malicious damage or major construction.					
Resident satisfaction with making Port Phillip more environmentally sustainable	91 %	91 %	91 %	86 %	>90 %
Satisfaction with making Port Phillip environmentally sustainable has dropped this year and is below target. Council's plan to make Port Phillip more sustainable is outlined in the newly developed Act and Adapt - Sustainable Environment Strategy 2018-28.					
Eligible applications that addressed sustainable design issues and received a planning permit	78 %	78 %	75 %	No data	87 %
Data regarding the eligibility of sustainable design applications is no longer available, as this measure does not actively increase the proportion of planning permits addressing sustainable design that are approved.					
Megalitres of water use from alternative sources	No data	1.68	10.51	14.15	15
Weather conditions and pump failure contributed to not meeting the target for use of alternative water sources.					
Total suspended solids removed from stormwater (tonnes)	No data	38.9	44.1	46.5	47.3
Projects delivered in 2017/18 collected 2.4 tonnes of total suspended solids, bringing the cumulative annual reduction slightly below target.					
Investments in fossil free institutions	28 %	49 %	86 %	77 %	60-80 %
Investment in fossil free institutions dropped slightly from last year, but remained within the target range.					

## Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Sustainability</b>					
Participants in Council-run sustainability programs	7,573	8,274	8,308	8,373	
Additional trees planted	1,305	1,466	1,117	1,519	

### Waste reduction

Reduce waste going to landfill through kerbside and public place recycling, hard waste and green waste collection, operating the Resource Recovery Centre, waste and environment education, and support for the EcoCentre.

**Actual: \$4,504,428 Budget: \$3,897,818 Variance: (\$516,610)**

### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Council waste production	62.2T	53.4T	50.4T	59.6T	50T
This year we experienced an increase in waste generated in Council facilities. This is primarily due to including a greater number of sites in the audit, which provided more accurate data. This result was also affected by the inability to obtain data on our toner cartridge recycle program.					
Resident satisfaction with waste and recycling collections	95 %	92 %	93 %	89 %	90 %

Data from our annual survey of residents in February shows that satisfaction with waste and recycling has dropped compared to previous years. The draft Don't Waste It! - Waste Management Strategy 2018-28 sets out how Council and community can work together to achieve a sustainable reduction in waste and manage what is left in a sustainable way.

### Satisfaction

Kerbside bin collection requests per 1,000 households*	48.64	33.57	29.29	27.84	<35
Kerbside bin collection requests remain stable compared to 2016/17.					

### Service standard

Kerbside collection bins missed per 10,000 bin lifts*	5.55	2.67	1.73	3.91	<2.5
Number of kerbside collection bins missed experienced an increase this year and returned to levels consistent with previous years.					

### Service cost

Cost of kerbside garbage bin collection service per bin*	\$65.35	\$63.68	\$69.65	\$68.97	<\$80.00
Cost of kerbside garbage bin collection remains stable.					
Cost of kerbside recyclables collection*	\$32.00	\$33.93	\$36.07	\$39.57	<\$36.00
Cost of kerbside recyclables has continued to increase at a consistent rate to previous years.					




### Waste diversion

Kerbside collection waste diverted from landfill*	34.50 %	34.11 %	32.94 %	31.71 %	35.00 %
The kerbside collection of waste diverted from landfill target was set as an aspirational target. Actions to improve these results are outlined in the draft Don't Waste It! - Waste Management Strategy 2018-28.					

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



## Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Waste reduction</b>					
Waste bins collected each week	38,582	38,749	38,909	39,008	
Recycling bins collected each week	34,355	34,626	34,962	35,306	
Hard and green waste collections	15,102	15,682	17,217	17,751	

## Direction 4

We are growing and  
keeping our character

## 4.1 Liveability in a high density City

## 4.2 A City of diverse and distinctive neighbourhoods and places

## Outcome indicators

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Residents who feel a sense of safety and security in Port Phillip	85 %	85 %	85 %	82 %	>87 %
Data from our annual survey of residents in February shows that there has been a drop in perceptions of safety and security. This year, there are a range of initiatives undertaken to increase public safety, including installation of safety bollards in key locations and working closely with the Victorian Government and Victoria Police to improve public safety.					
Residents who are proud of, connected to and enjoy living in their neighbourhood	97 %	96 %	97 %	96 %	>95 %
Data from our annual survey of residents in February shows that people continue to be proud of and connected to their neighbourhood, and enjoy their local area.					
Residents who agree the local area is vibrant, accessible and engaging	97 %	96 %	97 %	95 %	>95 %
Data from our annual survey of residents in February shows that people continue to agree the local area is vibrant, accessible and engaging.					
Planning decisions upheld at VCAT*	71 %	71 %	70 %	61 %	>70 %
Council planning decisions upheld at VCAT decreased compared to previous years after an increase in the volume of decisions taken to VCAT; however, when we include mediated and withdrawn outcomes, Council decisions upheld at VCAT is 83 per cent, which is a minor increase from last year.					

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

## Highlights

- Commenced construction on the new community park in Montague, which is being renamed Kirrip Park
- Responded to the Victorian Government's draft Fishermans Bend Framework and proposed planning controls
- Council endorsed four-yearly audit and review of the Port Phillip Planning Scheme
- Delivered the Design and Development Awards as part of Melbourne Design Week
- Reviewed our community amenity local law and developed a revised four-year Domestic Animal Management Plan
- Managed emergencies arising from major rain event in December 2017
- Completed works on the Beacon Cove seawall as part of the Maritime Renewal Program, helping guarantee the safety and future use of the seawall
- Installed safety bollards at key locations in the municipality.

## Challenges

### Responding to risks associated with cladding used on high rise buildings

Following the establishment of the Victorian Cladding Taskforce, the City of Port Phillip is one of six councils (Port Phillip, Melbourne, Moreland, Monash, Greater Dandenong and Whittlesea) enlisted by the Victorian Cladding Taskforce to undertake a pilot audit program to investigate buildings in their respective municipalities. This has ongoing cost and risk implications for Council. However, we have been successful in recovering much of the cost from the taskforce and the risk exposure is mitigated by the enforcement powers of the Municipal Building Surveyor under the **Building Act 1993**.

### Looking forward

The Council Plan 2017-27 responds to the growth the City is experiencing, while maintaining our character and personality.

Council has committed to addressing the challenges that arise relating to liveability of a high density City, and developing diverse and distinctive neighbourhoods and places.

Key initiatives for 2018/19 include Public Space Strategy development, Ferrars Street Education and Community Precinct streetscape upgrade, St Kilda Marina, Gasworks Arts Park contamination management plan and annual upgrade programs for foreshore assets, maritime infrastructure, parks and playgrounds, park furniture and public space lighting.

## Transforming Fishermans Bend

The City of Port Phillip is growing at a rapid rate, and over the next four years the population is forecast to approximately double. The level and rate of this growth will have significant impacts on Council's service delivery standards and resourcing. The planning of this significant expansion of the City is critical to ensure new residents experience the quality of life that current residents experience, and growth does not negatively impact our existing residents.

During the year, officers collaborated with the Fishermans Bend Taskforce to progress more detailed planning for the Montague, Sandridge and Wirraway precincts, including a focus on quality public spaces, design of streets for accessible and walkable neighbourhoods, and delivery of community infrastructure hubs close to shops and services.

Following the Victorian Government's release of the draft Fishermans Bend Framework and planning controls for public consultation on 21 October 2017, a detailed submission was prepared and presented to Council on 13 December 2017, with submissions due to the Victorian Government by 15 December 2017.

Council completed its presentation to the Fishermans Bend Planning Review Panel, appointed by the Minister for Planning to review the proposed planning controls. This included Council's overarching presentation and specific presentations for each of the individual precincts located within Port Phillip (Montague, Sandridge and Wirraway). These presentations articulated the position adopted by Council last December in its written submission to Victorian Government on the draft Fishermans Bend Framework and proposed planning controls. Expert evidence was called to support Council's priority outcomes for sustainable development, flood management, affordable housing, infrastructure delivery and urban design.

The South Melbourne Primary School and multipurpose rooms, and Barring Djinang Kindergarten opened in January, with the maternal child health service opening in February. The delivery of this school is an example of collaboration with the Victorian Government to deliver the first vertical public school in Victoria.

In May, the Victorian School Building Authority announced a new secondary school in Fishermans Bend, with \$3.8 million set aside in the State budget for planning work. Council commenced early discussions with the Victorian School Building Authority to understand timing of the project and the implications for Council's depot operations that are currently on the nominated site.

**Major initiative progress**

## Fishermans Bend Managing Growth program

Developing a clear funding strategy for the delivery of Fishermans Bend has been a key focus. Council has been working closely with Department of Premier and Cabinet, Department of Treasury and Finance, the Fishermans Bend Taskforce and the City of Melbourne on funding. Officers continue to provide input into the work of the Fishermans Bend Taskforce. Precinct planning is on hold while the Victorian Government and the Fishermans Bend Advisory Panel considers the draft Fishermans Bend Framework, to which Council has provided a submission.

**Actual: \$278,000 Budget: \$365,000**

## Ferrars Street Education and Community Precinct - construction of Montague Park

The City of Port Phillip is partnering with the Victorian Government to provide quality open space for local communities in the Montague precinct. Council awarded the open space contract in December 2017 and testing commenced in early 2018. Testing found potentially contaminated soil and poor soil conditions, with further work to address soil prior to landscaping works commencing. This has contributed to an underspend and delays to the project. Council engaged the community on a name for the park. A recommendation will be submitted to Council in July 2018 for approval.

**Actual: \$2,933,000 Budget: \$5,000,000**

## Public Space Strategy development

The Public Space Strategy will provide a roadmap for managing the current challenges relating to public space within the City of Port Phillip. The strategy is currently in the early planning stages. It is anticipated the draft strategy will be available for community feedback in 2019.

**Actual: \$1,000 Budget: \$50,000**

## Ferrars Street Education and Community Precinct - streetscape upgrade

The project will deliver streetscape works as part of the Ferrars Street Education and Community Precinct development program. The expression of interest has completed and the tender will be awarded at a Council meeting in July 2018.

**Actual: \$310,000 Budget: \$2,638,000**

## Gasworks Arts Park Contamination Management Plan

The Victorian Government is developing a plan to manage the contaminated soil at Gasworks Arts Park. Field works were undertaken by environmental consultants in December 2017, including the installation of vapour pits and soil vapour analysis. Further review of the proposed contamination management strategies is required to comply with the Environmental Protection Authority auditor's expectations prior to completing a draft Contamination Management Action Plan (CMAP). Relocation of the boundary fence and associated remedial works to prepare the site in the east corner were completed in June 2018. As the CMAP has not yet been received, the scheduled completion of this project has been extended to late 2018.

**Actual: \$56,000 Budget: \$50,000**

## St Kilda Marina

The purpose of this project is to secure a new lease arrangement for the St Kilda Marina following expiry of the current 50 year lease in April 2019. Council approved the project approach, program and budget in February 2018, which underpins a comprehensive planning and community engagement process to help realise a solution for the site that benefits the community and achieves a balance between social, cultural, environmental, economic and financial objectives for the City and state. Following community engagement in May 2018, Council will endorse the final site vision and objectives for site in July 2018 that will guide a site options analysis process undertaken with consultants and a community panel from July to December 2018. The resultant site brief will inform the lease procurement process.





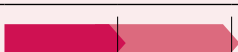





**Actual: \$320,000 Budget: \$150,000**



## Four year priority progress

Priority	Not started	In progress	Complete
<b>4.1 Liveability in a high density City</b>			
Partner with the Victorian Government to ensure the Fishermans Bend Framework and precinct plans maximise outcomes for current and future Port Phillip residents, including employment, housing choice, quality public space and community facilities, and early delivery of fast, frequent public transport.			
Deliver open space remediation and streetscape works in Fishermans Bend, particularly in the Montague Precinct and at the Ferrars Street Education and Community Precinct.			
Work with the Victorian Government to effectively manage soil contamination and remediation on open space sites, including at Gasworks Arts Park.			
Review and update the Port Phillip Planning Scheme, and Municipal Strategic Statement, to ensure an effective framework of local policy and controls to manage growth and support healthy communities.			
Implement planning scheme amendments that strengthen design and development controls in areas undergoing significant change.			
Invest in improving parks, playgrounds, and street and public space lighting.			
Develop a new public space strategy.			
Review Council's design and technical standards for streets and public spaces.			
Deliver the Design and Development Awards, to showcase and promote design excellence in Port Phillip.			
Continue to improve community safety by evaluating CCTV, undertaking community safety audits and implementing crime prevention through environmental design guidelines.			
Continue to maintain a high standard of amenity, ensure compliance with planning requirements and local laws, and support public health and safety through service improvements and mobile technology.			
Review Council's local law to manage and improve community amenity.			
Review Council's Domestic Animal Management Plan, which promotes animal welfare and responsible pet ownership.			

## 4.2 A City of diverse and distinctive neighbourhoods and places

Effectively manage the St Kilda Marina lease process, including developing design guidelines through stakeholder and community engagement.	
Advocate for and partner to develop a vision and plan for St Kilda Junction.	
Develop an urban design framework for St Kilda Road North - Domain Station precinct and surrounds.	
Continued delivery of place based planning and coordinated development and advocacy using a precinct management approach in Balaclava, Domain, Port Melbourne Waterfront and Fitzroy Street, St Kilda.	
Develop design guidelines for key foreshore destinations including the St Kilda Triangle and Port Melbourne Waterfront.	
Implement a program to strengthen heritage controls, including assessing sites of cultural and social significance, and implement the review of Heritage Overlay 6 (East St Kilda) through the planning scheme.	
Review the Housing Strategy to ensure new residential development is well located and respects the character and heritage of established neighbourhoods.	
Review the Heritage Policy in the Port Phillip Planning Scheme to improve guidance on the retention and adaptive reuse of the City's heritage fabric.	
Reflect and interpret the City's history through the installation of plaques, memorials and monuments.	
Upgrade the foreshore, including vegetation projects and maritime infrastructure renewals.	

## Services that contribute to this direction

### City planning and urban design

Direct and manage changes in land use, the built environment and the public realm to maximise community benefit through place based urban strategy and projects, land use policies, reviewing and amending the Port Phillip Planning Scheme and Municipal Strategic Statement, precinct management to coordinate development in key areas, working to enhance the public realm and protect buildings of architectural, cultural or historical interest through urban design and heritage advice, and contributing to state planning policy and regulation.

**Actual: \$5,182,165 Budget: \$5,730,304 Variance: \$548,139**

### Development approvals and compliance

Regulate how land is developed, used and occupied safely by providing advice and education, processing planning applications and supporting community participation in the planning process, issuing and enforcing permits for activity in and around building sites, investigating and enforcing land use and development issues, protecting our assets, roads and footpaths and carrying out building and site inspections and assessments.

**Actual: \$8,983,452 Budget: \$8,552,518 Variance: (\$430,934)**

#### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Resident satisfaction with Council's planning services	77 %	79 %	78 %	78 %	>80 %
Data from our annual survey of residents in February shows that resident satisfaction with planning services remains stable.					
<b>Timeliness</b>					
Time taken to decide planning applications*	67	75	78	77	<75
Time taken to decide planning applications remained stable compared to previous years.					
<b>Service standard</b>					
Planning applications decided within required timeframes*	61 %	58 %	60 %	61 %	>60 %
Applications decided within required timeframes remained stable compared to previous years.					
<b>Service cost</b>					
Cost of statutory planning service per planning application*	\$1,367.34	\$2,104.35	\$2,554.87	\$2,764.04	<\$2,200.00
Cost of statutory planning services increased above target due to the increase in permanent specialist planning positions and senior planners dedicated to dealing with the Fishermans Bend Urban Renewal Area to expedite Ministerial referrals. We also received fewer applications compared to previous years.					
<b>Decision making</b>					
Council planning decisions upheld at VCAT*	73 %	71 %	70 %	61 %	>70 %
Council planning decisions upheld at VCAT decreased compared to previous years after an increase in the volume of decisions taken to VCAT. However, when we include mediated and withdrawn outcomes, Council decisions upheld at VCAT is 83.3 per cent, which is a minor increase from last year.					

#### Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Planning applications</b>					
Received	1,602	1,529	1,155	1,095	↘
Decisions made	1,438	1,624	1,380	1,303	↘

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

## Health services

Support public health by monitoring registered food premises, accommodation properties, registered hairdressers, tattooists, beauty parlours and water quality in public swimming pools and spas, providing for immunisation and syringe disposal, and investigating public health nuisance complaints.

**Actual: \$1,810,095 Budget: \$1,885,914 Variance: \$75,819**

### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Children fully vaccinated in municipality	95 %	98 %	No data	No data	99 %

Data regarding the percentage of children fully vaccinated is no longer measured and reported in this format. Council monitors immunisation rates every quarter. We are meeting minimum levels as set by the Victorian Government. Achieving 99 per cent is unachievable.

### Timeliness

Time taken to action food complaints*	1.77 days	1.76 days	1.67 days	1.58 days	<2 days
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Time taken to action food complaints remain stable.

### Service standard

Percentage of required food safety assessments undertaken*	100 %	100 %	100 %	100 %	100 %
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All food safety assessments were undertaken as required.

### Service cost

Cost of food safety service per premises*	\$550.32	\$547.92	\$521.41	\$551.11	<\$562
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A slight increase in the cost of food service occurred this year; however, it remained below target.

### Health and safety

All critical and major non-compliance notifications about food premises followed up on the due date*	96 %	99 %	99 %	100 %	95 %
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All critical and major non-compliance notifications about food premises were followed up on the due date.

### Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Health services</b>					
Prescribed accommodation inspections conducted	97	91	134	98	↔
Hairdresser, tattooist and beauty parlour inspections conducted	268	132	106	152	↗
Syringes collected and discarded through syringe disposal containers and the Community Clean-up program	19,584	22,021	20,749	18,204	↘
Public health nuisances reviewed	239	275	234	230	↘
<b>Food safety</b>					
Inspections of registered premises	2,822	2,734	2,680	2,768	↗
Food premises complaints	185	217	185	195	↗
Food samples analysed	268	218	265	242	↘

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

**Municipal emergency management**

Ensure our community is safe in the event of an emergency, and supported to recover from such events.

**Actual: \$626,313 Budget: \$550,506 Variance: (\$75,807)**

**Local laws and animal management**

Ensure community safety by enforcing local laws (use, occupation and behaviour on Council land, commercial activities, illegal advertising, dumped rubbish and illegal camping), monitoring building site activity and protecting Council assets, responding to complaints about breaches of the **Domestic Animals Act 1995**, and encouraging responsible pet ownership through education and registration.

**Actual: \$2,250,781 Budget: \$2,200,728 Variance: (\$50,053)**

**Service measures**

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
<b>Timeliness</b>					
Time taken to action animal complaints*	1 day	1 day	1 day	1 day	<2 days
On average, we action animal complaints within one day.					
<b>Service standard</b>					
Percentage of animals reclaimed*	55 %	59 %	48 %	48 %	>55 %
Percentage of animals reclaimed is stable, but below annual target due to a significant increase in the number of animals collected compared to 2015/16.					
<b>Service cost</b>					
Cost of animal management service*	\$74.30	\$75.10	\$61.36	\$69.52	<\$76.00
Cost of animal management service increased, but remained under target as a result of the lower rate of registration increase experienced during the year.					
<b>Health and safety</b>					
Successful animal management prosecutions*	4	5	2	6	<10
Five prosecutions were successful during the year; four related to dog attacks, one related to a nuisance dog and one related to a roaming dog.					

**Service statistics**

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Animal management</b>					
Animal registrations	8,072	8,279	9,678	9,618	↔
Dogs impounded	129	142	129	138	↔
Cats impounded	120	132	150	288	↗
Reported cases of stray cats (feral or trespassing)	111	97	106	114	↗
Reported cases of stray dogs (wandering at large)	88	73	78	61	↘
Reported cases of dog attacks	72	99	86	93	↗
Reported cases of barking dogs	285	278	332	380	↗
Local laws	268	218	265	242	↘
Litter investigation requests	867	550	588	567	↘
Unsightly property complaints	152	122	149	145	↘
Local law infringement notices issued	389	487	484	349	↘

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



## Public space

Improve our network of accessible parks and open spaces, including foreshore, playgrounds, gardens, reserves, sports fields and streetscapes, by planning and delivering improvements, ongoing maintenance and management, and activation through permitted recreation, cultural and community activities and events.

**Actual: \$20,342,318 Budget: \$25,457,762 Variance: \$5,155,444**

**Material variation explanation** - Underspend is partly due to project savings from lower tender price for the construction of Montague Park. Completion of park remediation was delayed and project planned to complete in September 2018. State approval of the Streetscape Deed was delayed, which has impacted on that construction schedule and authority works for the streetscape upgrade project. Completion date has been extended to December 2018.

### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Resident satisfaction with parks and open space	96 %	94 %	96 %	94 %	>90 %
Data from our annual survey of residents in February shows that resident satisfaction with parks and open space remains high and above target. Parks and open space is one of our highest performing satisfaction measures.					
Resident satisfaction with beach cleaning	94 %	92 %	95 %	93 %	>90 %
Data from our annual survey of residents in February shows that resident satisfaction with beach cleaning remains high and above target.					
Contract delivered to standard for parks and open space	99 %	95 %	99 %	99 %	95 %
Almost all of our our parks and open space contracts were delivered to standard.					
Public space community requests resolved on time	76 %	86 %	88 %	87 %	85 %
A high proportion of public space community requests continue to be resolved on time.					

### Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Public and open space</b>					
Ovals mowed (hectares per week)	14 ha	14 ha	14 ha	14 ha	➔
Reserves and gardens maintained (hectares per week)	177.6 ha	177.6 ha	177.6 ha	177.6 ha	➔
Playground inspections conducted	3,007	3,692	3,380	3,042	➔
Additional trees planted	1,305	1,466	1,117	1,519	➔

## Direction 5

We thrive by  
harnessing creativity

5.1 A City of dynamic and distinctive retail precincts

5.2 A prosperous City that connects and grows business

5.3 A City where arts, culture and creative expression is part of everyday life

## Outcome indicators

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
People employed in the top five industries as a proportion of total employment in the municipality	54 %	-	50 %	50 %	>54 %
Based on current census data, people employed in the City remained stable, with the top five industries being professional, scientific and technical services; construction; health care and social assistance; accommodation and food services; retail trade and financial and insurance services.					
Visitors to the City of Port Phillip	No data	3.4 million	3.5 million	3.7 million	3.6 million
Data for the entire 2017/18 year was unavailable at the time of publishing due to a data acquisition issue. The figure presented above reflects the number of visitors between April 2017 and March 2018.					
Residents who agree they have the opportunity to participate in affordable local community events and activities	92 %	90 %	95 %	90 %	>95 %
Data from our annual survey of residents in February shows that residents who agree they have opportunity to participate in affordable local community events and activities dropped slightly. Actions to improve these results are outlined in the Art and Soul - Creative and Prosperous City Strategy 2018-22.					
Residents who agree Port Phillip has a culture of creativity	95 %	90 %	94 %	90 %	>95 %
Data from our annual survey of residents in February shows that residents who agree Port Phillip has a culture of creativity dropped slightly. Actions to improve these results are outlined in the Art and Soul - Creative and Prosperous City Strategy 2018-22.					

## Highlights

- Delivered our Explore Port Phillip social media campaign to promote all that the City has to offer - this campaign delivered 2.8 million website hits and increased tourism activity
- Launched the online Port Phillip City Art and Heritage Collection platform, which allows people to view and search items in the collection at any time
- Released the Art and Soul - Creative and Prosperous City Strategy 2018-22 to create a thriving social, cultural and economic future for Port Phillip
- Completed a series of planned renewal works at South Melbourne Market and undertook works in relation to several stall fit-outs. These works included upgrades to the fire suppression sprinkler system, security systems, electrical works and the replacement of a roller door and outdoor furniture.

## Challenges

### Management of disruptive behaviour over holiday period

Boxing Day 2017 led to the biggest clean-up events that the St Kilda foreshore has ever experienced, with more than 20 staff members working throughout the day to collect more than 29 tonnes of rubbish following a gathering of 5,000 people on Christmas night. This was an unprecedented incident and required the use of resources to be diverted from other activities in the short and medium term as officers worked through potential policy responses with Councillors and stakeholders.

### Looking forward

Council is committed to a City that thrives by harnessing creativity and the Council Plan 2017-27 sets out clear goals of a City of dynamic and distinctive retail precincts, a prosperous City that connects and grows business and a City where arts, culture and creative expression is part of everyday life.

Key initiatives for 2018/19 include implementation of the Art and Soul - Creative and Prosperous City Strategy 2018-22, Placemaking program and works at South Melbourne Market.

**Major initiative progress**

## Creative and Prosperous City Strategy development

Art and Soul - Creative and Prosperous City Strategy 2018-22 provides a blueprint for Council, community and business to work together to create a thriving social, cultural and economic future for Port Phillip.

The goals contained within the strategy guide Council to invest and support the creative industries, deliver a concentrated placemaking effort, strengthen the creative industries of South Melbourne and Fishermans Bend, increase access to affordable spaces and funding for local creative industries, and plan for adequate employment opportunities in the creative industries.

Community engagement on the draft strategy was held between 20 April 2018 and 18 May 2018. This process included town hall drop-in sessions for community members to discuss the proposed strategy with officers directly. The final strategy was adopted by Council on 20 June 2018.

**Actual: \$23,000 Budget: \$50,000**

## Linden Gallery upgrade

This project seeks to restore, upgrade and provide **Disability Discrimination Act 1992 (DDA)** compliance to Linden Gallery (operated by Linden New Art) for the enjoyment of patrons and the City of Port Phillip community. Restoration of the existing slate roof and veranda, and cleaning and painting of the facade is complete. Works on the extension and installation of the DDA compliant lift and toilets are progressing, with completion by August 2018.

**Actual: \$1,602,000 Budget: \$1,675,000**

## Four year priority progress

Priority	Not started	In progress	Complete
<b>5.1 A City of dynamic and distinctive retail precincts</b>			
Adopt a place based precinct management approach to coordinate development, activation and advocacy.			
Pursue improvements to the Carlisle Street retail precinct, including planning for redevelopment of the supermarket precinct to enhance the retail offer and surrounding street spaces.			
Develop a strategic plan for the St Kilda precinct, including a strategy to revitalise Fitzroy Street.			
Review footpath trading policies to promote street activity and accessibility.			
Continue to collect special rates to support traders and fund the promotion, marketing and development of retail precincts.			
Develop a strategic business case for the South Melbourne Market to shape the future direction and investment, and plan for and deliver renewal works.			
Work with inner Melbourne councils to develop approaches to better manage licenced premises and entertainment precincts.			
<b>5.2 A prosperous City that connects and grows business</b>			
Develop a creative and prosperous city strategy that features all elements of our City's economy.			
Facilitate networking events, and training and development programs for local businesses.			
Deliver a Business Awards program to recognise and promote exemplary local businesses.			
Ongoing support for local industry associations, including visitor and volunteer groups like the Port Melbourne Waterfront Welcomers.			
Work with inner Melbourne councils on strategies to protect, promote and grow inner Melbourne's creative and knowledge economy, and boost local employment.			
<b>5.3 A City where arts, culture and creative expression are part of everyday life</b>			
Invest in our key arts and culture venues, including continuing to fund the operation of Gasworks Arts Park and Linden Gallery.			
Implement the Events Strategy through event attraction and communications.			
Support early stage entrepreneurs in the creative industries by reinventing a library space and working with partners to identify and unlock creative spaces.			
Deliver improvements to library branches and the library collection, including planning for redeveloping the St Kilda Library.			
Improve and expand the City collection by acquiring artworks.			
Deliver and facilitate a program of festivals that celebrate local culture and talent.			
Provide grants, funding and spaces for arts and cultural organisations and service providers, to ensure access for everyone to relevant services and programs.			



## Services that contribute to this direction

### Arts, culture and heritage

Promote community participation and engagement in arts, culture and heritage, and foster development of the City's creative people and culture through programs, services, spaces and funding for artists and arts organisations.

**Actual: \$4,709,314 Budget: \$5,587,672 Variance: \$878,358**

#### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Resident satisfaction with delivering arts and festivals	95 %	97 %	96 %	92 %	90 %

Data from our annual survey of residents in February shows that in general we have maintained a high level of satisfaction with arts and festivals.

### Economic development and tourism

Support our business community to be successful by developing economic strategies, supporting economic activity centres and villages, collaborating with businesses and associations, facilitating training and development for business owners, facilitating special rate schemes for trader groups and attracting investment in growth sectors and urban renewal areas.

**Actual: \$1,946,249 Budget: \$1,763,860 Variance: (\$182,389)**

#### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Residents who agree their local area has a good range of business services and local conveniences	94 %	94 %	95 %	92 %	90 %

Data from our annual survey of residents in February shows that in general we have maintained a level of satisfaction with the availability of local business services.

Resident satisfaction with visitor management	No data	92 %	94 %	86 %	>90 %
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Given the challenges with visitor behaviour experienced over summer holiday period it is not unexpected that satisfaction with visitor management has dropped. The result is still high despite the challenges experienced over the summer holiday period.

### Festivals

Deliver accessible and inclusive festivals that celebrate creativity, provide opportunities for artists, traders and business, and meet the needs and aspirations of the community.

**Actual: \$4,365,036 Budget: \$4,568,271 Variance: \$203,235**

#### Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Festivals</b>					
Filming permits issued	252	290	228	270	↕
Attendance at St Kilda Festival	420,000	450,000	400,000	460,000	↕

## Libraries

Provide branch-based, online and in-home library and information services, including access to technology, flexible, safe and welcoming community spaces, literacy and life long learning programs and events.

**Actual: \$5,907,773 Budget: \$5,881,544 Variance: (\$26,229)**

### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Visits to library per capita	6.5	6.5	6.4	6.0	6.5
This year, we experienced a drop in the number of visitors to our libraries. Actions to improve this results are outlined in our Art and Soul - Creative and Prosperous City Strategy 2018-22.					

### Utilisation

Number of times a library resource is borrowed*	4.80	4.81	4.47	4.41	5.00
The proportion of library resources borrowed remained stable compared to the previous year, despite the result being below target.					

### Resource standard

Proportion of library resources less than five years old*	45.78 %	46.65 %	50.73 %	50.57 %	48 %
Over 50 per cent of our library resources are less than five years old.					

### Service cost

Cost of library service per visit*	\$5.76	\$6.13	\$6.17	\$6.53	<\$7.00
The cost of library service increased slightly; however, it still met target.					

### Participation

Active library members in the municipality*	20.14 %	19.40 %	19.12 %	20.39 %	20 %
Over 20 per cent of the municipality are members of our library service, meeting our annual target.					

### Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Libraries</b>					
Loans made at our five library branches	795,928	748,524	716,561	943,968	⬆️
Inter-library loans	5,526	4,082	4,976	4,851	⬇️
Total library visits	677,194	670,179	687,565	661,916	⬇️
Programs run	530	442	478	534	⬆️
Attendees at our programs	43,769	35,619	33,922	31,923	⬇️

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

**Markets**

Operate and promote the South Melbourne and St Kilda Esplanade markets, and support and permit local markets (for example, Gasworks, Veg Out, Hank Marvin).


**Actual: \$6,275,974 Budget: \$6,419,112 Variance: \$143,138**

**Service measures**

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Residents who agree South Melbourne Market is a significant benefit to residents	98 %	99 %	98 %	97 %	90 %

Data from our annual survey of residents in February shows that the South Melbourne Market continues to be recognised by residents as a significant benefit to our municipality.

**Service statistics**

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>South Melbourne Market</b>					
Visitors to the South Melbourne Market	4,644,521	4,724,196	5,001,932	5,130,400	

The City of Port Phillip operates and promotes the South Melbourne and St Kilda Esplanade markets.



## Direction 6

Our commitment  
to you6.1 A financially sustainable, high performing, well-governed organisation  
that puts the community first.

## Outcome indicator

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Satisfaction with community consultation and engagement (index)*	61	62	59	56	>60
Data from our annual survey of residents in February indicates a drop in consultation and engagement. Council values community input and has sought feedback on a range of topics this year.					
Proportion of residents who have participated in community engagement activities	No data	No data	No data	5 %	Baseline to be established
This year we undertook research to determine the baseline proportion of residents who participate in community consultation.					
Satisfaction with the overall performance of Council (index)	68	64	67	63	>65
Data from our annual survey of residents in February indicates a drop in overall performance. Council is investing in technology and customer experience to improve these results.					
Overall financial sustainability risk rating	Low	Low	Low	Low	Low
Council has maintained a low financial sustainability risk rating. For more information refer to Chapter 8.					
Efficiency savings as a percentage of operating expense (excluding depreciation)	1.2 %	1.8 %	1.2 %	1.0 %	1.0 %
Council has achieved its targeted efficiency savings this year.					

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



## Highlights

- Developed and commenced implementation of our organisational strategy to ensure the organisation has the direction, skills and capabilities required to deliver on the Council Plan
- Delivered ongoing efficiency savings and maintained low ratings for key financial sustainability measures
- Developed and commenced implementation of a business case to transform the experience that customers have of Council's services
- Implemented a more structured approach to Council's advocacy activities, particularly at the Victorian Government level, but also at a sector level through the MAV General Assembly and similar forums
- Delivered a range of governance improvements, including establishment of Strategic Risk and Internal Audit group and improvements to live streaming of Council meetings, and implemented a process to report on the status of Council decisions
- Used technology to improve how we deliver our services and made it easier for staff to do their jobs on the go through a range of mobility improvements and system upgrades
- Participated in Melbourne Knowledge Week in collaboration with the cities of Melbourne and Yarra, to offer an augmented reality application across three sites, including the South Melbourne Market, Abbotsford Convent and the Old Royal Women's Hospital/Lab
- Undertook a successful disaster recovery exercise where all information and communication technology was transferred to our disaster recovery centre
- Endorsed eleven commitments we are seeking from political parties in the lead-up to the November 2018 state election. The election priorities are diverse and spread across all three of Port Phillip's wards. The Mayor and CEO have worked hard to promote these priorities; between February and May, 15 meetings were held with members of parliament, including four ministers, and candidates for Albert Park, Prahran, Caulfield and Brighton. In response, there has been \$1 million for improving transport links between Fishermans Bend, including the tram line, \$200,000 to progress the design of a new EcoCentre building, an agreement with Transport for Victoria to coordinate the development of the St Kilda Junction Masterplan and \$3.8 million towards planning for the future Fishermans Bend Secondary School.

## Challenges

### Review of the Local Government Act

This required officers to review previous submissions, review the proposed draft and coordinate a response covering all parts of the **Local Government Act 1989**. Officers also discussed the matter with the broader local government sector and key groups including the Audit and Risk Committee, and advocated on key issues at a sector level to influence the outcome of the draft Bill. The implementation of the changes will impact the organisation over the short to medium horizon.

### Looking forward

The Council Plan 2017-27 sets out a clear commitment to be an organisation that puts the community first and is financially sustainable, high performing and well-governed.

The Council Plan commits Council to investing in technology and innovation to deliver better outcomes in the municipality.

Council will continue seeking input and expertise from our diverse community through improved and deeper community engagement and catalysing local action.

**Major initiative progress**

## Building renewal program 2017/18

This program is designed to identify, prioritise and deliver renewal works to City of Port Phillip building assets. The following initiatives were completed in 2017/18:

- delivery of roof audit and corrective actions
- replacement of roof tiles to Sandbar Restaurant, Middle Park
- minor capital works, including flooring upgrades to Betty Day Community Centre and Elwood Croquet Club, and air conditioning works and window upgrades at Port Melbourne Life Saving Club
- children's centre works including change table upgrades, installation of synthetic grass at Eildon Road, shade sail at Ada Mary A'Beckett and carpeting at Coventry Childcare centre.

The mechanical system and alternate design for the existing roof at Sails on the Bay has been put on hold while further analysis is undertaken.

**Actual: \$2,173,000 Budget: \$2,330,000**

## Customer Experience Program

The Customer Experience Program aims to significantly improve the experience of residents, businesses, visitors and ratepayers every time they contact the City of Port Phillip. The program will change our processes, systems and capabilities over the next two to three years. A business case for the program was endorsed by Council on 18 April 2018. Operating model reviews commenced across the organisation. A tender process to appoint a partner to work with Council in delivering the program was started, with an appointment to be finalised in September 2018 and mobilisation commencing shortly thereafter.

The estimated investment is \$22.8 million over the next two to three years. A funding plan has been developed and is integrated in the Council Plan and Budget 2018/19.




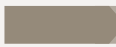
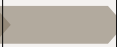



















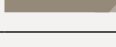
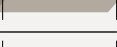






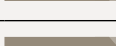
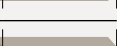

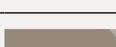





**Actual: \$570,000 Budget: \$2,500,000**

## Core IT infrastructure renewal and upgrade program

This program replaces core technology infrastructure and represents an ongoing commitment to the sustainability of Council's technology services. A focus this year has been the replacement of Council's ageing telephony system, implementing a new disaster recovery system, rollout of Microsoft Windows 10 across the organisation and replacement of older desktops and laptops.

**Actual: \$2,479,000 Budget: \$1,792,000**

## Four year priority progress

Priority	Not started	In progress	Complete
<b>6.1 A financially sustainable, high performing, well-governed organisation that puts the community first</b>			
Develop and implement a Customer Experience Improvement Plan and Information and Communications Technology Strategy.			
Be the partner of choice for other councils and organisations to work with, to enable improved customer experience, productivity and innovation.			
Be catalysts for greater community action, including by opening up more of our data to the public.			
Develop and implement a Community Engagement Policy and a plan for deeper community participation in Council planning and budgeting activities.			
Develop and implement an advocacy strategy to advance Council and community priorities.			
Improve our enterprise planning, performance, risk and compliance frameworks.			
Deliver the Council Election 2020.			
Improve record keeping, including digitising historical records.			
Review the organisation's People and Culture Strategy, and develop a workforce plan.			
Improve the organisation's health and safety practices.			
Upgrade the organisation's financial and asset management systems, processes and practices.			
Invest in improving the condition, functionality, capacity and sustainability of Council assets.			
Continue to build organisational capability and maturity in project management.			
Review our rating strategy, property policy and investment policy.			

## Services that contribute to this direction

**Asset management**

Ensure effective management of our assets and property.

**Actual: \$8,837,193 Budget: \$8,081,983 Variance: (\$755,210)**

**Service measures**

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Asset management maturity	883	650	815	952	>1,000
Council uses the National Asset Management Assessment Framework to assess maturity. We have reached excellence in the elements relating to strategic planning, annual budget and report, policy, strategy and plans, and skills and processes. Improvement actions have been identified to reach targets for the remaining elements.					
Asset renewal as a percentage of depreciation*	73 %	72 %	92 %	58 %	78 %
Lower than expected spend on the 2017/18 capital works program in infrastructure, most notably buildings, roads and parks assets, during the financial year has resulted in a decrease in this ratio. Several significant projects have been deferred and will be completed in future years, which will see an improvement in expenditure on asset renewal going forward.					

**Service statistics**

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Property management</b>					
Leases and licences managed by Council	132	170	172	195	↗
Building maintenance requests processed	4,942	5,106	5,313	4,855	↘

**People, culture and capability**

Ensure our employees are supported to deliver our services, have access to development opportunities, and work in a safe and healthy environment.

**Actual: \$4,555,049 Budget: \$3,946,098 Variance: (\$608,951)**

**Service measures**

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Staff engagement score	71 %	74 %	73 %	74 %	>74 %
Staff engagement results met annual target.					
Staff alignment score	52 %	59 %	57 %	60 %	>59 %
Staff engagement results met annual target.					
Total recordable injury frequency rate per million work hours	22.2	19.4	15.7	30.4	14.5
Our total recordable injury frequency rate increased this year due to the implementation of a new reporting mechanism and increased accuracy of data. Council has invested in Health and Safety, providing dedicated resources, training and implementation of key fundamental organisational OHS policies and procedures. Staff turnover is marginally over the target.					
Staff turnover*	10 %	10.4 %	10.1 %	11.5 %	10 %
A higher proportion of staff departed compared to previous years and is consistent with an organisation with over 840 staff.					

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

## Finance and project management

Maintain financial sustainability by ensuring effective management and control of our financial resources, and ensuring Council's projects deliver best value.

**Actual: \$7,411,485 Budget: \$8,328,447 Variance: \$916,962**

### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Return on financial investments	2.86 %	2.88 %	2.62 %	<b>2.60 %</b>	2.28 %
Return on financial investments remained stable and was slightly above target.					
Percentage of significant priority projects on track	77 %	68 %	93 %	<b>61 %</b>	80 %
Percentage of significant priority projects missed our target and is not comparable with the 2016/17 result due to a more robust reporting mechanism utilised this year. The decreased performance is also due to extended procurement processes due to a tight construction market, extended times for permitting approvals, and extended time to finalise design or complete scope of works following engagement with key stakeholders and the community.					
Project management maturity score	16.8	18.1	19.3	<b>20.4</b>	>21
The project management maturity improved this year, but did not meet target. The elements that failed to meet target are risk, resource and benefit management, with actions to uplift these elements in 2018/19.					
Rate collection rate	98 %	98 %	98 %	<b>98%</b>	98 %
Our rate collection rate remains stable.					
Average residential rate per residential property assessment*	\$1,359	\$1,434	\$1,430	<b>\$1,503</b>	\$1,513
Average residential rate per residential property assessment was consistent with target.					
Expenditure per property assessment*	\$2,623	\$2,620	\$2,799	<b>\$3,006</b>	\$2,952
Expenditure per property assessment was consistent with target.					
Working capital*	221 %	243 %	214 %	<b>266 %</b>	202 %
Working capital was slightly above target.					
Unrestricted cash*	94.9 %	104 %	(41 %)	<b>-50 %</b>	95 %
Council's unrestricted cash has decreased to -50.19 per cent due to an increase in funds being held in longer term investments, including current financial assets. Council has \$84.74 million of cash and other financial assets (investments) with \$19.56 million of this restricted, placing Council in a strong position to meet its financial obligations that are reflected in the working capital ratio. Restricted cash has increased from the prior year due to more funds required to be remitted for the fire services levy, higher funds required to fund carried over capital works, and additional funds held in reserve. In future years, Council expects this ratio to improve as more funds are held in short term investments to meet the requirements to fund ongoing capital works.					
Loans and borrowing compared to rate revenue*	8.5 %	8.0 %	7.5 %	<b>6.8 %</b>	7.4 %
Loans and borrowing compared to rate revenue remained stable, despite falling below target.					
Adjusted underlying result*	(0.6 %)	1.0 %	1.3 %	<b>(3.4 %)</b>	(9.3 %)
As forecast, our adjusted underlying result has decreased from the prior year primarily due to the one-off \$8.85 million cash contribution the Victorian Pride Centre, and \$2.6 million of operating costs for the Ferrars Street Education and Community Precinct works. Higher than anticipated revenue from user fees, grants and other income has kept the negative result to -3.36 per cent in comparison to the budgeted -9.28 per cent. We expect negative results in future years due to Council's investment in technology, with improvement from 2020/21.					
Rates concentration*	60.2 %	61.3 %	58.7 %	<b>57.5 %</b>	60.2 %
Rates concentration remained stable, despite falling below target.					
Rates revenue compared to property values*	0.22 %	0.23 %	0.20 %	<b>0.20 %</b>	0.19 %
Rates revenue compared to property values remained stable, and reached target.					

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



## Governance and engagement

Enable good governance by supporting Councillors to make well-informed decisions, managing freedom of information, maintaining records, ensuring robust planning, reporting and risk management, and facilitating inclusive engagement with our community to support decision making.

**Actual: \$8,858,786 Budget: \$9,547,129 Variance: \$688,343**

### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Material legislative breaches	4	9	4	5	0
This year we have had five legislative breaches. Three related to emails sent exposing email addresses of all recipients and two related to exceeding the \$150,000 vendor threshold.					
Audit actions completed on time	73 %	93 %	92 %	86 %	>90 %
Audit actions completed on time experienced a decrease this year due to greater accountability of service areas to provide evidence of their audit actions before being completed. For eight months of the year, audit actions completed on time met or exceeded the greater than 90 per cent target.					
Community satisfaction with advocacy (index)	59	59	57	56	60
Data from our annual survey of residents in February shows satisfaction with advocacy remains stable compared to the previous year.					

### Transparency

Council decisions made at meetings closed to the public*	1.76 %	7.31 %	7.43 %	7.93 %	<10 %
The proportion of Council decisions made at meetings closed to the public remained stable compared to previous years. Council lifted the confidentiality on eight resolutions that had been considered during a meeting that was closed to the public. These resolutions have been publicly released on Council's website alongside the minutes of the relevant meeting. Since Council commenced its term, only 6.3 per cent of decisions have been made closed to the public.					

### Satisfaction

Community satisfaction with community consultation and engagement*	61	62	59	56	>60
Data from our annual survey of residents in February showed a slight drop in satisfaction with consultation.					
Community satisfaction with Council decisions*	60	59	57	57	60
Data from our annual survey of residents in February shows satisfaction with Council decisions remained stable compared to previous years.					

### Attendance

Councillor attendance at Council meetings*	92.21 %	91.93 %	96.06 %	93.42 %	>90 %
Councillor attendance dropped slightly compared to previous years; however, it remained above target and a very high result.					

### Service cost

Cost of governance service per Councillor*	\$55,333.43	\$59,459.75	\$57,963.22	\$57,336.67	<\$60,000.00
Cost of governance service per Councillor includes Councillor allowances, training and development, travel, and phone and equipment costs, and met our target of less than \$60,000.00. More information is available in Chapter 3.					

### Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>Communications and engagement</b>					
Number of projects/initiatives that we engaged the community on	30	30	30	37	↗
Number of pieces of feedback on the Council Plan and Budget	400	1,000	2,000	65	↘
Number of twitter followers	-	5,450	6,979	7,497	↗

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

## Technology, transformation and customer experience

Enable efficient and effective service delivery to our community through best practice information and communication technologies, clever information management, continuous improvement of the community's experience of Council, and ensuring our community is informed about available services and their queries and requests are responded to.

**Actual: \$6,114,203 Budget: \$7,466,482 Variance: \$1,352,279**

**Material variation explanation** - The Customer Experience Program scope, schedule and cost estimates have been revised with a business case approved in early May 2018. The program has deferred \$1.7 million to be used to part fund future year implementation costs.

### Service measures

Measure	2014/15	2015/16	2016/17	2017/18	Target 2017/18
Community time saved (days)	3,685	19,054	72,258	4,344	10,000
A decrease in community time saved was experienced compared to previous years as a result of significant time savings implemented last year. The community time saved related to parking permits and the way in which the community can obtain their permits.					
Staff time saved (hours)	1,242	3,401	4,430	5,818	5,000
Nearly 6,000 hours of staff time was saved by streamlining internal processes. This enabled time to be redirected to more value-adding tasks.					
Operating efficiencies	\$2 million	\$3 million	\$2 million	\$2 million	\$2 million
We delivered \$2 million in permanent ongoing savings through our continuous improvement program.					
Community satisfaction with customer service (index)	73	71	72	72	>70
Data from our annual survey of residents in February shows satisfaction with advocacy remain stable compared to the previous years.					
Calls answered within 30 seconds	75 %	78 %	83 %	82 %	>80 %
Officers continue to answer calls within 30 seconds at a high rate.					
Requests resolved within agreed timeframes	89 %	91 %	94 %	94 %	>90 %
A high proportion of requests were resolved within agreed timeframes, meeting target and remaining stable against previous years.					
Percentage of residents that agree the website is easy to use and navigate through the sections you want	92 %	87 %	88 %	87 %	90 %
Data from our annual survey of residents in February shows residents agree our website is easy to use and navigate; however, it missed the target.					

### Service statistics

Statistic	2014/15	2015/16	2016/17	2017/18	Trend
<b>ASSIST customer service</b>					
Number of customer interactions	206,802	206,465	203,579	161,843	📉
Face to face interactions at Council service centres	43,967	40,217	37,622	28,345	📉
Phone calls answered by ASSIST	111,561	112,913	107,163	98,790	📉
Administration tasks handled by ASSIST	55,696	53,335	58,794	34,708	📉
Percentage of ASSIST phone calls answered within 30 seconds	76.33	77.65	83.34	81.00	📉
<b>Service and business improvement</b>					
Lean Practitioners	20	40	54	45	📉

# Asset management performance



Asset management is the way in which Council looks after its assets, both on a day-to-day basis (maintenance and operations) and in the medium to long term (strategic and forward planning).

We break our assets into five portfolios:

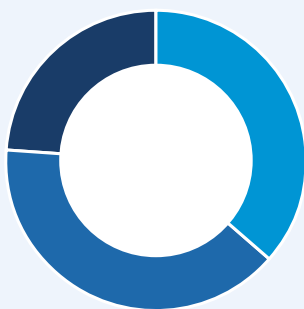


Buildings portfolio

Our buildings and community facilities are one of our most complex asset classes, particularly when it comes to managing services and costs.

Our portfolio comprises 209 buildings, categorised as follows:

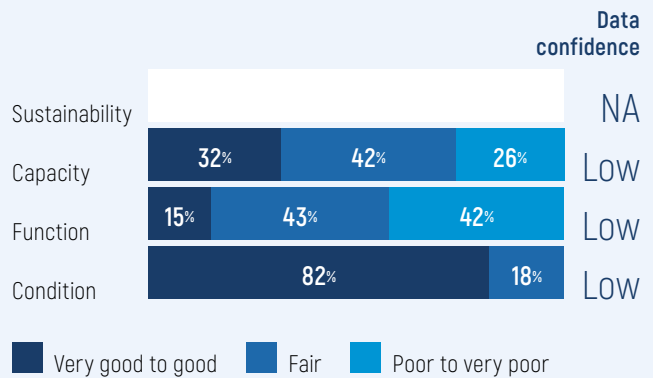
- **149 community buildings**  
Including libraries, child care centres, sports pavilions, arts and culture buildings, public toilets
- **25 corporate buildings**  
Including town halls, depots, Council offices
- **35 commercial buildings**  
Including restaurants, shops, markets, marina



Buildings	Value
Commercial	\$140,233,179
Community	\$151,846,478
Corporate	\$91,182,010
<b>Total</b>	<b>\$383,260,000</b>

Asset performance

Asset performance looks at the sustainability, capacity, function and condition of the assets. A full assessment of our buildings portfolio was undertaken in 2017/18, which has informed the development of the budget and updated 10 year financial plan. See below for a summary of assessment.



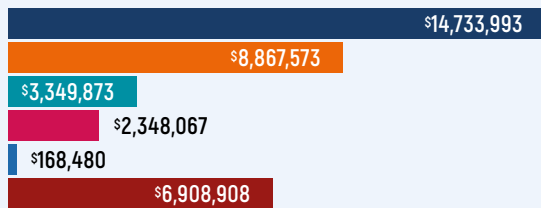
### Asset expenditure profile

The asset expenditure profile is the annual expenditure on our asset classes, broken down into the following categories:

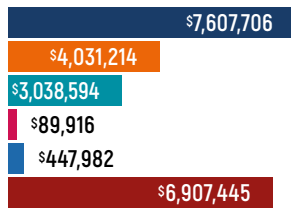
- **Operation costs** - essential safety measures, fire services inspections, condition and safety audits, utility cost
- **Maintenance** - cleaning, minor repairs and routine scheduled works
- **Renewals** - replacing like-for-like assets to extend their useful life
- **Upgrade** - enhancing an existing asset to increase service capacity
- **Expansion** - extending an existing asset to the same standard, which may attract new users.

The total capital expenditure in 2017/18 in the buildings portfolio is \$7,607,706, as shown in the following graph against each of the categories.

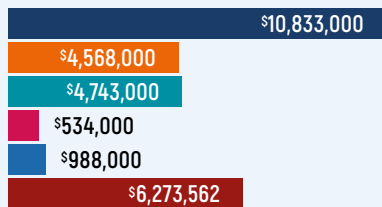
#### Actual 2016/17



#### Actual 2017/18



#### Budget 2018/19



■ Capital ■ Renewal ■ Upgrade ■ New ■ Expansion ■ Opex

**Note:** 2016/17 significant works were completed and capitalised on Palais Theatre and St Kilda Life Saving Club construction

### 2017/18 projects delivered

Council initiatives that contributed towards enhancing our buildings include:

- Building renewal and upgrade program  
**\$2.2 million**
- Public Toilet Plan implementation program  
**\$125,000**
- Building safety and accessibility program  
**\$1.3 million**
- Energy efficiency and solar program  
**\$460,000**
- South Melbourne Market solar installation  
**\$173,000**



### Future renewal demand

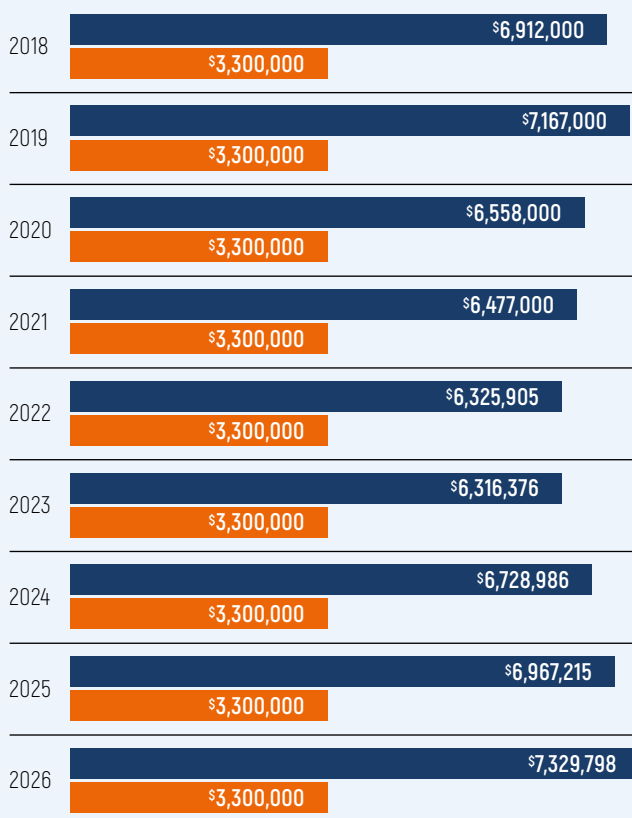
#### Based on current data and accounting standards

Council’s current depreciation calculation is compliant with the recommended Victorian Auditor-General’s Office (VAGO) Straight Line method, being Building Gross Replacement Costs/Useful Life (Council has adopted 100 year asset life for all buildings). The annual depreciation calculation for 2017/18 was \$3,300,000.

The 2017/18 portfolio expenditure was \$6,981,000. The renewal ratio is calculated on actual capitalised expenditure/depreciation.

**The Council renewal ratio for the buildings portfolio in 2017/18 is 187 per cent** (based on current data and methodologies). Council invested significantly in the building portfolio to respond to identified needs, well in exceedance to the required base level.

The projected renewal expenditure for Council buildings in the current Long Term Financial Plan continues this significant investment. Council has componentised our building assets into 52,000 assets and work is underway to enhance the quality of our building condition data to inform future modelling and review of the long term financial plan.



■ Projected renewal expenditure (LTFP)  
■ Annual depreciation expense

### Challenges and opportunities

#### Demographics

- change in the age structure of the population will mean it is critical to review service plans and ensure our methods of infrastructure delivery are agile to meet the service needs of our community
- it is essential that our buildings remain accessible, compliant and functional to enable services to be delivered so that equity is preserved.

#### Climate change

- investment in energy efficiency measures in Council buildings to reduce our environmental impact
- increased risk of damage due to high severity storms and rainfall events.

#### Technology

- use of integrated building management systems to control user comfort while optimising energy consumption.

#### Population growth

- an increasing population will create a higher demand on our facilities, resulting in increased maintenance and operational costs to maintain levels of service.

#### Urbanisation

- increased urbanisation will require new approaches to the provision of services and assets, including forming partnerships with others and collocating services to multiuse facilities.

## Clever City portfolio

The Clever City portfolio includes asset classes from:

- Business Technology (BT)
- public lighting
- fleet and plant.

The assets in this portfolio will build the foundations for future innovations such as: mesh networks, Internet of Things, smart lighting, sensor technology, communication interfaces, the knowledge we gather and our client service interfaces.

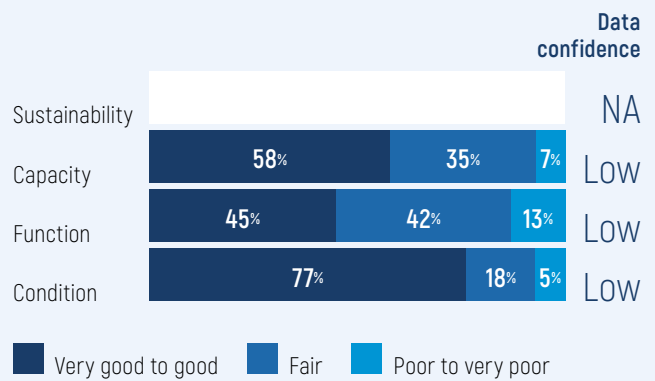
### Current replacement value of the Clever City portfolio



Asset	Value
Fleet - light vehicles	\$3,698,000
Lights in parks	\$4,672,000
Lights on road	\$3,973,200
BT - hardware	\$7,442,746
BT - software	\$2,762,151
Fleet - heavy vehicles	\$4,288,720
<b>Total</b>	<b>\$26,836,000</b>

### Asset performance

Asset performance looks at the sustainability, capacity, function and condition of the assets, and is described in the graph below. A review of our BT systems for function and capacity highlighted that investment is required to upgrade/replace several systems.



### 2017/18 projects delivered

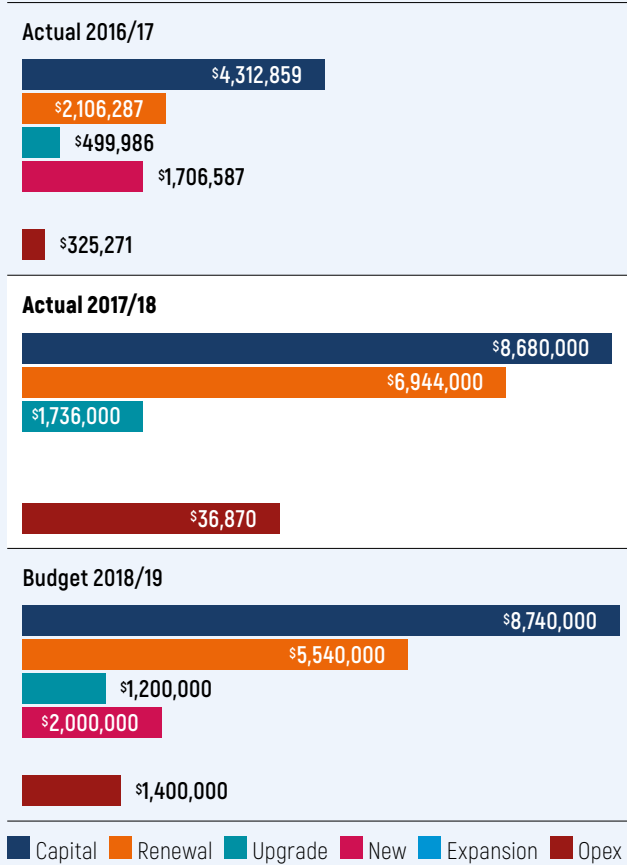
Projects and programs that were delivered to improve our assets within this portfolio and the way we manage it include:

- Public lighting expansion program **\$350,000**
- Public space lighting renewal and upgrade program **\$600,000**
- Sports field lighting expansion program **\$255,000**
- Customer Experience Transformation Project
- Upgrade of telephone system and services
- Council Green Fleet purchases

### Asset expenditure portfolio

Council is committed to improving customer interfaces and has committed to invest in business technology over the next five years. Our existing corporate BT system has been fully depreciated and is at end of life.

The total capital expenditure in 2017/18 in the Clever City portfolio was \$8,680,000, as shown in the following graph against each of the categories:



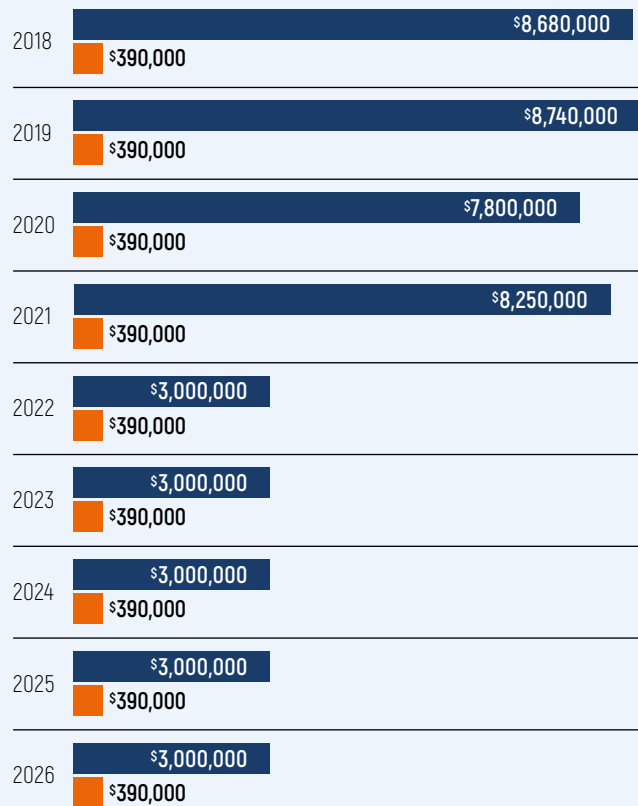
### Future renewal demand

Council’s current depreciation calculation is compliant with the recommended Victorian Auditor-General’s Office (VAGO) Straight Line method, being Clever City Gross Replacement Costs/Useful Life. The annual depreciation calculation for 2017/18 was \$390,000. Depreciation is low because of current BT infrastructure being at end of life.

The 2017/18 portfolio expenditure was \$8,680,000. The renewal ratio is calculated on actual capitalised expenditure/depreciation.

**The Council renewal ratio for the Clever City portfolio in 2017/18 is 2,225 per cent** (based on current data and methodologies). Council invested significantly in the Clever City portfolio to respond to identified needs, well in exceedance to the required base level.

The projected renewal expenditure for Council Clever City, particularly Business technology in the current Long Term Financial Plan continues this significant investment.



■ Projected renewal expenditure (LTFP)  
 ■ Annual depreciation expense

**Challenges and opportunities**

**Sustainability**

- Council has, in partnership with CitiPower, replaced 3,200 street lights with energy efficient equivalents. This will reduce our net greenhouse emissions by 12 per cent
- Council Fleet and Plant policy updated to ensure greater use of energy efficient fleet and plant
- Business technology moving to Cloud based solutions, reducing reliance on maintaining hardware and server rooms.

**Technology**

- Sensor-based smart lighting and other technology to optimise energy use and promote energy efficiency
- Future planning of communication network to consider smart city capability.

**Population growth**

- Demand for improved customer interfaces and communication with our community
- Improved public lighting services from increasing awareness of crime and technology developments.

**Urbanisation**

- Increased demand for lighting infrastructure assets to facilitate safe and convenient access to amenities while balancing the night sky lighting spills.

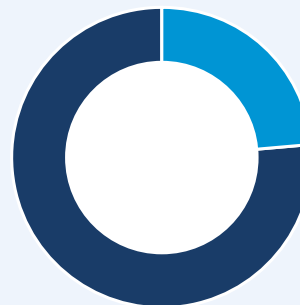
**Integrated water management portfolio**

Integrated water management infrastructure often goes unnoticed by the community, as the majority is underground. Our network comprises:

- 234 km stormwater conduits (includes underground pipes, culverts and open channels)
- 11,665 stormwater pits (various types)
- 18 gross pollutant traps
- 241 raingardens and other water sensitive urban design features
- Maritime assets - jetties, wharfs, boat ramps.

**Total replacement value of integrated water management portfolio**

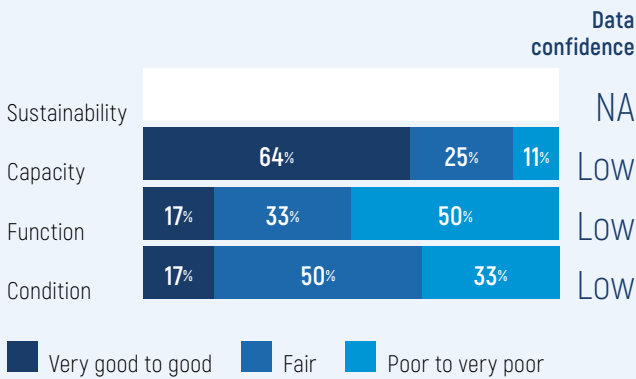
Not including maritime assets, which will be revalued in 2018/19.



Asset	Value
Stormwater pits	\$30,056,423
Stormwater pipes	\$96,336,747
<b>Total</b>	<b>\$126,390,000</b>

### Asset performance

Asset performance looks at the sustainability, capacity, function and condition of the assets, and is described in the graph below. Council is currently undertaking a full survey of our stormwater infrastructure utilising CCTV vision. This data will provide a high level of confidence for future asset performance assessments.



### 2017/18 projects delivered

Council projects and programs that have improved our stormwater drainage system and knowledge include:

- continuation of CCTV condition assessment of our entire underground drainage network
- Albert Park and Alma Park stormwater harvesting
- projects to reduce our reliance on potable water supplies
- Water Sensitive Urban Design program to improve the quality of stormwater.

### Asset expenditure portfolio

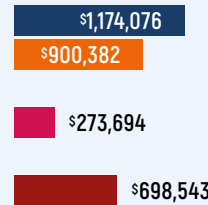
The expenditure profile reflects the financial reporting changes from asset based stormwater model to a service based integrated water planning framework to better reflect Council objectives.

The asset expenditure profile is the annual expenditure on our asset classes, broken down into the following categories:

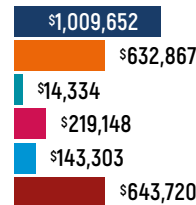
- **Operation costs** - inspections, audits
- **Maintenance** - cleaning minor repairs
- **Renewals** - replacing like-for-like assets or relining pipes to extend their useful life
- **Upgrade** - enhances an existing asset to increase service capacity
- **Expansion** - extends an existing asset to same standard, which may attract new users

The total capital expenditure in 2017/18 in the integrated water portfolio was \$1,009,652 as shown in the following graph against each of the categories:

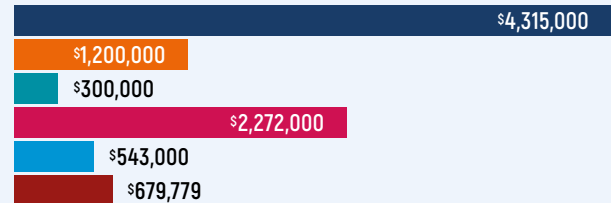
#### Actual 2016/17



#### Actual 2017/18



#### Budget 2018/19



- Capital ■ Renewal ■ Upgrade ■ New ■ Expansion ■ Opex



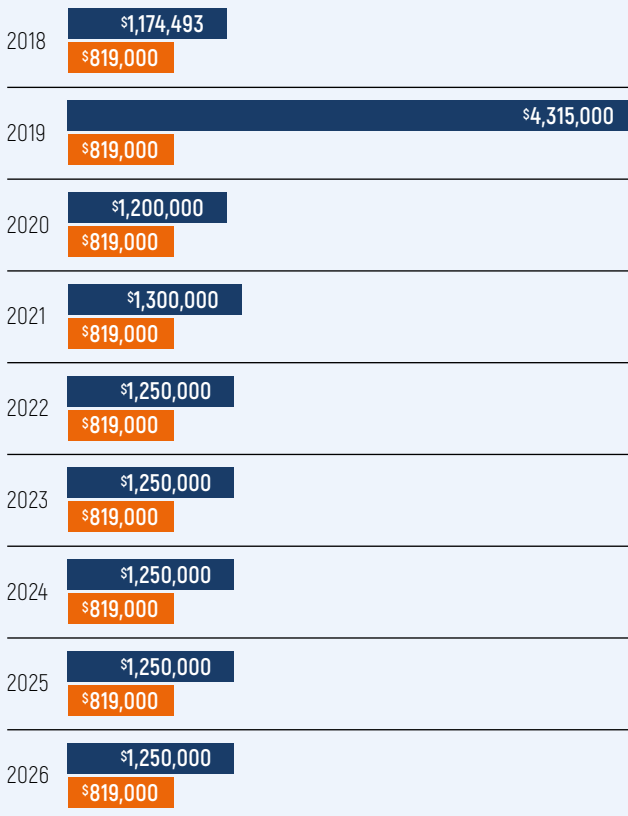
### Future renewal demand

#### Based on existing data

Council’s current depreciation calculation is compliant with the recommended Victorian Auditor-General’s Office (VAGO) Straight Line method, being Gross Replacement Costs/Useful Life (150 years for pits and pipes). The annual depreciation calculation for Integrated Water portfolio 2017/18 was \$820,000.

The 2017/18 portfolio expenditure was \$1,009,652. The renewal ratio is calculated on actual capitalised expenditure/depreciation.

The Council renewal ratio for the Integrated Water portfolio in 2017/18 is 123 per cent (based on current data and methodologies).



■ Projected renewal expenditure (LTFP)  
■ Annual depreciation expense

### Looking forward

In 2018, Council commenced CCTV data survey of our current network. Improving our knowledge of the condition, function and capacity of the stormwater system will enable us to refine our future renewal demand and funding projections.

Flooding hotspots have been identified, and the CCTV data is being used to improve flood modelling projections, which will inform future upgrade works.

Maritime assets will be audited and revalued in 2018/19.

### Challenges and opportunities

#### Water reuse

- Large scale stormwater reuse will reduce catchment overland flows and their effects
- Water sensitive urban design to manage and reduce the impacts of flooding and sea level rise
- Groundwater salinity levels are very high and require mechanisms for management/controls.

#### Climate change

- Increased risk of storm damage to critical infrastructure through flooding as a result of higher rainfall intensity
- Increasing community resilience to the impact of climate change.

#### Technology

- Use of technology to manage the stormwater drainage system, such as:
  - CCTV inspections
  - remote sensing equipment to assist in emergency response to flooding.

#### Population growth

- Increased number of people exposed to flooding risk
- Potential for higher volumes of waste stormwater system reducing quality of water discharged into natural water bodies
- Development sites disturbing the underground water aquifers.

#### Urbanisation

- Increased demands on existing assets
- Investment in system improvements to mitigate possible future flooding issues resulting from high density development.

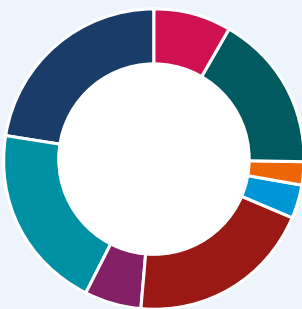
## Public Space portfolio

Public space enables the community to spend time outdoors in attractive spaces for leisure and recreational purposes. Assets are provided to enhance the enjoyment of these spaces.

- 3,596 park furniture items (drinking fountains, seats, BBQs, litter bins, bike racks.)
- 60 playgrounds within public spaces
- 398 hectares of passive parks, active reserves, and foreshore areas
- 25 hectares of active sporting reserves.

### Total replacement value of public space portfolio

Not including land value

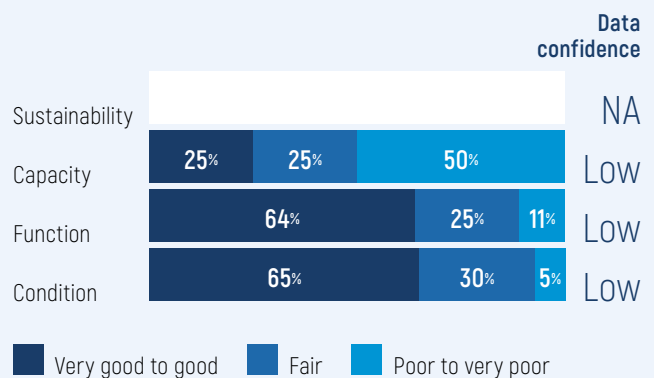


Asset	Value
Playgrounds	\$5,601,491
Barriers	\$10,943,339
Park drainage	\$1,613,843
Water irrigation	\$2,464,692
Park furniture	\$12,943,771
Sport and recreation	\$3,919,194
Park structures	\$19,179,916
Paths	\$14,511,261
<b>Total</b>	<b>\$65,170,000</b>

### Asset performance

Asset performance looks at the sustainability, capacity, function and condition of the assets, and is described in the graph below. Council undertook data cleansing in the Public Space portfolio this year, and 5,700 duplicated assets were removed from our asset registers.

The performance profile above shows that the overall condition of our public space assets is good, but requires us to sustain our investment in renewing, improving and maintaining these areas to meet the expectations of the community.



### 2017/18 projects delivered

Council projects and programs that improved our infrastructure and facilities, and the services delivered include:

- Public Space Strategy development
- JL Murphy Reserve, Julier Reserve, Lagoon Reserve and Peanut Farm Reserve upgrades
- foreshore assets renewal and upgrade program
- public space accessibility improvement program
- South Melbourne Life Saving Club redevelopment.

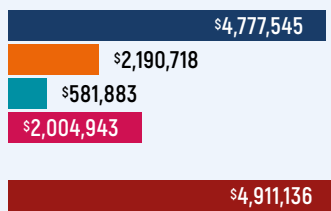
### Asset expenditure portfolio

The asset expenditure profile is the annual expenditure on our asset classes, broken down into the following categories:

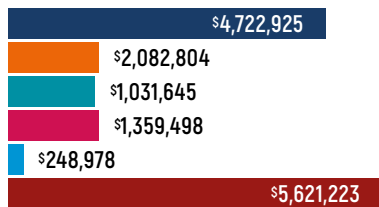
- **Operation costs** - inspections, audits
- **Maintenance** - cleaning, maintaining and minor repairs
- **Renewals** - replacing like-for-like assets or relining pipes to extend their useful life
- **Upgrade** - enhances an existing asset to increase service capacity
- **Expansion** - extends an existing asset to same standard, which may attract new users

The total capital expenditure in 2017/18 for the Public Space portfolio was \$4,722,925.

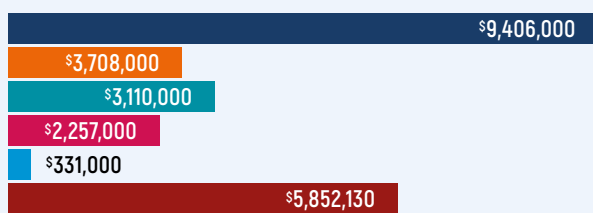
#### Actual 2016/17



#### Actual 2017/18



#### Budget 2018/19



■ Capital ■ Renewal ■ Upgrade ■ New ■ Expansion ■ Opex

### Future renewal demand

#### Based on current data and accounting standards

Council's current depreciation calculation is compliant with the recommended Victorian Auditor-General's Office (VAGO) Straight Line method, being Public Space Gross Replacement Costs/ Useful Life. The annual depreciation calculation for 2017/18 was \$2,600,000.

The 2017/18 portfolio expenditure was \$4,772,925. The renewal ratio is calculated on actual capitalised expenditure/depreciation.

The Council renewal ratio for the Public Space portfolio in 2017/18 is 183 per cent (based on current data and methodologies).

Council invested significantly in the Public Space portfolio to respond to identified needs, well in exceedance to the required base level.

The projected renewal expenditure for Council Public Space in the current Long Term Financial Plan continues this significant investment.



■ Projected renewal expenditure (LTFP)  
■ Annual depreciation expense

### Looking forward

In 2017/18, extensive asset data cleansing was performed to remove duplicate assets from the database. This cleanse has affected the long term financial plan forecasts, in which the renewal modelling indicates that there is scope to further optimise our renewal spending on public space to better match the calculated renewal demand.

Service planning to determine current and future functionality and capacity requirements of the public realm will allow further refinement of this analysis.

### Challenges and opportunities

#### Participation patterns

- Providing access to flexible, multipurpose facilities that support participation to community life through sport, recreation and life long learning
- Maximise use of current infrastructure.

#### Climate change

- Damage to foreshore areas due to storm surges
- Risk of prolonged drought conditions
- Risk of water table rising with high salinity levels
- New initiatives in stormwater harvesting to reduce demand on potable water supplies.

#### Demographics

- Increase in demand for accessible, safe and well-lit public open spaces
- Change in demand for recreational opportunities.

#### Population growth

- Population growth in certain areas will place heavy demand on the use of public open space assets. This will have potential impacts on maintenance and renewal requirements.

#### Urbanisation

- Much of future housing will be higher density dwellings with little or no private open space. Increased use of public space areas is likely to increase, resulting in a higher level of effort to maintain.

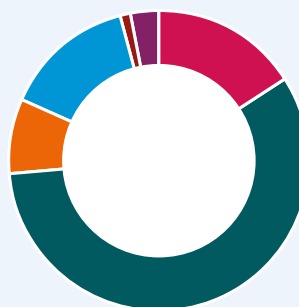
## Transport portfolio

Our network of roads and footpaths, and other related assets represents a significant investment by the community and is vital to its prosperity.

Our network comprises:

- 265 km of streets and laneways
- 414 km of footpaths
- 13 road and pedestrian bridges
- 473 km of kerb and channel
- Signs, speed humps, roundabouts and other traffic management devices to improve road safety
- Street furniture such as seats and bike racks.

### Total replacement value of transport portfolio



Asset	Value
Kerb and channel	\$65,603,400
Road pavement	\$236,285,302
Road surface	\$32,368,983
Footpaths and cycle ways	\$58,164,170
Bridges	\$4,518,093
Traffic control devices	\$12,284,792
<b>Total</b>	<b>\$65,170,000</b>

### Current service strategies and policies

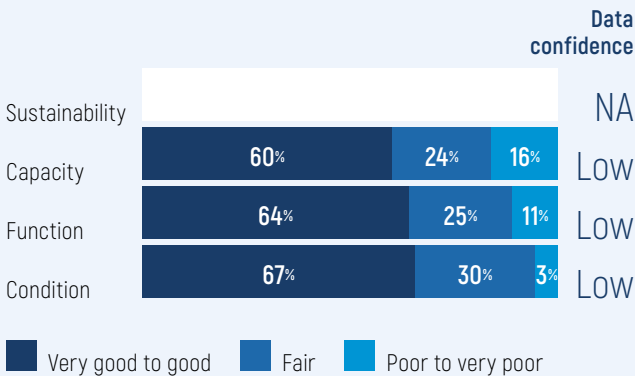
The future needs of the community are determined through the Service planning process. Assets measures driven through these plans are, function, capacity and sustainability. Council’s current service influences are:

- Road Management Plan 2017
- Car Share Policy 2016-2021
- Parking Permit Policy 2001 (under review)
- Integrated Transport Strategy 2018-2028
- Sustainable Transport and Parking Rates Policy 2007 (scheduled for review).

### Asset performance

Asset performance looks at the sustainability, capacity, function and condition of the assets, and is described in the graph below. A full assessment of our road pavements was undertaken using deflection testing by independent pavement engineers in 2017/18. The pavement condition and capacity was shown to be far superior than initial estimates adopted by Council. This has informed the review and development of the budget and updated 10 year financial plan.

The asset performance profile indicates that our roads and footpaths are in very good condition, which indicates that recent capital investment has been effective. There may be opportunity to reassess current allocations so that optimised funding is allocated.



### Asset expenditure portfolio

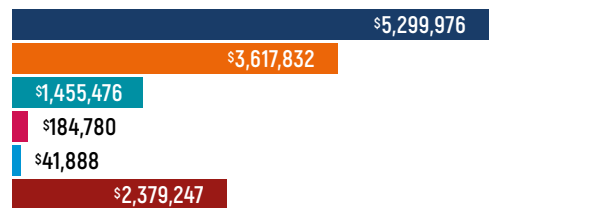
On average, Council spends approximately \$7.5 million each year to manage our transport assets. This includes allocating money towards:

- maintenance and repair
- road renewal
- road resurfacing
- footpath replacement
- road and laneway upgrades, and safety improvements.

#### Actual 2016/17



#### Actual 2017/18



#### Budget 2018/19



■ Capital ■ Renewal ■ Upgrade ■ New ■ Expansion ■ Opex



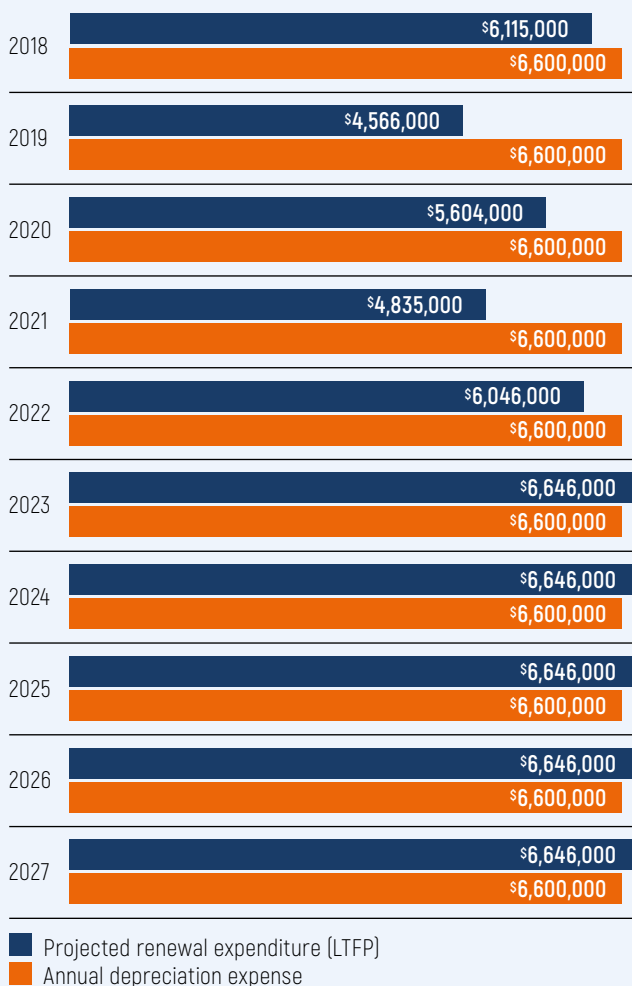
### Future renewal demand

Deflection testing to determine the strength and remaining useful life of the road pavement was undertaken in 2018. The results were very positive and this data has been remodelled into long term financial plan projections.

In practical terms, the data has allowed us to take the opportunity to improve our renewal forecasts by modelling the consumption of the asset together with future demand, to apply funding ratios that represent an optimised allocation pattern.

Council’s current annual depreciation expense is \$6,600,000. The annual depreciation expenses recalculated based on the actual remaining useful life of our road pavements is \$4,300,000.

The renewal ratio calculated on the actual capitalised expenditure/depreciation for the Transport Portfolio in 2017/18 is 142 per cent.



### Looking forward

Council unsealed laneways contributed to 85 per cent of customer complaints in this portfolio in 2017/18. Council has undertaken to perform permeability assessments within all unsealed laneways, and will design the sealing of the laneways based on the permeability results.

Council has had a strong history of investing in the renewal and maintenance of its roads and footpaths. This is evidenced by the very good condition of these assets.

Over the next three years, Council will undertake a review of the function of our road network to determine what is best use of the road reserve space. The expenditure forecast has been revised to allow planning and design to take place with internal and external stakeholders. Existing service levels will be maintained under the current planned expenditure model.

### Challenges and opportunities

#### Public transport

- growth in demand projected to continue to outpace the capacity of the public transport system
- advocacy and partnerships with Victorian Government and other service providers.

#### Climate change

- increased frequency and intensity of extreme rainfall, wind and lightning events are likely to cause significant damage to roads and urban facilities.

#### Technology

- use of technology to manage the road network, such as:
  - capture of field data using mobile technology solutions
  - online tools to enable the public to report issues.

#### Population growth

- provision of active transport infrastructure and planning controls designed to promote alternative travel options
- damage to Council’s road assets due to land development.

#### Traffic congestion

- traffic congestion has a significant effect on our environment and compromises the liveability of our City
- increased congestion can compromise safety of vulnerable road users.



**Construction was completed on nine raingardens in 2017/18.**





# 5

## Reporting on Toward Zero

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Major milestones 2017/18	<b>5-140</b>
Toward Zero Council targets	<b>5-141</b>
Toward Zero community targets	<b>5-151</b>

# Achieving Toward Zero

The 2017/18 year is the final reporting year for Council's former environmental strategy, Toward Zero. Developed in 2007, Toward Zero demonstrated Council's commitment to addressing the challenges of climate change.

The strategy set ambitious goals across nine challenges for Council and the wider community to achieve by 2020.

## The nine challenges are:

- greenhouse gas emissions
- potable water use
- waste
- climate change
- contamination and pollution
- sustainable transport
- sustainable urban design and development
- net loss of natural heritage
- sustainable purchasing and procurement.

Toward Zero was innovative for its time and resulted in many sustainability successes, which are outlined over the following pages. However, after 10 years, Council resolved to develop a new Sustainable Environment Strategy that is informed by the latest data and reflects the learnings from the last 10 years.

This new Strategy, Act and Adapt - Sustainable Environment Strategy 2018-28, was endorsed on 20 June 2018 and will form the basis of reporting for 2018/19 and beyond. The Strategy sets new goals for Council and the community, and details actions that will enable us to achieve these goals.



**The City of Port Phillip supported 501 residents to purchase subsidised composting products through the Compost Revolution Program.**



# Major milestones in 2017/18

## Highlights

- Endorsed the Elster Creek Catchment Action Plan in partnership with Melbourne Water, and Glen Eira, Bayside and Kingston councils
- Supported 10 schools to take part in Walk to School Month
- Completed installation of a 25 kW solar system on Bubup Nairn Children's Centre
- Developed and implemented a new sustainable procurement reporting framework
- South Melbourne Market won the Environmental Sustainability award at the prestigious IPAA Victoria Leadership in the Public Sector Awards and the Environmental Sustainability award at the 2017 LGPro Awards for Excellence
- Endorsed the Sustainable City Community Action Plan
- Supported 14 schools to participate in Ride2School Day
- Established the Elster Creek Community Reference Group
- Completed construction of nine raingardens
- Improved 14 intersections for bike riders and pedestrians
- Installed 45 new on-street car share bays to reduce the need for car ownership, taking the total in the City to 181
- Planted over 1,510 trees in streets and parks
- Endorsed Act and Adapt - Sustainable Environment Strategy 2018-28
- Supported 106 residents to install solar panels on their homes through the Solar Bulk Buy program
- Supported 501 residents to purchase subsidised composting products through the Compost Revolution Program
- Launched the Smart Solutions for Apartments program to help owners' corporations and facility managers increase the sustainability of their apartment buildings.

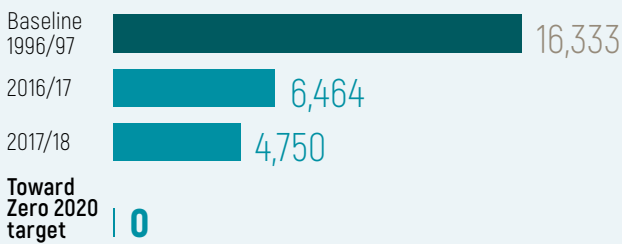
# Toward Zero Council targets



# Greenhouse gas emissions

Toward Zero included a commitment to achieving zero greenhouse gas emissions in Council operations and services by 2020.

## Council emissions (Tonnes CO<sub>2</sub>e)



## Notes on data

Council’s 2017/18 net greenhouse gas emissions were 4,750 tonnes carbon dioxide equivalent (tCO<sub>2</sub>e), including the purchase of 6455 tCO<sub>2</sub>e carbon offsets. This is a 20 per cent reduction on the previous year and a 70 per cent reduction on baseline emissions (1996/97).

Emissions are attributed to electricity use in streetlights (36.2 per cent), gas and electricity use in council facilities (48.3 per cent), vehicle use (9.7 per cent) and organic waste sent to landfill (1.3 per cent). We have updated the types of emissions we report on and now include more indirect emissions. For the first time, emissions related to potable water use (2.7 per cent), refrigerant use (1.6 per cent) and paper use (0.2 per cent) are included in the inventory.

## Council’s actions in 2017/18 to reduce emissions

- Installed 70 kW of rooftop solar systems across four Council owned facilities: Bubup Nairm Children’s Centre, Albert Park Library, Emerald Hill Library and Heritage Centre, and 222 Bank Street, South Melbourne.
- Completed energy avoidance and energy efficiency works in Council buildings, including lighting upgrades, and heating and cooling system upgrades and optimisation. These actions helped reduce annual electricity use at St Kilda Town Hall (8 per cent), St Kilda Library (17 per cent), Albert Park Library (16 per cent), Port Melbourne Town Hall (11 per cent) and Betty Day Community Centre (10 per cent).
- Installed a heat pump, battery storage and lighting improvements at Albert Park Kindergarten.

## What will Council do in the future to reduce emissions?

Act and Adapt - Sustainable Environment Strategy 2018-28 continues our commitment to achieve zero net emissions for Council operations, and includes an action plan to achieve this outcome. Actions include:

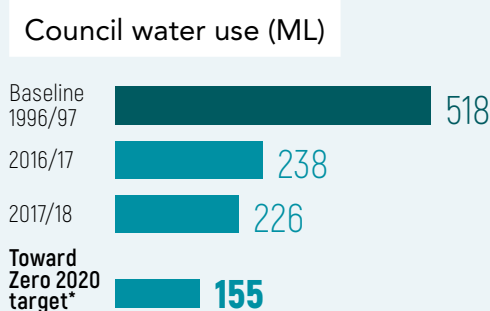
- participating in the Melbourne Renewable Energy Partnership, which will provide zero emissions electricity from January 2019
- continuing to invest in energy efficiency works, including street and public lighting upgrades
- installing solar panels on our buildings, including a significant rooftop solar system at South Melbourne Market.

## Further information

Act and Adapt - Sustainable Environment Strategy 2018-28

# Potable water use

Toward Zero included a commitment to minimising potable (drinking) water use, to achieve and sustain a 70 per cent reduction in Council's potable water use by 2020 (based on 2000 levels of water use).



## Notes on data

Total Council potable water use in 2017/18 was approximately 226 megalitres (ML). This is approximately five per cent less than last year - achieved in a year when rainfall was below average.

Irrigation of parks and sporting facilities used approximately 158 ML, 2 ML less than the previous year.

Approximately 14 ML of harvested stormwater from Elster Creek at Elwood Park helped reduce potable water use, while levels of overall irrigation increased.

## Council's actions in 2017/18 to reduce water use

- Harvested 14 ML of stormwater from Elster Creek to irrigate sporting ovals at Elwood Park
- Installed new pumps and pipes to expand irrigation at Elwood Park
- Installed water tanks at St Kilda Life Saving Club, and Sandridge Community Centre and Trugo Club.

## What will Council do to continue to reduce potable water consumption?

- Act and Adapt - Sustainable Environment Strategy 2018-28 continues Council's commitment to minimise potable water use.
- Deliver a stormwater harvesting scheme in Alma Park that will harvest 17 ML of water annually to irrigate the park.
- Work with partners to progress the Albert Park stormwater harvesting project.
- Support plans for recycled water processing at Fishermans Bend, with water being used by residents and for irrigation of Council resources.
- Upgrade irrigation systems across Council to provide centrally controlled irrigation, including real time information on water use leading to more efficient water use.

## Further information

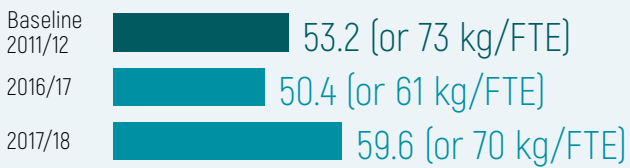
- Act and Adapt - Sustainable Environment Strategy 2018-28

\* New goals have been set in Act and Adapt - Sustainable Environment Strategy 2018-28

# Waste

Toward Zero included a commitment to minimising Council’s waste, to achieve and sustain an 80 per cent reduction in Council waste to landfill by 2020 (based on 1999 levels of waste).

## Council waste (Tonnes)



### Notes on data

Council records information about the waste removed from our major facilities. Some data requires extrapolation to provide data for the whole year. In 2017/18 a greater number of major facilities was audited, providing a more comprehensive understanding of our waste streams.

The 2017/18 data shows an average recycling rate across all council sites of 38 per cent. This is a decreased recycling rate of seven per cent from the last audit in 2016.

### Council’s actions in 2017/18 to reduce waste

- Installed a worm farm at Council’s depot, which has led to 88 kilograms of organic waste being diverted from landfill
- Released a draft Don’t Waste It! - Waste Management Strategy 2018-28 for public consultation.

### What will Council do in the future to reduce waste to landfill?

Council recognises that much effort is needed to minimise waste. We are developing a new Waste Strategy, Don’t Waste It! that will detail how we will reduce Council waste to landfill, including the management of organic waste. The Don’t Waste It! - Waste Management Strategy 2018-28 will be considered by Council in September 2018.

### Further information

- Act and Adapt Sustainable Environment Strategy (2018)
- Draft Don’t Waste It! - Waste Management Strategy 2018-28 (to be endorsed in late 2018).



# Contamination and pollution

Toward Zero included a commitment to stormwater pollution, and maintaining and increasing the health and quality of Port Phillip's natural assets.

Pollution in stormwater has a significant impact on the health of Port Phillip Bay.

The pollutants that we measure (and seek to reduce) are:

- Sediments (Total Suspended Solids - TSS)
- Reducing sediments like dirt, results in clearer water and reduced pollutants, like heavy metals that are attached to the sediments
- Phosphorus (Total Phosphorus - TP)
- Nitrogen (Total Nitrogen - TN)

Nutrients (Nitrogen and Phosphorus) cause poor water quality and can lead to algae blooms.

Council reduces contamination and pollution by capturing stormwater pollutants in water sensitive urban design (WSUD) systems such as raingardens and stormwater harvesting.

Projects delivered in 2017/18 collected 2.4 tonnes of total suspended solids. This brings the cumulative annual reduction potential of our water sensitive urban design assets to 46.5 tonnes per year.

## Council's actions in 2017/18 to reduce contamination and pollution

- Installed nine raingardens at Derham Street and Williamstown Road, Port Melbourne and Park and Langridge streets, Middle Park
- Worked with Parks Victoria, Melbourne Water and City of Melbourne to assess feasibility and plan a stormwater harvesting scheme at Albert Park Lake
- Progressed design and planning for a stormwater harvesting scheme in Alma Park.

## What will Council do to reduce waterborne pollution in the future?

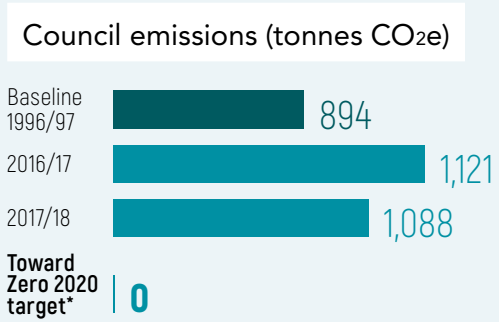
- Act and Adapt - Sustainable Environment Strategy 2018-28 continues Council's commitment to Integrated Water Management (IWM). IWM considers all elements of the water cycle including effective management of stormwater and pollutants
- Construct a stormwater harvesting scheme in Alma Park that will prevent 11,000 kilograms of sediments, 18 kilograms of Phosphorus and 102 kilograms of Nitrogen pollution from entering Port Phillip Bay each year
- Continue to work with Parks Victoria, Melbourne Water and City of Melbourne to assess feasibility and plan for a stormwater harvesting scheme at Albert Park Lake
- Continue to construct raingardens to reduce contaminants in water entering Port Phillip Bay
- Complete a study of permeability potential for Council land and introduce place based permeability targets.

## Further information

- Act and Adapt - Sustainable Environment Strategy 2018-28

# Sustainable transport

Toward Zero included a commitment to ensuring that Council achieves a low emissions fleet.



## Notes on data

This year's figure represents a three per cent decrease in emissions from the 2016/17 year.

## Council's actions in 2017/18 to reduce fleet emissions

- Purchased seven electric bikes for staff to use to get to and from meetings, as an alternative to taking a car
- Held a Ride2Work Day event at St Kilda Town Hall for Council staff.

## What will Council do in the future to reduce emissions from fleet?

- Prioritise the purchase of electric vehicles (EV) and install EV charging stations
- Investigate the transition of heavy vehicles, including the community bus, to low emissions options
- Implement a fleet management database to better manage and report on the use of fleet vehicles
- Continue to offset vehicle emissions.

## Further information

- Act and Adapt - Sustainable Environment Strategy 2018-28
- Draft Move, Connect, Live - Integrated Transport Strategy 2018-28 (to be endorsed in September 2018)

\* New goals have been set in Act and Adapt

# Sustainable urban design and development

Toward Zero included a commitment to ensuring that all Council buildings and facilities have minimal environmental impacts.

## Council's actions in 2017/18 to improve sustainable urban design and development

- Set sustainable design performance benchmarks and provided technical support for the design and construction phases of key projects including the South Melbourne Life Saving Club, South Melbourne Community Centre, Liardet Street Community Centre, Peanut Farm Pavilion and JL Murphy Pavilion
- Conducted an external review of Council's water sensitive urban design assessment in the planning process. The review identified opportunities to improve compliance and implementation to ensure that good environmental outcomes are achieved
- Participated in a working group reviewing the sustainability standards for Fishermans Bend.

## How is Council going to improve sustainable urban design in the future?

- Develop internal guidelines to increase the use of environmentally friendly materials in building construction and maintenance
- Work with the Fishermans Bend Task force to deliver a certified Green Star Community rating reliant on improved built environment outcomes
- Investigate ways to bring together the current environmental impact categories used to assess proposed developments, and to gain a greater resilience to a changing climate.

## Further information

- Act and Adapt - Sustainable Environment Strategy 2018-28
- Sustainable Design Policy and Strategy (2013)

# Natural heritage

Toward Zero included a commitment to maintaining and enhancing natural heritage values, significant sites, and regional biodiversity and habitats (understanding that our environment does not end at our municipal boundaries).

## Council's actions in 2017/18 to improve natural heritage

- Planted 1,519 trees in our streets and parks. 629 trees were removed resulting in a net gain of 890 trees.
- Completed replanting of 64,000 plants at Moran, Elwood Foreshore and Tea Tree reserves, Elwood Canal, Point Ormond, First Point, HR Johnson Reserve, Lagoon Reserve and Canterbury Road
- Planted 930 Indigenous trees in Natural Heritage Areas
- Removed dead, dying and hazardous vegetation from Elwood Park and Elwood foreshore, Tea Tree Reserve and First Point during the third year of implementing the Foreshore and Hinterland Vegetation Management Plan
- Increased indigenous vegetated areas at Point Ormond picnic area, Elwood Park and Elwood Canal by 2,500m<sup>2</sup>.

## How is Council going to improve natural heritage in the future?

- Continue to increase vegetation in our City through in-fill and lower storey plantings
- Install more than one kilometre of vegetation-protection fencing
- Reduce impermeable surfaces through tree plots and garden beds
- Continue to implement the Foreshore and Hinterland Vegetation Management Plan priorities to improve biodiversity, plant quality and shade
- Complete an Ecological Biodiversity Study and action plan.

## Further information

- Act and Adapt - Sustainable Environment Strategy 2018-28
- Greening Port Phillip 2010
- Greening Port Phillip - street tree planting program 2017-2022
- Foreshore and Hinterland Vegetation Management Plan

# Purchasing and procurement

Toward Zero included a commitment to ensuring the sustainability of Council purchasing for its operations and services, to achieve and maintain a 70 per cent reduction in the use of unsustainable products by 2020 (based on 2007 levels).

In 2017/18, three per cent of Council's purchases were recorded as sustainable. While this is double last year's figure, the low figure reflects the challenges faced tracking the procurement of goods and services that have a positive environmental impact. The improvement over the last year is the result of Council's improved procurement process including a new reporting system which commenced in February 2018. A result of 4.1 per cent for the period between March and June demonstrates a further marked improvement, which is due to the more robust and accurate data collected.

## Council's actions in 2017/18 to improve purchasing and procurement

- Council worked in partnership with sustainable procurement specialists to develop and roll out a new system of identifying and recording purchases that have positive environmental, social and economic impacts.
- In the first full quarter of implementation between March and June 2018, the sustainable purchases were recorded in the following categories:
  - 1.56 per cent recycled content
  - 0.57 per cent energy saving
  - 0.78 per cent green products
  - 0.24 per cent green services
  - 1.05 per cent social responsibility

- In addition to addressing the environmental impact of individual purchases, Council also collaborated with other local governments to review tools to assess the environmental performance of suppliers:

- Council participated in testing the feasibility of the Dutch CO<sub>2</sub> Procurement Ladder, a tool that has successfully encouraged suppliers to reduce their own emissions in an overseas context
- Council is in the early stage of reviewing an online vendor pre-assessment process that would require suppliers to demonstrate their current sustainability performance, and support them with education and advice to make improvements.

## How is Council going to reduce the environmental impact of our purchases?

- Complete a review of the online vendor pre-assessment project and commence implementing recommendations
- Increase the level of sustainable procurement training provided to staff and develop training materials
- Consider sustainability in the design of specifications for all tenders over \$1 million. This could include clear criteria and weighting for sustainable outcomes in contract delivery and for the contractor's own sustainability performance.

## Further information

- Act and Adapt - Sustainable Environment Strategy 2018-28



# Climate change

Toward Zero included a commitment to preventing further climate change and actively reducing regional greenhouse gas emissions.

Taking action on climate change requires a commitment to creating assets that have the capacity to positively adapt to a changing climate, and to increasing our community's resilience to changing weather patterns.

## Council's actions in 2017/18 to increase preparedness and become more resilient to climate change impacts

- Presented at a federal senate inquiry into the current and future impacts of climate change on housing, buildings and infrastructure
- Successfully advocated to the Victorian Government and stakeholders to commence a Coastal Hazard Vulnerability Assessment for Port Phillip Bay
- Continued involvement with the Association of Bayside Municipalities (ABM), South East Council's Climate Change Alliance (SECCCA) and Inner Melbourne Climate Adaptation Network (IMCAN), and have been actively engaged in Climate Change events throughout the year
- Committed to ongoing engagement with Melbourne Water and neighbouring councils through the Elster Creek CEO and community forums, to progress flood mitigation action across the Elster Creek Catchment, including the development of the Elster Creek Catchment Action Plan
- Participated in a working group to create the Fishermans Bend Climate Readiness Strategy.

## How is Council going to increase preparedness and become more resilient to climate change impacts?

- Act and Adapt - Sustainable Environment Strategy 2018-28 continues Council's commitment increase our resilience to climate change. Conduct vulnerability assessments and financial risk modelling for Council's assets and develop minimum environmental performance standards for Council buildings
- Develop concept designs of blue-green infrastructure that protects against flooding and sea level rise, and enhances the natural environment
- Continue to collaborate with other councils and researchers to identify appropriate adaptation pathways to protect Council's coastal infrastructure, parks and buildings.

## Further information

- Act and Adapt - Sustainable Environment Strategy 2018-28

# Toward Zero community targets

Actions across a range of community targets - Council's Sustainable City Community Action Plan (SCCAP) was endorsed in March 2018. The Plan outlines a range of programs to support the community to reduce their greenhouse gas emissions, water use and waste.

## Highlights of the SCCAP during 2017/18 include:

- The Smart Solutions for Apartments program was launched with 10 participating apartment buildings completing sustainability audits
- Smart Solutions for Community Services program (also known as Seedlings) continued to achieve excellent results with 10 participating early childhood education and care services reducing their greenhouse gas emissions, water use and waste.

Council delivered a series of six sustainability workshops; 451 participants registered, with 81 per cent of survey respondents reporting that they intend to improve their sustainability behaviour.

Council also invested \$200,000 to support the Port Phillip EcoCentre to deliver projects and programs that addressed a range of Toward Zero goals.

### Greenhouse gas emissions

Council delivered a solar bulk buy program that facilitated 106 residents to install rooftop solar panels and resulted in:

- 374 KW of solar panels installed
- \$910,991 of investment by residents to reduce their own greenhouse gas emissions
- 10,380 tonnes of CO<sub>2</sub>e saved.

A further 463 residents made enquiries through the program, receiving information and support on the suitability and cost of installing rooftop solar on their homes.

Council also supported the South East Councils Climate Change Alliance to deliver the residential efficiency scorecard service to a number of low income households in the City at no cost.

### Water, contamination and pollution

Council continues to facilitate water sensitive urban design on private property through Sustainable Design in the planning process (SDAPP) requirements.

Council participated in Dandenong and Yarra Integrated Water Management Forums. These forums, facilitated by the Victorian Government, bring together councils and water authorities within the catchments to work collectively on actions to improve water quality and mitigate flooding on both public and private land.

### Climate change

Council worked with Melbourne Water and Bayside, Glen Eira and Kingston councils to establish the Elster Creek CEO Forum and Working Group. The groups met regularly throughout the year to progress actions within the Elster Creek Action Plan. A Community Reference Group was also established and will support the delivery of actions within the Action Plan.

The Land Art Generator Initiative (LAGI) launched its fifth international ideas competition in January 2018 in partnership with the Department of Environment, Land, Water and Planning (DELWP) and in-kind support from City of Port Phillip. Based at St Kilda Triangle, LAGI invites teams of artists, architects, designers, scientists, engineers and others to submit ideas for a large-scale and site-specific public art installation that generates clean energy.

The competition will engage the public in the vision of energy transition towards a post-carbon future.

### Net loss of natural heritage

Council partnered with Earthcare St Kilda and the community to host planting days at Moran, Elwood and Tea Tree reserves, Elwood Canal, Point Ormond, First Point, HR Johnson, and Lagoon reserves and Canterbury Road.

### Waste

Council supported residents to divert their food waste from landfill through the delivery of the Compost Revolution program. The program provided residents a 50 per cent discount on compost bins, worm farms and bokashi bins. 501 residents took advantage of the offer, diverting an estimated 25,134 kilograms of food waste from landfill to date.

### Sustainable transport

Council worked to encourage sustainable travel and improve safety for pedestrians and bike riders, including:

- Supported 10 primary schools to take part in Walk to School Month and 14 schools to participate in Ride2School Day
- Expanded car share availability, with the installation of 45 new on-street car share bays in the past year bringing the total to 181 car share vehicles based in our City
- Partnered with South Melbourne Market and building managers along St Kilda Road to promote and encourage people to take part in Ride to Work Day
- Secured \$100,000 of VicRoads funding under the Safe Travel in Local Streets program, which will fund safety audits, traffic studies and preliminary design of safety improvements on routes to local schools
- Established a Memorandum of Understanding with oBike, in partnership with City of Melbourne and City of Yarra
- Implemented parking pricing trials at Waterfront Place, Fitzroy Street, Elwood and South Melbourne, to improve parking availability and management
- Provided a submission to the Fishermans Bend planning panel on the future transport options for the redevelopment of the area
- Improved 14 intersections across the City and improved public lighting along the Port Melbourne light rail shared path
- Installed two kilometres of buffered on-road bike lanes and 31 new bike hoops.

### Sustainable urban design and development

- This year, 73 per cent of eligible planning applications were assessed against Council's sustainable design requirements
- Council continues to work with the Victorian Government to report the impact of Council's Environmentally Sustainable Development planning policy, in conjunction with other leading councils that form part of the Council Alliance for Sustainable Built Environment (CASBE)
- Partnered with the Alternative Technology Association to deliver a 'Speed Date a Sustainability Expert' seminar. The seminar provided free sustainability design advice.



**Our vision is to be recognised as a leading government organisation that is agile, future ready and trusted by our people to make the best use of their diverse talents and to provide a healthy, inclusive and enabling workplace.**





# 6

## Working for our community

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## Working with Council

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

As the elected representatives of the City of Port Phillip community, Council provides leadership to ensure good governance. Council exercises this responsibility through formal resolutions at Council meetings. Council is also responsible for the appointment of the Chief Executive Officer (CEO), who leads the organisation and implements Council decisions.

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

# Our organisational structure

A small number of changes were made to the organisational structure during the year to ensure the organisation continues to be well equipped and responsive to the challenges of growth, financial constraints and evolving community priorities.

## Organisational structure (as at 30 June 2018)



# Leading the way

## Chief Executive Officer (CEO)

The CEO is appointed by Council and is responsible for the operations of Council, including implementing Council decisions and the day-to-day management of Council's performance.



Peter Smith

### Chief Executive Officer

Peter Smith commenced in May 2017 as the CEO. Peter has over 30 years' experience working in CEO and senior executive roles in federal, state and municipal governments in Australia. Peter holds a Bachelor of Science with postgraduate qualifications in Human Resource Management (Graduate Diploma) and Master of Business Administration.

## Office of the CEO

The Office of the CEO division seeks to provide greater focus on organisational strategy and performance (including council planning, risk, audit, Occupational Health and Safety and Enterprise Portfolio Management Office operations), strategic partnerships, government relations, communications and engagement, and governance.



Kylie Bennetts

### Director CEO's Office

Kylie Bennetts commenced in January 2018 as the Director CEO's Office. Kylie has worked in local government for almost 10 years, holding a range of different portfolios and responsibilities, and has also worked in state government, predominantly in project and policy development in the social services and community sectors. Kylie has a Bachelor Degree in Health Science and is part-way through a Masters of Business Administration.

## Place Strategy and Development

The Place Strategy and Development division seeks to enhance the liveability and sustainability of our places and precincts in an environment of growth and change. This division is responsible for leading the transformational Council Plan themes of transport and parking, waste and water, and plays a key role in Fishermans Bend, with an ambitious agenda for statutory planning service reform as we strive for customer service excellence.



Claire Ferres Miles

### General Manager

(April 2014 - April 2018)

Claire held the role of the General Manager of Place Strategy and Development from April 2014 to April 2018. She has a passion and vision for planning and designing great cities of the future. Claire holds a Bachelor of Planning and Design with majors in Landscape Architecture, Urban Design and Town Planning and a Master of Transport and Master of Traffic. She is a graduate of the Australian Institute of Company Directors.

Lili Rosic

### Acting General Manager

Lili commenced as Acting General Manager of Place Strategy and Development in April 2018. Lili's key strengths include facilitative leadership, political acumen, and expertise in strategic policy development. She holds a Master of Business Administration and is a graduate of the Australian Institute of Company Directors.

## Infrastructure and Amenity

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



Fiona Blair

### General Manager

Fiona has delivered outstanding results in her work across the local government, education and service sectors. Fiona has a Master of Business Administration and a Bachelor of Applied Science. She is a graduate of the Australian Institute of Company Directors and a qualified executive coach, has completed the Local Government Executive Leadership Program and was named in the inaugural list of the Top 50 Public Sector Women in Victoria.



## Community and Economic Development

The Community and Economic Development division is responsible for delivering high quality community, economic development, cultural and creative services.

The Community and Economic Development staff are proud leaders of social justice and creative endeavour, and strive for highest value and quality for our community today and for future generations. We boldly enable and promote inclusion, participation connection, respect and access. We lead and coordinate the implementation of Council's Fishermans Bend urban renewal program, ensuring Council investment in the area catalyses the creation of healthy and liveable communities.



Carol Jeffs

### General Manager

Carol Jeffs joined the City of Port Phillip in February 2014 and held the position of Interim Chief Executive Officer from December 2016 to May 2017. She has a Master of Economics and qualifications in LEAN, project management and community engagement. She is also a graduate of the Harvard Senior Executives in State and Local Government course.

## Customer and Corporate Services

The Customer and Corporate Services division provides technology, human resource management, asset management, financial, and customer service leadership, and support to the organisation. It also operates Council's customer contact centre.

The division's priorities include improving customer and employee experience, developing a capable workforce and culture of high performance, getting the most from our investment in technology and assets, and ensuring the financial sustainability of Council.



Chris Carroll

### General Manager

Chris Carroll joined the City of Port Phillip in March 2014. Chris is an outstanding leader with a breadth of local government, state government and private sector experience. Chris holds a Master of Public Policy and Management and a Master of Business Administration, and is a member of the Australian Institute of Company Directors.

# Our people

A multitude of services are delivered in our community by the 1,014 people employed at the Port Phillip City Council.

## Staff profile (by banding)

	Full time equivalent									
	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total
<b>Permanent full time</b>										
Female	-	3.00	25.00	31.00	66.00	56.00	44.00	27.00	25.00	<b>277.00</b>
Male	1.00	17.00	13.00	31.00	24.00	42.00	41.00	34.00	50.00	<b>253.00</b>
<b>Permanent part time</b>										
Female	1.88	12.21	16.96	20.61	25.10	26.13	16.06	7.82	11.60	<b>138.37</b>
Male	4.29	3.97	5.87	9.57	4.24	3.39	2.50	-	2.03	<b>35.86</b>
<b>Casual</b>										
Female	0.03	-	0.54	0.54	0.30	0.06	0.03	0.09	0.45	<b>2.04</b>
Male	0.03	-	0.36	0.3	0.03	0.09	0.03	-	-	<b>0.84</b>
<b>Total</b>	<b>7.23</b>	<b>36.18</b>	<b>61.73</b>	<b>93.02</b>	<b>119.67</b>	<b>127.67</b>	<b>103.62</b>	<b>68.91</b>	<b>89.08</b>	<b>707.11</b>

## Staff profile (by division)

	Full time equivalent						
	Office of the CEO	Infrastructure and Amenity	Customer and Corporate Services	Community and Economic Development	Place, Strategy and Development	Total	
<b>Permanent full time</b>							
Female		20.00	41.00	47.00	133.00	36.00	<b>277</b>
Male		13.00	125.00	46.00	27.00	42.00	<b>253</b>
<b>Permanent part time</b>							
Female		11.14	10.04	15.71	90.50	10.98	<b>138.37</b>
Male		2.70	5.46	4.8	22.10	0.8	<b>35.86</b>
<b>Casual</b>							
Female		0.03	0.33	0.12	1.56	0	<b>2.04</b>
Male		0.03	0.03	0.24	0.54	0	<b>0.84</b>
<b>Total</b>		<b>46.9</b>	<b>181.86</b>	<b>113.87</b>	<b>274.7</b>	<b>89.78</b>	<b>707.11</b>

### Note

- Temporary staff total of 77.93 FTE not included in tables above
- Casual FTE is calculated as an estimate of three hours per pay cycle
- Fixed Term Senior Officer employees are considered Permanent for reporting purposes

## People and Culture Strategy 2016-2019

Our vision is to be recognised as a leading government organisation that is agile, future ready and trusted by our people to make the best use of their diverse talents and to provide a healthy, inclusive and enabling workplace.

Our People and Culture Strategy 2016-2019 contains six goals and associated actions that are key to achieving our aspiration:

1. **A strong culture and connection** - values driven and achievement oriented
2. **Inspiring leadership** - enable our people to work to their full potential
3. **Courage to lead change and innovation** - a progressive community focused leader in local government
4. **An agile and capable workforce** - a future ready, responsive and continuously learning workforce
5. **A commitment to safety and wellbeing** - ensure a safe and healthy workplace
6. **A quality employee experience** - an employer of choice, attracting and retaining the very best people.

Initiatives and targets have been developed for each action area and these are reported on regularly. A review and refresh of the People and Culture Strategy will be undertaken in 2018/19.

## Learn. Develop. Grow.

Investing in our people's capability is a priority. Through the Organisational Development Training Calendar in 2017/18 we offered 75 face-to-face courses that were attended by 700 staff members. We also introduced a Learning Management System (MyPath) in March 2018 and released six online eLearning modules covering the following topics: Employee Code of Conduct, Anti-Bullying and Anti-Harassment, Equal Opportunity for Managers and Supervisors, Family Violence and Gender Equality (Improving gender equality in the workplace), Information Security Awareness and YouMeUs Disability Inclusion.

Study assistance is available to staff undertaking accredited courses related to their current work or local government careers. In 2017/18, 18 staff members participated in this program, using 340 hours of study leave.

## Leadership Development Program

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

- Executive Leadership Team development
- Australian Institute of Company Directors
- Senior Leadership Team development
- individual coaching for senior staff.

360 degree feedback undertaken for new level four leaders and above, using the Life Styles Inventory™ (LSI), a questionnaire based tool designed to provide feedback about an individual's thinking and behaviour in a way that promotes constructive change. A total of 37 individual debriefs were conducted by a mix of internal and external LSI Practitioners.

- Peer reviews for managers and coordinators
- LGPro professional development programs, including the Emerging Leaders Program, the Executive Leadership Program and the Ignite Leadership Program for outdoor workers.

## People management capabilities

We continue offering a suite of human resource focused training programs, developed and delivered to our organisation by the Culture and Capability department and external training providers. The programs cover recruitment, performance management, flexibility, grievances and career progression. In 2017/18, 30 staff members completed the HR Management Masterclass, 17 completed Courageous Conversations, 20 completed Mental Health in the Workplace, five completed Career Change/Transition and five completed Dealing with Conflict/Difficult People. Participant feedback reinforces that these programs are appropriately customised to local government and our organisation.

We place a high priority on the change management capability of our leaders. Change management continues to be a major focus in the professional development of our leaders. In addition, there has been a significant investment in the development of change management frameworks and tools to guide and assist managers in leading and responding to change.

This capability is supported by the human resources business partnering model. A team of dedicated HR Advisors/Business Partners, with one advisor allocated to each division, provides support, coaching and advice to leaders in relation to performance management and the implementation and management of change.

## Equal Opportunity

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

Our equal employment opportunity policy, Respect for Others, supports our vibrant and diverse work environment, where our people can develop professionally and personally, free from harassment, discrimination and bullying.

Our values of working together, courage and integrity, creative and strategic thinking, personal growth and performance, and accountability support a culture of respect for each other in all aspects of employment, training and service.

This year, 70 participants attended seven equal opportunity education sessions.

A further 57 staff members completed the eLearning modules on either Anti-Bullying and Harassment or Equal Opportunity for Managers and Supervisors since March 2018.

## Health and wellbeing

Our Enjoying Life Program includes a range of activities, events, seminars and information to support our staff to get the most out of life. We continue to develop and facilitate a range of programs, with themes including fitness and healthy eating. We are committed to supporting the wellbeing of employees to support a productive and healthy workforce.

## Community focus

We encourage and support employees to contribute to the community outside the realm of their roles.

Initiatives included:

- Give as You Earn donations to charity of choice via payroll deduction
- raising funds for the Cancer Council and men's health by participating in the Biggest Morning Tea and Movember
- blood donation drives with over 70 individual staff donations made
- 40 handbags to Launch Housing filled with emergency supplies for women in crisis accommodation
- contributing 120 Secret Santa gifts and raising over \$1,800 for children and families supported by Council's Family, Youth and Children department.

## Employee Assistance Program

Our Employee Assistance Program helps staff to meet the challenges and demands of their personal and work lives. This professional and confidential service provides employees and their immediate families with short term support for a variety of work related and personal issues. During the year, 136 people used 256 hours of the service, to support their ongoing health and wellbeing.

## Occupational health and safety

We are committed to fulfilling our obligations under the **Occupational Health and Safety Act 2004** to provide a safe and healthy work environment for employees, contractors, volunteers and visitors.

This extends to ensuring that operations undertaken by Council do not place the community at undue risk of injury or illness. We are continuously improving our management of occupational health and safety through the Occupational Health and Safety Strategic Action Plan.



## Highlights

### MAV WorkCare Scheme

We fulfilled our commitment to participate in the Municipal Association of Victoria Self-Insurance for WorkCare Scheme and have fully transitioned across to the scheme for the first full year.

We have implemented new OHS policy and procedures (available on Council's website) in accordance with the Scheme and are ahead of the required compliance timeline.

### Aligning practice to system

We continue to progress actions to align our Occupational Health and Safety Management System to the requirements of the MAV WorkCare Scheme.

The OHS Project Control Group continues to ensure delivery of an effective Occupational Health and Safety Information System and provide support for other safety initiatives that have been recommended for implementation across Council.

### Conducted audits and registers

We undertook a comprehensive legal compliance audit program and developed hazard registers and hazard management action plans for our accommodated sites.

### Improving and streamlining consultative forums

We established a streamlined approach to the OHS Committee structure without decreasing Health and Safety representatives, to ensure appropriate, and timely action is taken when Health and Safety matters are raised across Council.

### Incident Reporting System

We have established an electronic incident/hazard reporting system.

This provides us with the capability to report on incident and hazards, and identify where the specific health and safety issues are across all departments.

### Reporting metrics

We monitor health and safety data to identify trends and develop preventive strategies and actions. The Executive Leadership team is presented with a monthly OHS report providing data on injury type and frequency, Workcover claim performance and mitigation strategies. The Audit and Risk Committee is also provided with an OHS update at each meeting of the Committee to track potential consequences for Council.

At this stage of Council's Zero Harm safety philosophy evolution, the key metric tracked at Council level is the Total Recordable Injury Frequency Rate (TRIFR), which is a measure of significant injuries categorised as 'Lost Time', 'Restricted Work Cases' and 'Medical Treatment'. TRIFR is a measure of the number of these injury types per one million hours worked.

### Total recordable injuries per million work hours

2014/15	2015/16	2016/17	2017/18
22.22	19.43	15.73	30.39

In November 2017, Council joined the MAV Workcare Scheme, which categorises claims differently. The Scheme accepts all lost time claims; therefore the incidence of recordable injuries has increased. This is witnessed as an increased TRIFR.

Council has invested in health and safety, providing dedicated resources, training and implementation of key fundamental organisational OHS policies and procedures.

A long term commitment to Zero Harm with early intervention practices is being rolled out across the organisation to keep our people safe.

Council provides opportunities for approximately 250 people to volunteer and contribute to our library services, tree planting activities and programs such as Linking Neighbours.



# 7

## Statutory statements

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## Freedom of Information Act

The **Freedom of Information Act 1982** provides every person with the right to request access to documents held by Council. The Act requires Council to publish certain details about itself and its functions; it enables individuals to correct their personal information held by Council; and it has built-in rights of appeal against decisions made under the Act. The City of Port Phillip vigorously supports the objectives of this Act.

Requests for access to Council documents under the **Freedom of Information Act 1982** must be in writing and must provide sufficient information to identify the particular document(s) being sought. In 2017/2018 the application fee for a request was \$28.40.

More information, including a request form, is available on our website at City of Port Phillip - Freedom of Information

Principal Officer: Peter Smith, CEO

## Details of Freedom of Information (FOI) requests 2017/18

<b>Total number of FOI requests received</b>	48
<b>Total number of valid requests</b> (including nine requests received in the previous financial year still under consideration)	40
<b>Number of requests where access was granted in full</b>	2
<b>Number of requests where access was granted in part</b>	27
<b>Number of requests where access was denied in full</b>	2
<b>Number of requests where no documentation was found</b>	3
<b>Number of requests not proceeded with</b>	8
<b>Number of valid requests still under consideration at 30 June 2018</b>	6
<b>Number of appeals lodged with the FOI Commissioner</b>	1
<b>Total application fees collected</b>	\$937.20
<b>Total application fees waived</b>	\$198.90

## Protected Disclosure Act

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

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

More information on protected disclosures, including procedures for making a disclosure under the Act, is available on our website.

There were no disclosures notified to the Independent Broad-based Anti-corruption Commission (IBAC) under Section 21(2) of the Act during the 2017/18 financial year.

## Privacy and Data Protection Act

The City of Port Phillip is committed to full compliance with our obligations under the **Privacy and Data Protection Act 2014**.

Our Information Privacy Policy (including guidelines and procedures) is available at Council offices and on our website.

The objective of the policy is to ensure the responsible collection and handling of an individual's personal and health information. The policy explains the 10 Information Privacy Principles, and how Council goes about adhering to these principles.

### Public documents

A number of documents are available for public inspection. The majority of our information is available online and can be accessed via our website.

## Contracts

During the year Council had one instance where it engaged a contractor with a cumulative value in excess of \$150,000 (including GST) without first conducting a competitive tendering process. Two independent departments engaged the one contractor to provide similar services to Council, which exceeded the threshold set out in Section 186 of the **Local Government Act 1989**. In order to mitigate the risk of a similar occurrence, detailed monthly vendor expenditure reports are distributed to all departments and a procurement refresher training program is underway.

Ministerial approval is also being sought for three single source infrastructure categories:

- electricity
- water
- telecommunications.

In each instance the infrastructure is owned and managed by the supplier. While the approval process is under consideration, expenditure with these suppliers has continued to ensure service delivery has not been compromised.



## Domestic Animal Management Plan

Under the **Domestic Animals Act 1994**, Council is required to have a four-year Domestic Animal Management Plan. In 2017 Council undertook development and public consultation on a new Domestic Animal Management Plan 2017-2021, endorsed by Council on 15 November 2017.

In 2017/18 the following activities were undertaken to promote and ensure responsible pet ownership and pet welfare:

- development and public consultation on the Domestic Animal Management Plan 2017-21 (DAMP)
- education programs throughout our City, which resulted in positive behaviour change from non-compliant dog owners and improved their understanding of their obligations under the **Domestic Animals Act 1994**
- increase in roving patrols in all areas to ensure stricter compliance throughout the City's parklands, public places and foreshore areas
- improved signage relating to off-leash areas
- foreshore patrols along all beaches during the summer months and engagement with dog owners promoting compliance with provisions of the **Domestic Animals Act 1994**.

### Our focus in 2018/19 will be:

- commence implementation of DAMP key actions, including public consultation of foreshore off-leash provisions
- public consultation on petition request to make TT Buckingham Reserve, Port Melbourne, an off-leash area
- training of Animal Management officers
- responsible pet ownership and pet welfare education programs throughout the municipality
- foreshore patrols along all beaches during the summer months and engagement with dog owners, to promote compliance with provisions of the **Domestic Animals Act 1994**
- improvements to the pet registration program, to increase the number of animals registered
- implementation of electronic notifications (SMS system) for annual pet registration renewal process.

## Carers Recognition Act

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

In 2017/18 Council completed a number of activities that align with the **Carers Recognition Act 2012**.

A selection of our activities are outlined below:

- The Commonwealth Home Support Program delivered 918 respite hours for recipients aged 65 years and over, or 50 years and over for people from Aboriginal and Torres Strait Islander (ATSI) background. This enabled their carers to have respite from their caring role.
- The Home and Community Care program delivered 4,703 respite hours for recipients under the age of 65 years or under 50 years for recipients of ATSI background. This enabled their carers to have respite from their caring role.
- The Social Inclusion service ran a Carers Outings Group for people caring for loved ones. Ten sessions were conducted benefitting five carers and delivering 50 hours of respite. The program provided an opportunity for carers to share information and meet with other people in carer roles.
- The Social Inclusion service also provided a weekly social support program, 'Tuesday Activity Group', for recipients with dementia. The program delivered respite hours for nine carers, resulting in 894 hours of respite.
- The Joint Councils Access for All Abilities (JCAAA) service provided 7,899 hours of respite care for carers of people with disability. Activities included arts, sport, recreation and school holiday programs.
- MetroAccess offered tailored individual support and advice for carers to navigate Council information and the disability sector around topics including allied health practitioners who provide services to people who are hearing impaired, sourcing equipment, advocacy with housing and concessions with environmental sustainability programs.
- MetroAccess continues to maintain a relationship with a local carer-run support group 'Inner South Family and Friends' who meet monthly with carers of people with mental illness.
- In May, officers from Port Phillip and Glen Eira councils MetroAccess put on a free movie time-out experience for 40 carers.
- The City of Port Phillip NDIS (National Disability Insurance Scheme) Prepare Project Officer organised six NDIS information sessions at which carers attended. In addition, a specific NDIS information session was organised with the Brotherhood of St Laurence for the Inner South Family and Friends network.

## Disability Act

The City of Port Phillip strives to deliver equity of access for all in accordance with the Commonwealth **Disability Discrimination Act 1992** (DDA) and the **Victorian Disability Act 2006**.

The City of Port Phillip Access Plan 2013-2018 aims to ensure our City embraces difference and people belong.

Sixty five initiatives have been progressed since the introduction of the Plan. Highlights for 2017/18 include:

### Employment and training

- A new Workplace Adjustment Policy has been established and is being incorporated into the induction kit of all new employees.
- YouMeUs - Achieving Inclusion training is now included in the new Learning Management System for Council staff and has been completed by all customer service staff.

### Information, communication and engagement

- Council meetings and Planning Committee meetings are now being live streamed. This enables residents to view Council meetings online rather than come to a Town Hall
- Assistance Animals stickers and YouMeUs leaflets have been mailed with footpath trading stickers to 800 local traders.
- Intramaps, the new online mapping system, features a disability access specific layer that includes information such as accessible parking, toilets, beach showers.
- Council's website is now mobile device friendly, enabling better access for people with disability.
- Preparation for the transition to NDIS, which rolled out in the Bayside Peninsula Area in April 2018, was undertaken. This included hosting several community information sessions, supporting residents to access the scheme and engaging with key organisations and local service providers.

### Policy and planning

- Council participated in the Australian Network on Disability, Access and Inclusion Index to better understand, assess, benchmark and improve disability confidence across the organisation. The recommendations will also be considered in the development of a new plan in 2019.

### Economic Development

- City Permits staff performed more than 300 site inspections, engaging with business owners and alerting them to key accessibility issues. The importance of clear, unobstructed building lines and straight paths of travel for people with blindness and low vision was highlighted.

### Culture and community

- An Auslan interpreter was engaged for the opening night show of the Live N Local free music festival.
- Council continues to partner and support Bandmates Victoria, a program that matches people with disability and/or mental health issues and volunteers to see live music events together.

### Infrastructure

- Public bathroom upgrades at Point Ormond and Marina Reserve have included both ambulant and accessible bathrooms.
- A community consultation at South Melbourne Market was conducted with nine people with various disabilities, with a 'walk-through' and workshop to gain insight on access and inclusion issues at the market from a lived experience perspective. The consultation informed the South Melbourne Market project team on how to improve accessibility at the market.

### Sports, recreation and open spaces

- Beach wheelchairs and matting are now available at both St Kilda and Port Melbourne Life Saving clubs, enabling people with disabilities to access the water during weekends over the summer patrol months. The launch of the Accessible Beaches took place at St Kilda Life Saving Club on 9 December as part of 2017 International Day for People with Disabilities.
- Accessible fitness stations have been installed at Alma Park West, Cook Reserve, Kings Way Reserve, Middle Park foreshore, Moran Reserve and Peanut Farm Reserve.

More information on Access Plan 2013-18 is available on our website.

## Food Act Ministerial direction

In accordance with Section 7E of the **Food Act 1984**, a council is required to publish a summary of any Ministerial directions received during the financial year in its annual report. No such Ministerial directions were received by Council during the financial year.

## Road Management Act Ministerial direction

In accordance with Section 22 of the **Road Management Act 2004**, a council must publish a copy or summary of any Ministerial direction in its annual report. No such Ministerial directions were received by Council during the financial year.

## Planning and Environment Act

In accordance with Section 46GM and 46QD of the **Planning and Environment Act 1987**, a council that is a collecting or development agency, must prepare and give a report to the Minister for Planning on infrastructure development contributions including levies and works in kind. The report must be published in a council's annual report.

For the 2017/18 year the following information about infrastructure and development contributions is disclosed.

### Total DCP levies received in 2017/18

<b>Council</b>	City of Port Phillip
<b>DCP name</b>	C13 Port Melbourne DCP
<b>Year approved</b>	1999
<b>Levies received</b>	\$49,798.04

### DCP land, works, services or facilities accepted as works in kind in 2017/18

<b>Council</b>	Nil
<b>Project value</b>	\$0.00

### Total DCP contributions received and expended to date

(for DCPs approved after 1 June 2016)

<b>Council</b>	Nil
<b>Total levies received</b>	\$0.00
<b>Total levies expended</b>	\$0.00
<b>Total works in kind accepted</b>	\$0.00
<b>Total DCP contributions received (levies and works in kind)</b>	\$0.00

### Land, works, services or facilities delivered in 2017/18 from DCP levies collected

<b>Council</b>	City of Port Phillip
<b>DCP name</b>	C13 Port Melbourne DCP
<b>Year approved</b>	1999
<b>Project description</b>	Street tree project
<b>Project ID</b>	PJ177763
<b>DCP fund extended</b>	\$0.00
<b>Works in kind accepted</b>	\$0.00
<b>Council's contribution</b>	\$64,900.00
<b>Other contributions</b>	\$0.00
<b>Total project expenditure</b>	\$64,900.00
<b>Percentage of item delivered</b>	100.00%

## Best value report

We are committed to continuously improving our services and providing value for money to our residents. This commitment is in compliance with the **Local Government Act 1989**.

In 2017/18, we continued to carry out a multifaceted approach to deliver best value to our community.

We continued to invest in our staff's capability in continuous improvement through the facilitation of a Community of Practice, providing targeted workshops and training to a continuous improvement network of over 45 staff.

The Community of Practice provides support and coaching to employees to ensure the delivery of measurable benefits to our community, by applying improvement skills, techniques and knowledge to a wide range of projects across the organisation.

By improving services we provide to the community, we have delivered seven projects that combined, will reduce the time the community waits for our services by over 8,900 days, or two hours, for every Port Phillip resident.

These savings are attributed to reducing the time taken to initiate aged and disability services, and Maternal Child Health key age and stage appointment bookings, and improving customer response time to requests for local laws investigations.

We continued our Productivity and Efficiency Savings Program, which was established in 2014/15 to identify and realise efficiency savings across the organisation, as a way of responding to external and internal budgetary pressures, and demonstrating value for money to Councillors and the community.

We delivered \$2 million in permanent ongoing efficiency savings. Savings were achieved through the continuous improvement program, identifying OHS insurance premium savings, evaluating our coin collection methods, smarter financial investment, absorbing project resources into operating costs and reviewing community survey requirements.

At the same time we created internal efficiencies that will result in over 4,700 hours of staff time savings by streamlining some of the following internal processes: front of house customer service directory, internal communications, health food recall procedure, local laws and animal management requests for investigation, food delivery service, planning compliance and use of physical files. This freed up time was redirected to more value-adding tasks.

We funded nine innovation projects through our Business Enablement and Innovation Fund. The fund provides up to \$100,000 for small projects that can be completed within three months and will improve staff efficiency through the use of technology.

Examples of the projects delivered include:

- augmented reality application for Melbourne Knowledge Week
- installation of digital sign-in for parents at our childcare centres
- mobilising employees to increase our presence in the community.

We also continued our program of service reviews to ensure we are providing the best possible outcomes for our growing and evolving community.

The **Local Government Act 1989** details six Best Value principles:

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

## Governance and management checklist

This checklist increases transparent reporting and is prescribed under the **Local Government Act 1989** (The Act). The checklist measures whether a council has strong governance and management frameworks in place covering community engagement, planning, monitoring, reporting and decision making.


<b>Community engagement policy</b>	No Policy	
Outlines Council's commitment to engaging with the community on matters of public interest	Our commitment to community engagement is outlined in the Council Plan 2017-27. Work has been held over to 2018/19 as a result of requirements of the Draft Local Government Act Bill, which may influence this piece of work.  Our Community Engagement Framework provides an overarching internal road map towards building organisational capability and capacity to support community engagement, and is supported by an internal engagement toolkit to guide officers in community engagement planning and delivery.	
<b>Community engagement guidelines</b>	Guidelines (online toolkit)	
Assists staff to determine when and how to engage with the community	Date of operation of current guidelines: 20 March 2012	
<b>Strategic Resource Plan</b>	Adopted in accordance with Section 126 of the Act	
Plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years	Date of adoption: 20 June 2018 as part of the Council Plan 2017-27	
<b>Annual Budget</b>	Adopted in accordance with Section 130 of the Act	
Plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months, and the funding and other resources required	Date of adoption: 20 June 2017 as part of the Council Plan 2017-27	
<b>Asset Management plans</b>	Plans	
Sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years	Date of operation: 26 June 2017	
<b>Rating Strategy</b>	Strategy	
Sets out the rating structure of Council to levy rates and charges	Date of adoption: 20 June 2018	
<b>Risk Policy</b>	Policy	
Outlines Council's commitment and approach to minimising the risks to Council's operations	Date of operation of current policy: 7 June 2017	
<b>Fraud Policy</b>	Policy	
Outlines Council's commitment and approach to minimising the risk of fraud	Date of operation of current policy: 28 June 2017	



<p><b>Municipal Emergency Management Plan</b></p>	<p>Prepared and maintained in accordance with Section 20 of the Emergency Management Act 1986 </p>
<p>Plan under Section 20 of the <b>Emergency Management Act 1986</b> for emergency prevention, response and recovery</p>	<ul style="list-style-type: none"> <li>• Date of preparation: 1 November 2017</li> <li>• There has been a review and amendments to:                             <ul style="list-style-type: none"> <li>• Sub-Plan 3 Pandemic Influenza - 29 June 2018</li> <li>• Sub-Plan 4 Emergency Relief Centre Operating Manual - 13 July 2018</li> <li>• Sub-Plan 6 Municipal Emergency Coordination Centre (MECC) Operating Procedures Guide - 18 June 2017</li> <li>• Sub-Plan 7 Municipal Operations Centre (MOC) Operating Procedures Guide - 18 June 2017.</li> </ul> </li> </ul>
<p><b>Procurement Policy</b></p>	<p>Prepared and approved in accordance with Section 186A of the <b>Local Government Act 1989</b> </p>
<p>Policy under Section 186A of the <b>Local Government Act 1989</b> outlining the matters, practices and procedures that will apply to purchases of all goods, services and works</p>	<p>Date of adoption: 6 June 2018</p>
<p><b>Business Continuity Plan</b></p>	<p>Plan </p>
<p>Sets out the actions that will be taken to ensure that key services continue to operate in the event of a disaster</p>	<p>Date of operation of current plan: 2 April 2015  Due for completion in November 2018</p>
<p><b>Risk Management Framework</b></p>	<p>Framework </p>
<p>Outlines Council's approach to managing risks to Council's operations</p>	<p>Date of operation of current framework: 9 July 2018</p>
<p><b>Audit Committee</b></p>	<p>Established in accordance with Section 139 of the Act </p>
<p>Advisory committee of Council under Section 139 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to Council's operations and compliance with applicable legal, ethical, and regulatory requirements</p>	<p>Date of establishment: 19 December 1995  The Charter is reviewed each year. The date of the most recent review is 21 June 2018.</p>
<p><b>Internal audit</b></p>	<p>Engaged </p>
<p>Independent accounting professionals engaged by Council to provide analysis and recommendations aimed at improving Council's governance, risk and management controls</p>	<p>Date of engagement of current provider: 12 August 2015</p>
<p><b>Performance Reporting Framework</b></p>	<p>Framework </p>
<p>Indicators measuring financial and non-financial performance, including the performance indicators referred to in Section 131 of the Act</p>	<p>Date of operation of current framework: 20 June 2018</p>
<p><b>Council Plan reporting</b></p>	<p>Reports </p>
<p>Reviews the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year</p>	<p>Dates reports presented: 7 March 2018, 1 August 2018</p>

<b>Financial reporting</b>	Statements presented to Council in accordance with Section 138(1) of the Act	✓
Quarterly statements to Council under Section 138 of the Act, comparing budgeted revenue and expenditure with actual revenue and expenditure	Dates statements presented: 1 November 2017, 7 February 2018, 4 May 2017, 5 September 2018	
<b>Risk reporting</b>	Reports	✓
Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring, and risk minimisation strategies	Date of reports: 13 December 2017, 12 February 2018, 13 March 2018, 9 April 2018, 14 May 2018, 4 June 2018, 9 July 2018, 6 August 2018	
<b>Performance reporting</b>	Reports	✓
Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the Act	Date of reports: 7 March 2018, 1 August 2018	
<b>Annual Report</b>	Considered at an Ordinary meeting of Council in accordance with Section 134 of the Act	✓
Annual Report - under Sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements	Date of consideration: 18 October 2017	
<b>Councillor Code of Conduct</b>	Reviewed in accordance with Section 76C of the Act	✓
Code under Section 76C of the Act setting out the conduct principles and dispute resolution processes to be followed by Councillors	Date reviewed: 15 February 2017	
<b>Delegations</b>	Reviewed in accordance with Section 98(6) of the Act	✓
Sets out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff	Date reviewed: Council delegations to CEO: 6 September 2017 Council delegations to staff: 6 September 2017 CEO delegations to staff: 25 January 2018	
<b>Meeting procedures</b>	Meeting procedures local law made in accordance with Section 91(1) of the Act	✓
Local law governing the conduct of meetings of Council and special committees	Date local law made: 14 December 2009	

I certify that this information presents fairly the status of Council's governance and management arrangements.



**Councillor Bernadene Voss**  
Mayor  
City of Port Phillip

12 September 2018  
St Kilda



**Peter Smith**  
Chief Executive Officer

12 September 2018  
St Kilda

## Public document

### Documents available for public inspection

- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any Council officers in the previous 12 months, including the names of the Councillors or Council officers and the date, destination, purpose and total cost of the overseas or interstate travel.
- Agendas for, and minutes of, Ordinary and Special Council meetings held in the previous 12 months, except if the minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the **Local Government Act 1989**.
- Minutes of meetings of Special Committees established under Section 86 of the **Local Government Act 1989** and held in the previous 12 months, except if the minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act
  - Statutory Planning Committee
  - Inner Melbourne Action Plan (IMAP) Committee
  - South Melbourne Market Management Committee
  - Council Neighbourhood Programs Committee.
- A register of delegations kept under Sections 87(1) and 98(4) of the **Local Government Act 1989**, including the date on which the last review, under Sections 86(6) and 98(6) of the Act, took place.
- A register containing details of all leases involving land that were entered into by Council as lessor, and including the lessee, the terms and the value of the lease.
- A register that shows the names of all people appointed by Council to be authorised officers under 224(1A) of the **Local Government Act 1989**
- A list of donations and grants made by Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

To inspect documents at the St Kilda Town Hall, located at 99A Carlisle Street, St Kilda, please contact the Governance department via the City of Port Phillip's ASSIST Centre on 03 9209 6777. In some instances, we may require requests to be made in writing or via a specific form.





# 8

## Financial report

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# Understanding the financial report

**The financial report includes a General Purpose Financial Report and a Performance Statement for the Port Phillip City Council for the year ended 30 June 2018.**

The report highlights Council's financial performance and overall position at the close of the 2017/18 financial year (30 June 2018) and is presented in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the **Local Government Act 1989, Local Government (Finance and Reporting) Regulations 2004** and the **Local Government (Planning and Reporting) Regulations 2014**.

## Introduction

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

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

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

## What is contained in the annual financial reports?

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

There are five Financial Statements and thirty five notes.

The five Financial Statements are the:

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

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

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

## Comprehensive income statement

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

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

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

## Balance sheet

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

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

The components of the Balance Sheet are described here.

### Current and non-current assets

- **Cash and cash equivalents** includes cash and investments - that is, cash on hand, cash held in the bank, and cash investments maturing within three months
- **Trade and Other Receivables** are monies owed to Council for rates, parking, fines, GST refunds, home support, and other services provided by Council
- **Other Financial Assets** reference the value of Council's longer term financial investments (maturity greater than three months), such as bank bills, term deposits and floating rate notes, as well as the value of shares Council holds
- **Non-Current Assets Classified as Held for Sale** represents the value of assets and related liabilities less costs to sell, that are earmarked for a highly probable sale in the coming financial period

- **Other assets** represents income due to Council, but not yet paid or billed, and prepayments which are expenses that have been paid in advance by Council
- **Investments in associates and joint ventures** includes Council's portion of post-acquisition profits or losses of arrangements in which they have either significant influence or joint control
- **Property, infrastructure, plant and equipment** are the largest components of Council's worth and represent the current value of land, buildings, roads, drainage, and equipment which have been purchased by, or contributed to, Council over many years. It also includes those assets which Council does not own, but has significant control over, and responsibility for, such as foreshore pavilions, parks and Crown land, and leased vehicles.

### Current and non-current liabilities

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

### Net assets

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

### Total equity

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

- **Accumulated Surplus** - the profit or loss results of all financial years totalled and carried forward
- **Reserves** - comprise asset revaluation reserves, which are the difference between the previously recorded value of assets and their current valuations; and general reserves, which are allocations from the Accumulated Surplus for specific projects.

### Statement of changes in equity

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

The main reasons for changes in equity stem from:

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

### Statement of cash flows

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

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

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

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

#### Operating activities

- **Receipts** All cash received into Council's bank account from ratepayers and others who owed money to Council. Receipts also include the interest earnings from Council's cash investments
- **Payments** All cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.

#### Investing activities

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

### Financing activities

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

### Statement of capital works

The Statement of Capital Works expands on the payments Council has made for property, infrastructure, plant and equipment identified in the Statement of Cash Flow. It is prepared on a cash basis, not an accrual basis.

#### Council's capital works occurs in three main areas:

- **Property** relates to land and buildings. Improvements to existing assets are separately identified and heritage buildings are separated from other buildings
- **Plant and Equipment** comprises fixtures, fittings and furniture, computers and telecommunications, library books, heritage plant and equipment and other plant, machinery and equipment
- **Infrastructure** includes roads, bridges, footpaths and cycleways, drainage, recreational, leisure and community facilities, waste management, parks, open space and streetscapes, and off-street car parks.

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

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

### Notes to the accounts

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

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

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

#### Notes are grouped into the following categories:

- Performance against budget
- Funding for delivery of our services
- The cost of delivering services
- Our financial position
- Assets we manage
- People and relationships
- Managing uncertainties
- Other matters

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

### Performance statement

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

### Statements by Principal Accounting Officer and Councillors

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

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

### Auditor General's Report

The Independent Audit Report is the external and independent opinion on the Financial Statements. The audit opinion confirms that the Financial Statements fairly present the results in all material respects of the council and comply with the statutory reporting requirements of the **Local Government Act 1989** and the **Local Government (Planning and Reporting) Regulations 2014**. A separate Independent Audit report is also provided on the Performance Statement, which confirms that it fairly presents in all material aspects the Council's performance in accordance with the statutory requirements of the **Local Government Act 1989** and the **Local Government (Planning and Reporting) Regulations 2014**.

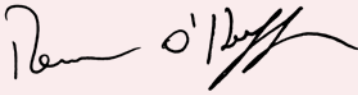


# Financial statements

For year ended 30 June 2018

# Certification of the financial report

In my opinion the accompanying financial statements have been prepared in accordance with the **Local Government Act 1989**, the **Local Government (Planning and Reporting) Regulations 2014**, Australian Accounting Standards and other mandatory professional reporting requirements.



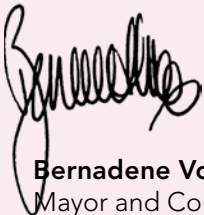
**Dennis O'Keeffe CA**  
Principal Accounting Officer

12 September 2018  
St Kilda

In our opinion, the accompanying financial report presents fairly the financial transactions of the City of Port Phillip for the year ended 30 June 2018 and the financial position of the Council as at that date.

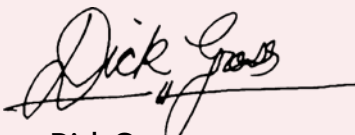
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial report to be misleading or inaccurate.

We have been authorised by the Council and by the **Local Government (Planning and Reporting) Regulations 2014** to certify the financial statements in their final form



**Bernadene Voss**  
Mayor and Councillor  
City of Port Phillip

12 September 2018  
St Kilda



**Dick Gross**  
Deputy Mayor and Councillor

12 September 2018  
St Kilda



**Peter Smith**  
Chief Executive Officer

12 September 2018  
St Kilda



## Independent Auditor's Report

### To the Councillors of Port Phillip City Council

<b>Opinion</b>	<p>I have audited the financial report of Port Phillip City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2018</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial report.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
13 September 2018



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*



## Independent Auditor's Report

### To the Councillors of Port Phillip City Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Port Phillip City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2018</li> <li>• sustainable capacity indicators for the year ended 30 June 2018</li> <li>• service performance indicators for the year ended 30 June 2018</li> <li>• financial performance indicators for the year ended 30 June 2018</li> <li>• other information and</li> <li>• the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement of Port Phillip City Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>



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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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MELBOURNE  
13 September 2018

  
Tim Loughnan  
as delegate for the Auditor-General of Victoria

# Comprehensive Income Statement

For the year ended 30 June 2018

	Note	2018	2017
<b>Income</b>			
Rates and charges	2.1	121,120	117,192
Statutory fees and fines	2.2	22,948	22,237
User fees	2.3	35,657	34,615
Grants - operating	2.4	11,837	11,609
Grants - capital	2.4	3,873	1,876
Contributions - monetary	2.5	10,524	9,109
Contributions - non-monetary	2.5	222	20,601
Other income	2.7	17,443	13,663
<b>Total income</b>		<b>223,624</b>	<b>230,902</b>
<b>Expenses</b>			
Employee costs	3.1	87,928	84,180
Materials and services	3.2	75,739	76,207
Depreciation and amortisation	3.3	23,417	22,527
Bad and doubtful debts	3.4	4,586	3,661
Borrowing costs	3.5	409	434
Other expenses	3.6	17,953	8,614
Net loss on disposal of property, infrastructure, plant and equipment	2.6	6,437	1,611
Share of net losses of associates and joint ventures	5.3	(15)	24
<b>Total Expenses</b>		<b>216,454</b>	<b>197,258</b>
<b>Surplus/(Deficit) for the year</b>		<b>7,170</b>	<b>33,644</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	8.1	245,143	318,925
<b>Total comprehensive result</b>		<b>252,313</b>	<b>352,569</b>

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

# Balance Sheet

As at 30 June 2018

	Note	2018	2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	16,243	8,058
Trade and other receivables	4.1	14,992	12,616
Other financial assets	4.1	68,500	66,500
Non-current assets classified as held for sale	5.1	-	797
Other assets	4.2	3,692	2,320
<b>Total current assets</b>		<b>103,427</b>	<b>90,291</b>
<b>Non-current assets</b>			
Trade and other receivables	4.1	381	-
Other financial assets	4.1	235	235
Investments in associates and joint ventures	5.3	347	332
Property, infrastructure, plant and equipment	5.2	3,145,046	2,906,916
<b>Total non-current assets</b>		<b>3,146,009</b>	<b>2,907,483</b>
<b>Total assets</b>		<b>3,249,436</b>	<b>2,997,774</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4.3	18,951	17,682
Trust funds and deposits	4.3	5,508	4,868
Provisions	4.5	14,156	15,864
Interest-bearing liabilities	4.4	348	563
<b>Total current liabilities</b>		<b>38,963</b>	<b>38,977</b>
<b>Non-current liabilities</b>			
Provisions	4.5	2,525	2,794
Interest-bearing liabilities	4.4	7,827	8,195
<b>Total non-current liabilities</b>		<b>10,352</b>	<b>10,989</b>
<b>Total liabilities</b>		<b>49,315</b>	<b>49,966</b>
<b>Net Assets</b>		<b>3,200,121</b>	<b>2,947,808</b>
<b>Equity</b>			
Accumulated surplus		645,669	651,120
Reserves	8.1	2,554,452	2,296,688
<b>Total Equity</b>		<b>3,200,121</b>	<b>2,947,808</b>

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

# Statement of Changes in Equity

For the year ended 30 June 2018

		\$'000			
	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
<b>2018</b>					
Balance at beginning of the financial year		2,947,808	651,120	2,251,661	45,027
Surplus/(deficit) for the year		7,170	7,170	-	-
Net asset revaluation increment/(decrement)	8.1	245,143	-	245,143	-
Transfers to other reserves	8.1	-	(31,609)	-	31,609
Transfers from other reserves	8.1	-	18,988	-	(18,988)
<b>Balance at end of the financial year</b>		<b>3,200,121</b>	<b>645,669</b>	<b>2,496,804</b>	<b>57,648</b>
<b>2017</b>					
Balance at beginning of the financial year		2,595,239	630,360	1,932,736	32,143
Surplus/(deficit) for the year		33,644	33,644	-	-
Net asset revaluation increment/(decrement)	8.1	318,925	-	318,925	-
Transfers to other reserves	8.1	-	(32,390)	-	32,390
Transfers from other reserves	8.1	-	19,506	-	(19,506)
<b>Balance at end of the financial year</b>		<b>2,947,808</b>	<b>651,120</b>	<b>2,251,661</b>	<b>45,027</b>

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

# Statement of Cash Flows

For the year ended 30 June 2018

		\$'000	
	Note	2018 Inflows / (outflows)	2017 Inflows / (outflows)
<b>Cash flows from operating activities</b>			
Rates and charges		120,316	116,644
Statutory fees and fines		17,495	18,105
User fees		35,252	34,843
Grants - operating		11,818	11,862
Grants - capital		3,873	1,876
Contributions - monetary		10,524	9,109
Interest received		1,811	1,691
Trust funds and deposits taken		53,233	56,385
Other receipts		14,848	12,836
Net GST refund		7,089	6,999
Employee costs		(90,155)	(83,474)
Materials and services		(81,396)	(78,322)
Trust funds and deposits repaid		(52,593)	(56,507)
Other payments		(18,134)	(9,880)
<b>Net cash provided by/(used in) operating activities</b>		<b>33,981</b>	<b>42,167</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	5.2	(24,236)	(31,883)
Proceeds from sale of property, infrastructure, plant and equipment		1,431	4,746
Payments for investments		(68,500)	(66,500)
Proceeds from sale of investments		66,500	49,500
<b>Net cash provided by/(used in) investing activities</b>		<b>(24,805)</b>	<b>(44,137)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(408)	(434)
Repayment of borrowings		(583)	(643)
<b>Net cash provided by/(used in) financing activities</b>		<b>(991)</b>	<b>(1,077)</b>
Net (decrease) increase in cash and cash equivalents		8,185	(3,047)
Cash and cash equivalents at the beginning of the financial year		8,058	11,105
<b>Cash and cash equivalents at the end of the financial year</b>		<b>16,243</b>	<b>8,058</b>
<b>Financing arrangements</b>	4.6		
<b>Restrictions on cash assets</b>	4.1		

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



# Statement of Capital Works

For the year ended 30 June 2018

	Note	2018	2017
<b>Property</b>			
Land		-	6,282
<b>Total land</b>		-	6,282
Buildings		6,912	13,812
<b>Total buildings</b>		6,912	13,812
<b>Total property</b>		6,912	20,094
<b>Plant and equipment</b>			
Heritage plant and equipment		35	229
Plant, machinery and equipment		1,594	1,940
Fixtures, fittings and furniture		625	741
Computers and telecommunications		2,507	1,162
Library books		777	808
<b>Total plant and equipment</b>		5,538	4,880
<b>Infrastructure</b>			
Roads		2,235	3,034
Bridges		-	-
Footpaths and cycleways		2,648	4,418
Drainage		1,078	1,582
Parks, open space and streetscapes		4,667	4,077
Other infrastructure		1,182	463
<b>Total infrastructure</b>		11,810	13,574
<b>Total capital works expenditure</b>		24,260	38,548
<b>Represented by</b>			
New asset expenditure		2,839	12,478
Asset renewal expenditure		13,484	20,721
Asset expansion expenditure		1,038	168
Asset upgrade expenditure		6,899	5,181
<b>Total capital works expenditure</b>		24,260	38,548

The above statement of capital works should be read in conjunction with the accompanying notes.

# Notes to the financial report

For the year ended 30 June 2018

## Overview

### Introduction

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

### Statement of compliance

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

### Significant accounting policies

#### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 5.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 5.2)
- the determination of employee provisions (refer to note 4.5).

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

## Note 1 Performance against budget

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

The budget figures detailed below are those adopted by Council on 21 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long term. The Budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

### 1.1 Income and expenditure

	\$'000			Ref
	Budget	Actual	Variance	
<b>Income</b>				
Rates and charges	120,769	121,120	351	
Statutory fees and fines	22,710	22,948	238	
User fees	34,327	35,657	1,330	1
Grants - operating	9,421	11,837	2,416	2
Grants - capital	4,460	3,873	(587)	3
Contributions - monetary	7,830	10,524	2,694	4
Contributions - non-monetary	-	222	222	5
Other income	13,406	17,443	4,037	6
<b>Total income</b>	<b>212,923</b>	<b>223,624</b>	<b>10,701</b>	
<b>Expenses</b>				
Employee costs	88,637	87,928	709	
Materials and services	77,074	75,739	1,335	7
Bad and doubtful debts	3,478	4,586	(1,108)	8
Depreciation and amortisation	24,430	23,417	1,013	9
Borrowing costs	460	409	51	10
Other expenses	17,445	17,953	(508)	
Net loss on disposal of property, infrastructure, plant and equipment	7,736	6,437	1,299	11
Share of net profits losses of associates and joint ventures	-	(15)	15	12
<b>Total expenses</b>	<b>219,260</b>	<b>216,454</b>	<b>2,806</b>	
<b>Surplus/(deficit) for the year</b>	<b>(6,337)</b>	<b>7,170</b>	<b>7,895</b>	

**1.1 Income and Expenditure - Explanation of Material Variances**

Ref	Item	Explanation
1	<b>User fees</b>	<p>The favourable variance of \$1.33 million is due to the following:</p> <ul style="list-style-type: none"> <li>the budget included the reduction in parking fees from Metro Tunnel works which did not eventuate and the greater utilisation of our municipal parking space than was budgeted \$0.67 million.</li> <li>greater stallholder participation of the Night Market and the Mussel Festival at the South Melbourne Market than was budgeted \$0.12 million.</li> <li>reimbursement of expenditure related to reinstatement of Council services caused by developers \$0.22 million.</li> </ul>
2	<b>Grants Operating</b>	<p>The favourable variance of \$2.42 million is due to:</p> <ul style="list-style-type: none"> <li>the early receipt of the 2018/19 Victorian Grants Commission instalments of \$1.46 million.</li> <li>\$0.23 million of unbudgeted grants for "What's Your Story?" to be offset by expenditure over multiple financial years.</li> <li>\$0.34 million of growth related funding for Maternal Child Health, Kindergarten and Aged services</li> <li>a number of other grants received during the year, which will be spent in 2018/19 of \$0.3 million.</li> </ul>
3	<b>Grants - capital</b>	<p>The unfavourable variance of \$0.59 million is mainly due to:</p> <ul style="list-style-type: none"> <li>(\$2.1 million) of milestone claims from Victorian Government for the Ferrars Street Streetscape works is expected to take place in 2018/19.</li> <li>\$0.93 million of unbudgeted grants from Victorian Government for the Palais Theatre redevelopment.</li> <li>Received \$0.69 million grants for Peanut Farm Pavilion Upgrade, which was expected in 2016/17.</li> </ul>
4	<b>Contributions - monetary</b>	<p>The favourable variance of \$2.69 million is due to higher than expected property development within the municipality, especially in the St Kilda Hill, St Kilda East, South Melbourne and St Kilda Rd neighbourhoods.</p>
5	<b>Contributions - non-monetary</b>	<p>The favourable variance of \$0.22 million is mainly due to drainage works done by developers and donated heritage assets.</p>
6	<b>Other income</b>	<p>The favourable variance of \$4.04 million is mainly due to:</p> <ul style="list-style-type: none"> <li>Project underspend on the redevelopment of the Palais Theatre in 2016/17 reimbursed to Council. Council paid a contribution to the Victorian Government to undertake the project works. The final cost was lower than anticipated resulting in a reimbursement to Council of \$1.11 million.</li> <li>first time recognising \$1.07 million for the market value of subsidised rent to community groups which is offset by increased other expenses.</li> <li>greater interest income due to greater cash balances throughout the year achieving above budget yield targets \$0.62 million.</li> <li>developers and service authorities reimbursed council for expenditure incurred to repair council assets and replanting of trees, offset by increased expenditure \$0.47 million</li> </ul>
7	<b>Materials and services</b>	<p>The favourable variance of \$1.335 million is mainly due to:</p> <ul style="list-style-type: none"> <li>Council's contribution for the Victorian Government controlled Ferrars Street Education and Community Centre was completed under budget that did not utilise project contingencies \$0.5 million.</li> <li>the underspend of 2017/18 operating project budgets for the Inner Metro Sustainability hub feasibility, children services review and staff accommodation plan, which will be see an over-spend in 2018/19 of \$0.5m.</li> </ul>
8	<b>Bad and doubtful debts</b>	<p>The unfavourable variance of \$1.1 million is mainly due to system issues implemented by Fines Victoria, which has caused an increase in outstanding debt.</p>

Ref	Item	Explanation
9	<b>Depreciation and amortisation</b>	The favourable variance of \$1.0 million is mainly due to underspend on capital works for roads assets, therefore, lower than anticipated roads additions and corresponding depreciation expense.
10	<b>Borrowing costs</b>	The minor favourable variance of \$0.05 million is mainly due to a lower number of fleet vehicles held under finance leases.
11	<b>Net loss on disposal of property, infrastructure, plant and equipment</b>	The favourable variance of \$1.30 million is mainly due to assets disposed at a lower written down value than anticipated and lower proceeds received for the sale of motor vehicles.
12	<b>Share of net profits losses of associates and joint ventures</b>	Council's share of the Albert Park Hockey and Tennis Centre joint venture was budgeted to breakeven; however, for 2017/18 a minor surplus was achieved.



## 1.2 Capital Works

	\$'000			Ref
	Budget	Actual	Variance	
<b>Property</b>				
Land	-	-	-	
<b>Total land</b>	-	-	-	
Buildings	13,153	6,912	(6,241)	1
<b>Total buildings</b>	<b>13,153</b>	<b>6,912</b>	<b>(6,241)</b>	
<b>Total property</b>	<b>13,153</b>	<b>6,912</b>	<b>(6,241)</b>	
<b>Plant and equipment</b>				
Heritage plant and equipment	30	35	5	2
Plant, machinery and equipment	1,648	1,594	(54)	
Fixtures, fittings and furniture	35	625	590	3
Computers and telecommunications	3,202	2,507	(695)	4
Library books	785	777	(8)	
<b>Total plant and equipment</b>	<b>5,700</b>	<b>5,538</b>	<b>(162)</b>	
<b>Infrastructure</b>				
Roads	6,130	2,235	(3,895)	5
Footpaths and cycleways	1,685	2,648	963	6
Drainage	1,420	1,078	(342)	7
Parks, open space and streetscapes	7,925	4,667	(3,258)	8
Other infrastructure	260	1,182	922	9
<b>Total infrastructure</b>	<b>17,420</b>	<b>11,810</b>	<b>(5,610)</b>	
<b>Total capital works expenditure</b>	<b>36,273</b>	<b>24,260</b>	<b>(12,013)</b>	
<b>Represented by:</b>				
New asset expenditure	1,568	2,839	1,271	10
Asset renewal expenditure	20,444	13,484	(6,960)	11
Asset expansion expenditure	4,847	1,038	(3,809)	12
Asset upgrade expenditure	9,414	6,899	(2,515)	13
<b>Total capital works expenditure</b>	<b>36,273</b>	<b>24,260</b>	<b>(12,013)</b>	

## 1.2 Capital Works - Explanation of Material Variances

Ref	Item	Explanation
1	<b>Buildings</b>	Net under expenditure of \$6.24 million, primarily due to the deferral of expenditure on several major projects that will be completed in 2018/19, including Peanut Farm Reserve pavilion upgrade, South Melbourne Community Centre upgrade and the safe roof access program. An additional \$0.69 million of costs related to investigation works, minor repairs and demolition were written off to operating expenditure.
2	<b>Heritage plant and equipment</b>	Net over expenditure of \$0.005 million, due to an unbudgeted artwork purchase.
3	<b>Fixtures, fittings and furniture</b>	Net over expenditure of \$0.59 million, due to the purchase of furniture and fittings, which are budgeted for in the buildings asset class part of the building projects.
4	<b>Computers and telecommunications</b>	Net under expenditure of \$0.69 million, due to the work completed on the Customer Experience Program (Core IT Application Renewal) being reclassified as operating expenditure. This was partially offset by expenditure brought forward to complete the Telephony and Contact Centre Technology Renewal project.
5	<b>Roads</b>	Net under expenditure of \$3.89 million, largely due to: <ul style="list-style-type: none"> <li>- cost savings of \$0.37 million on completed roads projects including the Beach Street separated queuing lane</li> <li>- The reclassification to operating expenditure for line marking, traffic management, landscaping and demolition works in road projects \$1.70 million</li> <li>- \$1.82 million of budgeted expenditure in the road programs consisted of footpath, kerb and channel and other infrastructure assets.</li> </ul>
6	<b>Footpaths and cycleways</b>	Over expenditure of \$0.96 million, primarily due to components of several road projects and programs consisting of footpath works.
7	<b>Drainage</b>	Net under expenditure of \$0.34 million, due to the reclassification of costs for landscaping, demolition and works on non-council assets to operating expenses.
8	<b>Parks, open space and streetscapes</b>	Under expenditure of \$3.25 million, largely due to delays in the Ferrars Street Precinct streetscape upgrade, Carlo Catani wall rectification, public space lighting renewal and the Elwood public space wall replacement.
9	<b>Other infrastructure</b>	Over expenditure of \$0.92 million, due to expenditure brought forward for parking technology enhancements, lighting and street furniture that were budgeted as part of projects in other asset classes.
10	<b>New asset expenditure</b>	Over expenditure of \$1.27 million on asset expansion primarily due to the bring forward of expenditure on development works on Kirrup Park to align with the remediation works. Other unbudgeted new asset expenditure approved during the year included parking technology enhancements and hostile vehicle mitigation barriers.
11	<b>Asset renewal expenditure</b>	Under expenditure of \$6.96 million, due to the deferral of expenditure to 2018/19 for several significant renewal projects and the reclassification of expenditure to operating for completed projects.
12	<b>Asset expansion expenditure</b>	Under expenditure of \$3.80 million, due to the deferral of expenditure to 2018/19 asset expansion projects including Peanut Farm Reserve pavilion upgrade and the Ferrars St Precinct streetscape works.
13	<b>Asset upgrade expenditure</b>	Under expenditure of \$2.51 million, due to the deferral of expenditure to 2018/19, including the Customer Experience Program (expenditure has been classified as operating for future budgets) and Ferrars Street Education and Community Precinct streetscape works. Expenditure on several completed upgrade projects was reclassified as operating expenditure.

## Note 2 Funding for the delivery of our services

### 2.1 Rates and charges

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

The valuation base used to calculate general rates for 2017/2018 was \$3.053 billion (2016/2017 was \$3.035 billion). The 2017/2018 rate in the NAV dollar was \$0.039287 (2016/2017: \$0.038517).

	\$'000	
	2018	2017
General rates	119,365	116,156
Waste management charge	194	180
Special rates and charges	652	656
Special rates and charges applied	(652)	(656)
Supplementary rates and rate adjustments	1,156	567
Interest on rates and charges	405	289
<b>Total rates and charges</b>	<b>121,120</b>	<b>117,192</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018 and this valuation was applied to the rating year commencing 1 July 2018.

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

### 2.2 Statutory fees and fines

	\$'000	
	2018	2017
Infringements and costs	1,018	1,061
Court recoveries	39	72
Town planning fees	1,810	1,784
Land information certificates	181	188
Permits	1,337	1,214
Parking fines and parking permits	18,563	17,918
<b>Total statutory fees and fines</b>	<b>22,948</b>	<b>22,237</b>

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

### 2.3 User fees

	\$'000	
	2018	2017
Aged and health services	537	592
Leisure centre and recreation	711	572
Child care/children's programs	9,730	9,630
Parking	17,090	16,298
Registration and other permits	5,089	5,174
Building services	585	700
Waste management services	262	268
Other fees and charges	1,653	1,381
<b>Total user fees</b>	<b>35,657</b>	<b>34,615</b>

User fees are recognised as revenue when the service has been provided or Council has otherwise earned the income.

## 2.4 Funding from other levels of government

Grants were received in respect of the following.

### Summary of grants

	\$'000	
	2018	2017
Commonwealth funded grants	7,275	6,897
State funded grants	8,394	6,589
<b>Total grants received</b>	<b>15,669</b>	<b>13,486</b>

### a) Operating Grants

<b>Recurrent - Commonwealth Government</b>		
Aged care	120	70
Community health	373	258
Family and children	-	-
General home care	2,718	2,189
Other	-	-
Recreation	90	67
Financial Assistance grants	2,755	3,870
<b>Recurrent - State Government</b>		
Aged care	30	54
Community health	199	430
Community safety	-	-
Environmental Planning	10	59
Family and children	769	743
General home care	1,047	1,408
Libraries	694	683
Maternal and child health	814	763
Other	793	275
Recreation	133	610
School crossing supervisors	125	91
<b>Total recurrent operating grants</b>	<b>10,670</b>	<b>11,570</b>
<b>Non-recurrent - Commonwealth Government</b>		
Community health	-	5
Family and children	40	-
<b>Non-recurrent - State Government</b>		
Aged Care	2	-
Community health	408	23
Environmental planning	68	-
Family and children	41	1
Maternal and child health	-	-
Other	117	-
Roads	491	10
<b>Total non-recurrent operating grants</b>	<b>1,167</b>	<b>39</b>
<b>Total operating grants</b>	<b>11,837</b>	<b>11,609</b>



**b) Capital Grants**

	\$'000	
	2018	2017
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	453	436
<b>Total recurrent capital grants</b>	<b>453</b>	<b>436</b>
<b>Non-recurrent - Commonwealth Government</b>		
Environmental planning	80	-
Roads	688	-
<b>Non-recurrent - State Government</b>		
Building	2,122	1,000
Footpaths and cycleways	100	66
Other	20	-
Parks and streetscapes	310	-
Plant and equipment	-	246
Roads	100	128
<b>Total non-recurrent capital grants</b>	<b>3,420</b>	<b>1,440</b>
<b>Total capital grants</b>	<b>3,873</b>	<b>1,876</b>
<b>Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	2,842	1,350
Received during the financial year and remained unspent at balance date	2,687	2,627
Received in prior years and spent during the financial year	(2,091)	(1,135)
<b>Balance at year end</b>	<b>3,438</b>	<b>2,842</b>

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

**2.5 Contributions**

	\$'000	
	2018	2017
Monetary	10,524	9,109
Non-monetary	222	20,601
<b>Total contributions</b>	<b>10,746</b>	<b>29,710</b>

Contributions of non-monetary assets were received in relation to the following asset classes:

Buildings		20,548
Other infrastructure	170	-
Other	52	53
<b>Total non-monetary contributions</b>	<b>222</b>	<b>20,601</b>

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

**2.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment**

	\$'000	
	2018	2017
Proceeds of sale	1,431	4,746
Written down value of assets disposed	(7,868)	(6,357)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(6,437)</b>	<b>(1,611)</b>

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

**2.7 Other income**

	\$'000	
	2018	2017
Interest	1,811	1,691
Property rental	4,825	2,715
Other rent	6,268	5,940
Other	4,539	3,317
<b>Total other income</b>	<b>17,443</b>	<b>13,663</b>

Interest is recognised as it is earned.

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

## Note 3 The cost of delivering services

### 3.1

#### (a) Employee costs

	\$'000	
	2018	2017
Wages and salaries	62,256	60,113
WorkCover	883	1,043
Casual staff	9,813	8,551
Superannuation	6,705	6,394
Fringe benefits tax	415	440
Annual and long service leave	7,510	7,534
Other	346	105
<b>Total employee costs</b>	<b>87,928</b>	<b>84,180</b>

#### (b) Superannuation

Council made contributions to the following funds:

	\$'000	
	2018	2017
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	385	369
	<b>385</b>	<b>369</b>
Employer contributions payable at reporting date.	24	7
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	5,554	5,954
Employer contributions - other funds	766	71
	<b>6,320</b>	<b>6,025</b>
Employer contributions payable at reporting date	3	1

Refer to Note 8.3 for further information relating to Council's superannuation obligations.

**3.2 Materials and services**

	\$'000	
	2018	2017
Maintenance and construction contracts	10,991	9,323
Waste management contracts	9,603	9,559
Parks and gardens contract	8,982	9,318
Building and general maintenance	8,156	13,042
Consultants	7,827	6,194
Office administration	5,704	4,946
Parking administration contracts	5,697	5,566
Family and community support contracts	3,853	2,741
Other contract payments	3,804	5,506
Utilities	3,174	2,675
Cleaning contract	2,872	2,916
Information technology	2,496	1,863
Insurance	1,305	1,103
Security	1,275	1,455
<b>Total materials and services</b>	<b>75,739</b>	<b>76,207</b>

**3.3 Depreciation and amortisation**

	\$'000	
	2018	2017
Property	6,614	5,692
Plant and equipment	4,070	3,628
Infrastructure	12,733	13,207
<b>Total depreciation and amortisation</b>	<b>23,417</b>	<b>22,527</b>

Refer to Note 5.2 for a more detailed breakdown of depreciation and amortisation charges, and accounting policy.

**3.4 Bad and doubtful debts**

	\$'000	
	2018	2017
Parking fine debtors	4,563	3,551
Other debtors	23	110
<b>Total bad and doubtful debts</b>	<b>4,586</b>	<b>3,661</b>

**Movement in provisions for doubtful debts**

	2018	2017
Balance at the beginning of the year	12,013	11,527
New provisions recognised during the year	7,194	5,773
Amounts already provided for and written off as uncollectible	(2,084)	(3,175)
Amounts provided for, but recovered during the year	(2,608)	(2,112)
<b>Balance at end of year</b>	<b>14,515</b>	<b>12,013</b>

Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

### 3.5 Borrowing costs

	\$'000	
	2018	2017
Interest - borrowings	351	349
Interest on finance leases	58	85
<b>Total borrowing costs</b>	<b>409</b>	<b>434</b>

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

### 3.6 Other expenses

	\$'000	
	2018	2017
Contributions and donations*	12,479	2,346
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	71	77
Auditors' remuneration - Internal	251	200
Councillors' allowances	368	323
Operating lease rentals	838	1,055
Bank charges	669	588
Activities and programs	-	581
Catering costs	359	551
Subscriptions	525	290
Other	2,393	2,603
<b>Total other expenses</b>	<b>17,953</b>	<b>8,614</b>

\* In October 2017 Council made a one off cash contribution of \$8.89 million to the Victorian Pride Centre Ltd for the construction of the Victorian Pride Centre, which will become a local space in St Kilda for the LGBTQI community.



## Note 4 Our financial position

### 4.1 Financial assets

#### (a) Cash and cash equivalents

	\$'000	
	2018	2017
Cash on hand	19	20
Cash at bank	7,224	5,538
Term deposits	9,000	2,500
<b>Total cash and cash equivalents</b>	<b>16,243</b>	<b>8,058</b>

#### (b) Other financial assets

	\$'000	
	2018	2017
<b>Current</b>		
Term deposits	68,500	66,500
	<b>68,500</b>	<b>66,500</b>
<b>Non-current</b>		
Shares in Municipal Associations Purchasing Scheme (MAPS)	5	5
Shares in Regional Kitchen Group Pty Ltd	230	230
	<b>235</b>	<b>235</b>
<b>Total other financial assets</b>	<b>68,735</b>	<b>66,735</b>

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 4.3)	5,508	4,868
<b>Total restricted funds</b>	<b>5,508</b>	<b>4,868</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>10,735</b>	<b>3,190</b>

## Intended allocations

Although not externally restricted, the following amounts have been allocated for specific future purposes by Council:

	\$'000	
	2018	2017
- Statutory reserve balances (Note 8.1)	20,230	14,105
- Cash held to fund carried forward project expenditure	6,622	2,277
- Child care centres infrastructure levy	5,177	4,597
- Tied grants	3,438	2,842
- Palais Theatre	2,049	-
- Sustainable transport	1,867	1,783
- In Our Backyard - Growing affordable housing in Port Phillip	1,500	1,000
- Middle Park Beach ongoing maintenance	1,243	1,212
- South Melbourne Life Saving Club	413	-
- Pride Centre contribution	-	3,695
<b>Total funds subject to intended allocations</b>	<b>42,539</b>	<b>31,511</b>

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

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

### (c) Trade and other receivables

	\$'000	
	2018	2017
<b>Current</b>		
<b>Statutory receivables</b>		
Rate debtors	3,251	2,447
Infringement debtors	20,212	17,044
Provision for doubtful debts - infringements	(14,191)	(11,649)
GST receivable	1,704	1,451
<b>Non-statutory receivables</b>		
Other debtors	4,340	3,687
Provision for doubtful debts - other debtors	(324)	(364)
<b>Total current trade and other receivables</b>	<b>14,992</b>	<b>12,616</b>
<b>Non-current</b>		
Other debtors	381	-
<b>Total non-current trade and other receivables</b>	<b>381</b>	<b>-</b>
<b>Total trade and other receivables</b>	<b>15,373</b>	<b>12,616</b>

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

**a) Ageing of receivables**

The ageing of Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

	\$'000	
	2018	2017
Current (not yet due)	2,331	1,151
Past due by up to 30 days	422	156
Past due between 31 and 180 days	203	453
Past due between 181 and 365 days	33	29
Past due by more than one year	71	224
<b>Total trade and other receivables</b>	<b>3,060</b>	<b>2,013</b>

**b) Ageing of individually impaired Receivables**

At balance date, other debtors representing financial assets with a nominal value of \$1,280,000 (2017: \$1,674,000) were impaired. The amount of the provision raised against these debtors was \$324,000 (2017: \$364,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables of debtor balances that have been individually determined as impaired at reporting date was:

	\$'000	
	2018	2017
Current (not yet due)	674	508
Past due by up to 30 days	225	781
Past due between 31 and 180 days	256	168
Past due between 181 and 365 days	50	95
Past due by more than one year	75	122
<b>Total trade and other receivables</b>	<b>1,280</b>	<b>1,674</b>

**4.2 Non-financial assets****(a) Other assets**

	\$'000	
	2018	2017
Prepayments	2,958	1,855
Accrued income	734	465
<b>Total other assets</b>	<b>3,692</b>	<b>2,320</b>

### 4.3 Payables

#### (a) Trade and other payables

	\$'000	
	2018	2017
Trade payables	14,790	13,303
Accrued expenses	4,161	4,379
<b>Total trade and other payables</b>	<b>18,951</b>	<b>17,682</b>

#### (b) Trust funds and deposits

	\$'000	
	2018	2017
Refundable deposits	573	545
Fire Services Levy	646	714
Other refundable deposits	4,289	3,609
<b>Total trust funds and deposits</b>	<b>5,508</b>	<b>4,868</b>

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

#### Purpose and nature of items

**Refundable deposits** - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

**Fire Services Levy** - Council is the collection agent for the fire services levy on behalf of the Victorian Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the Victorian government in line with that process.

**Retention amounts** - Council has a contractual right to retain certain amounts until a contractor has met certain requirements, or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

#### 4.4 Interest-bearing liabilities

	\$'000	
	2018	2017
<b>Current</b>		
Finance leases	348	563
	<b>348</b>	<b>563</b>
<b>Non current</b>		
Borrowings - secured (1)	7,500	7,500
Finance leases	327	695
	<b>7,827</b>	<b>8,195</b>
<b>Total</b>	<b>8,175</b>	<b>8,758</b>

(1) Borrowings are secured by Council rate income

##### a) The maturity profile for Council's borrowings is:

Not later than one year	-	-
Later than one year and not later than five years	7,500	7,500
Later than five years	-	-
	<b>7,500</b>	<b>7,500</b>

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

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

##### b) The maturity profile for Council's finance lease liabilities is:

Not later than one year	376	620
Later than one year and not later than five years	343	742
Later than five years	-	-
<b>Minimum future lease payments</b>	<b>719</b>	<b>1,362</b>
Less: Future finance charges	(44)	(104)
<b>Present value of minimum lease payments</b>	<b>675</b>	<b>1,258</b>

#### Finance leases

Council entered into lease agreements for street and beach cleaning equipment. Council's right to use the assets in the leases are accounted for as finance lease liabilities and are disclosed in the table above.

Contingent rent payable is based on the rental value agreed upon between the Council and the lessor, and is invoiced on a monthly basis by the lessor. The lease agreements have been made on the basis that lease terms can be amended between Council and the lessor throughout the term of the lease based on mutual acceptance by both parties. Council has the contractual right to acquire leased vehicles at the end of the lease term based on an agreed upon residual value. The Council does not have any financial restrictions imposed by its current leasing arrangements.



## 4.5 Provisions

### a) Employee Provisions

	\$'000	
	2018	2017
Balance at beginning of the financial year	15,948	14,989
Additional provisions	8,492	8,238
Amounts used	(7,867)	(7,444)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(232)	165
<b>Balance at the end of the financial year</b>	<b>16,341</b>	<b>15,948</b>
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	3,973	3,811
Long service leave	7,505	7,193
Retirement gratuity	16	17
Other	288	196
	<b>11,782</b>	<b>11,217</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	1,891	1,780
Retirement gratuity	143	157
	<b>2,034</b>	<b>1,937</b>
<b>Total current employee provisions</b>	<b>13,816</b>	<b>13,154</b>
<b>Non-current</b>		
Long service leave	2,525	2,794
<b>Total non-current employee provisions</b>	<b>2,525</b>	<b>2,794</b>
<b>Aggregate carrying amount of employee benefits</b>		
Current	13,816	13,154
Non-current	2,525	2,794
<b>Total aggregate carrying amount of employee provisions</b>	<b>16,341</b>	<b>15,948</b>

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

### Wages and salaries, and annual leave

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

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

### Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

	\$'000	
	2018	2017
<b>Key assumptions</b>		
Discount rate	2.65%	2.61%
Index rate	99.5%	101.5%
Inflation rate	2.37%	2.94%
Settlement rate	12.43%	11.05%

**b) Other Provisions**

	\$'000	
	2018	2017
Provision for site remediation 2-4 Buckhurst Street	340	2,710
	<b>340</b>	<b>2,710</b>
<b>Total provisions</b>	<b>16,681</b>	<b>18,658</b>

**4.6 Financing arrangements**

The Council has the following funding arrangements in place as at 30 June 2018.

	\$'000	
	2018	2017
Bank overdraft	5,000	1,500
Credit card facilities	167	167
Purchasing card facilities	2,000	-
Other facilities - LGFV Municipal Bond	7,500	7,500
<b>Total facilities</b>	<b>14,667</b>	<b>9,167</b>
Used facilities	7,528	7,511
<b>Unused facilities</b>	<b>7,139</b>	<b>1,656</b>

## 4.7 Commitments

Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

	\$'000	\$'000	\$'000	\$'000	\$'000
	Not later than one year	Later than one year and not later than two years	Later than two years and not later than five years	Later than five years	Total
<b>2018</b>					
<b>Operating</b>					
Building maintenance	11,708	11,609	9,380	-	32,697
Garbage collection and recycling	8,613	8,513	4,900	-	22,026
Community services	5,158	174	76	-	5,408
Operational services	4,144	23	11	-	4,178
Consultancies	2,335	489	815	-	3,639
Computers and technology	1,987	400	228	-	2,615
Open space management	1,738	-	-	-	1,738
Cleaning contracts for council buildings	1,462	975	-	-	2,437
<b>Total</b>	<b>37,145</b>	<b>22,182</b>	<b>15,410</b>	<b>-</b>	<b>74,737</b>
<b>Capital</b>					
Buildings	7,613	-	-	-	7,613
Parks, open spaces and streetscapes	1,586	-	-	-	1,586
Roads	-	-	-	-	-
<b>Total</b>	<b>9,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,199</b>
<b>Total</b>	<b>46,344</b>	<b>22,182</b>	<b>15,410</b>	<b>-</b>	<b>83,936</b>
<b>2017</b>					
<b>Operating</b>					
Building maintenance	12,018	11,638	20,989	-	44,645
Garbage collection and recycling	8,366	8,366	13,265	-	29,997
Community services	3,149	618	251	-	4,018
Open space management	8,168	1,361	-	-	9,529
Operational services	877	414	34	-	1,325
Consultancies	550	506	1,304	-	2,360
Computers and technology	1,036	545	444	-	2,025
Cleaning contracts for council buildings	1,462	1,462	975	-	3,899
<b>Total</b>	<b>35,626</b>	<b>24,910</b>	<b>37,262</b>	<b>-</b>	<b>97,798</b>
<b>Capital</b>					
Buildings	364	-	-	-	364
Parks, open spaces and streetscapes	322	-	-	-	322
Roads	358	-	-	-	358
<b>Total</b>	<b>1,044</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,044</b>
<b>Total</b>	<b>36,670</b>	<b>24,910</b>	<b>37,262</b>	<b>-</b>	<b>98,842</b>

### C13 Developer Contributions Scheme

In 1998 the C13 Developer Contribution Scheme was signed off by Council to facilitate streetscape works to the value of \$8.082 million, for works in Port Melbourne over a 20 year period commencing in the year 2000 to 2020. These estimates were indexed by CPI and the value of works to be completed at 1 July 2009 was determined to total \$11.387 million. At 30 June 2018, after further CPI adjustments and completion of works over the life of the scheme, works to the value of \$2.902 million are outstanding. These works will be reviewed by an independent consultant in 2018/19 to determine the true value of works outstanding, in order to plan the completion of the scheme.

	\$'000	
	2018	2017
Value of works outstanding at 1 July	2,896	2,834
Works completed	(65)	-
	<b>2,831</b>	<b>2,834</b>
CPI adjustment (2.5 per cent for 2017/18)	71	62
<b>Value of works outstanding at 30 June</b>	<b>2,902</b>	<b>2,896</b>

### Operating lease commitments

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

	\$'000	
	2018	2017
Not later than one year	432	444
Later than one year and not later than five years	528	537
Later than five years	3	1
	<b>963</b>	<b>982</b>

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

## Note 5 Assets we manage

### 5.1 Non-current assets classified as held for sale

	\$'000	
	2018	2017
Cost of acquisition	-	797
<b>Total non-current assets classified as held for sale</b>	<b>-</b>	<b>797</b>

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

### 5.2 Property, infrastructure, plant and equipment

#### Summary of property, infrastructure, plant and equipment

	\$'000								
	At Fair Value 30 June 2017	Additions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Non current assets classified as held for sale	At Fair Value 30 June 2018
Land	2,284,329	-	-	239,545	-	(3,628)	-	-	2,520,246
Buildings	213,735	2,929	-	-	(6,614)	(1,367)	562	-	209,245
Infrastructure	377,546	8,446	170	5,598	(12,733)	(1,786)	889	-	378,130
Plant and equipment	27,103	5,811	52	-	(4,070)	(588)	649	-	28,957
Work in progress	4,203	7,348	-	-	-	-	(3,083)	-	8,468
	<b>2,906,916</b>	<b>24,534</b>	<b>222</b>	<b>245,143</b>	<b>(23,417)</b>	<b>(7,369)</b>	<b>(983)</b>	<b>-</b>	<b>3,145,046</b>

#### Summary of work in progress

	\$'000				
	Opening WIP	Additions	Transfers	Write-offs	Closing WIP
Buildings	1,078	3,908	(562)	(318)	<b>4,106</b>
Infrastructure	2,383	3,365	(889)	(573)	<b>4,286</b>
Plant and equipment	741	75	(649)	(92)	<b>75</b>
<b>Total</b>	<b>4,202</b>	<b>7,348</b>	<b>(2,100)</b>	<b>(983)</b>	<b>8,467</b>

## Depreciation and amortisation

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

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

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

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

## Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit
<b>Property</b>		
Land	-	All
Land improvements	10 - 100 years	\$5,000
<b>Buildings</b>		
Heritage buildings	100 years	\$5,000
Buildings	25 - 100 years	\$5,000
Building improvements	100 years	\$5,000
Leasehold improvements	100 years	\$5,000
<b>Plant and equipment</b>		
Heritage plant and equipment	100 years	2,000
Plant, machinery and equipment	4 - 7 years	2,000
Fixtures, fittings and furniture	5 years	2,000
Computers and telecommunications	3 - 6 years	2,000
Library books	5 years	All
Motor vehicles	5 years	All
<b>Infrastructure</b>		
Road pavements and seals	18 - 30 years	5,000
Road substructure	100 years	5,000
Road formation and earthworks	100 years	5,000
Road kerb, channel and minor culverts and other	50 years	5,000
Bridges deck	20 - 80 years	5,000
Bridges substructure	40 - 100 years	5,000
Footpaths and cycleways	40 - 50 years	5,000
Drainage	150 years	5,000
Recreational, leisure and community facilities	10 - 100 years	5,000
Waste management	10 years	5,000
Parks, open space and streetscapes	10 - 100 years	5,000
Off street carparks	100 years	5,000



a) Land and buildings	\$'000		
	Land - specialised	Buildings - specialised	Total Property
At fair value 1 July 2017	2,284,329	387,297	2,671,626
Accumulated depreciation at 1 July 2017	-	(173,562)	(173,562)
<b>WDV at beginning of financial year</b>	<b>2,284,329</b>	<b>213,735</b>	<b>2,498,064</b>
<b>Movements in fair value</b>			
Additions	-	2,929	2,929
Contributions	-	-	-
Revaluation increments/decrements	239,545	-	239,545
Disposal	(3,628)	(7,525)	(11,153)
Write-off	-	-	-
Transfers	-	562	562
	235,917	(4,034)	231,883
<b>Movements in accumulated depreciation</b>			
Depreciation and amortisation	-	(6,614)	(6,614)
Accumulated depreciation of disposals	-	6,158	6,158
Revaluation increments/decrements	-	-	-
	-	(456)	(456)
At fair value 30 June 2018	2,520,246	383,263	2,903,509
Accumulated depreciation at 30 June 2018	-	(174,018)	(174,018)
<b>WDV at end of financial year</b>	<b>2,520,246</b>	<b>209,245</b>	<b>2,729,491</b>

Note - all land and buildings are considered specialised by their nature.

\$'000

b) Plant and equipment	Heritage Plant and Equipment	Plant, Machinery and Equipment	Fixtures Fittings and Furniture	Computers and Telecomms	Library Books	Total Plant and Equipment	Total Works in Progress
At fair value 1 July 2017	17,082	9,615	4,014	7,593	10,094	48,398	4,203
Accumulated depreciation at 1 July 2017	(162)	(4,684)	(2,863)	(5,774)	(7,812)	(21,295)	-
<b>WDV at beginning of financial year</b>	<b>16,920</b>	<b>4,931</b>	<b>1,151</b>	<b>1,819</b>	<b>2,282</b>	<b>27,103</b>	<b>4,203</b>
<b>Movements in fair value</b>							
Additions	35	1,594	625	2,507	777	5,538	7,348
Contributions	52	-	-	-	-	52	-
Revaluation increments/decrements	-	-	-	-	-	-	-
Disposal	-	(1,417)	(45)	(543)	-	(2,005)	-
Write-off	-	-	-	-	-	-	(663)
Transfers	-	-	-	649	-	649	(2,421)
Finance lease addition	-	273	-	-	-	273	-
	<b>87</b>	<b>450</b>	<b>580</b>	<b>2,613</b>	<b>777</b>	<b>4,507</b>	<b>4,264</b>
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	(171)	(1,963)	(426)	(731)	(779)	(4,070)	-
Accumulated depreciation of disposals	-	831	43	543	-	1,417	-
Revaluation increments/decrements	-	-	-	-	-	-	-
	<b>(171)</b>	<b>(1,132)</b>	<b>(383)</b>	<b>(188)</b>	<b>(779)</b>	<b>(2,653)</b>	<b>-</b>
At fair value 30 June 2018	17,169	10,065	4,594	10,206	10,871	52,905	8,467
Accumulated depreciation at 30 June 2018	(333)	(5,816)	(3,246)	(5,962)	(8,591)	(23,948)	-
<b>WDV at end of financial year</b>	<b>16,836</b>	<b>4,249</b>	<b>1,348</b>	<b>4,244</b>	<b>2,280</b>	<b>28,957</b>	<b>8,467</b>

								\$'000
c) Infrastructure	Roads	Bridges	Footpaths and cycleways	Drainage	Parks, open spaces and streetscapes	Off street car parks	Other Infrastructure	Total Infrastructure
At fair value 1 July 2017	255,690	4,429	128,674	124,124	93,121	9,785	14,934	630,757
Accumulated depreciation at 1 July 2017	(107,885)	(2,531)	(50,884)	(48,336)	(35,325)	(2,559)	(5,691)	(253,211)
<b>WDV at beginning of financial year</b>	<b>147,805</b>	<b>1,898</b>	<b>77,790</b>	<b>75,788</b>	<b>57,796</b>	<b>7,226</b>	<b>9,243</b>	<b>377,546</b>
<b>Movements in fair value</b>								
Additions	1,824	-	2,648	1,078	2,115	9	772	8,446
Contributions	-	-	67	103	-	-	-	170
Revaluation increments/decrements	-	-	-	-	3,071	-	-	3,071
Disposal	(724)	-	(1,372)	(317)	(1,316)	-	(216)	(3,945)
Write-off	-	-	-	-	-	-	-	-
Transfers	452	-	-	-	410	-	27	889
	<b>1,552</b>	<b>-</b>	<b>1,343</b>	<b>864</b>	<b>4,280</b>	<b>9</b>	<b>583</b>	<b>8,631</b>
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	(4,309)	(45)	(3,082)	(876)	(3,491)	(135)	(795)	(12,733)
Accumulated depreciation of disposals	419	-	718	132	783	-	107	2,159
Revaluation increments/decrements	-	-	-	-	2,527	-	-	2,527
	<b>(3,890)</b>	<b>(45)</b>	<b>(2,364)</b>	<b>(744)</b>	<b>(181)</b>	<b>(135)</b>	<b>(688)</b>	<b>(8,047)</b>
At fair value 30 June 2018	257,242	4,429	130,017	124,988	97,401	9,794	15,517	639,388
Accumulated depreciation at 30 June 2018	(111,775)	(2,576)	(53,248)	(49,080)	(35,506)	(2,694)	(6,379)	(261,258)
<b>WDV at end of financial year</b>	<b>145,467</b>	<b>1,853</b>	<b>76,769</b>	<b>75,908</b>	<b>61,895</b>	<b>7,100</b>	<b>9,138</b>	<b>378,130</b>

## Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

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

## Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a four to seven year period.

## Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

## Valuation of land and buildings

Valuation of land and buildings was undertaken by a qualified independent valuer, Frank Carbone AAPI (Val 1764). The valuation of buildings is a depreciated replacement cost. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions, the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties, and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

### Details of Council's land and buildings, and information about the fair value hierarchy as at 30 June 2018 are as follows:

	\$'000			DoV
	Level 1	Level 2	Level 3	
Specialised land	-	-	2,520,246	Jun-18
Buildings	-	-	209,245	Jun-17
	-	-	2,729,491	

## Valuation of land under roads

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

## Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Mr Mohamed El-Saafin ME (Civil).

The date of the current valuations is detailed in the following table.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

**Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:**

	\$'000			DoV
	Level 1	Level 2	Level 3	
Roads	-	-	150,050	Jun-16
Bridges	-	-	1,943	Jun-16
Footpaths and cycleways	-	-	77,778	Jun-16
Drainage	-	-	75,908	Jun-17
Parks, open spaces and streetscapes	-	-	61,895	Jun-18
Off-street carparks	-	-	7,361	Jun-16
Other infrastructure*	-	-	9,368	Jun-16
	-	-	<b>384,303</b>	

\* Other infrastructure includes street furniture.

## Valuation of heritage and works of art

Valuation of heritage assets and works of art are undertaken by qualified independent valuers. The valuation is at market value based on current market prices for similar types of assets based on use, type and condition.

Heritage and works of art valuations as at 30 June 2016 were performed by the following independent valuers:

- **Australian Art Valuers** - contemporary, visual, historical and public art
- **Sainsbury Books** - heritage photographs; and
- **Leonard Joel** - historical items, artworks, monuments and memorials, mayoral robes, chains and other attire

**Details of Council's heritage and works of art, and information about the fair value hierarchy as at 30 June 2018 are as follows:**

	\$'000			DoV
	Level 1	Level 2	Level 3	
Heritage and works of art	-	-	16,767	Jun-16

## Description of significant unobservable inputs into level 3 valuations

### Specialised land

Specialised land is valued using a replacement cost technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 10 per cent and 90 per cent. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$2,000 and \$7,400 per square metre.

### Specialised buildings

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$400 to \$14,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings, and vary from two years to 95 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

### Infrastructure assets

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

## Reconciliation of specialised land

	\$'000	
	2018	2017
Parks and reserves	1,978,444	1,796,499
Commercial	206,849	182,999
Community	215,298	190,971
Council office land	119,655	113,860
<b>Total specialised land</b>	<b>2,520,246</b>	<b>2,284,329</b>



### 5.3 Investments in associates, joint ventures and subsidiaries

#### Joint Arrangement - Joint Venture

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

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

##### Background

In 1997 Council entered into a Joint Venture agreement with Wesley College, St Kilda Road, Prahran for the maintenance and operation of the Albert Park Hockey and Tennis Centre. The Centre is located in Hockey Drive, St Kilda a part of the Albert Park Reserve, and is the subject of a tenancy from the landlord Parks Victoria. The initial lease expired on 15 November 2017. At the time of preparing this Annual Report, Parliament had approved a new 21 year lease, Parks Victoria had drafted a new lease agreement and Council staff were in discussions with Wesley College to finalise a new Joint Venture agreement for a further 21 years.

The objective of the Joint Venture is to provide, manage and maintain the Albert Park Hockey and Tennis Centre for use by sporting clubs, schools, residents of the Port Phillip municipality and the students of Wesley College. The recently expired Joint Venture Agreement provided for a Management Committee with 50 per cent representation and 50 per cent voting power for each of the Joint Venturer parties, decisions being made by a majority vote. It also provided for each party to be paid half of any profit each year or in the case of a loss, each party was to contribute half of the loss to the Joint Venture. The draft new Joint Venture agreement has these same provisions.

The Joint Venture reporting period has historically been for the 12 months to 31 March each year and this is not expected to change under the new Joint Venture Agreement.

Council has been provided with the audited Joint Venture financial statements for the 12 months ending 31 March 2018, and Council's carrying value in the joint venture investment represents a 50 per cent share of the net assets and liabilities of the Albert Park Hockey and Tennis Centre as at 31 March 2018.

	\$'000	
	2018	2017
<b>Fair value of Council's investment in Albert Park Hockey and Tennis Centre</b>	<b>347</b>	<b>332</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	332	356
Reported surplus(deficit) for year	15	[24]
Transfers (to) from reserves	-	-
Distributions for the year	-	-
<b>Council's share of accumulated surplus(deficit) at end of year</b>	<b>347</b>	<b>332</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	332	356
Share of surplus(deficit) for year	15	[24]
Share of asset revaluation	-	-
Distributions received	-	-
<b>Carrying value of investment at end of year</b>	<b>347</b>	<b>332</b>
<b>Council's share of expenditure commitments</b>		
Operating commitments	3	3
Capital commitments	12	12
<b>Council's share of expenditure commitments</b>	<b>15</b>	<b>15</b>
<b>Council's share of contingent liabilities and contingent assets</b>	<b>nil</b>	<b>nil</b>
<b>Significant restrictions</b>	<b>nil</b>	<b>nil</b>

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

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

For joint operations, Council recognises its direct right to, and its share of, jointly held assets, liabilities, revenues and expenses of joint operations.

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

### **Committees of management**

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

### **Principles of consolidation**

An assessment by management has determined that there are no consolidated entities for the 30 June 2018 reporting period.

## Note 6 People and relationships

### 6.1 Council and key management remuneration

#### (a) Related Parties

**Parent entity** - City of Port Phillip is the parent entity

**Subsidiaries and Associates** - Interests in subsidiaries and associates are detailed in 5.3.

#### (b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

**Councillor Bernadene Voss (Mayor)**

**Councillor Andrew Bond**

**Councillor Katherine Copsey**

**Councillor Tim Baxter**

**Councillor Louise Crawford**

**Councillor Dick Gross**

**Councillor Marcus Pearl**

**Councillor Ogy Simic**

**Councillor David Brand**

	2018	2017
Total number of Councillors	9	14
Chief Executive Officer and other Key Management Personnel	8	12
<b>Total Key Management Personnel</b>	<b>17</b>	<b>26</b>

**(c) Remuneration of Key Management Personnel**

	\$'000	
	2018	2017
<b>Total remuneration of key management personnel</b>		
Short-term benefits	2,184	2,293
Post-employment benefits	164	185
Other long term benefits	51	(21)
Termination benefits	-	39
<b>Total remuneration</b>	<b>2,399</b>	<b>2,496</b>

	Number	
	2018	2017
<b>The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:</b>		
\$0 - \$9,999	-	5
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	-	9
\$30,000 - \$39,999	8	-
\$90,000 - \$99,999	-	1
100,000 - \$109,999	2	-
\$110,000 - \$119,999	-	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	-	1
\$190,000 - \$199,999	1	-
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	-	1
\$250,000 - \$259,999	1	1
\$270,000 - \$279,999	2	1
\$290,000 - \$299,999	1	1
\$320,000 - \$329,999	-	1
\$390,000 - \$399,999	1	-
	<b>17</b>	<b>26</b>

**(d) Senior Officers Remuneration**

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- has management responsibilities and reports directly to the Chief Executive Officer; or
- whose total annual remuneration exceeds \$145,000.

	Number	
	2018	2017
<b>The number of Senior Officers in their relevant income bands:</b>		
\$145,000 - \$149,999	4	4
\$150,000 - \$159,999	6	8
\$160,000 - \$169,999	3	8
\$170,000 - \$179,999	3	5
\$180,000 - \$189,999	7	5
\$190,000 - \$199,999	2	1
\$210,000 - \$219,999	1	-
\$230,000 - \$239,999	-	1
\$250,000 - \$259,999	1	-
	<b>27</b>	<b>32</b>
		<b>\$'000</b>
	2018	2017
<b>Total Remuneration for the reporting year for Senior Officers included above, amounted to</b>		
	<b>4,687</b>	<b>5,318</b>

Prior year amounts include annual leave and long service leave balance payouts due to senior staff ceasing employment with the City of Port Phillip during the financial year.

**6.2 Related party disclosure****(a) Transactions with related parties**

	\$'000	
	2018	2017
<b>During the period Council entered into the following transactions with related parties.</b>		
Funding deeds	-	12

Payable to community groups following submission to the grants assessment panel and approval by Council

**(b) Outstanding balances with related parties**

There are no outstanding balances at the end of the reporting period in relation to transactions with related parties.

**(c) Loans to/from related parties**

There are no loans in existence at balance date that have been made, guaranteed or secured by Council to a related party.

**(d) Commitments to/from related parties**

There are no commitments in existence at balance date that have been made, guaranteed or secured by Council to a related party.

## Note 7 Managing uncertainties

### 7.1 Contingent assets and liabilities

#### (a) Contingent assets

	\$'000	
	2018	2017
<b>Council estimates that assets will pass to Council in the future in respect of anticipated development contributions for open space improvements.</b>	7,124	7,830

#### Operating lease receivables

Council has entered into leases and licences for some of the property it owns or controls as a Committee of Management for Crown land. Properties used for commercial purposes are held under leases that have varying terms. Long term leases usually reflect significant private investment in the buildings on the land. Most leases include an annual rental increase and periodical reviews to market. Council also enters into licence agreements with stallholders at the South Melbourne Market.

	\$'000	
	2018	2017
<b>Future minimum rentals receivables under non-cancellable operating lease are as follows</b>		
Not later than one year	9,674	8,701
Later than one year and not later than five years	15,616	18,443
Later than five years	56,567	77,309
	<b>81,857</b>	<b>104,453</b>

#### (b) Contingent liabilities

##### Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. Matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

##### Future superannuation contributions

The City of Port Phillip has not had to make any unfunded liability payments to Vision Super during the year (\$ nil for the 2016/2017 year). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 is \$431,431.



## 7.2 Changes in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts that will flow from the application of these standards in future reporting periods.

### Financial Instruments - Disclosures (AASB 7) (applies 2018/19)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate:

- (a) the significance of financial instruments for the entity's financial position and performance; and
- (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

### Financial Instruments (AASB 9) (applies 2018/19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

### Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

The standard shifts the focus from the transaction level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known; however, it is most likely

to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

### Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

### Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

### Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

## 7.3 Financial instruments

### (a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, is disclosed in notes of the financial statements. Risk management is carried out by senior management under policies approved by Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

### (b) Market risk

Market risk is the risk that the fair value or future cash flows of Council's financial instruments will fluctuate because of changes in market prices. Council's exposures to market risk is primarily through interest rate risk, with only insignificant exposure to other price risks and no exposure to foreign currency risk.

### Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates, which expose us to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

Investment of surplus funds is made with approved financial institutions under the **Local Government Act 1989**. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product
- monitoring of return on investment
- benchmarking of returns and comparison with budget.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on Council's year end result.

### (c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss.

Council has exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- Council has a policy for establishing credit limits for the entities we deal with
- Council may require collateral where appropriate
- Council only invests surplus funds with financial institutions, that have a recognised credit rating specified in our investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with Council's financial assets is minimal, because the main debtor is secured by a charge over the rateable property.

Council has assessed that 78 per cent of parking infringement debts owing to Council are unlikely to be collected and has raised a provision for doubtful debts over those debts based on an assessment of collectability. The collection of long overdue parking infringement debts is managed by Fines Victoria.

There are no material financial assets that are individually determined to be impaired.

Council may also be subject to credit risk for transactions that are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 7.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

### (d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required, or will be forced to sell a financial asset at below value, or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- has readily accessible standby facilities and other funding arrangements in place
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments
- monitors budget to actual performance on a regular basis

- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's maximum exposure to liquidity risk is the carrying amount of financial liabilities as disclosed in the face of the balance sheet, and the amount is related to financial guarantees, and is deemed insignificant based on prior periods data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed in Note 4.4

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

### (e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +0.25 per cent and -0.75 per cent in market interest rates (AUD) from year-end rates of 2.62 per cent.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

## 7.4 Fair value measurement

### Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy. Council's financial assets and liabilities are measured at amortised cost.

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

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

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

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

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

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

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability, and the level of the fair value hierarchy as explained above.

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

### Revaluation

Subsequent to the initial recognition of assets, non-current physical assets (other than plant and equipment) are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 3 years. The valuation is performed either by experienced Council officers or independent experts.

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

### Impairment of assets

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

## 7.5 Events occurring after balance date

No matters have occurred after balance date, that require disclosure in the financial report.

## Note 8 Other matters

### 8.1 Reserves

#### (a) Asset revaluation reserves

	\$'000		
	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
<b>2018</b>			
<b>Property</b>			
Land	2,003,737	239,545	2,243,282
Buildings	78,413	-	78,413
Land improvements	5,112		5,112
	<b>2,087,262</b>	<b>239,545</b>	<b>2,326,807</b>
<b>Infrastructure</b>			
Roads	70,741		70,741
Bridges	825		825
Footpaths and cycleways	27,881		27,881
Drainage	33,144	-	33,144
Parks, open spaces and streetscapes	11,218	5,598	16,816
Off-street carparks	3,862		3,862
Other infrastructure	6,342		6,342
	<b>154,013</b>	<b>5,598</b>	<b>159,611</b>
<b>Plant and equipment</b>			
Heritage plant and equipment	10,386		10,386
	<b>10,386</b>	<b>-</b>	<b>10,386</b>
<b>Total asset revaluation reserves</b>	<b>2,251,661</b>	<b>245,143</b>	<b>2,496,804</b>

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

	\$'000		
	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
<b>2017</b>			
<b>Property</b>			
Land	1,689,414	314,323	2,003,737
Buildings	75,782	2,631	78,413
Land improvements	5,112	-	5,112
	<b>1,770,308</b>	<b>316,954</b>	<b>2,087,262</b>
<b>Infrastructure</b>			
Roads	70,741	-	70,741
Bridges	825	-	825
Footpaths and cycleways	27,881	-	27,881
Drainage	31,173	1,971	33,144
Parks, open spaces and streetscapes	11,218	-	11,218
Off-street carparks	3,862	-	3,862
Other infrastructure	6,342	-	6,342
	<b>152,042</b>	<b>1,971</b>	<b>154,013</b>
<b>Plant and equipment</b>			
Heritage plant and equipment	10,386	-	10,386
	<b>10,386</b>	<b>-</b>	<b>10,386</b>
<b>Total asset revaluation reserves</b>	<b>1,932,736</b>	<b>318,925</b>	<b>2,251,661</b>

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

**(b) Other reserves**

	\$'000			
	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
<b>2018</b>				
<b>General reserve</b>	30,922	23,546	(17,050)	37,418
<b>Statutory reserves</b>				
Resort and recreation reserve	12,151	8,013	(1,938)	18,226
Contributions for carparking reserve	1,791	-	-	1,791
Contribution for C13 infrastructure reserve	163	50	-	213
	14,105	8,063	(1,938)	20,230
<b>Total other reserves</b>	45,027	31,609	(18,988)	57,648
<b>2017</b>				
<b>General reserve</b>	22,392	23,547	(15,017)	30,922
<b>Statutory reserves</b>				
Resort and recreation reserve	7,813	8,827	(4,489)	12,151
Contributions for carparking reserve	1,791	-	-	1,791
Contribution for C13 infrastructure reserve	147	16	-	163
	9,751	8,843	(4,489)	14,105
<b>Total other reserves</b>	32,143	32,390	(19,506)	45,027
			\$'000	
			2018	2017
Asset revaluation reserve			2,496,804	2,251,661
Other reserves			57,648	45,027
<b>Total reserves</b>			2,554,452	2,296,688

**General reserve**

The general reserve comprises allocations made by Council for the purpose of funding major medium term expenditure initiatives and future commitments that relate to the unexpended portion of government grants received.

**Resort and recreation reserve**

The resort and recreation reserve is for the accumulation of developer contributions that are to be expended at a future date on recreational infrastructure.

**Contributions for carparking reserve**

The carparking reserve is for the accumulation of developer contributions that are to be expended at a future date on improved carparking facilities.

**Contributions for C13 infrastructure reserve**

The C13 infrastructure reserve is for the accumulation of developer contributions that are to be expended at a future date on specific infrastructure. See Note 4.7 for further information.



**8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)**

	\$'000	
	2018	2017
Surplus/(deficit) for the year	7,170	33,644
Depreciation/amortisation	23,417	22,527
(Profit)/loss on disposal of property, infrastructure, plant and equipment	6,437	1,611
Contributions - non-monetary assets	(222)	(20,601)
Other	995	(4,174)
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(2,376)	(927)
(Increase)/decrease in prepayments	(1,103)	5,698
(Increase)/decrease in accrued income	(269)	189
Increase/(decrease) in trade and other payables	1,269	653
(Decrease)/increase in other liabilities	640	(122)
Increase/(decrease) in provisions	(1,977)	3,669
<b>Net cash provided by operating activities</b>	<b>33,981</b>	<b>42,167</b>

### 8.3 Superannuation

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

#### Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5 per cent as required under Superannuation Guarantee legislation).

#### Defined Benefit

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

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

#### Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2017, an interim actuarial investigation was held, as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1 per cent. To determine the VBI, the Fund Actuary used the following long term assumptions:

- Net investment returns  
6.5 per cent pa
- Salary information  
3.5 per cent pa
- Price inflation (CPI)  
2.5 per cent pa.

Vision Super has reported that the estimated VBI at 30 June 2018 was 106.0 per cent. The VBI is to be used as the primary funding indicator. Because the VBI was above 100 per cent, the 2017 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

#### Employer contributions

##### Regular contributions

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5 per cent of members' salaries (9.5 per cent in 2016/2017). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

##### Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160, and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97 per cent.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound up, the defined benefit obligations of that employer will be transferred to that employer's successor.

### **2017 triennial actuarial investigation surplus amounts**

The Fund's interim actuarial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$69.8 million
- A total service liability surplus of \$193.5 million
- A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the Fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2017 VBI during August 2017.

### **2018 interim actuarial investigation**

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

# Glossary

Item	Explanation
<b>Accrual accounting</b>	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
<b>Accumulated surplus</b>	The value of all net assets accumulated over time.
<b>AIFRS</b>	Australian equivalents to International Financial Reporting Standards.
<b>Asset expansion expenditure</b>	Expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to beneficiaries.
<b>Asset renewal expenditure</b>	Expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
<b>Asset upgrade expenditure</b>	Expenditure that: (a) enhances an existing asset to provide a higher level of service, or (b) increases the life of the asset beyond its original life.
<b>Assets</b>	Future economic benefits controlled by Council as a result of past transactions or other past events.
<b>Bad and doubtful debts</b>	Bad debts written off and the movement in the bad debt provision for infringement debtors and sundry debtors.
<b>Balance sheet</b>	A quantitative summary of Council's financial condition at 30 June, including assets, liabilities and net equity.
<b>Borrowing costs</b>	Interest paid on borrowings.
<b>Capital expenditure</b>	Capital expenditure is relatively large (material) expenditure that produces economic benefits expected to last for more than 12 months. A pre-determined 'threshold' may be used, which indicates the level of expenditure deemed to be material in accordance with Council's policy. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and upgrade expenditures, the total project cost needs to be allocated accordingly.
<b>Cash and cash equivalents</b>	Cash and investments readily convertible to cash, including cash on hand, cash held in the bank, deposits at call and highly liquid investments.
<b>Contributions</b>	Contributions received by Council are received for the purpose of providing and improving public open space, provision/improvement of the drainage system and in relation to specific projects.
<b>Comprehensive Income Statement</b>	A financial statement highlighting the accounting surplus or deficit that highlights whether Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation expenditure. It also includes other comprehensive income items, including net asset revaluation increment (decrement reversal) and share of other comprehensive income of associates and joint ventures accounted for by the equity method, to arrive at a 'comprehensive result'. The comprehensive result equates to the movement in net assets or total equity.
<b>Current assets</b>	Assets where Council expects to receive the future economic benefit within the next 12 months unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Item	Explanation
<b>Current liabilities</b>	Liabilities where Council expects to fulfil its obligation within the next 12 months unless Council does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date.
<b>Depreciation</b>	An expense that recognises the value of a fixed asset as it is used up over time.
<b>Employee benefits</b>	Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax, WorkCover and redundancy payments.
<b>Equity</b>	The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.
<b>Expense</b>	An outgoing payment made by Council.
<b>Financing activities</b>	Financing activities means those activities that relate to changing the size and composition of the financial structure of the entity, including equity and borrowings not falling within the definition of cash.
<b>Fixed assets</b>	See Property, infrastructure, plant and equipment.
<b>Grants – non-recurrent</b>	Grant income received for a 'one off' specific purpose, generally for a particular project.
<b>Grants – recurrent</b>	Grant income received on a regular basis (such as quarterly, annually) and granted to Council by another entity for specific or general purposes.
<b>Income</b>	Income is the amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
<b>Infrastructure</b>	Non-current property, plant and equipment, excluding land.
<b>Interest</b>	Includes interest earned on all cash and investment balances, interest earned on rates and unrealised gains on managed fund investments.
<b>Interest bearing loans and borrowings</b>	Council's borrowings.
<b>Investing activities</b>	Investing activities means those activities that relate to acquisition and disposal of non-current assets, including property, plant and equipment, and other productive assets, and investments not falling within the definition of cash.
<b>Liabilities</b>	Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.
<b>Materials and administrative costs</b>	Expenditure incurred in relation to building maintenance, general maintenance, plant and equipment maintenance, office and administration, insurance, registration and Metropolitan Fire Brigade levy, financial and legal costs, and information technology costs.
<b>Changes in equity for the period</b>	The net movement in the net surplus (deficit) and asset revaluation increments (decrements). This is also equal to the change in net assets.
<b>Net asset revaluation increment (decrement)</b>	This represents the increase (decrease) between the old valuation and new valuation of property and infrastructure asset classes that were revalued during the year.
<b>Net assets</b>	The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.

Item	Explanation
<b>Net gain (loss) on disposal of property, plant and equipment, infrastructure</b>	The net of income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year.
<b>New asset expenditure</b>	Expenditure that creates a new asset that provides a service that does not currently exist.
<b>Non-current assets</b>	Assets where the future economic benefit is not expected to be received within the next 12 months or where the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
<b>Non-current assets classified as held for sale</b>	Non-current assets that Council intends to sell within the next 12 months.
<b>Non-recurrent grants</b>	Means a grant obtained on the condition that it is expended in a specified manner and is not expected to be received again during the period covered by a Council's Strategic Resource Plan.
<b>Non-current liabilities</b>	Liabilities where the obligation is not expected to be fulfilled within the next 12 months or where Council has a right to defer settlement of the liability for at least 12 months after reporting date.
<b>Other expenses</b>	Includes auditors' remuneration, Councillors' allowances, operating lease rentals, impairment losses, community grants and contributions, training and professional development expenditure, contract settlement expenditure and expenditure incurred in relation to special rate schemes.
<b>Other income</b>	Income received from donations, insurance recoveries, craft markets, festivals, local laws, right-of-way sales, transport and other sources.
<b>Prepayments</b>	Payments made by Council in advance of receiving the goods or services.
<b>Property, infrastructure, plant and equipment</b>	Often referred to as Fixed Assets. This is the largest component of Council's asset base or worth. This represents the value of all land, buildings, roads, footpaths, drains, bridges, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
<b>Provisions</b>	Includes accrued long service leave, annual leave, sick leave and rostered days off owing to employees at reporting date.
<b>Rate and charges</b>	Income received from ratepayers in relation to general rates, garbage rates and special rate schemes.
<b>Recurrent grant</b>	A grant other than a non-recurrent grant.
<b>Reserves</b>	Includes the asset revaluation reserve, which includes the net revaluation increments and decrements arising from the revaluation of fixed assets in accordance with AASB 1041 'Revaluation of Non-Current Assets'. Other reserves include statutory reserves such as resort and recreation, and carpark and general reserves where money is held in reserve for specific projects.
<b>Restricted cash</b>	Cash and cash equivalents, within the meaning of AAS, that are not available for use other than a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.
<b>Right-of-way</b>	Former laneway no longer required for access to surrounding properties.
<b>Share of net profits (losses) of associates and joint ventures</b>	Council's share of the net profit/loss recognised in its joint venture partnerships.
<b>Statement of capital works</b>	Means a statement that shows all capital expenditure of a council in relation to non-current assets and asset expenditure type.



Item	Explanation
<b>Statement of cash flows</b>	The statement of cash flows shows the net cash inflows and outflows in the forthcoming year in the form of a reconciliation between the opening and closing balances of total cash and investments for the year. The cash flow statement should be prepared in accordance with the requirements of AASB 107 Statement of Cash Flows.
<b>Statement of changes in equity</b>	The statement of changes in equity shows the movement in accumulated surplus and reserves for the year. The net movement in the net surplus (deficit) and asset revaluation increments (decrements). This is also equal to the change in net assets.
<b>Statutory fees and fines</b>	Includes parking infringements and costs, PERIN court recoveries, town planning fees, land information certificates, and trader parking and street furniture permits.
<b>Statutory reserves</b>	Statutory reserves are funds set aside for specified statutory purposes in accordance with various legislative requirements. These reserves are not available for other purposes.
<b>Strategic Resource Plan</b>	Means the Strategic Resource Plan prepared by Council under Section 126 of the Act.
<b>Surplus (deficit)</b>	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
<b>Trade and other payables</b>	Monies owed by Council to other entities/individuals.
<b>Trade and other receivables</b>	Monies owed to Council by ratepayers and other parties, less provisions for doubtful debts.
<b>Trust funds and deposits</b>	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (for example Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.
<b>Unrestricted cash</b>	Unrestricted cash represents all cash and cash equivalents other than restricted cash.
<b>User fees</b>	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, child care/children's program fees, debt collection recovery charges, election fines, recreation fees, library fines and other charges, and tow-away charges.

# Performance statement

For year ended 30 June 2018

**Council is required to prepare and include a Performance Statement within its Annual Report. The Performance Statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures, together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014.**

Where applicable, the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (such as Australian Bureau of Statistics).

The Performance Statement presents the actual results for the current year, the prescribed financial performance indicators and measures, and the results forecast by Council's strategic resource plan. The **Local**

**Government (Planning and Reporting) Regulations 2014** requires explanation of any material variations in the results contained in the Performance Statement. Explanations are provided where the previous results are outside a 10 per cent materiality threshold.

The forecast figures included in the Performance Statement are those adopted by Council in its Strategic Resource Plan on 21 June 2017, and forms part of the Council Plan 2017-27. The Strategic Resource Plan includes estimates based on key

assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term.

Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained from the Council website at: [http://www.portphillip.vic.gov.au/council\\_plan\\_budget.htm](http://www.portphillip.vic.gov.au/council_plan_budget.htm)

## About the City of Port Phillip

The City of Port Phillip is located south of Melbourne's city centre on the northern shore of Port Phillip Bay. The foreshore stretches over 11 kilometres. A network of public open spaces makes the City a desirable place for residents and visitors to enjoy. Significant employment areas within Port Phillip include the St Kilda Road office district, and the industrial, warehousing and manufacturing districts in South Melbourne, Port Melbourne and Fishermans Bend.

The City of Port Phillip is one of the smallest and most densely populated municipalities in Victoria, covering an area of 20.6 kilometres and being home to 110,397 people. Our population will continue to grow with Fishermans Bend expecting to be home to around 80,000 residents and provide jobs for 60,000 over the next four decades.

# Sustainable capacity indicators

For the year ended 30 June 2018

Service / indicator / measure				Result
	2015	2016	2017	2018
<b>Population</b>				
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,701.51	\$1,737.12	\$1,818.52	<b>\$1,960.69</b>
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$5,516.95	\$5,528.54	\$5,739.61	<b>\$5,659.57</b>
Population density per length of road [Municipal population / Kilometres of local roads]	388.32	396.77	401.75	<b>416.59</b>
<b>Own-source revenue</b>				
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,573.38	\$1,668.41	\$1,730.46	<b>\$1,785.99</b>
<b>Recurrent grants</b>				
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$111.46	\$85.52	\$110.68	<b>\$100.75</b>
<b>Material variation explanation</b>				
<b>Disadvantage</b>				
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	10.00	10.00	10.00	<b>10.00</b>

## Definitions

“**adjusted underlying revenue**” means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

“**infrastructure**” means non-current property, plant and equipment excluding land

“**local road**” means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

“**population**” means the resident population estimated by council

“**own-source revenue**” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

“**relative socio-economic disadvantage**”, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

“**SEIFA**” means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

“**unrestricted cash**” means all cash and cash equivalents other than restricted cash.

# Service performance indicators

For the year ended 30 June 2018

Service / indicator / measure				Result
	2015	2016	2017	2018
<b>Animal Management</b>				
<b>Health and safety</b>	4	5	2	<b>6</b>
Animal management prosecutions [Number of successful animal management prosecutions]				
<b>Material variation explanation</b>	Successful animal management prosecutions have increased compared with 2016/17 and returned to consistent levels in 2014/15 and 2015/16. This reflects an increase in proactive action from our animal management service.			
<b>Food Safety</b>				
<b>Health and safety</b>	95.55 %	99.11 %	99.28 %	<b>100.00 %</b>
Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100				
<b>Governance</b>				
<b>Satisfaction</b>	60	59	57	<b>57</b>
Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]				
<b>Home and Community Care (HACC)</b>				
<b>Participation</b>	22.22 %	20.2 %	Reporting ceased 1 July 2016	<b>Reporting ceased 1 July 2016</b>
Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100				
<b>Explanation</b>	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.			
<b>Participation</b>	16.79 %	14.7 %	Reporting ceased 1 July 2016	<b>Reporting ceased 1 July 2016</b>
Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100				
<b>Explanation</b>	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.			
<b>Libraries</b>				
<b>Participation</b>	20.14 %	19.4 %	19.21 %	<b>20.39 %</b>
Active library members [Number of active library members / Municipal population] x100				

Service / indicator / measure				Result
	2015	2016	2017	2018
<b>Maternal and Child Health (MCH)</b>				
<b>Participation</b>	83.55 %	84.2 %	82.89 %	<b>84.80 %</b>
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100				
<b>Participation</b>	69.05 %	87.2 %	84.48 %	<b>94.74 %</b>
Participation in the MCH service by Aboriginal children Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100				
<b>Material variation explanation</b>				
During the year we transitioned to a new statewide Child Development Information System (CDIS) that resulted in more accurate data, reduced duplication and targeted appointment reminders, which has improved participation.				
<b>Roads</b>				
<b>Satisfaction</b>	73	70	70	<b>67</b>
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]				
<b>Statutory Planning</b>				
<b>Decision making</b>	73.08 %	70.91 %	70.00 %	<b>61.04 %</b>
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100				
<b>Material variation explanation</b>				
The overall result has decreased; however, when we include mediated and withdrawn outcomes, Council decisions upheld at VCAT is 83.3 per cent, which is a minor increase from last year.				
<b>Waste Collection</b>				
<b>Waste diversion</b>	34.5 %	34.1 %	32.94 %	<b>31.71 %</b>
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100				



## Definitions

**"Aboriginal child"** means a child who is an Aboriginal person

**"Aboriginal person"** has the same meaning as in the Aboriginal Heritage Act 2006

**"active library member"** means a member of a library who has borrowed a book from the library

**"annual report"** means an annual report prepared by a council under sections 131, 132 and 133 of the Act

**"CALD"** means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

**"class 1 food premises"** means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act

**"class 2 food premises"** means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act

**"Community Care Common Standards"** means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth Government

**"critical non-compliance outcome notification"** means a notification received by Council under section 19N(3) or (4) of the Food Act 1984, or advice given to Council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health

**"food premises"** has the same meaning as in the Food Act 1984

**"HACC program"** means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth Government

**"HACC service"** means home help, personal care or community respite provided under the HACC program

**"local road"** means a sealed or unsealed road for which Council is the responsible road authority under the Road Management Act 2004

**"major non-compliance outcome notification"** means a notification received by Council under section 19N(3) or (4) of the Food Act 1984, or advice given to Council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

**"MCH"** means the Maternal and Child Health Service provided by Council to support the health and development of children within the municipality from birth until school age

**"population"** means the resident population estimated by Council

**"target population"** has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth Government

**"WorkSafe reportable aquatic facility safety incident"** means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

# Financial performance indicators

For the year ended 30 June 2018

Service / indicator / measure	Result				Forecast			
	2015	2016	2017	2018	2019	2020	2021	2022
<b>Efficiency</b>								
<b>Revenue level</b>	\$1,359.31	\$1,434.05	\$1,429.76	<b>\$1,502.47</b>	\$1,582.81	\$1,620.92	\$1,660.95	\$1,701.12
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]								
<b>Expenditure level</b>	\$2,623.49	\$2,619.67	\$2,798.66	<b>\$3,006.31</b>	\$3,061.38	\$3,044.03	\$3,011.70	\$2,987.97
Expenses per property assessment [Total expenses / Number of property assessments]								
<b>Workforce turnover</b>	9.95 %	10.43 %	10.00 %	<b>11.75 %</b>	10.03 %	10.03 %	10.03 %	10.03 %
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100								
<b>Material variation explanation</b>	This result is in line with our expectations of turnover in an organisation with over 840 employees.							
<b>Liquidity</b>								
<b>Working capital</b>	220.88 %	243.22 %	231.65 %	<b>265.45 %</b>	216.03 %	167.29 %	142.91 %	173.53 %
Current assets compared to current liabilities [Current assets / Current liabilities] x100								
<b>Material variation explanation</b>	Council can comfortably meet its short term financial commitments. The increased ratio is largely driven by cash and cash equivalents balances increasing by \$10 million from the prior year. This is mainly due to the delivery of the 2017/18 capital works program not meeting forecast expectations. In addition, the early receipt of the first instalment of the 2018/19 Victorian Grants Commission grant, as well as increased rates revenue and developer contributions, has increased cash holdings. In future years, Council will continue to meet its short term commitments; however, the ratio is expected to decline as cash balances reduce as a result of increased capital works and operating projects.							
<b>Unrestricted cash</b>	15.35 %	-10.44 %	-41.14 %	<b>-50.19 %</b>	92.61 %	50.86 %	46.40 %	67.73 %
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100								
<b>Material variation explanation</b>	Council's unrestricted cash has decreased to -50.19 per cent due to an increase in funds being held in longer term investments, including current financial assets. Council has \$84.74 million of cash and other financial assets (investments) with \$19.56 million of this restricted, placing Council in a strong position to meet its financial obligations, which is reflected in the working capital ratio. Restricted cash has increased from prior year due to more funds required to be remitted for the fire services levy, higher funds required to fund carried over capital works, and additional funds held in reserve. In future years Council expects this ratio to improve as more funds are held in short term investments to meet the requirements to fund ongoing capital works.							

Service / indicator / measure	Result				Forecast			
	2015	2016	2017	2018	2019	2020	2021	2022
<b>Obligations</b>								
<b>Asset renewal</b>	73.23%	71.91%	91.98%	<b>57.58%</b>	77.44%	77.03%	75.95%	77.54%
Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100								
<b>Material variation explanation</b>								
Lower than expected spend on the 2017/18 capital works program in infrastructure, most notably buildings, roads and parks assets, during the financial year has resulted in a decrease in this ratio. Several significant projects have been deferred and will be completed in future years, which will see an improvement in expenditure on asset renewal going forward.								
<b>Loans and borrowings</b>								
Loans and borrowings compared to rates	8.47%	8.02%	7.47%	<b>6.79%</b>	6.94%	6.67%	6.39%	6.12%
[Interest bearing loans and borrowings / Rate revenue] x100								
Loans and borrowings repayments compared to rates	0.97%	0.98%	0.92%	<b>0.82%</b>	0.90%	0.90%	0.86%	6.20%
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100								
<b>Material variation explanation</b>								
This result has improved from prior year, as Council has continued to repay its loan liabilities reducing the balance outstanding, while rates income has increased. In addition, during the financial year several vehicles subject to loans were considered to be impaired and their value written down, resulting in a reduction to the loan liability.								
<b>Indebtedness</b>	6.65%	6.40%	5.85%	<b>5.25%</b>	5.49%	5.33%	1.70%	5.06%
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100								
<b>Material variation explanation</b>								
This result has improved from prior years due to a decline in non-current liabilities as a result of the repayment of loans over the financial year, coupled with growth across all revenue streams in particular user fees, contributions and other income, which was driven by the change in accounting treatment for subsidised leases.								
<b>Operating position</b>								
<b>Adjusted underlying result</b>	-0.64%	1.03%	1.25%	<b>-3.34%</b>	-4.58%	-1.55%	1.34%	3.68%
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100								
<b>Material variation explanation</b>								
As forecast, this result has decreased from prior year, primarily due to the one-off \$8.85 million cash contribution the Victorian Pride Centre, and \$2.6 million of operating costs for the Ferrars Street Community and Education Precinct works. Higher than anticipated revenue from user fees, grants and other income has kept the negative result to -3.36 per cent in comparison to the budgeted -9.28 per cent. We expect negative results in future years due to Council's investment in technology, with improvement from 2020/21.								

Service / indicator / measure	Result				Forecast			
	2015	2016	2017	2018	2019	2020	2021	2022
<b>Stability</b>								
<b>Rates concentration</b>	60.23 %	61.21 %	58.67 %	<b>57.51 %</b>	59.26 %	59.14 %	59.62 %	60.23 %
Rates compared to adjusted underlying revenue								
[Rate revenue / Adjusted underlying revenue] x100								
<b>Rates effort</b>	0.22 %	0.23 %	0.20 %	<b>0.20 %</b>	0.17 %	0.17 %	0.17 %	0.17 %
Rates compared to property values								
[Rate revenue / Capital improved value of rateable properties in the municipality] x100								

## Definitions

**“adjusted underlying revenue”** means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

**“adjusted underlying surplus (or deficit)”** means adjusted underlying revenue less total expenditure

**“asset renewal expenditure”** means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

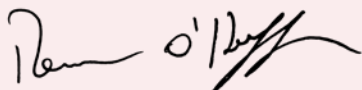
**“current assets”** has the same meaning as in the AAS (Australian Accounting Standards)

**“current liabilities”** has the same meaning as in the AAS (Australian Accounting Standards)

**“non-current assets”** means all assets other than current assets

# Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the **Local Government Act 1989**, the **Local Government (Planning and Reporting) Regulations 2014**.



**Dennis O'Keeffe CA**  
Principal Accounting Officer

12 September 2018  
St Kilda

In our opinion, the accompanying performance statement of the City of Port Phillip for the year ended 30 June 2018 presents fairly the results of Council's performance in accordance with the **Local Government Act 1989**, the **Local Government (Planning and Reporting) Regulations 2014**.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

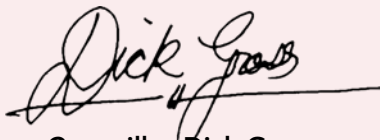
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the **Local Government (Planning and Reporting) Regulations 2014** to certify this performance statement in its final form.



**Councillor Bernadene Voss**  
Mayor  
City of Port Phillip

12 September 2018  
St Kilda



**Councillor Dick Gross**  
Deputy Mayor

12 September 2018  
St Kilda



**Peter Smith**  
Chief Executive Officer

12 September 2018  
St Kilda

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

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