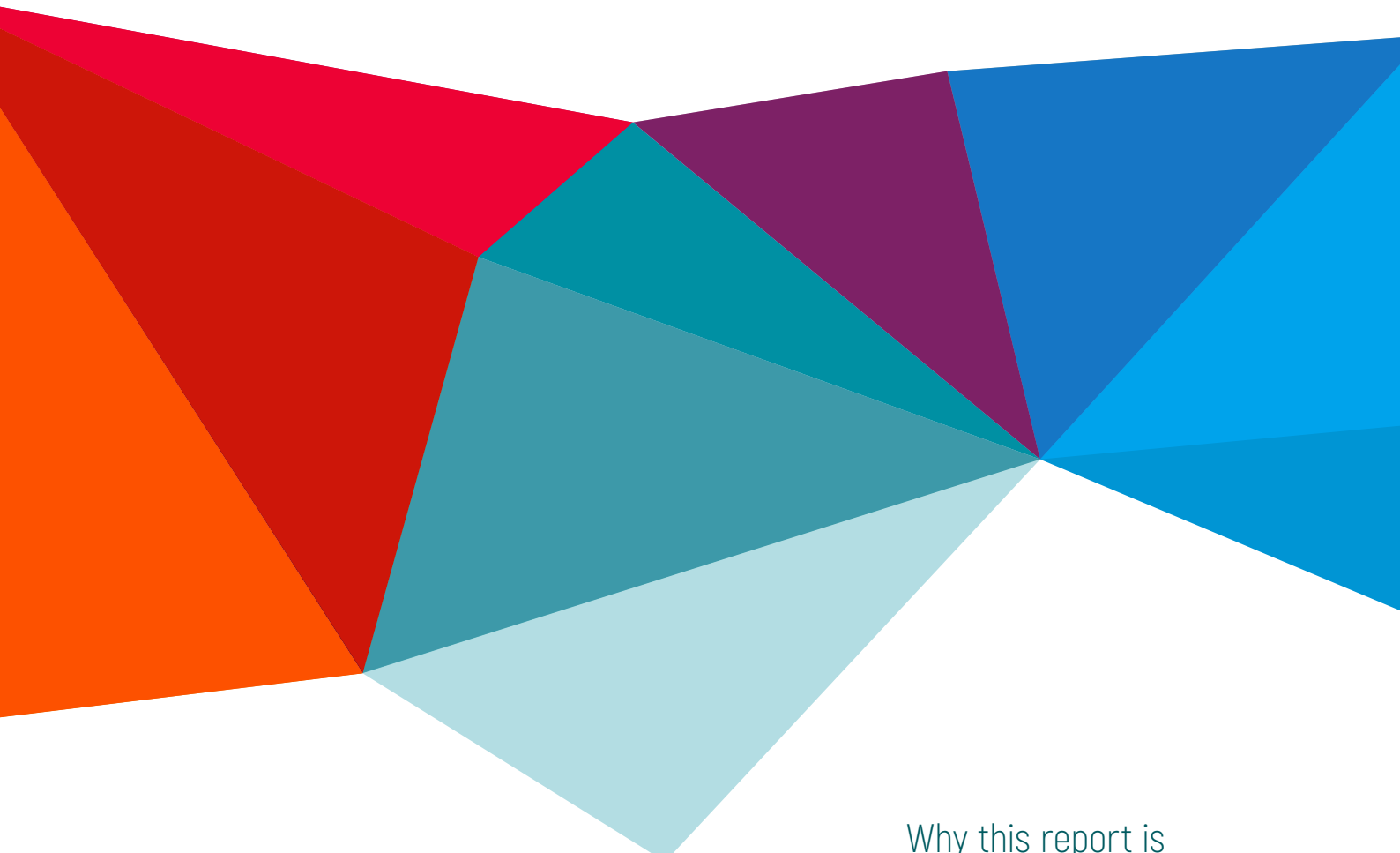




*We are liveable. inviting.
beautiful. caring. bold. real.*





Why this report is different

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 on the City of Port Phillip website at portphillip.vic.gov.au

If you prefer a printed version, copies are available for review at our town halls and libraries. Alternatively, please contact Council using the contact details provided on the rear cover of this report.

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 based on historic information which is likely to change.

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

Cover photo

Performers at Yaluk-ut Weelam Ngargee family festival.

© Wayne Quilliam Photography

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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

Street art replaces tagging on utilities along Fitzroy Street.

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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.

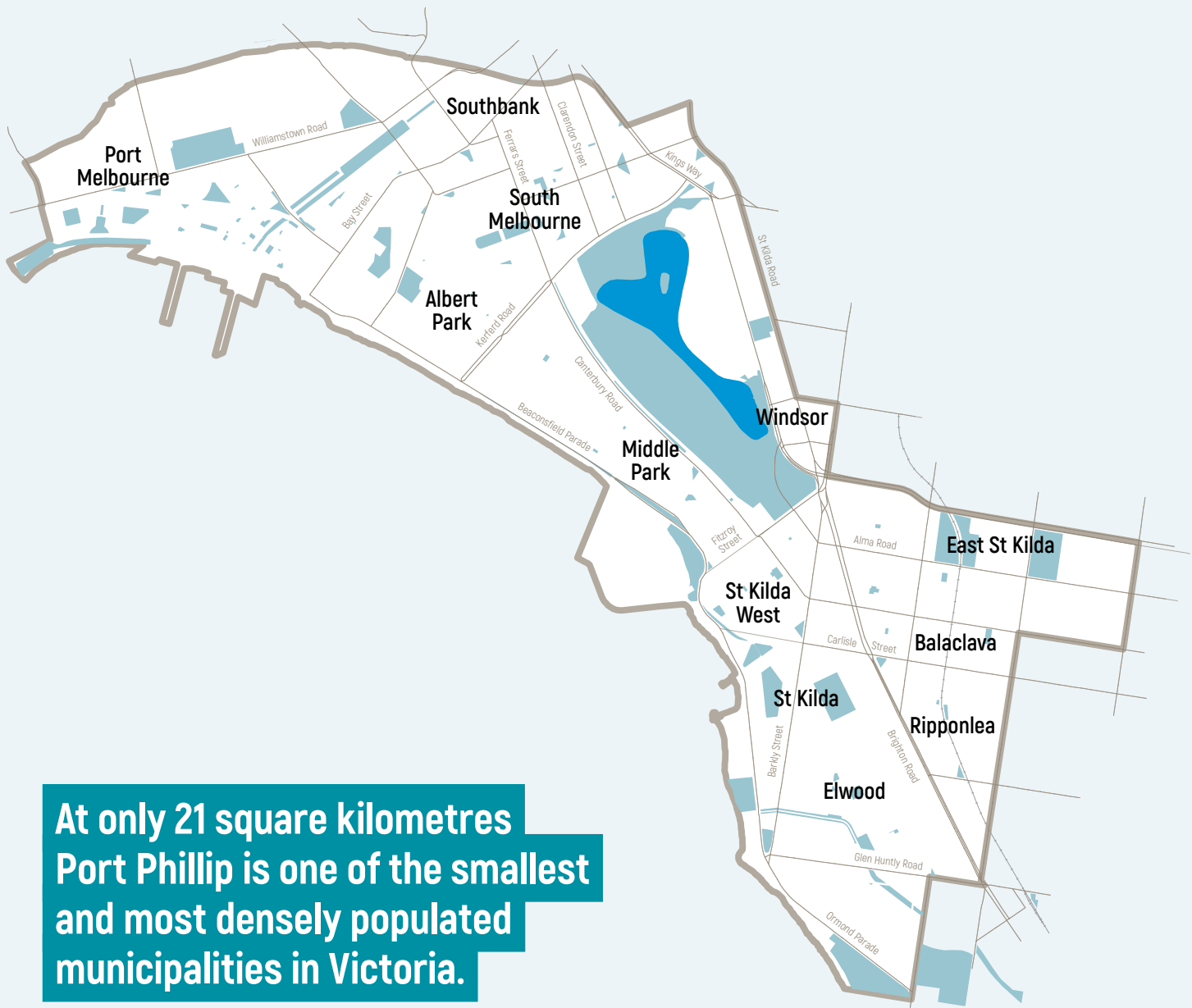
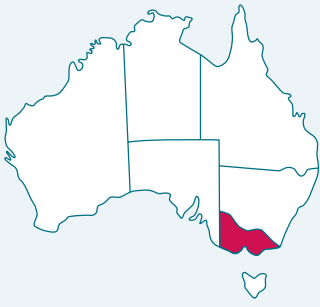
Nearly three million visitors are attracted to our City each year, enjoying vibrant villages, beautiful beaches and local festivals, and making it one of the most visited places in metropolitan Melbourne. The foreshore stretches over 11 kilometres, and a network of public open spaces makes the City a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

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

Area	Foreshore length	Population	Car ownership	Renters	Born overseas
21km²	11km	113k	72%	49%	31%



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

A snapshot of our community

Port Phillip has a diverse community. It is estimated that in 2018 more than 113,200 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.

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

Despite many families living in Port Phillip, the average household size is small 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 get to work, while 26 per cent of residents use public transport, seven per cent walk and four per cent ride bikes.

Over 30 per cent of our residents were born overseas, with the three highest representations being from the United Kingdom (six per cent), New Zealand (three per cent) and India (two per cent). A fifth of our residents speak a language other than English at home (21 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 Dick Gross



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

Our year in review

Climate and waste

Globally there has been increasing activity around the climate emergency and our proactive approach, including our **Don't Waste It! - Waste Management Strategy 2018-28**, is timely. It is the blueprint to ensure a sustained reduction in waste in Port Phillip.

Waste, and how we handle it, affects our community with financial costs for collection and disposal of waste. Waste that is incorrectly disposed of - such as illegal dumping of waste in our municipality - can have broader health implications on the environment and our people - including water and soil pollution.

Earlier this year, when we were first unable to send recyclables to SKM for processing for a period of more than two weeks, we were forced to send 658 tonnes of recyclables to landfill, costing \$79,000. We were subsequently reimbursed as part of our contract, but cost recovery going forward is less clear.

We led the call on the Victorian Government to hold an urgent roundtable with the Municipal Association of Victoria and councils to develop an action plan to future proof the recycling sector.

Positively, the Victorian Government is now researching the transformation of Victoria to a circular economy and our Officers made a submission in response to the Victorian 'Circular Economy' discussion paper, advocating for leadership and certainty within the waste and recycling industry.

A circular economy seeks to continually reduce the environmental impacts of production and consumption and gain more productive use from natural resources. The shift to a circular economy in Europe is expected to add €900 billion (\$A1.4 trillion) to the region's economy and create an extra three million jobs by 2030.

(Source: Ellen MacArthur Foundation, Growth within: A circular economy vision for a competitive Europe. 2015).

Kerbside recycling services are expected to be back on track by early October 2019. In the meantime, our Resource Recovery Centre has been accepting recyclable waste for processing by other recycling facilities. As a self confessed waste nut - having led and served on a number of waste management committees and policy reform bodies - I encourage you to make use of the drop off facilities in South Melbourne.

Reducing contamination in recyclables is important because contamination costs us all more. Information on what items can be recycled is available on our website portphillip.vic.gov.au

Delivering on our commitments

Sustainable environment

The **Act and Adapt - Sustainable Environment Strategy 2018-28** - transforming our waste and water management - is another demonstration of our proactive approach.

“Waste, and how we handle it, affects our community with financial costs for collection and disposal of waste. Waste that is incorrectly disposed of - such as illegal dumping of waste in our municipality - can have broader health implications on the environment and our people - including water and soil pollution.”

Positive results include the continued installation of solar panels on the roof of South Melbourne Market; replacement of heaters at South Melbourne Market and air-conditioning at Middle Park Community Centre; and the Draft Elster Creek Catchment Flood Management Plan - distributed to key stakeholders for review.

We continue to engage and partner with our Port Phillip community and over the past 12 months have delivered a new leadership program ‘Enviro Champs’ to support community members to deliver their own sustainability projects individually or in groups. So far 35 participants have designed eight projects which are now underway.

Another great initiative is the launch of the Smart Solutions for Community Services Program which provided intensive support to five local not-for-profit organisations to support them to make changes that will reduce greenhouse gas emissions and save money that can be redirected to community programs.

The award winning ‘Seedlings’ program continues with data demonstrating significant decreases in electricity, gas and water use due to changes in behaviour and infrastructure. There are 11 participating Early Childhood Education and Care Services and they are supported to reduce their water, energy and waste and to embed sustainability into their curriculum.

We’re eagerly awaiting the Alma Park Stormwater Harvesting System to swing into full operation. The system diverts pollutants from our bay and yields around 17 megalitres of storm water per year to irrigate the park.

Transport and parking

Transforming transport and parking within Port Phillip, Council’s **Move, Connect, Live - Integrated Transport Strategy 2018-28**, is another area where we have seen encouraging progress this year.

We continue to engage with the Department of Transport on the changes to the public transport network, including changes along St Kilda Road and the new Domain interchange. We will see some significant advancement in this area over the coming 12 months, including progress on the construction of ANZAC station.

Over the past year, we commenced parking fee trials in Fitzroy Street, St Kilda; Waterfront Place, Port Melbourne; and Elwood Foreshore and removed 10 minute free parking in South Melbourne; and have endorsed implementation of new parking controls in areas of Fishermans Bend.

We completed construction of Garden City Shared Bike Path, and the footpath renewal at Swallow Street between Princes Street and Light rail, and Evans Street between Swallow Street and Graham Street.

Among our many achievements, more highlights include:

In the coming year, we will see more progress as the Fishermans Bend Precinct Plans continue rolling out - to maximise outcomes for current and future Port Phillip residents. I am proud of the consistent achievements of the City of Port Phillip and look forward to the continued work and improvements.

It is an exciting time to live and work in the City of Port Phillip!



Councillor Dick Gross

Mayor
City of Port Phillip

CEO's overview

Peter Smith



I would like to thank all those who contributed to delivering on the Council agenda this year. We have delivered progress on Council priorities and continue to plan for the future growth of Port Phillip.

The City of Port Phillip is growing at a rapid rate, with a forecast population growth of approximately two per cent each year, over the next 10 years. This growth rate will have significant impacts on Council's service delivery standards and resourcing. Planning for this significant expansion is critical to ensure new residents experience the quality of life that current residents experience, and that growth does not negatively impact our existing residents.

During the previous year, we established many strategic elements of our Council Plan. This year we've built upon those solid foundations and have positioned Council to make a lasting difference, so Port Phillip continues to be the beautiful, liveable, caring, inviting, bold and real place people know and love.

A few of the key highlights:

- Significant progress on the Domain Precinct Master Plan which will create more green spaces, easier access to public transport, parking and community-centric places
- Several upgrades and redevelopments to our public spaces including the Peanut Farm Reserve, Kirrip Park, North Port Oval and the widening of the Moray Street bike lane
- A new stormwater harvesting system at Alma Park that diverts pollutants from our bay and yields
 - around 17 megalitres of storm water per year to irrigate the park
- A very special NAIDOC Week celebration with the presentation of a boomerang that was found in our City over 80 years ago being returned to its traditional owners
- Opening of Rainbow Road on Jackson Street - a colourful and symbolic testament to our support and commitment to the LGBTIQ community
- Establishing the St Kilda Marina site brief and future planning controls so this iconic landmark continues to meet the needs of our growing City
- Progress on the Fishermans Bend Framework and precinct plans:
 - Streetscape works were completed along Douglas Street, Ferrars Street and Railway Place
 - Engagement on precinct planning commenced in June
 - Council continues to work with the Victorian Government to ensure best outcomes for the area and our community and the Victorian Government budget included funding for the tram, secondary school and a new hospital.
- Working collaboratively with our community in Fitzroy Street, South Melbourne and Waterfront Place, through the placemaking process, we:
 - understand how these places are currently used
 - learn what aspirations the community has for the future of these places
 - work together with the community to test and trial different initiatives to realise this vision.
- Offering special outdoor dining permit rates to make it easier and affordable for local businesses to innovate and offering new options for customers helps bolster the vibrant atmosphere our City is famous for
- Another successful summer management program where community members were encouraged to 'play your part'. Crowds were well behaved over the busy holiday period and we saw a 20 per cent reduction in rubbish and litter compared to last year.

Community is at the heart of everything we do and we look forward to continuing to improve service provision to our community.

Peter Smith
Chief Executive Officer

The Domain Precinct Master Plan will create more green spaces, easier access to public transport, parking and community-centric places



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, and shapes 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 2018 estimate of 113,200 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.

Council declared a Climate Emergency at the Council Meeting 18 September 2019.

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.

Managing congestion and parking as our City grows will only be possible by making other means of travel easier.



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, 10 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 at portphillip.vic.gov.au

We will deliver our vision through six directions:

We embrace difference, and people belong

We are connected and it's easy to move around

We have smart solutions for a sustainable future

We are growing and keeping our character

We thrive by harnessing creativity

Our commitment to you

Delivering our 2027 vision

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

More information on Performance Reporting is available at portphillip.vic.gov.au

Integrated planning and delivery framework



Engaging and reporting on the Council Plan 2017-27



Positive results include the continued installation of solar panels on the roof of the South Melbourne Market



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The year in review

July 2018

NAIDOC Week

Celebrated NAIDOC week with flag raising and smoking ceremony at the St Kilda Town Hall.

August 2018

Rainbow Road opening

Officially opened the 35-metre rainbow flag at Jackson Street, St Kilda. With hundreds of people attending and celebrating the arrival of the powerful symbol of diversity and inclusion.

Live N Local

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.

September 2018

Car share bay installation

First two car share bays were installed in Fishermans Bend, taking the total number of car share vehicles to 183.



October 2018

Seniors Festival

Hosted our annual Seniors Festival with events taking place across the City, ranging from the Mirror Ball Disco Dance, Port Phillip Writes: Seniors Festival Awards and Pinaroo Village Festival.

Ride2Work Day and Tour de Cecil

Led local Ride2Work Day celebrations with Tour de Cecil including a French-themed breakfast at South Melbourne Market, a pedal-powered cinema, bike storytime, bike confidence courses and shop-by-bike day.

Fishermans Bend's first new park

Officially opened Kirrip Park, the first open space in Fishermans Bend. The 9,000 square metre park was a joint project between the City of Port Phillip and the Victorian Government.

November 2018

Mayoral election

Councillor Dick Gross was elected Mayor, after a 14-year break from the role and Councillor Louise Crawford elected Deputy Mayor.

Sport Phillip Launch

Provided programs across the municipality encouraging people to participate in physical activities, with a new program every two months.

Melbourne Renewable Energy project

Construction commenced on the wind farm near Ararat, creating 140 jobs during construction, eight ongoing jobs, and new opportunities for local businesses in regional Victoria.

Summer in the City campaign launch

Called for everyone to play their part in keeping the City clean and safe over the busy summer months.

December 2018

CCTV launch on St Kilda foreshore

Launched community safety measures, including a CCTV system on the St Kilda foreshore.



January 2019

Twilight markets

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

Welcomed 100 new citizens from 31 countries to Port Phillip as part of our annual Australia Day celebrations.

Pride March

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

February 2019

Council Plan engagement

Engaged with our community on the development of the Council Plan 2017-27 and Budget 2018/19.

St Kilda Festival

Australia's largest community festival, a celebration of community spirit, live local music and the beautiful St Kilda foreshore. With 12 hours of programming, 50 scheduled performances and over 400,000 people in attendance.

Lunar New Year at South Melbourne Market

Celebrated year of the pig for the Lunar New Year with lion dancers spreading good fortune and happiness to all in attendance.

March 2019

Mussel and Jazz Festival at South Melbourne Market

The annual festival was held at South Melbourne Market with piping hot mussel paella, sangria, wok cooked drunken mussels and craft beer, and artisanal ice cream and fun for the kids.

Ride2School Day

Supported nearly 3,000 students across 11 local schools to participate in Ride2School Day.

Neighbourhood Ngargee Season

The Neighbourhood Ngargee (gathering) program closed after another successful season with 23 gatherings across five neighbourhoods.

Cultural diversity week

Celebrated people from 163 countries who speak 114 different languages that call Port Phillip home.



April 2018

Premier's Active April

Organised 12 programs as part of the Premier's Active April for people of all fitness levels to take part in and enjoy.

Anti-graffiti murals in Elwood

Interrupting the cycle of graffiti Council has engaged the artist 'Sugar' to paint two murals at opposite sides of the canal adjacent to John Street, Elwood.

May 2019

Trivia night

Hosted the fourth annual Friends of Suai/Covalima Trivia Night with all proceeds supporting the scholarship program in Covalima, Timor-Leste.

Reconciliation Week

Celebrated Reconciliation Week which commemorates the anniversaries of 1967 referendum and this historic High Court Mabo decision.

St Kilda Film Festival

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

June 2019

Revised Council Plan endorsed

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

Annual Homeless Memorial

Supported the Annual Homeless Memorial, which was attended by over 250 people.

North Port Oval redevelopment

Kicked off the 2019 football season on the recently refurbished North Port Oval.



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**

63%

15 out of 24
indicators

**Council Plan
service measures that
achieved target**

65%

52 out of 80
measures

**Council Plan
priorities in progress
or completed**

92%

123 out of 132
priorities



Service measure targets not achieved

Further details regarding service performance is available in Chapter four.

- Resident perception regarding whether City of Port Phillip services contribute to the overall health and wellbeing of the community
- Resident satisfaction with services that support older people and people living with disabilities
- Resident satisfaction with support services for Families, Youth and Children
- Resident satisfaction with parking management
- Resident satisfaction with transport planning policy, safety and design
- Satisfaction with sealed local roads
- Cost of animal management service (\$66.16 compared to a target of \$76.00)
- Cost of food safety service (\$591.00 compared to \$562.00)
- Satisfaction with council decisions (59, an increase from the previous year of 57)
- Library collection usage (4.31 compared to five). Over one million loans annually, with the library collection slightly lower than 2017/18
- The number of active library members decreased by 1,429 from 2017/18
- Participation in first MCH home visit has decreased (93.8 per cent compared to 100 per cent)
- Cost to Council of the MCH service was slightly over target of \$75.00. A high level of MCH service is still being received
- MC4 Participation in the MCH service (74.28 per cent compared to a target of 85 per cent)
- Participation in MCH service by Aboriginal children remains at a consistent rate of 80 per cent compared to a target of 85 per cent.
- Satisfaction with sealed local roads (68 compared to a target of 70)
- Time taken to decide planning applications (78 days compared to a target of 75 days)
- Planning applications decided within 60 days (56.56 per cent compared to a target of 60 per cent)
- Cost of statutory planning service (\$3,143.78 compared to a target of \$2,200)
- Kerbside collection bins missed (3.4 compared to a target of 2.5)
- Cost of kerbside garbage bin collection service significantly reduced from 2017/18 and slightly higher of the target \$80.00
- Cost of kerbside recyclables bin collection service. The increase in cost of our recyclables collection service exceeded our target of \$36.00
- Kerbside collection waste diverted from landfill in 2019 caused a drop in the overall result compared to a target of 35 per cent
- Resident satisfaction with making Port Phillip more environmentally sustainable
- Resident satisfaction with street cleaning
- Public space community requests resolved on time
- Resident satisfaction with visitor management
- Per cent staff turnover
- Community satisfaction with advocacy
- Community time saved
- Material Legislative Breaches
- Percentage of residents that agree the website is easy to use and navigate through the sections you want.
- Outcome indicators not on track
- Residents reporting that Port Phillip is a welcoming and supportive community for everyone
- Social housing as a percentage of housing stock
- Kerbside Collection diverted from landfill
- Potable water usage
- Residents that feel a sense of safety and security in Port Phillip
- Percentage of people employed in the top five industries as a proportion of total employment in the municipality
- Residents who feel Port Phillip has a culture of creativity
- Residents who feel they have opportunities to participate in affordable local community events and activities
- Satisfaction with community consultation and engagement.

Priorities completed this year

- Invest in a long-term program of community facility upgrades to ensure they are fit for purpose and meet current and future community needs
- Increase investment in street cleaning, litter bins and equipment to improve amenity and responsiveness and investigate opportunities for further improvements to service delivery
- Use Council property assets (land and air space contributions) and 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
- 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
- Implement walking projects that create safe, high amenity walking routes and reduce barriers to people walking across arterial roads
- Develop a Parking Management Plan as part of the Integrated Transport Strategy
- Develop a heat management plan to help cool the City and reduce the impact on health
- 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
- Increase investment in street cleaning, litter bins and equipment to improve amenity and responsiveness and investigate opportunities for further improvements to service delivery
- Pursue waste innovations in Fishermans Bend
- Map the innovation and creative exosystem of the City to understand and prioritise options to address issues of affordability of space
- Connect local industry associations, including visitor and volunteer groups like the Port Melbourne Waterfront Welcomers, with the broader visitor economy.

Priorities not started

Some of the four-year priorities are not due to commence in 2019/20, these include:

- 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
- Develop a strategic plan for the St Kilda precinct, including a strategy to revitalise Fitzroy Street
- Review the Housing Strategy to ensure new residential development is well located and respects the character and heritage of established neighbourhoods
- Implement the outcomes from the review of the **Local Government Act**.

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

- Opened Rainbow Road
- Submitted application and funding proposal by HousingFirst for the Marlborough Street development
- Completed construction on the North Port Oval and Peanut Farm sports pavilions.

Strategic direction 2

We are connected and it's easy to move around

- Adopted the Move, Connect Live - Integrated Transport Strategy 2018-28
- Commenced parking fee trials in Fitzroy Street, St Kilda; Waterfront Place, Port Melbourne and Elwood Foreshore
- Undertook a parking space audit and updated our mapping system.

Strategic direction 3

We have smart solutions for a sustainable future

- Adopted the Don't Waste It! Waste Management Strategy 2018-28
- Continued working with partners to deliver the Elster Creek Action Plan
- Completed the stormwater harvesting scheme at Alma Park.

Strategic direction 4

We are growing and keeping our character

- Completed construction on the new community park in Montague (Kirrip Park)
- Completed construction of Peanut Farm path lighting
- Implemented the new summer management program.

Strategic direction 5

We thrive by harnessing creativity

- Adopted the Art and Soul - Creative and Prosperous City Strategy 2018-21 and endorsed the Art and Soul Panel
- Undertook the inaugural place audit in Fitzroy Street to help identify how the street is currently being used throughout the day
- Held place planning sessions for South Melbourne and engaged a company to run Suitcase Rummage during Spring / Summer in 2019/20.

Strategic direction 6

Our commitment to you

- Engaged business partner to commence work on the Customer Experience program
- Engaged with the community on updating the Council Plan including conducting a focus group, and intercept surveys, with over 660 completed.

Awards and third party endorsements

Charters Institute of Procurement and Supply (CIPS) Corporate Certification Standard

Procurements policies, processes and procedures achieved the Charters Institute of Procurement and Supply (CIPS) Corporate Certification Standard. One of nine organisations in Australia with or above this accreditation and are the first Local Government Agency in Australia.

Premier's Sustainability Award (Government category)

For the work undertaken to make the Melbourne Renewable Energy project a reality.

Victorian CitySwitch Award

The Melbourne Renewable Energy project partners were awarded the Victorian CitySwitch Award.

National CitySwitch Award

Following the success at the Victorian CitySwitch Awards, we were in the running for the National Awards. The project partners were announced as winners in Sydney in November.

Australasian Reporting Awards

The 2018/19 Annual Report was awarded a Gold Award in the Local Government category after meeting the criteria for the second year.

Victorian Municipal Excellence Awards (Best Council in Victoria)

Port Phillip City Council won the Victorian Municipal Excellence Award (Best Council in Victoria), awarded by the Association of Consulting Surveyors Victoria, based on a survey of their members (licensed surveyors) recognising sustained excellence in dealing with planning applications for subdivision.

Institute of Public Works Engineering Australasia (Victoria) Engineering Excellence Award

City of Port Phillip received an Engineering Excellence Award for environmental sustainability for its work in the development of Kirrip Park.



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.

North Port Oval upgrade

New AFL goal post footings, irrigation system, boundary fencing and coaches' boxes were installed; and the grounds have fresh rye grass.

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.

JL Murphy Reserve Pavilion upgrade

Existing sections of the old pavilion were demolished, the new slabs poured, structural steel framing erected, roof works and external walls were all commenced.

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.

Kirrip Park completed

Kirrip Park opened in October 2018, with a paved entrance, lawn areas, outdoor LED lighting, paths and multiple seating areas, and native garden beds.

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.

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.

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.

**South Melbourne
Community Centre
upgrades**

Building upgrades included South Melbourne Community Centre; fire sprinkler systems installed at South Melbourne Market and Coventry Street Child Care Centre; and South Melbourne Town Hall lifts upgrade.

**The Maritime Capital
Reactive works**

Beacon Cove Pier Piles project - completed repairs to 27 timber piles and building footings. South Melbourne Life Saving Club reconstruction included.

Domain Precinct

Domain Precinct project is being led by Rail Projects Victoria for the Victorian Government with impacts on parking, traffic lane closures and traffic flow changes; Council continues to advocate for optimal outcomes for our area.

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.

Linden Gallery upgrade

Included installation of a lift, extension window, DDA toilets, landscaping and replacement rollerdoor to rear laneway gate.

Peanut Farm Sports Pavilion upgrade

The Peanut Farm Sports Pavilion upgrade was completed and the building handed over to the sporting clubs in March 2019.

St Kilda Marina

St Kilda Marina project - Site Brief was completed. Community panel design process concluded in December with additional technical investigations required, delaying the project by six weeks.

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.

Balaclava Precinct Program

Carlisle St Tram Stop Upgrade was completed in July 2018.

St Kilda Library

St Kilda Library Redevelopment Strategy architectural feasibility and costing was completed.

Alma Park Stormwater Harvesting system

Construction was completed on the bioretention system, underdrainage and pump shed, including UV treatment system and waterpump.

Elwood / Ripponlea

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

Elwood Foreshore Fitness Station

Design completed and marine-grade fitness equipment ordered.

Elster Creek Catchment

Elster Creek Catchment Partnership and Elsternwick Park Nature Reserve - project partners commenced development of a new Action Plan for the catchment and the community reference group met four times.

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 2018/19.

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

Transport and parking	\$18.85
Amenity	\$10.47
Public space planning and delivery	\$10.36
Recreation	\$7.86
Asset management	\$7.54
Technology, transformation and customer experience	\$7.09
Governance	\$4.01
Sustainability	\$4.00
People, culture and capability	\$3.61
Arts, culture and heritage	\$3.27
Libraries	\$3.02
Children	\$2.54
City planning and urban design	\$2.53
Festivals	\$2.19
Ageing and accessibility	\$2.16
Community programs and facilities	\$1.90
Families and young people	\$1.57
Financial management	\$1.49
Waste reduction	\$1.39
Affordable housing and homelessness	\$0.97
Economic development and tourism	\$0.86
Local laws and animal management	\$0.77
Health services	\$0.51
Municipal emergency management	\$0.40
Development compliance	\$0.39
Markets	\$0.25

Financial report overview

In 2018/19, the Council has maintained services and infrastructure in addition to delivering priority projects and service improvements valued by our community. In doing so it has continued our commitment to continuous improvement and efficiency and keeping rates affordable.

Financial sustainability indicators

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

Indicator	2014/15	2015/16	2016/17	2017/18	Result 2018/19
Net result Net result greater than 0 %	2.1 %	4.9 %	14.6 %	3.2 %	3.1 % ✓
Adjusted underlying result Adjusted underlying result greater than 5 %	(0.6 %)	1.0 %	1.3 %	(3.3 %)	(3.4 %) ✗
Working capital Working capital ratio greater than 100 %	221 %	243 %	232 %	265 %	268 % ✓
Internal financing Net cashflow from operations to net capital expenditure greater than 100%	134 %	115 %	155 %	149 %	107 % ✓
Indebtedness Indebtedness ratio less than 40 %	6.6 %	6.3 %	5.9 %	5.2 %	5.3 % ✓
Capital replacement * Capital to depreciation greater than 150 %	125 %	148 %	142 %	103 %	135 % ⚪
Infrastructure renewal gap * Renewal and upgrade to depreciation greater than 100 %	89 %	91 %	115 %	87 %	108 % ✓
Overall financial sustainable risk rating	Low	Low	Low	Low	Low ✓

* refer to Total Capital Spend on page 2-40 for details.

Key financial highlights

Some of the key financial highlights include:

- achieving an overall low risk rating on Victorian Auditor General's Office (VAGO) financial sustainability indicators
- delivering a cumulative cash surplus balance of \$0.86 million
- a positive net operating result of \$7.1 million (3.1 per cent of total revenue)
- an investment portfolio of \$85 million
- low levels of debt (7.1 per cent of rates revenue)
- a healthy working capital ratio of 268 per cent
- permanent ongoing efficiency savings of over \$2.4 million (taking the total to over \$13.4 million over the past six years).

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

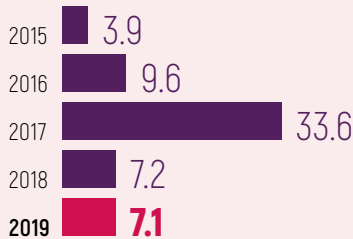
Cash surplus

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 \$860,000 is in line with the previously reported forecast.

	\$'000
	2018/19
Operating Surplus	7,148
Add back depreciation	25,740
Add back written down value of disposed assets	5,644
Add back balance sheet work in progress reallocated to operating	416
Less non-monetary contributed assets	(243)
Less share of net surplus of associates and joint ventures	21
Less capital expenditure	(34,834)
Less lease repayments	(441)
Less net transfers to reserves	(5,184)
Cash surplus for the financial year	(1,733)
Brought forward cash surplus	2,595
Cumulative cash surplus balance	862

Net operating result

\$ millions



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

Council’s 2019 operating surplus of \$7.1 million represents a \$0.1 million decrease on the 2018 result. Total operating income increased by \$7.4 million (3.3 per cent) mainly due to:

- \$4.2 million of additional rates income due to rates increase of 2.25 per cent consistent with the Victorian Government Cap and new properties added during the year from development
- \$3.4 million of additional user fees income:
 - \$1.8 million of paid parking income due to a number of factors including the rollout of PayStay payment option via mobile options has increased utilisation, the introduction of paid parking at Fishermans Bend Urban Renewal Area, and the new parking machine credit card surcharge fee
 - \$1.4 million of other user charges including increased development activity related income and full year of Barring Djinang Kindergarten.

Total operating expenditure has increased by \$7.5 million (3.4 per cent) due to:

- \$3.7 million Employee Cost largely due to the two per cent

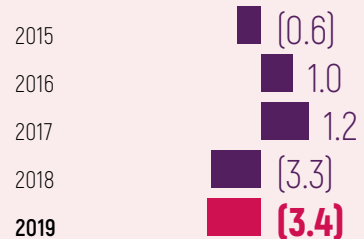
Enterprise Agreement pay rise and the additional 15 full time equivalent staff to deliver services and initiatives approved by Council including full year operation of Barring Djinang Kindergarten

- \$7.8 million Material and Services largely due to first year of the Customer Experience program; increased operational expenditure such as road line-marking, landscape works, soil remediation and community consultation due to a greater capital portfolio spend; and increased water usage due to a warmer year
- \$2.3 million Depreciation due to the 2018/19 capital works program and the accelerated depreciation for the revalued land improvement assets (increased value over its shortened remaining useful life)
- \$1.5 million Doubtful debts provision increased due to lower collection rates of parking infringements by Fines Victoria
- \$8.9 million one-off Pride Centre contribution in 2017/18.

The fluctuating trends over the years, as shown in the graph, are largely due to one off non-cash accounting adjustments. These include a \$20.4 million non-cash contribution from State Government for the Palais Theatre redevelopment and the leaseholder contribution (in excess of the insurance pay out) for the rebuild of the Council owned Stokehouse Restaurant.

Underlying result

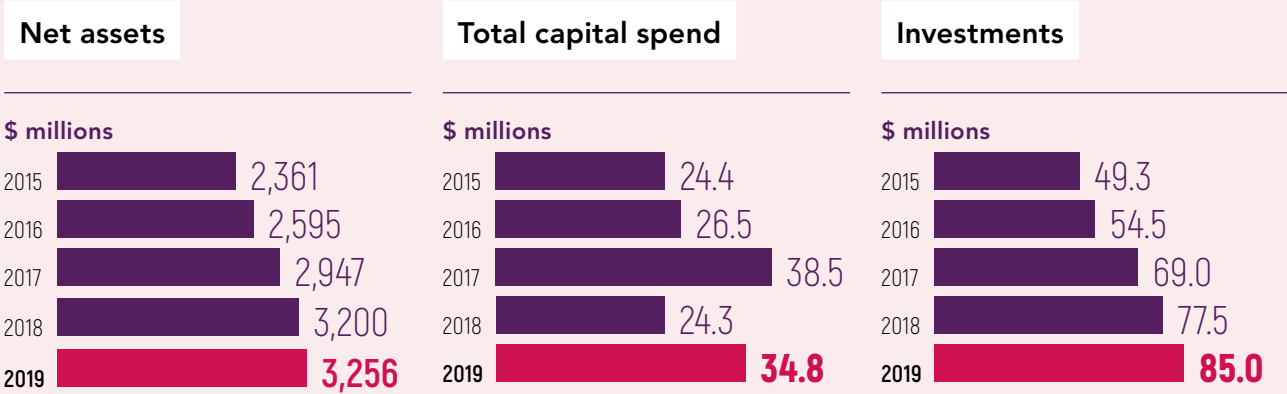
%



The underlying operating result excludes capital related revenue (grants and open space contributions).

Council’s underlying operating result in 2019 is a deficit of \$7.3 million, 3.4 per cent of total underlying revenue. This is a \$0.3 million increase from last year’s deficit of \$7 million.

That said, adjusted for extraordinary expenditure items in 2019 which totalled \$8 million including Customer Experience program, the accelerated depreciation charge, and the increase in parking doubtful debts due to system and collection issues facing Fines Victoria, the underlying result for 2019 would be a surplus of \$0.7 million.



Council has approximately \$3.26 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 which is currently revalued annually due to ongoing significant increases in value.

The main driver for the increase in 2019 was an increase in Council’s infrastructure asset values of \$60.1 million.

Council spent \$34.8 million in 2018/19 to improve community infrastructure assets and services. This represented a \$10.5 million increase from 2018 mainly in building, roads and open space class expenditure.

In 2019, Infrastructure Renewal Gap ratio of 108 per cent achieved a low risk rating and the Capital Replacement Ratio of 135 per cent was a medium risk rating.

Our 10 year Financial Plan includes commitments of over \$40 million per annum adjusted for inflation to ensure our assets are maintained and improved, whilst catering for service growth.

The Council has grown its investment portfolio to approximately \$85 million from \$78 million. This is mainly due to deferred project delivery, replenishing of Asset Renewal Fund, Municipal Growth Fund and Rates Cap Challenge and Risks.

The investments fund statutory reserves (\$22.5 million), contractual reserves (\$12.2 million), strategic reserves (\$13.3 million), trust funds (\$7.1 million), general reserves (\$29.1 million) including employee leave provisions (\$16.2 million), and the cumulative \$0.8 million cash surplus.

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 85 per cent with fossil fuel free banks

Debt

\$ millions



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

Loan borrowing has reduced to around seven per cent of rates revenue. The increase in total debt is due to the renewal specialised heavy vehicles from finance leases.

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

The year ahead

For 2019/20 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 2.5 per cent.

This includes a fully funded project portfolio of \$44.7 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 increase cap through continuation and refinement of our disciplined financial strategy. These include:

- 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 2019/20 will be to deliver year three initiatives of the Council Plan. In particular, the \$23 million investment in the Customer Experience Program to provide better and more responsive customer service whilst delivering a more efficient enterprise (streamline processes, improve systems, improve workforce mobility and transition to digital service delivery).

Ensuring we are financially sustainable as we face a number of key financial risks including:

- Fines Victoria parking debtor system and collection issues
- Waste sector disruptions including recycling
- The funding and financing plan for Fishermans Bend remains uncertain.

Dennis O'Keefe

Chief Financial Officer

Community engagement is becoming even more important as we work on being future ready for the challenges associated with a rapidly changing environment



3

Governing our City

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Role of local government

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

Every Victorian council is different - servicing its community. However, all must 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, considering 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, taking into consideration 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, from broad cross-sections of the community and through community engagement practices that include the use of face-to-face and online mediums.

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

All Council and Planning Committee meetings are live streamed. 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 opt in to receive an email notification of upcoming Council meetings. If urgent special meetings must be called, we publicise these meetings to our community.

Councillor Code of Conduct

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

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

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

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

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

Port Phillip City Council

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

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

An electoral representation review was conducted by the Victorian Government, and 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 and 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 28 November 2018, at a Special Meeting of Council, Councillor Dick Gross was elected Mayor and Councillor Louise Crawford 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

Canal Ward



Councillor Dick Gross
Mayor

First elected 1996-2008, re-elected 2016

Audit and Risk Committee; Council Neighbourhood Programs Committee; Older Persons Consultative Committee, Inner Melbourne Action Plan (IMAP) Committee; Inner South Melbourne Metropolitan Mayors Forum and Municipal Association of Victoria.



Councillor Louise Crawford
Deputy Mayor

First elected 2016

Community Grants Assessment Panel and Cultural Development Fund Reference Committee.



Councillor Tim Baxter

First elected 2016

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

Gateway Ward



Councillor Bernadene Voss

First elected 2012

Audit and Risk Committee, Bubup Womindjeka Family and Children's Centre Board; Fishermans Bend Community Forum; Fishermans Bend Mayors Forum; Municipal Association of Victoria (substitute), and South Melbourne Market Management Committee.



Councillor Marcus Pearl

First elected 2016

Community Grants Assessment Panel and Cultural Development Fund Reference Committee.



Councillor Ogy Simic

First elected 2016

Fishermans Bend Community Forum; and Housing First Board of Directors.

Lake Ward



Councillor Katherine Copsy

First elected 2016

Council Neighbourhood Programs Committee, Health and Wellbeing Alliance Committee; Metropolitan Transport Forum; and Metropolitan Waste and Resource Recovery Group.



Councillor Andrew Bond

First elected 2012

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



Councillor David Brand

First elected 1999-2004, re-elected 2016

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

Council meetings

Council meetings are rotated between the St Kilda, South Melbourne and Port Melbourne Town Halls. Four Special Meetings of Council, 11 Planning Committee Meetings, and 21 Ordinary Meetings of Council were held in 2018/19.

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
2018/19				
Councillor Tim Baxter	21	10	4	97%
Councillor Andrew Bond	20	9	4	92%
Councillor David Brand	19	10	4	92%
Councillor Katherine Copsey	20	10	3	92%
Councillor Louise Crawford	19	11	3	92%
Councillor Dick Gross	21	11	4	100%
Councillor Marcus Pearl	20	10	4	94%
Councillor Ogy Simic	20	9	4	92%
Councillor Bernadene Voss	18	10	4	89%

Ordinary meetings of Council

Date	Location
Wednesday 4 July 2018	St Kilda Town Hall
Wednesday 18 July 2018	St Kilda Town Hall
Wednesday 1 August 2018	Port Melbourne Town Hall
Wednesday 15 August 2018	St Kilda Town Hall
Wednesday 5 September 2018	South Melbourne Town Hall
Thursday 20 September 2018	St Kilda Town Hall
Wednesday 3 October 2018	Port Melbourne Town Hall
Wednesday 17 October 2018	St Kilda Town Hall
Wednesday 7 November 2018	St Kilda Town Hall
Wednesday 21 November 2018	St Kilda Town Hall
Wednesday 5 December 2018	St Kilda Town Hall
Wednesday 6 February 2019	Port Melbourne Town Hall
Wednesday 20 February 2019	St Kilda Town Hall
Wednesday 6 March 2019	South Melbourne Town Hall
Wednesday 20 March 2019	St Kilda Town Hall
Wednesday 3 April 2019	Port Melbourne Town Hall
Wednesday 17 April 2019	St Kilda Town Hall
Wednesday 1 May 2019	South Melbourne Town Hall
Wednesday 15 May 2019	St Kilda Town Hall
Wednesday 5 June 2019	Port Melbourne Town Hall
Wednesday 19 June 2019	St Kilda Town Hall

Special meetings of Council

Date	Location
Wednesday 28 November 2018	St Kilda Town Hall
Wednesday 12 December 2018	St Kilda Town Hall
Wednesday 29 May 2019	St Kilda Town Hall
Wednesday 4 June 2019	St Kilda Town Hall

Planning Committee meetings

Date	Location
Wednesday 25 July 2018	St Kilda Town Hall
Wednesday 22 August 2018	St Kilda Town Hall
Wednesday 26 September 2018	St Kilda Town Hall
Wednesday 24 October 2018	St Kilda Town Hall
Wednesday 14 November 2018	St Kilda Town Hall
Wednesday 12 December 2018	St Kilda Town Hall
Wednesday 27 February 2019	St Kilda Town Hall
Wednesday 27 March 2019	St Kilda Town Hall
Wednesday 24 April 2019	St Kilda Town Hall
Wednesday 22 May 2019	St Kilda Town Hall
Wednesday 26 June 2019	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	\$33,491
Councillor Andrew Bond	\$33,491
Councillor David Brand	\$33,491
Councillor Katherine Copsey	\$33,491
Councillor Louise Crawford	\$33,491
Councillor Marcus Pearl	\$33,491
Councillor Ogy Simic	\$33,491
Councillor Bernadene Voss	\$62,361 *
Councillor Dick Gross (Mayor)	\$78,139

* includes pro-rata four months at Mayoral allowance rate due to election timing.

Councillor expenses

The following table sets out a summary of Councillors' expenses for the 2018/19 year. All expenses are related to Councillors' roles and have been incurred through the course of their duties as Councillor.

	Travel expenses	Childcare expenses	ICT expenses	Conference and training expenses	Total
Councillor Tim Baxter					
	\$1,747.45	-	\$1,855.40	\$5,261.06	\$8,863.91
Councillor Andrew Bond					
	\$181.80	-	\$2,055.64	-	\$2,237.44
Councillor David Brand					
	\$464.79	-	\$1,716.51	\$150.00	\$2,331.30
Councillor Katherine Copsey					
	\$595.55	-	\$1,736.81	-	\$2,332.36
Councillor Louise Crawford					
	\$62.91	-	\$1,729.46	\$8,408.60	\$10,200.97
Councillor Dick Gross (Mayor)					
	\$6,700.84 *	-	\$1,772.26	\$2,007.70	\$10,480.80
Councillor Marcus Pearl					
	\$598.96	\$2,344.00	\$1,859.66	\$1,915.00	\$6,717.62
Councillor Ogy Simic					
	\$364.12	\$17,582.53 ^	\$1,789.17	-	\$19,735.82
Councillor Bernadene Voss					
	\$4,344.16 *	\$4,311.33	\$1,869.72	\$921.29	\$11,446.50

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

^ \$5,279.75 of this figure was paid to Councillor Simic in the 2018/19 financial year for services provided in the 2017/18 financial year.

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 Gross and Councillor Voss

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 Baxter

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

Cultural Development Fund Reference Committee

Councillor Crawford (Chair)

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

Cultural Heritage Reference Committee

Mayor Councillor Brand (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)

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

Fishermans Bend Community Forum

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

The Fishermans Bend Community Forum provides for dialogue between the community and Council with regards to 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 ongoing relationships between the Port Phillip and Suai/Covalima communities.

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 several external committees, associations or boards. As appropriate, Councillors report to Council on the activities of these committees.

Association of Bayside Municipalities

Councillor Baxter

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, space for new parent groups, playgroups, and additional community group uses.

Fishermans Bend Mayors Forum

Councillor Voss

The Fishermans Bend Community Forum provides for dialogue between Council Mayors and/or nominated Councillor representative from the cities of Port Phillip and Melbourne with regards to continuing the strong partnership and collaboration for the Fishermans Bend area.

Gasworks Arts Inc. Board of Management

Councillor Bond

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

Health and Wellbeing Alliance Committee**Councillor Copsey**

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

HousingFirst Board of Directors**Councillor Simic**

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

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

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**

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 Copsey**

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 Voss (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 bi-monthly basis and is concerned with discrimination, social inequity, disadvantage and poverty.

Victorian Local Governance Association**Councillor Baxter**

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 2018/19 there were four Special Committees:

Planning Committee

All Councillors (Rotating Chair)

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

Council Neighbourhood Programs Committee

Mayor Councillor Gross (Chair) and Councillor Copsy

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

Councillor Voss and Councillor Pearl

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

Inner Melbourne Action Plan (IMAP) Committee

Mayor Councillor Gross

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

Inner Melbourne Action Plan (IMAP)

This Special Committee is established under section 86 of Local Government Act 1989 and is made up of representatives from the Cities of Port Phillip, Yarra, Melbourne, Maribyrnong and Stonnington.

The City of Stonnington hosts the IMAP Executive Officer who provides governance and administration for the IMAP Implementation Committee. The Committee held its quarterly meetings in August and December 2018, February and May 2019.

Completed projects

Implementation of the Census for Landuse and Employment (CLUE)

- City of Melbourne, in conjunction with the IMAP councils, have completed redevelopment of the Census for Landuse and Employment (CLUE) database into a cloud based in-browser operating technology system so it can be extended to the IMAP partners to collect, store and publish city business census data.

IMAP Tourism

- The IMAP Tourism Working Group maintained the regional tourism map and collaborated on Cultural Tourism Victoria's Cultural Guide.

Ongoing projects

Wayfinding and Signage

The IMAP Councils, PTV and VicRoads promote consistent visitor signage across inner Melbourne and Victoria. During 2018/19 the website and Wayfinding Signage Standards for Victoria 1.0 manual were reviewed. Version 2.0 amendments are underway and Victorian Government ministers approached to support consistent signage across major projects.

Regional Active Sport and Recreation Facilities Planning Study

Councils consolidated all data on sporting facilities, infrastructure and use across Inner Melbourne and, in 2018/19, engaged consultants to assess the future provision of active outdoor and aquatic sport and recreation facilities across the region. The final report will be completed in late 2019.

Sustainable Design fact sheets

The fact sheets series is utilised by a wide range of Councils. Further progress of this project is being considered, subject to availability of relevant staff and resources.

Affordable Housing: The Community Land Trust (CLT) Research project

Stage two of this project involves preparation of a companion document to the Australian Community Land Trust Manual 2013 and investigates a risk management framework for banks, case studies, market research, the applicability of the model and risks involved in CLT housing. The final publication by University of Western Sydney is expected in late 2019.

New projects

Affordable Housing: Investigate scalability of a Private Market Model for negotiating delivery of Affordable Rental Housing by Developers

Investigates a new approach to negotiating long-term private affordable rental housing under voluntary affordable housing agreements with developers; and investigation of incentives required to scale-up broad use of the model.

Cycling Network modelling project

This project will build a cycling model to map existing infrastructure, analyse gaps and prioritise future network planning across the IMAP Councils. It will be based on existing cycling infrastructure, Geographic Information System (GIS) data, and will include the Strategic Cycling Corridors, Metropolitan Trails Network and Principal Bicycle Network.

IMAP Urban Forest Plan

The project will create joint policy across IMAP councils for the protection of trees on private property; create education tools and landscaping tools/ guidelines for planners; and advocate to ensure data is utilised to measure the greening that has been achieved.

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 have been working with its partners on the transformation of Fishermans Bend, Australia's largest urban renewal project. Key projects have now commenced including the Ferrars Street Education and Community Precinct. This work has been delivered by State and VSBA in close collaboration with Council, particularly the delivery of Montague Community Park and the surrounding streetscape.

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, network 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 2018/19 Community Grants funded the involvement of over 6,047 volunteers who contributed over 38,183 hours towards the health and wellbeing of the Port Phillip community.

Community engagement

Our community's diversity and knowledge is a rich resource, and we welcome community input into key projects and initiatives.

Community engagement is becoming even more important as we work on being future ready for the challenges associated with a rapidly changing environment. We want to bring our community on the journey through times of change, and ensure they understand the challenges and what they can do to contribute to and play their part in designing the solutions for the future, so Port Phillip can continue to be a beautiful, liveable, caring, inviting, bold and real place to live, work and play.

In 2018/19, we consulted with our community on over 30 initiatives, including:

Council Plan 2017-27 (Year 3) and Budget 2019/20

In October 2018, we visited our community through a series of pop-up sessions in the neighbourhoods where they live, work and play, and a community wide survey, to gather feedback around which Council-delivered services areas were important to our community.

We held a deliberative workshop with our key community stakeholder groups in May 2019 that shared the challenges around delivering the level and variety of services the community expects, while also needing to find budget savings over the longer term, to help guide future budget development and decision making.

Following consultation on proposed revisions to the Council Plan 2017-27 and Budget 2019/20 and hearing of submissions to the draft Budget, Council adopted the Council Plan 2017-27 (Year 3) and Budget 2019/20 in June 2019.

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

In June 2018, we consulted with our community on the draft waste management strategy, Don't Waste It! which provides a blueprint for how Council and community will work together to create a more sustainable future for our City through the way we manage our waste, recyclables and organics. The draft strategy was developed based on feedback from our Council Plan 2017-27 consultation.

Through a series of pop-up sessions, focus groups, and community wide survey, we asked our community if they supported the proposed priority areas, targets and key themes identified in the draft strategy.

Following this consultation, the draft strategy was amended prior to Council adopting the final strategy in October 2019. We are now working with community, businesses and stakeholders to manage our waste better, and create a more sustainable future for Port Phillip.

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

From June to July 2018, our community was invited to provide feedback on our draft integrated transport strategy, Move, Connect, Live, which aims to make it easy for people to move around and connect with places in a way that suits them as our City grows. This was the second phase of engagement following an extensive engagement program that informed development of the draft strategy.

Our community provided feedback via Council's Have Your Say online engagement platform, directly to officers via email, at a series of pop-up events held throughout the City and through 'rickshaw ride conversations'. Officers also attended several of Council's advisory committee meetings to discuss the strategy with members.

Following the five-week consultation period, officers made some changes to the draft strategy based on feedback received.

Move, Connect, Live: Integrated Transport Strategy 2018-28 was adopted by Council in September 2018, and we are now working towards delivering on the key actions outlined in the strategy.

St Kilda Marina

As part of Council’s commitment to a multi-stage community engagement program to understand and consider the community’s values and aspirations for the St Kilda Marina site and surrounding area, a Community Panel was established for Stage 3 of the project.

The Panel met six times from August to December 2018, working through an iterative site opportunities, constraints, options and feasibility assessment process with Council officers and various technical advisors.

Council opened the conversation to the broader community in September 2018 to test the ideas being explored by the Panel and inform its deliberations. The outcomes of the Community Panel and wider community consultation process informed the development of the St Kilda Marina Site Brief which sets out the desired future state of the Marina site, giving everyone a shared understanding of current conditions and desired outcomes in procuring a new long-term lease arrangement.

Following Council endorsement of the Site Brief in May 2019, two drop-in sessions were held to share the Site Brief and upcoming next stages of the project, including the planning and procurement process, with our community.

Children’s Services Policy

In June and July 2018, we heard from 200 adults and 70 children about their vision for children’s services in Port Phillip as part of Stage 1 community engagement in the development of a new Children’s Services Policy.

This feedback shaped seven policy objectives, which were endorsed by Council in September 2018, with critical success factors endorsed in December 2018 to further guide decision making for the new policy.

The Every Child, Our Future: Policy Issues and Options paper was developed, with 25 policy recommendations around managing assets, Council’s role, funding and subsidies, information provision, meeting future demand, collaboration between services, and access to natural environments.

Between March and May 2019, we consulted on these draft recommendations with families, children’s service providers, centre committees of management, staff, residents and ratepayers. The strong response we received through this engagement is helping shape this policy, which is expected to be presented to Council to consider for adoption in the second half of 2019.

Domain Precinct Public Realm Masterplan

In preparation for the development of a Public Realm Masterplan for the Domain Precinct, we consulted our community in July and August 2018 about what they value most about the Domain Precinct.

Feedback through an online survey and facilitated workshop to understand how the community perceived the precinct’s place identity fed into the Domain Precinct Design Response, a document comprising a site analysis, design principles and five draft public realm projects.

Further engagement with our community in May 2019 on the Design Response informed development of the draft Domain Precinct Public Realm Masterplan, which will be presented to Council for consideration, following public exhibition of the draft in the second half of 2019.

Community Safety Plan

Council continues to work with a range of partners include the Victorian Government, emergency services, community organisations, local businesses and members of the community to respond to priority safety issues within our community.

In early December 2018, Council endorsed the release of a draft Community Safety Plan for community feedback. The draft Plan outlines our areas of focus for the next four years towards making our City a safe and resilient place to live, visit, work and study for locals and visitors.

Graffiti Management Plan

In late 2018, we sought community feedback on priorities for managing graffiti in our City. This feedback was considered and used to guide the development of a draft Graffiti Management Plan 2019-24.

The Graffiti Management Plan sets out targets and service levels for graffiti management in our City, and details how these will be achieved to meet the evolving needs and expectations of our community and Council.

Community feedback was sought in April 2019 on the draft Graffiti Management Plan 2019-24, prior to the final Plan being adopted by Council in May 2019.

Dalgety Reserve community garden

In June 2019, we celebrated the opening of the Dalgety Reserve community garden with our local community. This project was the result of funding through the Victorian Government's 2018/19 Community Crime Prevention Program, to address graffiti and amenity issues in the local area.

In addition to feedback on the garden design, community consultation identified opportunities for broader improvements to the reserve, including re-turfing, installing irrigation and planter boxes, and relocating a fire hydrant marker pole. These changes have delivered an improved public space that is now better suited for informal sport and recreation or quiet enjoyment by the local community. They have also increased passive surveillance opportunities for the area, resulting in an increase in our community reporting graffiti, using Council's graffiti removal services, and engaging in other anti-graffiti initiatives.

Access and Inclusion Plan 2019-21

In April 2019, following a comprehensive review of Council's Access Plan 2013-2018, we asked our community for feedback on our new draft Access and Inclusion Plan, which outlines Council's commitment to improve participation and inclusion for people with disability within our community.

Community consultation on the draft plan was through a series of drop in sessions and an online survey. Council officers also provided feedback on the draft plan actions.

Following feedback from the community, the draft Access and Inclusion Plan amended in preparation for presentation to Council for adoption in July 2019.

Continuous improvement

We are committed to delivering regular and meaningful engagement that is inclusive and accessible to all members of our community, so we can work collaboratively towards solutions to challenges that matter to you now, but also on the broader, long term challenges we face.

We will continue to explore ways to enrich your engagement experience, through a combination of traditional and new, innovative tools that make it easier for you to participate when and how you want.

Where people live, work and play continues to be at the centre of our engagement.

In April 2019 we asked community for feedback on our new draft Access and Inclusion Plan



Accountability

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

Audit and Risk Committee

As part of 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 2018/19 (four formal meetings plus one workshop). Councillors, members and Council officers are required to declare any conflict of interest at the commencement of every meeting. Minutes of Audit and Risk Committee meetings are distributed to all members following the meeting and reports on activities are formally presented to Council following each meeting of the Audit and Risk Committee.

Some of the key matters considered by the Committee in 2018/19 included:

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

The following internal audit reports were presented to the Committee:

- Supplementary Valuations
- Contract Management
- Construction Permitting and Local Laws
- National Competition Policy (NCP) Review
- Project Governance (Customer Experience Program)
- NIST Cyber Security Assessment
- Child Safe Standards Implementation

The following evidence based compliance report was presented to the Committee:

- **Public Health & Wellbeing Act 2008** - Rooming House Inspections, Registrations and Public Register/s

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

- Council's activities and performance including monthly CEO reports
- Integrated Council Plan 2017-27 (including Strategic Resource Plan, Budget 2018/19 and Health & Wellbeing Plan)
- procurement compliance
- Public Liability Insurance update
- fraud controls review
- project portfolio deliverability review
- management of Occupational Health and Safety - including MAV WorkCare Self-Insurance Scheme compliance
- South Melbourne Market governance
- new and revised Accounting Standards
- Fishermans Bend
- site contamination
- strategic building security
- review of asset revaluation and depreciation methods.

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

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

More information 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 to current)

Chair (25 February 2014 to current)

Ms Helen Lanyon was reappointed as Chair by Council in December 2018. Ms Lanyon is a Fellow of CPA Australia and over a 40-year career has held numerous senior executive roles, primarily in local government. She has broad experience in the corporate services portfolio across a range of disciplines, including finance, governance, human resource management, marketing, customer service and information technology. Ms Lanyon also has extensive experience on a broad range of advisory committees.

Ms Kerryn O'Brien

Member (10 December 2013 to October 2018)

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 to current)

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

Ms Kylie Maher

Member (October 2018 to current)

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

Internal representatives

Mayor Councillor Dick Gross

(November 2016 to current)

Councillor Bernadene Voss

(November 2014 to current)

Risk management

Capability and commitment

The Strategic Risk and Internal Audit Group (SRIA), comprising City of Port Phillip's CEO, Executive Leadership Team and a select number of senior managers established in February 2018, continue to focus on managing strategic risk to build greater trust with our community, Council and partners.

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

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

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

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

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 31000:2018 and is reviewed every two years.

All Council department business plans incorporate condensed operational risk profiles which identify priority risks using heat maps and risk charts. Departmental risk registers contain the specific details of operational risks including existing controls and risk 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 are endorsed by Council's Executive Leadership Team, the Audit and Risk Committee and Council. The Framework was last updated in June 2018 to reflect the establishment of SRIA and to 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 the 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. Annually a full review of the BCP and sub plans was undertaken by a BCP specialist consultant to ensure they remain fit for purpose. Information sessions were held during the year for Managers, Coordinators and Team Leaders covering emergency management and business continuity. An annual BCP test exercise was conducted by a BCP specialist consultant on 16 May 2019.

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. This includes a virtual test and desktop review. The last major Disaster Recovery exercise undertaken this year proved that Council could successfully recover and operate all corporate systems from our Disaster Recovery site. The exercise saw our corporate systems run for one week with no impact to staff in the delivery of Information Communication Technology services.

This year Council replaced a major piece of infrastructure, the telephone system. At the end of the project a disaster recovery test was performed on the telephone system to confirm operations from our Disaster Recovery site. This exercise also resulted in a successful outcome.

Reporting on our performance

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

This includes:

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

More information on Performance Reporting is available on our website at portphillip.vic.gov.au

The Peanut Farm Reserve sports pavilion upgrade was completed and the building handed over to the sporting clubs in March 2019.



4

Our performance

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Delivering Year Two 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	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Residents that agree Port Phillip is a welcoming and supportive community for everyone	93 %	94 %	93 %	92 %	>95 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated residents agreeing that "Port Phillip is a welcoming and supportive community for everyone" has remained stable.					
Social housing as a percentage of housing stock	7.2 %	7.1 %	6.9 %	No data	7.2 %
Social housing data is available in arrears. A decrease was experienced in 2017/18 from 2016/17.					
Wellbeing index	77.5	No data	No data	No data	>77.5
Results for our wellbeing index (sourced from a VicHealth Indicators Survey every four years) are not available.					

Highlights

- Opening of Rainbow Road on Jackson Street on 19 August - a colourful and symbolic testament to our support and commitment to the LGBTIQ community
- A very special NAIDOC Week celebration was held with the return of a boomerang to its traditional owners, that was found in our City over 80 years ago
- Council endorsed the seven key objectives for the Children's Service Policy in September 2018
- Housing Needs Framework report was completed and we facilitated the Marlborough Street, Balaclava project - being delivered by Housing First - as part of our Homelessness and Housing Strategy, including a funding proposal submitted to Victorian Government
- The Peanut Farm Reserve sports pavilion upgrade was completed and the building handed over to the sporting clubs in March 2019, with anticipated installation of lighting, cricket nets and hit up wall by Christmas 2019
- Kirrip Park opened in October 2018, with a paved entrance, lawn areas, outdoor LED lighting, paths and multiple seating areas, and native garden beds
- Completed upgrade works at North Port Oval, including goal post footings, irrigation system, boundary fencing and coaches' boxes, and fresh rye grass on the ground.

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 2019/20 will be the continued implementation of the:

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

Other key projects include the delivery of several recreational facilities upgrades, including adventure playground upgrades.

Major initiative progress

In Our Backyard Strategy implementation

The In Our Backyard (IOBY) - 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.

A focus for 2018/19 has been to progress work on the implementation of the strategy, to redefine the targets and priority actions to then be reflected in a 12-month implementation plan. Following adoption of the IOBY Action Plan 2018/19, implementation has progressed, focussing on investigation of: Governance Mechanisms, Planning Controls, Housing Investment Portfolio, Approved Projects and Project Pipeline, and development of Program Delivery Guidelines.

Progress included completion of the Housing Needs Framework report to inform the preparation of Program Delivery Guidelines.

Several projects have been completed including the first 'pop - up' housing project, identification of sites for Council's property pipeline, facilitation of the Marlborough Street project being delivered by HousingFirst, and preparation of a Housing Needs Framework.

Work has also commenced on advocacy for a proposed Common Ground project, progressing a partnership with the Department of Health and Human Services.

Council will hold a forum in July 2019 to provide feedback on the IOBY guidelines, although this forum will be two months behind the IOBY milestone, it was important to develop a comprehensive approach for Council consideration prior to seeking the Housing Forum views on the proposal.

Actual: \$203,000 Budget: \$226,000

Peanut Farm Reserve Sports Pavilion upgrade

The City of Port Phillip is redeveloping the Peanut Farm Reserve sports pavilion and multi-purpose 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.

Works to redevelop the Pavilion building were completed, including landscaping of the surrounding area and netball courts. A suitable date is being sought for an opening celebration with Council, the Clubs and Local Member of Parliament, to be held once the landscaping is completed at the end of June 2018.

Actual: \$2,857,000 Budget: \$2,582,000

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.

Construction of the pavilion progressed with the placement and erection of the structural steel and works commenced on the roof and external walls.

Council will focus on the completion of external walls and fit-off to other external elements to enable the building to be locked up. Installation of services will then commence.

Actual: \$1,636,000 Budget: \$1,368,000

South Melbourne Life Saving Club redevelopment

















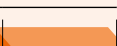


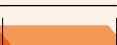










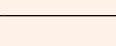
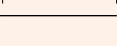







South Melbourne Life Saving Club building and public amenities with funding support from the Victorian Government through Life Saving Victoria. The project is jointly funded by Council (\$5.11 million) and Life Saving Victoria (\$2 million).

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.

New tenancy agreements with the club were established in March 2019, a Planning Permit application for the kiosk was drafted and submitted in May 2019 and is in progress. Ninety-five per cent of construction and internal works now complete the project work has continued with the content of the Tenancy Agreement between Council and the Club.

Actual: \$2,020,000 Budget: \$1,950,000

Four year priority progress

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

Priority

Not started

In progress

Completed

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

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



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



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



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



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



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



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



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



1.4 Community diversity is valued and celebrated

Establish the Pride Centre in St Kilda.



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



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



Review the Port Phillip Social Justice Charter.



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



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



Services that contribute to this direction

Affordable housing and homelessness

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: \$1,244,530 Budget: \$1,637,163 Variance: \$392,633

Service measures

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

Council facilitated units on Council Land is available in Chapter 5.

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: \$8,863,666 Budget: \$8,937,707 Variance: \$74,041

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Resident satisfaction with services that support older people and people living with disabilities	93 %	94 %	90 %	91 %	>94 %

Results from our annual satisfaction survey of residents conducted in February and March 2019 increased slightly, but just fell shy of the target. Despite missing the target this is a positive result.

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Home care					
Active home care clients	1,973	1,710	1,551	1,570	↗
Hours of general home care	27,902	19,865	18,867	19,430	↗
Hours of meal preparation	284	219	906	1,428	↗
Hours of personal care	6,556	6,239	6,409	5,578	↘
Hours of home maintenance service	3,413	2,450	2,652	2,662	↗
Hours of respite care	7,356	6,435	5,621	4,689	↘
Hours of shopping services	8,373	8,137	7,919	8,518	↗
Hours of core social support	9,204	9,919	10,651	11,412	↗
Hours of high priority social support	9,183	8,564	6,787	16,635	↗

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Community meals					
Meals delivered	31,321	27,688	19,409	16,448	↘
Meals provided at centres	3,798	2,949	3,167	1,938	↘
Meals subsidised	80,037	82,848	126,348	187,464	↗
Community transport					
Community bus trips	1,352	1,981	1,981	1,981	↔
Passengers who used the service	33,150	33,048	31,062	34,455	↘
Volunteers					
Community access volunteers	15	15	14	10	↘

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: \$17,253,785 Budget: \$18,503,215 Variance: \$1,249,431

Explanation: Lower expenditure for council managed child care centres due to lower utilisation.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Proportion of state regulated family, youth and children's services that meet or exceed national quality and accreditation standards	100 %	100 %	100 %	100 %	100 %
All services met or exceeded national quality and accreditation standards.					
Resident satisfaction with services that support families, youth and children	97 %	94 %	93 %	94 %	>95 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated residents perception of families, youth and children services remained stable and just fell shy of the target.					
Participation					
Participation in first MCH home visits*	103.89 %	103.25 %	100.54 %	93.80 %	100 %
MCH transitioned to a new database at the commencement of 2018/19 which has impacted the data. Previously the data was considered as unreliable as it contained double counting of clients. The transition to the new Child Development Information System (CDIS) has provided Council with an accurate capture of data.					
Participation in the MCH service*	84.22 %	82.89 %	84.80 %	74.28 %	>85 %
The transition to the new state-wide CDISm for the full 2018/19 year resulted in more accurate data, reduced duplication and targeted appointment reminders which has improved data related to participation.					
Participation in the MCH service by Aboriginal children*	87.23 %	84.84 %	94.74 %	80.00 %	>85 %
The transition to the new state-wide Child Development Information System for the full 2018/19 year has resulted in more accurate data. Continued efforts and being culturally responsive by MCH staff has continued to maintain attendance by children of Aboriginal descent at a consistent rate.					
Service standard					
Infant enrolments in the MCH service*	99.78 %	100.00 %	96.83 %	100.95 %	100 %
Infant enrolments continue to be high, with a greater than 100 per cent result. Council received 1,259 birth notifications and enrolled 1,271 infants in our MCH service in 2018/19.					
Service cost					
Cost of MCH service per hour*	\$73.37	\$71.80	\$76.50	\$75.54	<\$82.00
There has been a marginal decrease to the cost of service compared to last year and slightly over target of \$75.00 which was due to staff undertaking training for the new CDIS. The high level of MCH service is still being received.					

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

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Maternal and child health services					
Birth notifications received	1,362	1,344	1,347	1,270	↘
Community immunisation sessions held	80	78	81	81	↔
Infants and children attending immunisation sessions	2,952	2,801	2,902	2,658	↘
Childcare					
Total places across the City	1,620	1,728	1,895	2,186	↗
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	483	568	568	568	↔
Commercially managed places	819	842	1,225	1,125	↘

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: \$4,728,573 Budget: \$4,880,178 Variance: \$151,605

Service measures

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

Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated residents perception of Council contributing to the overall health and wellbeing of the community increased significantly, however fell short of the target. This will continue to be monitored carefully.

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Community centres					
Visits	172,590	184,140	192,555	No Data	↗
Bookings	11,506	12,276	12,837	13,476	↗
Casual hires	1,071	1,131	1,396	1,135	↗

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 eight 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: \$3,090,730 Budget: \$3,264,032 Variance: \$173,303

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Family support					
Received in government grants	\$238,372	\$250,208	\$253,000	\$273,047	⬆️
Target hours provided	2,565	2,729	2,327	3,370	⬆️
Young people					
Young people (8 to 11 years old) accessing programs that are run or funded by Council	No data	21,187	33,369	31,732	⬇️
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: \$15,180,666 Budget: \$12,139,529 Variance: (\$3,041,137)

Explanation: The South Melbourne Lifesaving Club redevelopment project has progressed ahead of schedule. Expenditure planned for 2019/20 was brought forward to 2018/19.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Community rating of Council's recreational facility performance (index)	76	73	73	74	>75
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated residents perception of Council's recreational facilities performance remain stable, and just fell shy of target. This continues to be a high performing measure for Port Phillip.					
Participation per capita in sport and recreation across formal and informal activities	Establish baseline	19 %	19 %	31 %	1% increase on baseline
A significant increase was experienced this year as a result of the available data. Officers have ensured data has been collected on the number of participants of formal and informal activities across the City.					

Direction 2

We are connected and it's easy to move around

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

Outcome indicators

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Residents reporting choosing sustainable transport options to travel to work	57 %	64 %	65 %	74 %	58 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated a significant increase was experienced in residents who choose sustainable transport options to travel to work.					
Number of fatal and serious traffic collisions involving all road users	97	78	60	70	<127
An increase was experienced this year, however fell well below the target.					
Number of schools participating in Ride2School Day and Walk to School Month	10	11	12	13	12
Ten schools within Port Phillip participated in Walk to School Month in October with 3,492 students participating and 15 schools participated in the Ride2School Day.					

Highlights

- Adopted the Move, Connect, Live - Integrated Transport Strategy 2018-28, to make it easy for people to move around and connect with places in a way that suits them as our City grows
- Commenced parking fee trials in Fitzroy Street, St Kilda; Waterfront Place, Port Melbourne and Elwood Foreshore and removed 10 minute free parking in South Melbourne
- Endorsed implementation of new parking controls in areas of Fishermans Bend
- Undertook a parking space audit and updated our mapping system
- Completed installation of PayStay signs and stickers, and 55 new Pay by Plate meters in Fishermans Bend, Station Pier and Waterfront Place
- Completed construction of Garden City Shared Bike Path
- Completed footpath renewal at Swallow Street between Princes Street and Light rail, and Evans Street between Swallow and Graham streets
- In late 2018, following advocacy by the City of Port Phillip, Rail Projects Victoria upgraded Moray Street with two protected roundabouts, separate bike lanes and raised zebra crossings at Dorcas and Coventry Streets.

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 2019/20 will be the continued implementation of the Move, Connect, Live - Integrated Transport Strategy 2018-28. This will include renewal programs for footpaths, kerbs and guttering, laneways and roads, street signage and furniture, walk and bike infrastructure. Blackspot safety and public space accessibility improvement programs are other key projects. Also, parking technology enhancements and safety improvements.

Major initiative progress

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 temporary traffic treatments and progressed funding opportunities with VicRoads. This work was 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. Council has received the results of Parks Victoria’s initial community consultation. In the meantime, interim measures at three Black Spot intersections along Kerferd Road, including line marking and textured pavement markings were completed.

Actual: \$67,000 Budget: \$175,000

Integrated Transport Strategy implementation

The Move, Connect, Live - Integrated Transport Strategy 2018-28 consists of 30 actions to ensure the City is connected and it is easy to move around over the next 10 years. In 2018/19 three actions were brought forward to commence this year increasing the total from 30 to 33. All actions were progressed as scheduled.

Refer to page 4-86 for more details on progress in delivering Move, Connect, Live - Integrated Transport Strategy 2018-28.

Actual: \$90,000 Budget: \$300,000

Four year priority progress

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

Services that contribute to this direction

Transport and parking management

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: \$31,217,845 Budget: \$31,733,871 Variance: \$516,026

Explanation: The Blackspot program scope was reduced due to unsuccessful funding application.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Resident satisfaction with transport planning policy, safety and design	91 %	87 %	87 %	73 %	>90 %
Resident satisfaction with parking management	79 %	81 %	79 %	75 %	80 %
Resident satisfaction with resident parking permits	74 %	80 %	83 %	81 %	>75 %

Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated residents perception of transport planning policy, safety and design, parking management, and resident parking permits dropped compared to previous years. Officers are responding to these results through the implementation of the Move, Connect, Live - Integrated Transport Strategy 2018-28.

Satisfaction

Sealed local road requests per 100 km of sealed local roads*	52	65	69	53	70
Council service intervention levels on our road network are higher than the VicRoads network. Council receives a lot of requests in relation to hazards on VicRoads assets. Community cannot identify which Authority is responsible for what assets.					
Satisfaction with sealed local roads*	70	70	67	68	>70
A slight increase was experienced compared to 2017/18.					

Service cost

Cost of sealed local road reconstruction (per m ²)*	\$156.51	\$190.87	\$152.85	\$91.10	<\$160.00
Council have not completed major reconstruction of our sealed local road pavement in the past 60 years. Deflection testing carried out in 2018/19 results indicated the remaining useful life of our Macadam pavements is between 200 to 1000 years. Minor road realignments are calculated in these figures.					
Cost of sealed local road resealing (per m ²)*	\$43.03	\$49.90	\$55.26	\$31.12	<\$50.00
This measurement compares spray seals with asphalt mixes. Council only re-sheet using asphalt mixes. Council are now trialling recycled plastic asphalt mix which will assist Council reaching its sustainability targets.					

Condition

Sealed local roads below the intervention level*	97 %	97 %	97 %	97 %	97 %
This result remains consistent and shows the percentage of sealed local roads including laneways that are below the renewal intervention set by Council and are not requiring renewal.					

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

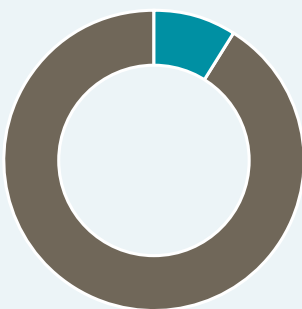
Service statistics

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

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

Strategy progress

Actions progress



Completed	3
In progress	28
Not started	2
Total actions	33

The Move, Connect, Live - Integrated Transport Strategy 2018-28 was endorsed by Council on 20 September 2018 and outlines 30 actions to be delivered or commenced in 2018/19.

Three Actions were brought forward to commence in 2018/19 increasing the total from 30 to 33.

Highlights

- **Action 2** - Consultation on the Domain Precinct Design Response ended on 29 May 2019. This feedback was incorporated into the Draft Domain Precinct Public Realm Masterplan, with a proposed public exhibition in late July 2019
- **Action 8** - Completion of South Melbourne market Traffic Study
- **Action 10** - Council has completed physical accessibility audits and Public Life surveys for the St Kilda Junction Safety Upgrade and now working collaboratively with Department of Transport on its Movement and Place Study
- **Action 13** - Partial completion of intersection upgrade of Wellington Street Stage 3 to improve traffic safety, and pedestrian and bike facilities. Secured agreement from VicRoads for the design, with final works to be completed in 2019/20
- **Action 15/16** - Completed nine design projects for 2019/20 delivery under the Healthy Tracks to School program to support students walking and riding to Albert Park Primary, St Columbus and St Kilda Park Primary schools
- **Action 18** - The bike corridor delivery program successfully completed the upgrade of the Garden City Reserve path design development for other corridors
- **Action 20** - Department of Transport commenced the planning to deliver better walking, bike riding and public transport outcomes along St Kilda Road with input from Council
- **Actions 30 and 31** - Completed deep and targeted community engagement, data analysis and started market research of residents, businesses, workers and visitors to inform the development of the Draft Parking Management Policy
- **Action 35** - Completed the South Melbourne Paid Parking Fee Trial and a Council decision to continue this permanently
- **Action 36** - Facilitated the installation of 44 new Car Share bays across the municipality.

Move, Connect, Live targets

Outcome	2015/16	2016/17	2017/18	2018/19	Target 2020/21	Target 2027
Number of fatal and serious traffic collisions involving all road users	97	78	60	70	<119	<96
Number of private passenger vehicles trips *	No score	128,000	No score	No score	128,000	128,000
Number of walking trips*	No score	153,000	No score	No score	<119	<96
Number of bike riding trips *	No score	17,000	No score	No score	128,000	128,000
Number of public transport trips *	No score	42,000	No score	No score	49,000	56,000
Number of cars owned by Port Phillip residents *	No score	51,200	No score	No score	51,200	53,500
Community perceptions of Councils traffic management as part of the Customer Satisfaction	59	60	59	No score	56	58
Speed of vehicles using Wellington Street	No Score	>44.8 km/hr	>43 km/hr	No score		≤40 km/hr
Number of schools participating in Ride to School day	8	10	13	12		18/year
Number of 'Healthy Tracks to School'	No Score	No score	No score	No score	2	
Number of protected bike corridors delivered	No score	No score	No score	No score	2	11
Increase in pedestrian and civic space in shopping strips	No score	No score	No score	No score	No score	20 %
Streetscape improvements are delivered as part of tram stop upgrade projects in shopping and activity centres per year	No score	No score	No score	No score	No score	100 %
Delivery of dedicated bus or tram only lanes on Council controlled streets (kms)	No score	No score	0.5	0.5		5.5
Community perception of Council 'Parking Management' as part of the Port Phillip Customer Satisfaction Survey	79 %	81 %	79 %	75 %		
Number of precincts that have been reviewed of improvement to parking management	No score	No score	No score	No score	6	15
Residents who are satisfied with the use of pay-by-phone option to pay for parking	No score	No score	No score	No score	No score	>90 %
Number of cars owned by Port Phillip residents	No score	51,200	No score	No score	51,200	53,500
Number of residents who are car share members	No score	No score	2,500	6,100		13,500
Utilisation rate of share bikes (docked and dockless) trip/day	No score	No score	1	1.0		3

* 2016/17 data sourced from VISTA 2012-2016.

Direction 3

We have smart solutions for a sustainable future

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

Outcome indicators

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Total canopy cover	19 %	No data	No data	No data	20 %
Total canopy cover is measured every five years; no data is available this year.					
Council's greenhouse gas emissions	60 % reduction	70 % reduction	70 % reduction	71 % reduction	71 % reduction
Council's net emissions of 4,736 tCo2-e which was a reduction of 71 per cent from 1996/97 emissions (16,333 tonnes), meeting target.					
Council's potable water use (ML)	258	238	226	298	244
An increase of potable water use was experienced from 2017/18 and failed to meet target. This is primarily due to extremely dry summer, with rainfall almost 50 per cent lower than average.					
Municipality-wide greenhouse gas emissions (tonnes)	No data	No data	1,704,000	No data	No target
Kerbside collection waste diverted from landfill*	34 %	33 %	32 %	29 %	>35 %
The diversion of recyclables to landfill in 2019 caused a drop in the overall result. Council maintains a strong focus on reducing the amount of waste going to landfill. The Don't Waste It! Waste Management Strategy will provide the blueprint for how Council and the community work together to create a more sustainable future for Port Phillip and the way waste, recyclables and organics is managed moving forward.					

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

Highlights

- The Melbourne Renewable Energy Project (MREP) wind farm initiative was realised. The Crowlands wind farm was constructed in Crowlands and Council started transitioning all metered electricity accounts to renewable energy from 1 January 2019.
- A suite of community sustainability programs was delivered to residents, businesses and community organisations through the Sustainable City Community Action Plan.
- The Cooperative Research Centre for Water Sensitive Cities (CRC) awarded the City of Port Phillip with the inaugural Water Sensitive Cities Award. This award was based on benchmarking progress against the goals of a Water Sensitive City, where Port Phillip rated the highest in Australia to date, out of 21 cities who have undertaken the process.
- The Alma Park Stormwater harvesting project was constructed and will be commissioned in early 2019/20.
- Adopted the 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.

Challenges

Summer 2018/19 was extremely dry, with rainfall almost 50 per cent lower than average. More water was needed for irrigating our parks, gardens and sporting grounds. Council's total potable water use was 298 ML, 25 per cent higher than the target of 238 ML.

Apartment dwellers continue to face barriers to improving sustainability and accessing renewable energy. The technical complexity of building types and the decision-making requirements of Owner's Corporations have resulted in low take up of solar installations.

In February the Environment Protection Authority Victoria (EPA) issued SKM Recycling with notices requiring it to stop accepting recyclable waste materials at two of its sites. This meant that, for more than two weeks, we were forced to send 658 tonnes of recyclables to landfill, costing \$79,000. We were subsequently reimbursed as part of our contract. We led the call on the Victorian Government to hold an urgent roundtable with the Municipal Association of Victoria and councils to develop an action plan to future proof the recycling sector.

Following completion of feasibility analysis of Albert Park Lake Stormwater Harvesting Scheme, project partners have decided not to progress the project at this time due to concerns about cost, delivery and operation.

EcoCentre Redevelopment project is dependent on partnership funding. To date, we have received \$200,000 from the Victorian Government to progress a design. Council will continue to seek further partnership funding for construction.

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 2019/20 include addressing Council's declaration of a Climate Emergency, and the continued implementation of the:

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

This includes:

- continued investment in energy efficiency and solar
- collaborating with partners to address flooding and conduct a Coastal Hazard Assessment
- delivering the third year of the Sustainability Community Action Plan.

Transforming waste management

The Don't Waste It! Waste Management Strategy 2018-28 provides a blueprint for how Council and the community will work together to create a more sustainable future for Port Phillip, ensuring it has a sustained reduction in waste. Endorsed by Council on 17 October 2018, it had 25 actions scheduled to commence in 2018/19.

Council commenced working with Glen Eira, to investigate the viability of offering food waste collection services to apartments and businesses, and to improve service standards, streetscape amenity and environmental outcomes for apartments and small to medium businesses.

We continue to strongly advocate to both the Australian and Victorian Governments, for action to strengthen the recycling industry. We are also looking for partnership opportunities with other councils and the MAV to accelerate recycling solutions and find a better, more sustainable way forward for our community.

Refer to page 4-102 for more details on progress in delivering Don't Waste It! Waste Management Strategy 2018-28.

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 are committed to collaborating 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.

Construction of the Alma Park Stormwater Harvesting System is nearing completion. The system will provide water to Alma Park West, the Alma Park East 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.

During the year, we installed our 200th 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.

Refer to page 4-97 for more details on progress in delivering Act and Adapt - Environmental Sustainability Strategy 2018-28.

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 investigated an opportunity to supplement Albert Park Lake with treated stormwater and 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.

Following the completion of feasibility analyses, it was concluded that while the Scheme may be possible from an engineering perspective, there are considerable risks that may impact the reliability, cost, delivery and operation. As part of the Water Sensitive Cities Plan, Council is now assessing other prospects for storm water harvesting opportunities.

Actual: \$12,000 Budget: \$100,000

Sustainable Environment Strategy Implementation

The Act and Adapt Environmental Sustainability Strategy 2018-28 consists of 38 actions to support Council and the community to improve sustainability outcomes over the next 10 years. In 2018/19 four actions were completed and 25 actions were progressed as scheduled.

Refer to page 4-97 for more details on progress in delivering Act and Adapt - Sustainable Environment Strategy 2018-28.

Actual: \$237,000 Budget: \$280,000

Alma Park Stormwater Harvesting Development

The Alma Park Stormwater Harvesting project is a multi-year project that will design and construct a stormwater harvesting scheme at Alma Park. We worked closely with adjacent schools, sports clubs and the Hank Marvin Markets to ensure that any disruptions to park and oval use were kept to a minimum. Construction of the bioretention system is now complete and the underdrainage has been installed. The biofiltration media was imported and planted. The Alma Park West irrigation system is connected to the storm water harvesting system. The system will now be operated 'off-line' for several months as the filter media stabilises. Once stabilised the system will become operational and we can start to harvest the stormwater. Project completion is expected early 2019/20.

Actual: \$2,485,000 Budget: \$2,815,000

Waste Strategy Implementation Program

Council adopted the Don't Waste it! Waste Management Strategy 2018-28 on 17 October 2018. All actions are in progress including detailed research and scoping for trials and education. Pilot trials for food waste reduction are currently being developed with interested community groups and commenced early 2019. Council is advocating to the Australian and Victorian Governments for action to strengthen the recycling industry. The opportunity to partner with other Councils to find a better, more sustainable way forward for our community is a priority.

Refer to page 4-102 for more details on progress in delivering Don't Waste It! Waste Management Strategy 2018-28.

Actual: \$383,000 Budget: \$688,000

Four year priority progress

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

Priority	Not started	In progress	Completed
3.4 A water sensitive City			
Undertake integrated water management planning, including partnering with Melbourne Water and others to review and implement relevant plans.			
Plan and deliver water sensitive urban design interventions to reduce contaminants in water entering Port Phillip Bay.			
Investigate and implement (subject to viability) stormwater harvesting and flood mitigation works at key locations.			
Increase the permeability of ground surfaces across public streets and spaces, and work with the community to achieve greater permeability on private property.			
Develop a Stormwater Asset Management Plan and continue to invest in drainage improvements.			
Develop a Stormwater Management Policy and Guidelines to require onsite stormwater detention for new developments.			
3.5 A sustained reduction in waste			
Develop and implement a new municipal Waste Management and Resource Recovery Strategy, including an implementation plan to divert organic waste from landfill.			
Increase investment in street cleaning, litter bins and equipment to improve amenity and responsiveness, and investigate opportunities for further improvements to service delivery.			
Work with the 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: \$17,901,831 Budget: \$18,690,652 Variance: \$788,821

Explanation: Disruptions in the recycling sector has resulted in the loss of income from recyclable materials which is offset by lower expenditure.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Resident satisfaction with street cleaning	89 %	88 %	87 %	87 %	>90 %
Resident satisfaction with street cleaning remained stable with previous performance, despite just missing target.					
Street cleaning audit compliance	95 %	94 %	94 %	95 %	>95 %
We continued to see a high level of compliance with our audit of street cleaning.					

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: \$6,853,368 Budget: \$8,829,948 Variance: \$1,976,579

Explanation: A number of work in progress capital projects carried over to 2019/20 included South Melbourne Solar Installation, EcoCentre Redevelopment, and Alma Park Stormwater Harvesting Development.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
New trees planted per year	1,466	1,117	1,519	1,325	1,055
1,325 trees were planted in 2018/19, over 250 above the target.					
Resident satisfaction with making Port Phillip more environmentally sustainable	91 %	91 %	86 %	75 %	>90 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perception of Council making Port Phillip more environmentally sustainable dropped from last year. Officers are implementing the Act and Adapt - Environmental Sustainability Strategy 2018-28 to respond to this result.					
Megalitres of water use from alternative sources	1.68	10.51	14.15	19.12	15
Water from alternative source exceeded target this year.					
Total suspended solids removed from stormwater (tonnes)	38.9	44.1	46.5	55.9	47.3
Over 55 tones of total suspended solids were removed from stormwater this year, over our target of 47.3.					
Investments in fossil free institutions	49 %	86 %	77 %	85 %	60-80 %
As at 30 June 2019, the investment in fossil free institutions slightly exceeded the target of 80 per cent.					

Service statistics

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

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: \$5,556,556 Budget: \$9,105,333 Variance: \$3,548,777

Explanation: The business case for a sustainability hub including transfer station and depot is being led by the Victorian Government.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Council waste production	53.4T	50.4T	59.6T	56.0T	50T

According to our latest audit, 56 tonnes of waste was produced during the year, this equates to 1.3kg per person.

Resident satisfaction with waste and recycling collections	92 %	93 %	89 %	83 %	90 %
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Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated a decrease in waste and recycling collection services. This is primarily due to the impact of the recycling crisis experienced during the year.

Satisfaction

Kerbside bin collection requests per 1,000 households*	33.57	29.29	27.84	29.31	<35
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The number of bin requests has slightly increased from 2017/18.

Service standard

Kerbside collection bins missed per 10,000 bin lifts*	2.67	1.73	3.91	3.40	<2.5
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Number of bins missed is lower from the previous year. This is reflective of Council's good quality bin collection service.

Service cost

Cost of kerbside garbage bin collection service per bin*	\$63.68	\$69.65	\$68.97	\$53.07	<\$50.00
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Costs have significantly reduced which reflects the close management of the kerbside waste collection contract ensuring higher level of service provided to the community.

Cost of kerbside recyclables collection*	\$33.93	\$36.07	\$39.57	\$46.55	<\$50.00
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The increase in cost of our recyclables collection service, exceeding our target of \$36.00, is attributed to the increased costs to the recycling industry in Australia. Strategic plans are in place to identify better practices with our contractor.

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

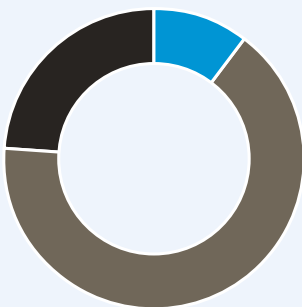
Service statistics

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

Act and Adapt - Sustainable Environment Strategy 2018-28

Strategy progress

Actions completion



Completed	■
In progress	■
Not started	■
Total actions	38

Highlights

A greener, cooler, more liveable City

- Planted 1,325 trees as part of the Greening Port Phillip Program and increased permeability on Liardet Street and Farrell Street, Port Melbourne to improve tree health and reduce heat
- Partnered with local residents to deliver a biodiversity corridor in Danks Street, Albert Park. This included planting indigenous trees, shrubs and grasses and installing nesting boxes which will provide habitat for wildlife
- Facilitated 28 planting days, where volunteers planted 21,067 indigenous plants in Native Vegetation Areas along the foreshore
- Installed fencing at Elwood Tea Tree Reserve, Fraser Street Dunes, Point Ormond Reserve and Lagoon Reserve to protect areas of native vegetation
- Improved the sustainability of buildings across the City by assessing Environmentally Sustainable Design in 212 planning applications and working with developers to change the design and construction of their developments.

A City with lower carbon emissions

- Delivered energy efficiency improvements in Council buildings, including lighting, heating and cooling upgrades St Kilda Town Hall, South Melbourne Market, Bubup Nairn and Middle Park Community Centre
- Installed 52 kW solar panels on Council buildings, including North St Kilda Child Care, Poets Grove Family & Children's Centre and 147 Liardet Street and commenced construction of 200 kW solar panels on South Melbourne Market
- As part of the Melbourne Renewable Energy Project (MREP), started transitioning all Council's metered electricity accounts to renewable energy on 1 January 2019. MREP won a Premiers Sustainability Award 2018 and the City Switch Partnership Award for Victoria and Australia

- Increased sustainable procurement by 50 per cent from the 2017-18 figure across categories including recycled content, energy saving, green products, green services and social responsibility. The increase was from three percent to 4.5 percent of Council spending on goods and services
 - Developed a new Corporate Social Responsibility schedule to better assess vendor sustainability credentials during tenders. Delivered a successful pilot of an online tool funded by the Department of Environment Land Water and Planning (DELWP) and in collaboration with the Cities of Wyndham and Whittlesea. 110 suppliers registered and accessed learning modules to support their own sustainability
 - Installed five new electric vehicle chargers at St Kilda Town Hall to charge fleet vehicles, and purchased two plug-in hybrid electric vehicles, six hybrid vehicles, and two electric bikes.
- ### A City that is adapting to climate change
- Developed a Climate Response Plan to guide how we mitigate and adapt to the impacts of climate change
 - Completed a project to examine the effectiveness of establishing a Port Phillip Energy Foundation This included a review of the different structures used by councils to deliver sustainability programs to the community. Council's current model of service delivery was determined to be more efficient than establishing an energy foundation
 - Undertook a high-level assessment of Council's assets to understand how they may be impacted by climate change, the value of impacted assets and which areas of the City are most vulnerable to climate change impacts, including flood, heat, sea level rise and storm surge
 - Worked with the Victorian Government to commence the Port Phillip Bay Coastal Hazard Assessment, to analyse future coastal erosion, coastal inundation and groundwater intrusion in Port Phillip Bay
 - Partnered with the Victorian Government and City of Melbourne to develop a Water Sensitive Cities Strategy for Fishermans Bend and commence an Urban Ecology Study to assess and minimise wind and heat impacts and enhance biodiversity. Successfully advocated to the Victorian Government to include best practice sustainability outcomes in the Fishermans Bend Framework and Planning Controls, adopted in October 2018. These will be inputs into the Fishermans Bend Precinct Plans, currently in development
 - Continued the longstanding partnership with the Port Phillip EcoCentre to support their community and education program delivery. Commenced the design phase for the redevelopment of the EcoCentre's facilities. The design work is being co-funded by a \$200,000 (incl. GST) grant from DELWP. Continuing the project to construction is subject to receiving partnership funding
 - Launched a new Solar Partnership program to support apartment dwellers and businesses to install rooftop solar panels. The program included assessing the suitability of solar providers, running community information sessions and providing expert advice and support to landlords, tenants and Owners Corporations. This popular program engaged with 263 participants over a six-month period
 - Launched the Smart Solutions for Businesses Program which included an audit and intensive support to 10 'showcase' businesses who have saved a combined \$55,000 in utility bills and 350 tonnes of greenhouse gas emissions. The Sustainable Business Network also had its inaugural breakfast meeting in May and has already received 50 membership enquiries
 - Delivered a new leadership program 'Enviro Champs' to support community members to deliver their own sustainability projects individually or in groups. Thirty-five participants have designed eight projects which are now underway
 - Launched the Smart Solutions for Community Services Program which provided intensive support to five local not-for-profit organisations. Participants received a free sustainability audit and are now being supported to make changes that will not only reduce greenhouse gas emissions but save money that can be redirected to community programs
 - The award winning 'Seedlings' program continued with 11 participating Early Childhood Education and Care Services. Services are supported to reduce their water, energy and waste and to embed sustainability into their curriculum. Data collected in September 2018 demonstrated significant decreases in electricity, gas and water use due to changes in behaviour and infrastructure
 - Delivered Council's most successful online sustainability campaign to date through #Actthisadvent. A series of engaging videos prepared in partnership with local community groups and businesses provided sustainability tips for the festive season that reached 72,919 people

- Increased online engagement via Facebook by 24 per cent from 1,496 followers to 1,850 followers. Newsletter subscribers also increased by 50 per cent to 2,888
- Continued the Smart Solutions for Apartments program. The 10 apartment buildings that participated in the previous year's intensive program were provided with a National Australian Built Environment Rating System (NABERS) score. These apartment buildings were amongst the first residential buildings to be assessed and rated in Victoria against seven sustainability and efficiency principles. The wider apartment dwelling community were also invited to two workshops exploring sustainability and strata governance and an apartment specific bi-monthly newsletter commenced. Legal templates and tools were developed to assist apartment dwellers to engage with their Owners' Corporations. A new 'Winter Warmers' behaviour change initiative was launched to reach apartment dwellers in their own homes and leverage their social networks.
- Upgraded irrigation infrastructure at six Council reserves and completed a tender process for a new irrigation control system to improve efficiency
- Constructed raingardens at four locations, which will improve water quality by reducing the amount of pollutants, nutrients and grit flowing into the Bay from our streets
- Worked with Melbourne Water and Local Government partners to deliver the Elster Creek Action Plan 2018. Completed a Draft Elster Creek Catchment Flood Management Plan (2019-2024) which contains actions to reduce the impact of flooding across the catchment
- Partnered with City of Bayside to commence investigations and design options to redevelop the former golf course in Elsternwick Park to a Nature Reserve, which will reduce flooding and improve environmental outcomes
- Completed a study of permeability potential for Council land and identified opportunities to deliver permeability improvements through Council's maintenance and construction programs.

A water sensitive City

- The Cooperative Research Centre for Water Sensitive Cities (CRC) awarded the City of Port Phillip with the inaugural Water Sensitive Cities Award. This award was based on benchmarking progress against the goals of a Water Sensitive City, where Port Phillip rated the highest in Australia to date, out of 21 cities who have undertaken the process
- Developed a Water Sensitive City Implementation Plan to guide Council's Water Transformation
- Constructed a Stormwater Harvesting Scheme in Alma Park, St Kilda East to reduce potable water use and improve water quality

A sustained reduction in waste

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

Challenges

Summer 2018/19 was extremely dry, with rainfall almost 50 per cent lower than average. Because of this, more water was used for irrigating our parks, gardens and sporting grounds. Council's total potable water use was 298 ML, 25 per cent higher than the target of 238 ML

The EcoCentre Redevelopment project is dependent on partnership funding. To date, we have received \$200,000 (Incl GST) from the Victorian Government to progress a design. Council will continue to seek further partnership funding for construction

Planning for energy efficiency upgrades of lighting and air conditioning were impacted by proposed changes to internal layouts of some of our buildings. A revised scope will be finalised in October 2019 with project completion by June 2020

Construction of solar panels on the roof of South Melbourne Market was delayed as changes to the design were required to meet roof safety requirements

Apartment dwellers continue to face barriers to improving sustainability and accessing renewable energy. The technical complexity of building types and the decision-making requirements of Owners Corporations have extended the time frame needed to achieve solar target numbers

Following completion of feasibility analysis of Albert Park Lake Stormwater Harvesting Scheme, project partners have decided not to progress the project at this time due to concerns about cost, delivery and operation.

Looking forward

A greener, cooler, more liveable City

- Complete a Biodiversity Study and Action Plan to inform how Council can protect, enhance and promote biodiversity in the City
- Investigate opportunities to protect vegetation and increase canopy cover on private property
- Collect and share heat and solar data across the City

A City with lower carbon emissions

- Continue to deliver Energy Efficiency improvements in Council buildings
- Continue to transition Council's fleet to zero and low-emissions vehicles
- Completed the solar panel installation on the roof of South Melbourne Market

A City that is adapting to climate change

- Continue to partner with the Victorian Government to deliver the Port Phillip Bay Coastal Hazard Assessment
- Complete a detailed assessment of each of Council's buildings, roads and drains and their individual exposure to the risks of climate change (subject to grant funding)

- Deliver the third year of the Sustainable City Community Action Plan. This includes continued effort to support apartment dwellers and the launch of two new programs - a solar grant for low income earners and Environmental Upgrade Agreements for commercial properties
- Complete Detailed Designs of the EcoCentre Redevelopment and continue to seek partnership funding to realise the construction stage of the project

A water sensitive City

- Work with partners to finalise and implement the Elster Creek Flood Management Plan (2019-2024) and complete designs for Elsternwick Park Nature Reserve
- Investigate mechanisms to require onsite stormwater detention in new developments
- Update policies and engage with the community to achieve greater permeability on private property
- Install a centralised control system to monitor and control irrigation of our parks and reserves. Review irrigation requirements and set new service levels for water consumption in our parks and reserves.

Community participation

Statistic	2017/18	2018/19 result
Participants in Council-run school travel programs	6,565	6,348
Participants in Council run waste programs	501	70
Participants in Sustainable City Community Action Plan programs	1,306	1,421
Total Council run sustainability programs	8,373	7,839

Act and Adapt goals (Council)

Statistic		Baseline 2016/17	2018/19 result	2020/21 goal	2027/28 goal
A greener, cooler, more liveable city	Street tree canopy cover	19%	N/A	2 % increase on baseline	
A city with lower carbon emissions	GHG emissions (tCo2-e) Gross	10,950	10,758	1,200	520
	GHG emissions (tCo2-e) Net	6,464	4,736	zero net	zero net
	Electricity from renewable sources (kW, %)	293 19 %	359 23 %	100%	100%
	Buildings and streetlights (MWh)	8,900	8970		
A water sensitive city	Potable water use (ML)	238	298	257	203
	Total suspended solids (t/y)	44.1	55.94	N/A	N/A

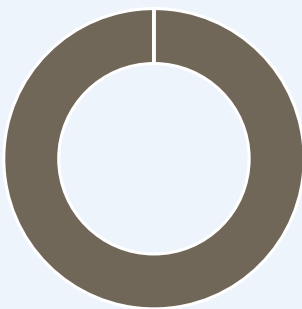
Act and Adapt goals (Community)

Statistic		Baseline 2016/17	2018/19 result	2020/21 goal	2027/28 goal
A greener, cooler, more liveable City	Canopy cover	19 %	No result	2 % increase on baseline (11.2 %)	10 % increase on baseline (12.1 %)
A City with lower carbon emissions	GHG emissions (tCo2-e) Gross	1,700,000	No result	N/A	N/A
	Electricity from renewable sources (kilowatt)	5,100	No result	10,400 kW	29,000 kW
A City that is adapting to climate change	Indicators to be reported - number of houses impacted by extreme weather; temperature hotspots; use of council facilities during extreme weather	-	No result		
A water sensitive City	Potable water use	178L per person, per day	No result	TBC	155

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

Strategy progress

Actions progress



Completed	■
In progress	■
Not started	■
Total actions	25

Highlights

- Throughout June and July 2018, City of Port Phillip consulted our community to gather feedback on our draft Waste Management Strategy which was developed using feedback from community consultation undertaken throughout the development of the Council Plan 2017-2027
- We consulted our community through an online survey, focus groups and pop up sessions. We asked our community if they supported the proposed priority areas and targets and the key themes of the draft Strategy. This included testing areas of interest for education campaigns
- Following this consultation, the final Strategy was adopted by Council in October 2018.

Council are now working with community, businesses and stakeholders to implement the Strategy's 25 actions. A summary of highlights so far is:

A City that reduces waste

- Launched Smart Solutions for Waste, a Have Your Say page which engages the Port Phillip community in an online conversation about waste avoidance and reduction, reuse and recycling. Twenty-five residents are currently signed up, and have pledged to reducing their waste-line (May 2019)
- Completed waste and recycling bin audits of residential bins, Council bins, and public litter bins to establish baselines to measure progress on Don't Waste It! targets over the period of the Strategy (June 2019).

A City that maximises reuse and recycling

- Launched community battery and electronic waste recycling drop-off points in Port Melbourne and St Kilda Libraries (February 2019)
- Commenced a collaborative study with Glen Eira City Council to investigate the feasibility of multi-unit development and commercial waste collection program (June 2019)

- Launched Composting with Community, a program to encourage residents to avoid food waste by meal planning and sticking to a shopping list, and purchasing a discounted Green Cone to recycle unavoidable food waste for \$79.90 (70 per cent off RRP) (April 2019). To 30 June, 100 Green Cones have been sold, 50 more than target for 2019/20.

A City with clean streets, public spaces and foreshore areas

- Completed community consultation on their experiences of waste services. The information from the consultation will inform the transformation of City of Port Phillip's waste service delivery (May 2019)
- Clean Streets Review completed and implementation plan commenced (June 2019). (Review tabled at Ordinary Council Meeting on 17 July 2019).

A City that uses new technology to process waste better and reduce environmental impacts

- Conducted successful street sweeper waste recycling trial whereby materials collected by Council street sweepers was sent to custom facility in Melbourne for recycling (June 2019)
- Partnered with Fulton Hogan to establish a trial site for application of PlastiPhalt®, an innovative asphalt pavement containing waste plastic, otherwise destined for landfill. Monitoring of the trial site continues.

Challenges

- The uncertainty in the recycling industry over the past two years is an ongoing issue. City of Port Phillip continue to work closely with our recycling contractor, the MAV, and the State Government to advocate for options and opportunities to manage recycling industry issues to best meet the needs of our community
- Launch of the businesses engagement program delayed to await the results of the collaborative study with Glen Eira City Council which have the potential to allow City of Port Phillip to run a more efficient and effective program. Scope of this project will be revised to reflect results of the study in 2019/20.

Next steps

- Continue to advocate to the State Government to work towards waste and recycling targets for Fishermans Bend development
- Complete City of Port Phillip's revised Waste Management Plan Guidelines for multi-unit developments to ensure waste and recycling services in new developments are accessible and sufficient
- Commence tendering for new waste, recycling, dumped waste and hard waste collection contracts
- Continue to work with the Metropolitan Waste and Resource Recovery Group (MWRRG) to negotiate contract solutions for recycling for the CoPP community
- Continue to work with the Metropolitan Waste and Resource Recovery Group on multi-council landfill contracts
- Continue advocacy work, including submission to the Victorian Government's Circular Economy Issues Paper and Policy
- Expand trial of recycling street sweeper waste material
- Establish a network of solar compaction bins across selected parts of the municipality to create a more efficient collection system.

Don't Waste It! targets

21/22 target	2027/28 target	2018/19 results *	2018/19 target
<p>By 2022, a 20 % reduction in:</p> <ul style="list-style-type: none"> waste per house waste per apartment* waste per Council employee 	-	<p>House: 5.6 kg/week</p> <p>Apartments: 6.5 kg/week</p> <p>Per council employee: 1.3 kg/week [SKTH waste data only]</p>	Set baseline
<p>By 2022, landfill diversions of:</p> <ul style="list-style-type: none"> 43 % for houses 29 % for apartments 58 % for council buildings 85 % for public bins 	-	<p>2019 diversion rate for:</p> <p>Houses 38.7 %</p> <p>Apartments 21.4 %</p> <p>Council buildings 35.6 %</p> <p>Public litter bins 1.4 %</p>	Set baseline
<p>By 2022, a 50 % reduction in contamination levels in apartments, houses and Council building recycling bins (from 2019 levels).</p>	-	<p>2019 recycling bin contamination levels for:</p> <p>Houses 15 %</p> <p>Apartments 18 %</p> <p>Council buildings 13 %</p>	Set baseline
<p>By 2022, a 50 % reduction in recyclable items** in apartments, houses and Council building waste bins.</p>	8,373	<p>% of material in waste bins that is recyclable:</p> <p>Houses 74 %</p> <p>Apartments 71 %</p> <p>Council buildings 65 %</p>	Set baseline
<p>By 2022, maintain community satisfaction levels of 90 % for waste services.</p>	-	<p>Community satisfaction with waste services is 89 % (2018). 2019 data not yet available.</p>	90 %
	<p>By 2028, a 50 % diversion of: food waste from landfill within house/apartment, Council and (participating) commercial buildings.</p>	<p>Per cent of waste stream that is food waste:</p> <p>Houses: 40.1 %</p> <p>Apartments: 38 %</p> <p>Council buildings 39 %</p> <p>Commercial buildings: 0 %</p>	Set baseline
	<p>By 2028, 100 % of waste treated to maximise its value prior to landfill:</p> <ul style="list-style-type: none"> House/apartment waste Council buildings waste 	<p>House / apartment: 0 %</p> <p>Council buildings: 0 %</p>	Set baseline
	<p>By 2028, landfill diversions of:</p> <ul style="list-style-type: none"> 85 % for houses 85 % for apartments 85 % for council buildings 85 % for public bins 	<p>2019 diversion rate for:</p> <p>Houses 38.7 %</p> <p>Apartments 21.4 %</p> <p>Council buildings 35.6 %</p> <p>Public litter bins 1.4 %</p>	Set baseline
	<p>By 2028, maintain community satisfaction levels of 90 for waste services, while managing growth.</p>	<p>Community satisfaction with waste services is 89 % (2018). 2019 data not yet available.</p>	Set baseline

Direction 4

We are growing and keeping our character

4.1 Liveability in a high density City

4.2 A City of diverse and distinctive neighbourhoods and places

Outcome indicators

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Residents who feel a sense of safety and security in Port Phillip	85 %	85 %	82 %	81 %	>85 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of safety and security remained stable compared to 2017/18.					
Residents who are proud of, connected to and enjoy living in their neighbourhood	96 %	97 %	96 %	96 %	>95 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated residents continued to feel proud of, connected to and enjoy living in their neighbourhood.					
Residents who agree the local area is vibrant, accessible and engaging	96 %	97 %	95 %	93 %	>95 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions that local areas are vibrant, accessible and engaging dropped slightly compared to previous years. Officers are responding to these results by implementing the Peacemaking Action Plan.					
Planning decisions upheld at VCAT*	71 %	70 %	61 %	72 %	>70 %
The overall result has increased. Allowing for mediated and withdrawn outcomes, Council decisions upheld at VCAT is 87 per cent.					

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

Highlights

- Completed construction and opened new community park, Kirrip Park in October 2018
- Completed construction of Peanut Farm path lighting
- Conducted consultation on dog on lead foreshore
- Implemented new summer management program.

Challenges

Customer satisfaction survey results show areas to improve

Results from the community satisfaction survey conducted in February 2019 showed areas where we need to improve, including:

- a decrease in the number of residents who feel a sense of security in Port Phillip failed to meet this target (no comparable data available for this measure)
- resident perception of planning services decreased and results remained below target (result of 50 per cent compared to 80 per cent target)
- public space community requests resolved on time also failed to meet target (78 per cent compared to target of 90 per cent).

The community satisfaction survey is an important tool for us to learn and understand what community expectations are, and how we can better address community expectations.

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 2019/20 include:

- Public Spaces Strategy development
- the new long term lease for the St Kilda Marina, according to the updated program that was approved in June 2019
- Gasworks Arts Park project remains on track, to be completed in 2019/20. Community engagement timelines have been realigned to the organisation's new neighbourhood engagement program
- Kirrip Park additional works identified by the Metropolitan Fire Brigade to enable safe access to the north-east corner of the park - reinforcing the grass area so that it can sustain heavy vehicles.

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 2018, with the maternal child health service opening in February 2018. 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 2018, the Victorian School Building Authority announced a new secondary school in Fishermans Bend, with \$3.8 million set aside in the Victorian Government 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

Ferrars Street Education and Community Precinct - Construction of Kirrip Park

Construction of Kirrip Park was completed in October 2018 and has been successfully operating since.

Additional works were identified post construction relating to additional grass reinforcement areas to allow heavy vehicle access.

Actual: \$1,961,000 Budget: \$1,600,000

Ferrars Street Education and Community Precinct - Streetscape Upgrade

The project will deliver streetscape as part of the Ferrars Street Education and Community Precinct development program. Increased expenditure reflecting funds deferred from 2017/18 into 2018/19 due to works at Kirrip Park impacting contractor start and soil contamination costs.

Actual: \$3,340,000 Budget: \$2,434,000

Public Spaces Strategy Development

Background research is underway to prepare a directions and opportunities paper, that will form the basis for community engagement and ultimately inform development of the strategy. Community engagement timelines have been realigned to the organisation's new neighbourhood engagement program, with current work focusing on development of engagement collateral.

Actual: \$6,000 Budget: \$125,000

St Kilda Marina Project

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.

Unforeseen technical requirements to support the project have placed pressure on the budget. Several risks have also been identified, particularly associated with the planning and procurement process that are closely being managed. An updated Project Approach and Timeline approved by Council on 5 June 2019 incorporates the program supporting a well-defined procurement process, and planning process for the project.

Actual: \$461,000 Budget: \$460,000

Four year priority progress

Priority	Not started	In progress	Completed
4.1 Liveability in a high density City			
Partner with the Victorian Government to ensure the Fishermans Bend Framework and precinct plans maximise outcomes for current and future Port Phillip residents, including employment, housing choice, quality public space and community facilities, and early delivery of fast, frequent public transport.			
Deliver open space remediation and streetscape works in Fishermans Bend, particularly in the Montague Precinct and at the Ferrars Street Education and Community Precinct.			
Work with the Victorian Government to effectively manage soil contamination and remediation on open space sites, including at Gasworks Arts Park.			
Review and update the Port Phillip Planning Scheme, and Municipal Strategic Statement, to ensure an effective framework of local policy and controls to manage growth and support healthy communities.			
Implement planning scheme amendments that strengthen design and development controls in areas undergoing significant change.			
Invest in improving parks, playgrounds and street and public space lighting.			
Develop a new public space strategy.			
Review Council's design and technical standards for streets and public spaces.			

Priority

Not started

In progress

Completed

4.1 Liveability in a high density City

Deliver the Design and Development Awards, to showcase and promote design excellence in Port Phillip.



Continue to improve community safety by evaluating CCTV, undertaking community safety audits and implementing crime prevention through environmental design guidelines.



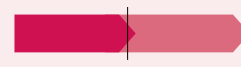
Continue to maintain a high standard of amenity, ensure compliance with planning requirements and local laws, and support public health and safety through service improvements and mobile technology.



Review Council's local law to manage and improve community amenity.



Review (Completed in 2017) and implement Council's Domestic Animal Management Plan, which promotes animal welfare and responsible pet ownership.



Work with the Victorian Government to improve the safety of buildings in our municipality.



Priority	Not started	In progress	Completed
4.2 A City of diverse and distinctive neighbourhoods and places			
Effectively manage the St Kilda Marina lease process, including developing design guidelines through stakeholder and community engagement.			
Advocate for and partner to develop a vision and plan for St Kilda Junction.			
Develop an urban design framework for St Kilda Road North ANZAC Station precinct and surrounds			
Develop a strategic plan for the St Kilda precinct, including a strategy to revitalise Fitzroy Street.			
Develop design guidelines for key foreshore destinations including the St Kilda Triangle and Port Melbourne Waterfront.			
Implement a program to strengthen heritage controls including assessing sites of cultural and social significance; and implement the review of Heritage Overlay 6 (East St Kilda) through the planning scheme.			
Review the Housing Strategy to ensure new residential development is well located and respects the character and heritage of established neighbourhoods.			
Review the Heritage Policy in the Port Phillip Planning Scheme to improve guidance on the retention and adaptive reuse of the City's heritage fabric.			
Reflect and interpret the City's history through the installation of plaques, memorials and monuments.			
Upgrade the foreshore including vegetation projects and maritime infrastructure renewals.			

Services that contribute to this direction

City planning and urban design

Direct and manage changes in land use, the built environment and the public realm to maximise community benefit. Achieved 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: \$4,131,260 Budget: \$5,171,827 Variance: \$1,040,568

Explanation: Lower expenditure due to: 1) completion of Balaclava Station Interchange Upgrade in 2017/18; 2) deferral of Fitzroy Street Streetscape upgrade to 2019/20; and 3) staff vacancies during the financial year.

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: \$8,700,702 Budget: \$8,645,616 Variance: (\$55,086)

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Resident satisfaction with Council's planning services	79 %	78 %	78 %	60 %	>80 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perception of planning services decreased significantly compared to previous years.					
Timeliness					
Time taken to decide planning applications*	75	78	77	78	<75
The result shows there are still areas of improvement that can be made to increase the number of decisions made within the required timeframe.					
Service standard					
Planning applications decided within required timeframes*	58 %	60 %	61 %	57 %	>60 %
The result shows there are still areas of improvement that can be made to increase the number of decisions made within the required timeframe of 60 days.					
Service cost					
Cost of statutory planning service per planning application*	\$2,104.35	\$2,554.87	\$2,764.04	\$2,617.25	<\$2,500.00
There has been a small decrease in unit processing costs.					

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

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Planning applications					
Received	1,529	1,155	1,095	1,224	
Decisions made	1,624	1,380	1,303	1,204	

* 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: \$1,740,187 Budget: \$1,790,393 Variance: \$50,206

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Timeliness					
Time taken to action food complaints*	1.76 days	1.67 days	1.58 days	1.74 days	<2 days
Results remain positive and consistent with previous years ensuring all food complaints are actioned in less than two days.					
Service standard					
Percentage of required food safety assessments undertaken*	100 %	100 %	100 %	100 %	100 %
All of our registered Class 1 and Class 2 food premises received an annual food safety assessment in accordance with the Food Act 1984 . This result has been consistent with the previous years at 100 per cent.					
Service cost					
Cost of food safety service per premises*	\$547.92	\$521.41	\$551.11	\$591.00	<\$519
The number of registered premises have remained relatively stable however costs to deliver the service have increased slightly, leading to an increase in cost and slightly over the target of \$519.00.					
Health and safety					
All critical and major non-compliance notifications about food premises followed up on the due date*	99 %	99 %	100 %	100 %	95 %
Strong work continues in the area of critical and major non-compliance notifications followed up on time meeting our target of 100 per cent.					

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Health services					
Prescribed accommodation inspections conducted	91	134	98	149	⬆️
Hairdresser, tattooist and beauty parlour inspections conducted	132	106	152	95	⬇️
Syringes collected and discarded through syringe disposal containers and the Community Clean-up program	22,021	20,749	18,204	19,122	⬆️
Public health nuisances reviewed	275	234	230	245	⬆️
Food safety					
Inspections of registered premises	2,734	2,680	2,768	2,801	⬆️
Food premises complaints	217	185	195	205	⬆️
Food samples analysed	218	265	242	238	⬇️

* 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: \$643,674 Budget: \$636,363 Variance: (\$7,311)

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: \$2,093,868 Budget: \$2,172,302 Variance: \$78,434

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Timeliness					
Time taken to action animal complaints*	1 day	1 day	1 day	1 day	<2 days
There has been a steady number of animal requests received in the past couple of years with 2,566 received in the past year and actioned in less than one day.					
Service standard					
Percentage of animals reclaimed*	59 %	48 %	48 %	56 %	>55 %
The number of animals reclaimed has increased significantly from 2017/18 showing the proportion of registered animals reunited with their owners.					
Service cost					
Cost of animal management service*	\$75.10	\$61.36	\$69.52	\$66.16	<\$76.00
The cost of animal services decreased compared to 2017/18 and is below the target of \$76.00. We provide an extra 24 hour on-call service, which is not offered by all councils. We also manage additional animals on beaches belonging to visitors. Currently we do not have the appropriate space to manage an onsite pound and therefore contract this service out to the Lost Dogs' Home.					
Health and safety					
Successful animal management prosecutions*	5	2	6	6	<10
Council officers resolve animal related issues in a consistent proactive approach with those involved resulting in less cases prosecuted and remaining under our target of less than 10.					

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Animal management					
Animal registrations	8,279	9,678	9,618	9,474	↔
Dogs impounded	142	129	138	98	↔
Cats impounded	132	150	288	103	↔
Reported cases of stray cats (feral or trespassing)	97	106	114	74	↔
Reported cases of stray dogs (wandering at large)	73	78	61	51	↔
Reported cases of dog attacks	99	86	93	82	↔
Reported cases of barking dogs	278	332	380	475	↗
Local laws					
Unsightly property complaints	122	149	145	164	↔
Local law infringement notices issued	487	484	349	414	↔

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: \$25,478,899 Budget: \$24,817,583 Variance: (\$661,317)

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Resident satisfaction with parks and open space	94 %	96 %	94 %	95 %	>90 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of parks and open space remained stable and of very high standard.					
Resident satisfaction with beach cleaning	92 %	95 %	93 %	91 %	>90 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of beach cleaning remained stable.					
Contract delivered to standard for parks and open space	95 %	99 %	99 %	99 %	95 %
Public space community requests resolved on time	86 %	88 %	87 %	78 %	85 %
A slight decrease in public space community requests responded to on time was experienced this year.					

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Public and open space					
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	3,692	3,380	3,042	2,008	⊕
Additional trees planted	1,466	1,117	1,519	1,325	⊕

Direction 5

We thrive by harnessing creativity

5.1 A City of dynamic and distinctive retail precincts

5.2 A prosperous City that connects and grows business

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

Outcome indicators

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
People employed in the top five industries as a proportion of total employment in the municipality	-	50 %	50 %	53 %	>54 %
A slight increase was experienced and the result was just under target. The top five industries within the municipality are the professional, scientific and technical services; constructions; health care and social assistance; accommodation and food services; and retail trade.					
Visitors to the City of Port Phillip	3.4 million	3.5 million	3.7 million	4.3 million	3.6 million
A significant increase in visitors was experienced compared to previous years.					
Residents who agree they have the opportunity to participate in affordable local community events and activities	90 %	95 %	90 %	84 %	>95 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated decreased slightly. Officers are responding to these results through the implementation of the Art and Soul - Creative and Prosperous City Strategy 2018-22.					
Residents who agree Port Phillip has a culture of creativity	90 %	94 %	90 %	85 %	>95 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of Port Phillips culture of creativity decreased slightly. Officers are responding to these results through the implementation of the Art and Soul - Creative and Prosperous City Strategy 2018-22.					

Highlights

- Renewed funding agreement for the Waterfront Welcomers with Port Melbourne Neighbourhood Centre to run the volunteer program for cruise season 2018/19
- Endorsed the St Kilda Festival three year plan in August 2018
- Endorsement of Art and Soul Advisory Panel in October 2018
- Commenced consultation with Council and the community on the Indigenous Arts Plan
- Launched Yalukut Willem Ngargee festival program
- Revised South Melbourne Market Charter and governance arrangements endorsed by Council in October
- The first Place Audit was undertaken in Fitzroy Street to help identify how the street is currently being used throughout the day
- Held three outdoor markets in December in Fitzroy Street and Renew Australia completed scoping study for the program in Fitzroy Street
- Held two place planning session for South Melbourne and engaged company to run Suitcase Rummage during the Spring/Summer of 2019/20 in South Melbourne.

Looking forward

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

Key initiatives for 2019/20 include implementation of the:

- Art and Soul - Creative and Prosperous City Strategy 2018-22
- Placemaking program
- South Melbourne Town Hall renewal
- South Melbourne Market building compliance and renewal program works.

Major initiative progress

Linden Gallery Upgrade

This project was completed, upgrading and providing **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. The existing slate roof and verandah were restored, and cleaning and painting of the facade was completed. Project closure report has been submitted.

Actual: \$660,000 Budget: \$285,000

Creative and Prosperous City Strategy Implementation

Art and Soul - Creative and Prosperous City Strategy 2018-22 provides a blueprint for Council, community and business to work together to create a thriving social, cultural and economic future for Port Phillip. The goals contained within the strategy guide Council to invest and support the creative industries, deliver a concentrated placemaking effort, strengthen the creative industries of South Melbourne and Fishermans Bend, increase access to affordable spaces and funding for local creative industries, and plan for adequate employment opportunities in the creative industries. The strategy is on track with planning and implementation of its actions well underway. Three actions were expected to be completed in 2018/19 and have been deferred into 2019/20.

Actual: \$320,000 Budget: \$490,000

Four year priority progress

Priority	Not started	In progress	Completed
5.1 A City of dynamic and distinctive retail precincts			
Trial an approach that brings together residents, property owners, businesses and place users to agree a future vision and new place identity for our shopping precincts.			
Leverage opportunities to improve the Carlisle Street retail precinct, including tram stop upgrade (completed in 2018), Marlborough Street redevelopment of the supermarket precinct to enhance the retail offer and surrounding street spaces.			
Review footpath trading policies to promote street activity and accessibility.			
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.			
Develop a process to require developers to work with Council to commission art on hoardings			
5.2 A prosperous City that connects and grows business			
Develop a creative and prosperous city strategy that features all elements of our City's economy.			
Map the innovation and creative ecosystem of the City to understand and prioritise options to address issues of affordability of space.			
Work with the inner city Councils and Victorian Government to protect, promote and grow the local creative and innovative economy.			
Develop and implement a marketing plan to promote the local environment, attractions and events to locals and visitors.			
Connect local industry associations, including visitor and volunteer groups like the Port Melbourne Waterfront Welcomers with the broader visitor economy.			
5.3 A City where arts, culture and creative expression are part of everyday life			
Optimise our investment in our key arts and culture venues, including engaging with operators of Gasworks Arts Park and Linden Gallery to ensure we foster access, participation, local arts development and Port Phillip as a cultural destination.			
Support the community to plan and produce festivals that celebrate local culture and talent.			
Implement a new competitive multi-year grant program for arts and cultural organisations			
Implement the Events Strategy through event attraction and communications.			
Deliver improvements to library branches and the library collection, including preparing Library Action Plan and planning for redeveloping the St Kilda Library Deliver and facilitate a program of festivals that celebrate local culture and talent.			
Protect and develop the Port Phillip City Collection by acquiring, preserving and exhibiting artworks			
Develop and implement a Live Music Action Plan to better support, facilitate and grow a dynamic live music scene			

Services that contribute to this direction

Arts, culture and heritage

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: \$5,395,989 Budget: \$5,042,429 Variance: (\$353,560)

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Resident satisfaction with delivering arts and festivals	97 %	96 %	92 %	90 %	90 %

Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of the delivery of arts and festivals remained stable. Officers are responding to these results through the implementation of the Art and Soul - Creative and Prosperous City Strategy 2018-22.

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: \$4,333,796 Budget: \$4,626,955 Variance: \$293,159

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Festivals					
Filming permits issued	290	228	270	316	⬆️
Attendance at St Kilda Festival	450,000	400,000	460,000	460,000	⬇️

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: \$1,400,989 Budget: \$1,850,140 Variance: \$449,152

Explanation: Finalisation of the placemaking program in collaboration with our local community has resulted in some expenditure to take place in 2019/20.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Residents who agree their local area has a good range of business services and local conveniences	94 %	95 %	92 %	92 %	90 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of a good range of business services and local conveniences remained stable. Officers are responding to these results through the implementation of the Art and Soul - Creative and Prosperous City Strategy 2018-22.					
Resident satisfaction with visitor management	92 %	94 %	86 %	84 %	>90 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of summer visitor management decreased slightly. Officers are responding to these results through the implementation of the Summer Management Program including summer rangers encouraging visitors to be responsible during their visit.					

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: \$7,683,111 Budget: \$7,392,038 Variance: (\$291,072)

Explanation: Increased South Melbourne Market security patrol to mitigate public safety & community risk as recommended by OHS report.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Residents who agree South Melbourne Market is a significant benefit to residents	99 %	98 %	97 %	98 %	90 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of the benefit of South Melbourne Market remained stable.					

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
South Melbourne Market					
Visitors to the South Melbourne Market	4,724,196	5,001,932	5,130,400	5,567,704	

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: \$5,544,092 Budget: \$5,743,243 Variance: \$199,152

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Visits to library per capita	6.5	6.4	6.0	5.7	6.5
A decrease was experienced in terms of visits to the library. This measure does not include e-resource which has increased in use.					

Utilisation

Number of times a library resource is borrowed*	4.81	4.47	4.41	4.31	>4.50
Our library collection is well utilised. Council libraries continue to make over one million loans annually, with hard copy loans slightly lower than last year, but digital loan activity continues to increase.					

Resource standard

Proportion of library resources less than five years old*	46.65 %	50.73 %	50.57 %	48.78 %	48 %
The physical and digital collection is refreshed annually with over 20,000 new books added to the collection and 48 per cent less than five years old.					

Service cost

Cost of library service per visit*	\$6.13	\$6.17	\$6.53	\$6.55	<\$7.00
The result is consistent with previous years with 646,662 physical visits to the library. The result achieved our target of less than \$7.00.					

Participation

Active library members in the municipality*	19.40 %	19.12 %	20.39 %	18.63 %	20 %
The number of active library members decreased by 1,429 from 2017/18. However Active Membership has tracked fairly consistently to date, and should also acknowledge the emergence of online materials and increasing level of engagement with library services via digital platforms.					

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

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Libraries					
Loans made at our five library branches	748,524	716,561	943,968	937,409	↘
Inter-library loans	4,082	4,976	4,851	5,267	↗
Total library visits	670,179	687,565	661,916	646,662	↘
Programs run	442	478	534	468	↘
Attendees at our programs	35,619	33,922	31,923	30,899	↘

Art and Soul: Creative and Prosperous City Strategy 2018-22

Strategy progress

Actions progress



Completed	6
In progress	4
Not started	10
Total actions	30

There were 10 actions which were to be complete in first year. Of these six are complete and four are continuing into the second year.

All actions that were scheduled to start in year one are in progress and at various levels of delivery

Highlights

- Placemaking Team established and have begun work within Fitzroy Street and Clarendon Street Precincts

Key achievements:

- Establishment of Placemaking working groups within precincts
- Pedestrian counts and NPS data collected in Fitzroy Street
- Creation of Fitzroy Street and South Melbourne Placemaking websites
- Retail revitalisation project (scoping study by Renew Australia) to begin in 2019/20
- Special Rate areas renewed for Acland Street and Fitzroy Street
- Acland Street Winter Ice Skating Rink installed.
- Explore Port Phillip has another extremely successful year showcasing the best parts of the City of Port Phillip to both locals and visitors. This summer video was used as a key promotional tool and more events than ever before were added to the stream, leading to over 3.3 million views

- Art on Hoardings - Three project sites have been identified to trial artworks on hoardings. The sites are The London Hotel (Port Melbourne), Pride Centre (St Kilda) and 601 St Kilda Road using a combination of original artwork and historical photographs. The process will be further refined after evaluation to decide whether there is sufficient take up by developers or whether regulation is required through the planning scheme
- The innovation and creative ecosystem has been mapped across the municipality. The resulting document will be available on a new Creative Port Phillip webpage on Council's website. It will show a snapshot in time of all our current creative industries. The website will be live at the end of July 2019
- Council's City Edge South Employment Study is being developed in conjunction with City of Melbourne and the Fishermans Bend Taskforce. The study will provide insight into the economic role and narrative of both established employment areas like South Melbourne and those undergoing major urban renewal, within the context of the broader metropolitan and state economy

- The Art and Soul Advisory Panel includes nine highly engaged and knowledgeable members from across the creative industries. They have met five times so far and have provided insight into numerous Strategy topics including tourism and destination marketing, mapping the creative ecosystem, creative clusters, and Council's investment in Gasworks and Linden
- Waterfront Welcomers continued to provide information to visitors disembarking from over 120 cruise ships in Port Melbourne over summer
- Event Help Sheets and templates have been developed to assist community organisations with event planning and delivery. These resources provide an overall event planning checklist and guidance on event production topics such as risk management, notifications, advertising opportunities, waste management and liquor licences. They will be available on council's website and through the Event Services Team in July
- Industry consultation has begun on the Live Music Action Plan, including a collaborative Live Music Venues Day event with Music Victoria held at the Esplanade Hotel on 1 May 2019, which was attended by over 34 music industry professionals. Independent market research was also conducted at St Kilda Festival 2019 with a sample of 1,799 event-day surveys and 1,766 post-event online surveys, capturing audience insights into live music
- New multi-year funding deeds are currently being finalised for key arts organisations 2019-2021. This was a competitive grants process allocating \$30,000/year for three years to six organisations: Theatre Works; BalletLab at Temperance Hall; Australian Tapestry Workshop; Red Stitch Actors Theatre; The Torch; and Rawcus Theatre. This funding supports key arts organisations supporting independent artists, creative opportunities, community engagement and leveraging funding from other sources
- Council's Art Acquisition Reference Group met in May to consider a range of artworks by local artists. A total of six works were acquired, including a new work by Tony Clark to replace the 1994 mural by the artist at the St Kilda Library that will eventually be decommissioned. The Acquisition program included two donations through the Cultural Gits Program, including Argy Bargy (Grey) by Dean Bowen which was valued at \$20,000. Public artworks, including seven street art projects, and conservation and maintenance of monuments and memorials continues. Of note are the creation of a Remembrance Garden as part of the WW1 centenary celebrations and the feasibility into a chime for the Catani Clocktower
- Markets continue to activate spaces across the municipality and provide places for locals to shop and come together. There were five regular markets on public open space within the City of Port Phillip this financial year; Esplanade Market, Hank Marvin Market, Veg Out Farmers Market, Gasworks and St Kilda Twilight Market. These markets provide food, art, gifts and entertainment to over 300,000 locals and visitors across the year. Along with the regular markets, a new Christmas market was trialled on Fitzroy Street this year as part of the Placemaking program.

Challenges

Develop strategic partnerships with organisations whose charter addresses inclusion and diversity across the arts and creative industries, for example Arts Access and Multicultural Arts Victoria.

Urgent works required within the South Melbourne Town Hall have reduced Council's availability of suitable arts spaces. This has led to some arts organisations securing tenancies outside the municipality, including Multicultural Arts Victoria. Council is investigating short and long-term options for other spaces within the municipality.

Update and integrate the Indigenous Arts Plan, including consideration of Yalukut Weelam Ngargee Festival.

Indigenous Arts Strategy - Consultation showed that the community wished to have the strategy developed through an Indigenous Arts Advisory Committee, rather than it be written by a consultant. Therefore, the project timeframes have been revised to provide time to appoint this new Committee and to work with them to develop the strategy.

Looking forward

There are a further eight new actions starting in 2019/20 - overall number 26 Year 2 Actions.

Direction 6

Our commitment
to you

6.1 A financially sustainable, high performing, well-governed organisation that puts the community first.

Outcome indicator

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Satisfaction with community consultation and engagement (index)*	62	59	56	61	>60
Efforts to improve engagement with the community have resulted in a five-point increase in community satisfaction. Engagement with the community continues with Port Phillip committed to continuously explore ways to improve levels of satisfaction.					
Proportion of residents who have participated in community engagement activities	No data	No data	5 %	5 %	Baseline to be established
Satisfaction with the overall performance of Council (index)	64	67	63	65	>65
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of Port Phillip's overall performance increased compared to 2017/18.					
Overall financial sustainability risk rating	Low	Low	Low	Low	Low
Council continues to maintain a low financial sustainability risk rating.					
Efficiency savings as a percentage of operating expense (excluding depreciation)	1.8 %	1.2 %	1.0 %	1.0 %	1.0 %

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

Highlights

- Engaged Customer Experience Program business partner and commenced work of the transformation
- Commenced community engagement in October 2018 by undertaking intercept surveys to gain insight from the community. Over 660 surveys were completed. Also held a half day deliberative engagement by members of the community to develop the Budget 2019/20
- Procurements policies, processes and procedures achieved Charters Institute of Procurement and Supply Chain (CIPS) Corporate Certification Standard. One of nine organisations in Australia with or above this accreditation and the first Local Government agency in Australia.

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

Customer Experience Program

The Customer Experience Program aims to significantly improve the experience of residents, businesses, visitors and rate payers every time they contact the City of Port Phillip. The program will change our processes, systems and capabilities 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. \$4.1 million has been deferred into 2019/20 to reflect longer than planned time dedicated to conduct further due diligence through the procurement phase for the technology solutions. The Program completion date of June 2021 remains unchanged. The Project Management Team will work with the contracted vendors to realign schedules to maintain the June 2021 deadline as part of the planning and onboarding process.

Actual: \$4,378,000 Budget: \$8,180,000

Priority	Not started	In progress	Complete
6.1 A financially sustainable, high performing, well-governed organisation that puts the community first			
Implement our Customer Experience Improvement Plan and Information and Communications Technology Strategy to streamline processes, improve systems, improve workforce mobility and transition to digital service delivery.			
Be the partner of choice for other councils and organisations to work with, to enable improved customer experience, productivity and innovation.			
Be catalysts for greater community action, including by opening up more of our data to the public.			
Develop and implement a Community Engagement Policy.			
Develop and implement an advocacy strategy to advance Council and community priorities.			
Improve our enterprise planning, performance, risk and compliance frameworks.			
Deliver the Council Election 2020.			
Improve record-keeping, including digitising historical records.			
Implement the outcomes from the review of the Local Government Act			
Review the organisation's People and Culture Strategy, and develop a workforce plan.			
Improve the organisation's health and safety practices.			
Upgrade the organisation's financial and asset management systems, processes and practices.			
Invest in improving the condition, functionality, capacity and sustainability of Council assets.			
Continue to build organisational capability and maturity in project management.			
Review our rating strategy, property policy and investment policy.			
Embed environmental and social responsibility into the way we work including monitoring measures of gender equity.			

Services that contribute to this direction

Asset management

Develop property and asset management strategy, policy and plans; provide property and asset management advice and support; manage Council's properties including leasing, licensing, acquisition and disposal; manage meetings and events in Council's town halls and community centres; develop and sponsor asset renewal programs and property projects; manage staff accommodation.

Actual: \$18,604,306 Budget: \$15,231,660 Variance: (\$3,372,645)

Explanation: \$3.0 million of non-cash subsidised rent taken up at year end which was not budgeted.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Asset management maturity	650	815	952	1,025	>1,000
The asset management maturity score exceeded target. The Asset Management strategy was developed with 93 per cent of actions to achieve core asset management completed.					
Asset renewal as a percentage of depreciation	72 %	92 %	58 %	63 %	78 %
Lower than expected spend on the 2018/19 capital works program in infrastructure, most notably buildings, roads and parks assets during the year has resulted in this ratio falling short of target for the financial year. This is mainly due to the reclassification of landscaping, demolition, line marking and traffic managements costs within capital projects to operating expenditure.					

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Property management					
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: \$5,866,083 Budget: \$4,244,783 Variance: (\$1,621,300)

Explanation: Increased South Melbourne Market security patrol to mitigate public safety & community risk as recommended by OHS report.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Staff engagement score	74 %	73 %	74 %	74 %	>74 %
Results remained stable.					
Staff alignment score	59 %	57 %	60 %	62 %	>59 %
Results increased slightly.					
Staff turnover*	10.4 %	10.1%	11.5 %	18.04 %	10 %
Staff turnover has increased compared to previous years. One of the key reasons is that Melbourne has a very competitive labour market and City of Port Phillip staff are well regarded in their profession which makes them well placed for roles elsewhere.					
There was also a range of planned organisational change that occurred throughout the year, with one of the most significant being in our digital area as a result of our Customer Experience program. We are currently finalising a People and Culture strategy which outlines how we plan to invest in our people and support them to operate at the best of their ability and attract and retain talent. This will be a key focus in the 2019/20 financial year.					

* 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: \$6,251,285 Budget: \$7,602,532 Variance: \$811,247

Explanation: Lower fleet renewal program spend due to non availability of hybrid vehicles.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Return on financial investments	2.88 %	2.62 %	2.60 %	2.65 %	2.40 %
Results remained stable.					
Percentage of significant priority projects on track	68 %	93 %	61 %	90 %	80 %
A significant increase in priority projects considered on track was recorded.					
Project management maturity score	18.1	19.3	20.4	23.0	>21
A significant uplift in project management capability was experienced this year. This is attributed to improvements in management control, financial management, resource management of capital projects and organisational governance.					
Rate collection rate	98 %	98 %	98 %	98 %	98 %
Results remain extremely high.					

* 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: \$6,543,270 Budget: \$6,596,743 Variance: \$53,470

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Material legislative breaches	9	4	5	4	0
A total of four material breaches were recorded in 2018/19. Three material breaches of privacy occurred in August 2018 all relating to the disclosure of employee payroll details. One breach related to a Payment Summary being emailed to the wrong person. One incident related to payment slips being sent to the depot which were not in individual sealed envelopes. One other breach related to a pay slip being mailed to the wrong employee. The final material breach occurred in February 2019 related to an email being sent containing the personal reflections of the sender.					
Audit actions completed on time	93 %	92 %	86 %	100 %	>90 %
A high proportion of audit actions have been completed on time, meeting target.					
Community satisfaction with advocacy (index)	59	57	56	58	60
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of advocacy remained stable.					
Transparency					
Council decisions made at meetings closed to the public*	7.31 %	7.43 %	7.93 %	9.10 %	<10 %
The number has slightly increased from the previous year. The number of matters considered at closed meetings is minimal and reflects Council's commitment to transparent decision making.					
Satisfaction					
Community satisfaction with Council decisions*	59	57	57	59	60
The result indicates an increase from the previous years' reflecting strong consultation and engagement opportunities with the community to ensure Council decisions are informed by the community's views.					
Attendance					
Councillor attendance at Council meetings*	91.93 %	96.06 %	93.42 %	93.80 %	>90 %
Councillors' attendance continues to be high with 94 per cent attendance in proportion of the 304 Ordinary and Special Council meetings held in 2018/19.					
Service cost					
Cost of governance service per Councillor*	\$59,459.75	\$57,963.22	\$57,336.67	\$56,441.02	<\$62,000.00
Expenditure is in line with budget of \$60,000. Cost of governance (per Councillor) includes allowances, communication costs and professional development.					

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
Communications and engagement					
Number of projects/initiatives that we engaged the community on	30	30	37	43	↗
Number of pieces of feedback on the Council Plan and Budget	1,000	2,000	65	662	↗
Number of twitter followers	5,450	6,979	7,497	7,718	↗

* 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: \$11,283,007 Budget: \$14,518,397 Variance: \$3,235,390

Explanation: A thorough and robust procurement process to ensure the most appropriate core systems are selected as part of the Customer Experience program has experienced some delays. The system go-live dates remain on track.

Service measures

Measure	2015/16	2016/17	2017/18	2018/19	Target 2018/19
Community time saved (days)	19,054	72,258	4,344	5,482	10,000
Staff time saved (hours)	3,401	4,430	5,818	15,926	5,000
Community satisfaction with customer service (index)	71	72	72	74	>70
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of customer service remained stable.					
Calls answered within 30 seconds	78 %	83 %	82 %	83 %	>80 %
Officers continue to answer calls within 30 seconds at a high rate.					
Requests resolved within agreed timeframes	89 %	91 %	94 %	93 %	>90 %
A high proportion of requests were resolved within agreed timeframes, meeting target and remaining stable against previous years.					
Percentage of residents that agree the website is easy to use and navigate through the sections you want	87 %	88 %	87 %	89 %	90 %
Results from our annual satisfaction survey of residents conducted in February and March 2019 indicated resident perceptions of the website is easy to use and navigate increased slightly.					

Service statistics

Statistic	2015/16	2016/17	2017/18	2018/19	Trend
ASSIST customer service					
Number of customer interactions	206,465	203,579	161,843	162,677	↕
Face to face interactions at Council service centres	40,217	37,622	28,345	32,164	↕
Phone calls answered by ASSIST	112,913	107,163	98,790	94,677	↕
Administration tasks handled by ASSIST	53,335	58,794	34,708	35,836	↕
Percentage of ASSIST phone calls answered within 30 seconds	77.65	83.34	81.00	77.00	↕
Service and business improvement					
Lean Practitioners	40	54	45	41	↕

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 represent one of our most complex asset classes with regard to difficulty and cost to manage. Our portfolio comprises:

A total of 200 buildings categorised as follows:

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

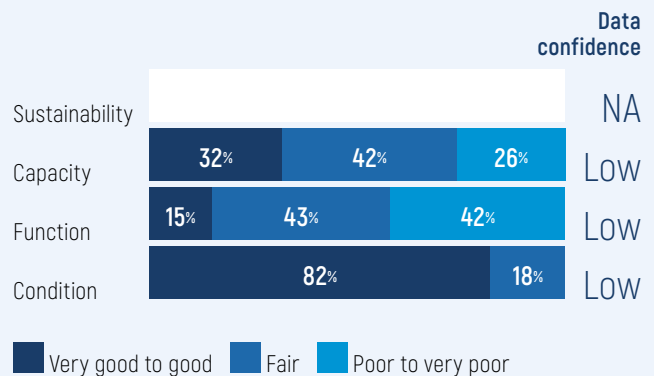


Buildings	Value
Commercial	\$141,693,684
Community	\$163,181,025
Corporate	\$140,085,110
Total	\$444,959,000

Asset performance

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

See below for summary of assessment.



Very good to good Fair Poor to very poor

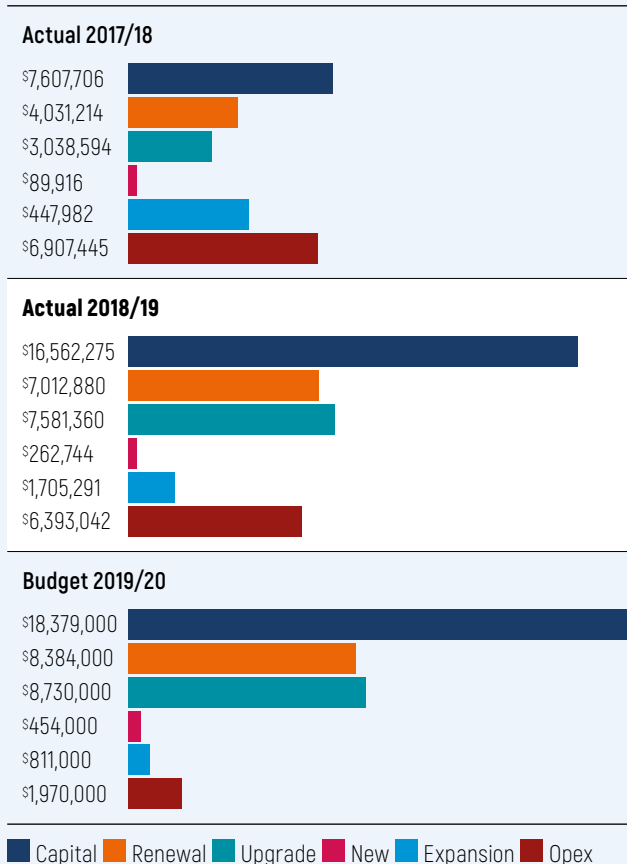
Asset expenditure profile

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

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

Council have componentised our buildings, creating 52,000 individual assets each with own condition and maintenance requirements.

The total Capital expenditure in 2018/19 in the building portfolio is \$16,562,275 as shown in the following graph against each of the categories:



2018/19 projects delivered

Current Council initiatives which will contribute to 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**
- Peanut Farm Reserve Sports Pavilion upgrade **(\$2.3 million)**

Challenges and opportunities

Demographics

- Change in the age structure of the population will mean it is critical to plan age-based facilities.
- It will be critical that our buildings accessible so that equity is preserved

Climate change

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

Technology

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

Population growth

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

Urbanisation

- Increased urbanisation will require new approaches to the provision of services and assets including forming partnerships with others and collating services to multi-use facilities.

Clever City portfolio

The Clever City portfolio includes asset classes from

- Business technology
- Public lighting
- Fleet and plant

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

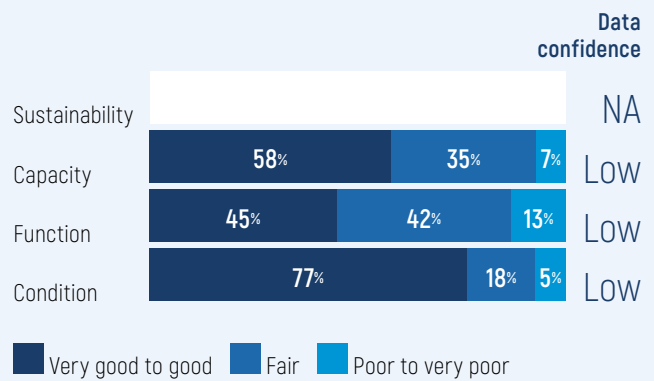
Total current replacement value of Clever City portfolio



Asset	Value
Lights in parks	\$4,886,379
Lights on road	\$4,014,500
Total	\$8,900,000

Asset performance

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



2018/19 projects delivered

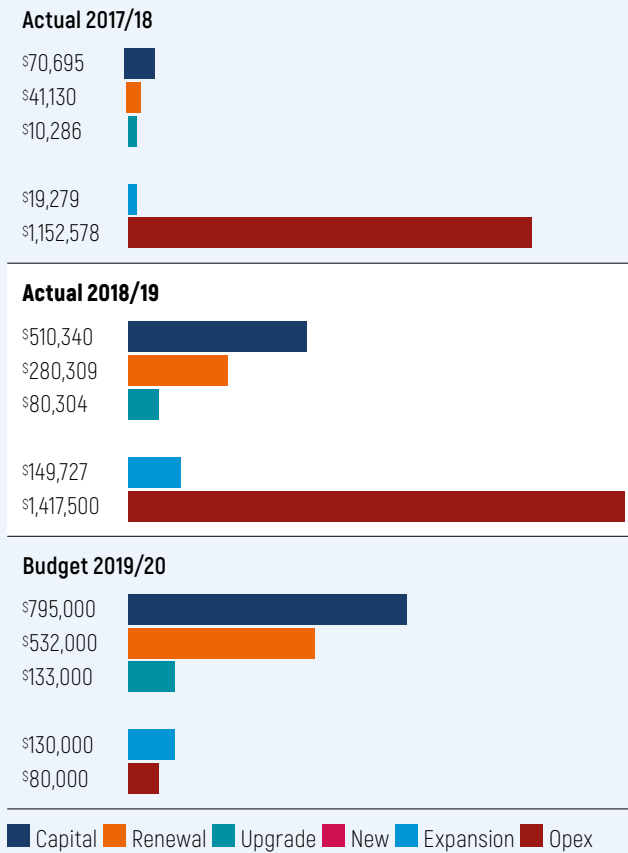
Projects and programmes that were delivered to improve our assets within this portfolio and the way we manage it include:

- Public lighting expansion program **\$150,000**
- Public space lighting renewal and upgrade program **\$400,000**
- Sports field lighting expansion program **\$20,000**
- Stormwater harvesting projects to reduce our reliance on potable water supplies **\$150,000**

Asset expenditure portfolio

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

The total Capital expenditure in 2018/19 in the Clever City portfolio was \$8,680,000 as shown in the following graph against each of the categories:



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 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

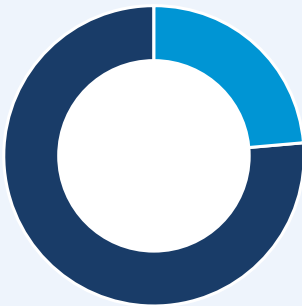
- Increased demand for lighting infrastructure assets to facilitate safe and convenient access to amenities whilst balancing the night sky lighting spills.

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.

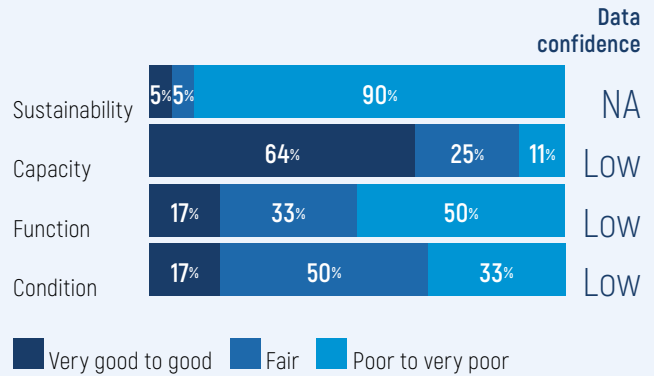
Total replacement value of integrated water management portfolio



Asset	Value
Stormwater pits	\$31,412,378
Stormwater pipes	\$99,185,070
Total	\$130,590,000

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.



2018/19 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.

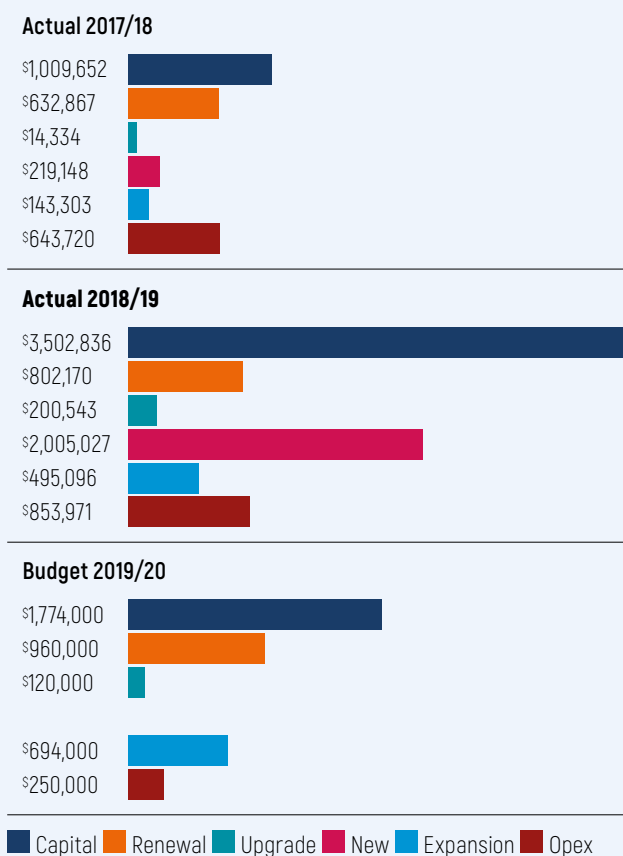
Asset expenditure portfolio

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 2018/19 in the integrated water portfolio was \$1,009,652 as shown in the following graph against each of the categories:



Looking forward

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

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

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

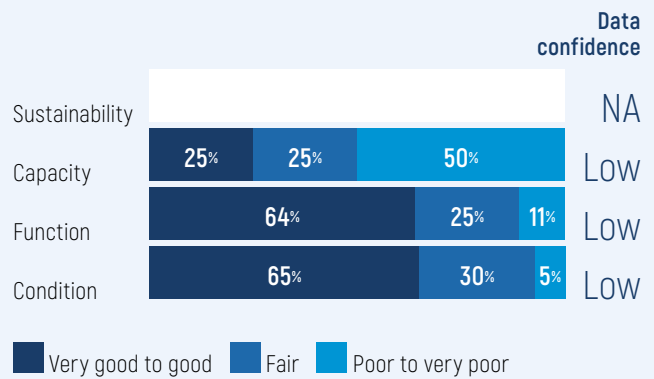


Asset	Value
Playgrounds	\$5,642,877
Barriers	\$11,615,704
Park drainage	\$1,848,474
Water irrigation	\$3,127,240
Park furniture	\$13,440,927
Sport and recreation	\$3,994,867
Park structures	\$14,529,686
Paths	\$14,156,106
Total	\$68,350,000

Asset performance

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

The performance profile 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.



2018/19 projects delivered

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

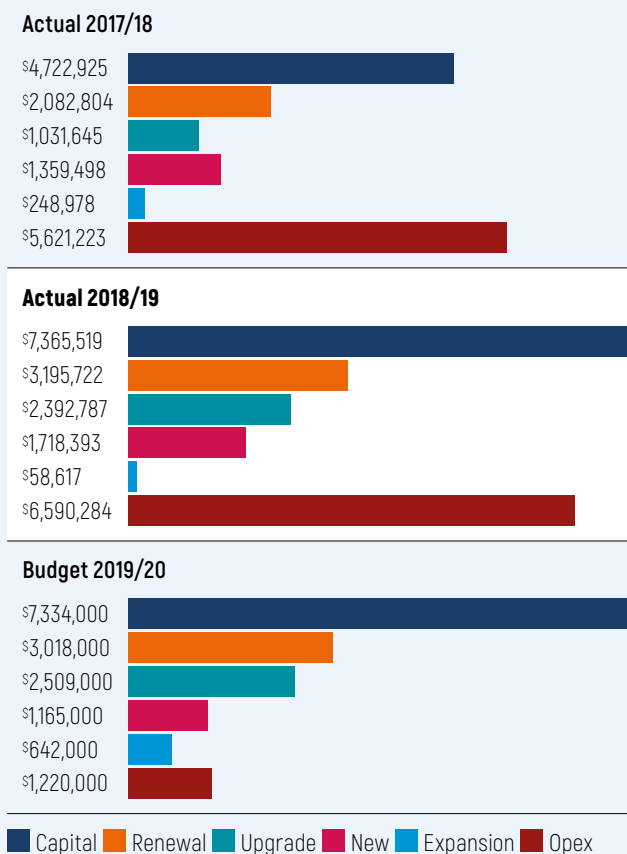
- Public Space Strategy development
- JL Murphy Reserve, Julier Reserve, Lagoon Reserve and Peanut Farm Reserve upgrades
- foreshore assets renewal and upgrade program
- public space accessibility improvement program
- South Melbourne Life Saving Club redevelopment.

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 2018/19 for the Public Space portfolio was \$4,722,925.



Looking forward

In 2018/19, extensive asset data cleansing was performed to remove duplicate assets from the database. This cleanse has affected the long term financial plan forecasts, in which the renewal modelling indicates that there is scope to further optimise our renewal spending on public space to better match the calculated renewal demand.

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

Challenges and opportunities

Participation patterns

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

Climate change

- Damage to foreshore areas due to storm surges
- Risk 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.

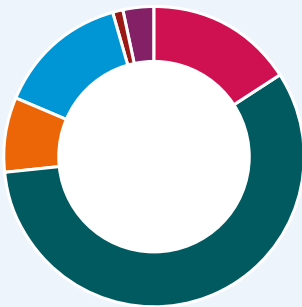
Transport portfolio

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	\$65,466,320
Road pavement	\$237,453,744
Road surface	\$32,713,341
Footpaths and cycle ways	\$58,024,529
Bridges	\$4,631,772
Traffic control devices	\$13,317,833

Total \$411,607,000

Current service strategies and policies

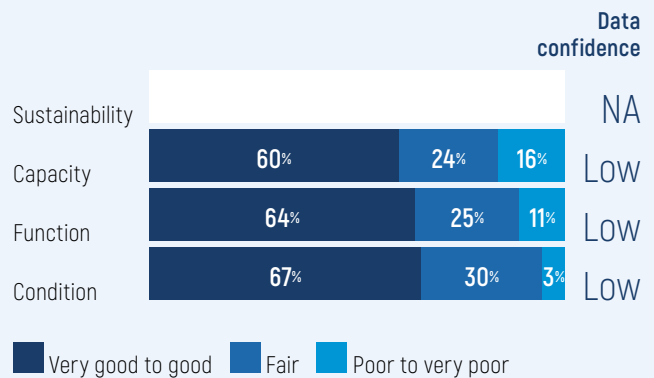
The future needs of the community are determined through the Service planning process. Assets measures driven through these plans are function, capacity and sustainability. Council's current service influences are:

- 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 2018/19. The pavement condition and capacity was shown to be far superior than initial estimates adopted by Council. This has informed the review and development of the budget and updated 10 year financial plan.

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

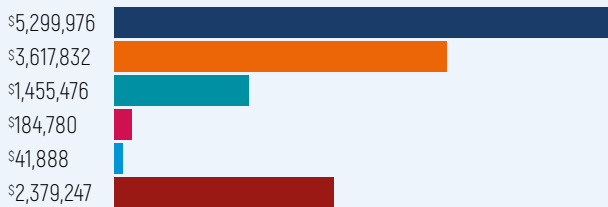


Asset expenditure portfolio

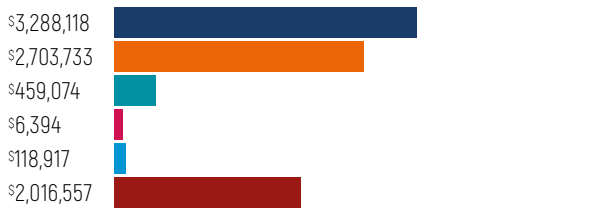
On average, Council spends approximately \$7.5 million each year to manage our transport assets. This includes allocating money towards:

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

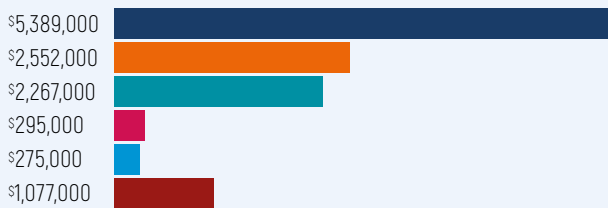
Actual 2017/18



Actual 2018/19



Budget 2019/20



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

Looking forward

Council unsealed laneways contributed to 85 per cent of customer complaints in this portfolio in 2018/19. Council has undertaken to perform permeability assessments within all unsealed laneways, and will design the sealing of the laneways based on the permeability results.

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

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

Challenges and opportunities

Public transport

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

Climate change

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

Technology

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

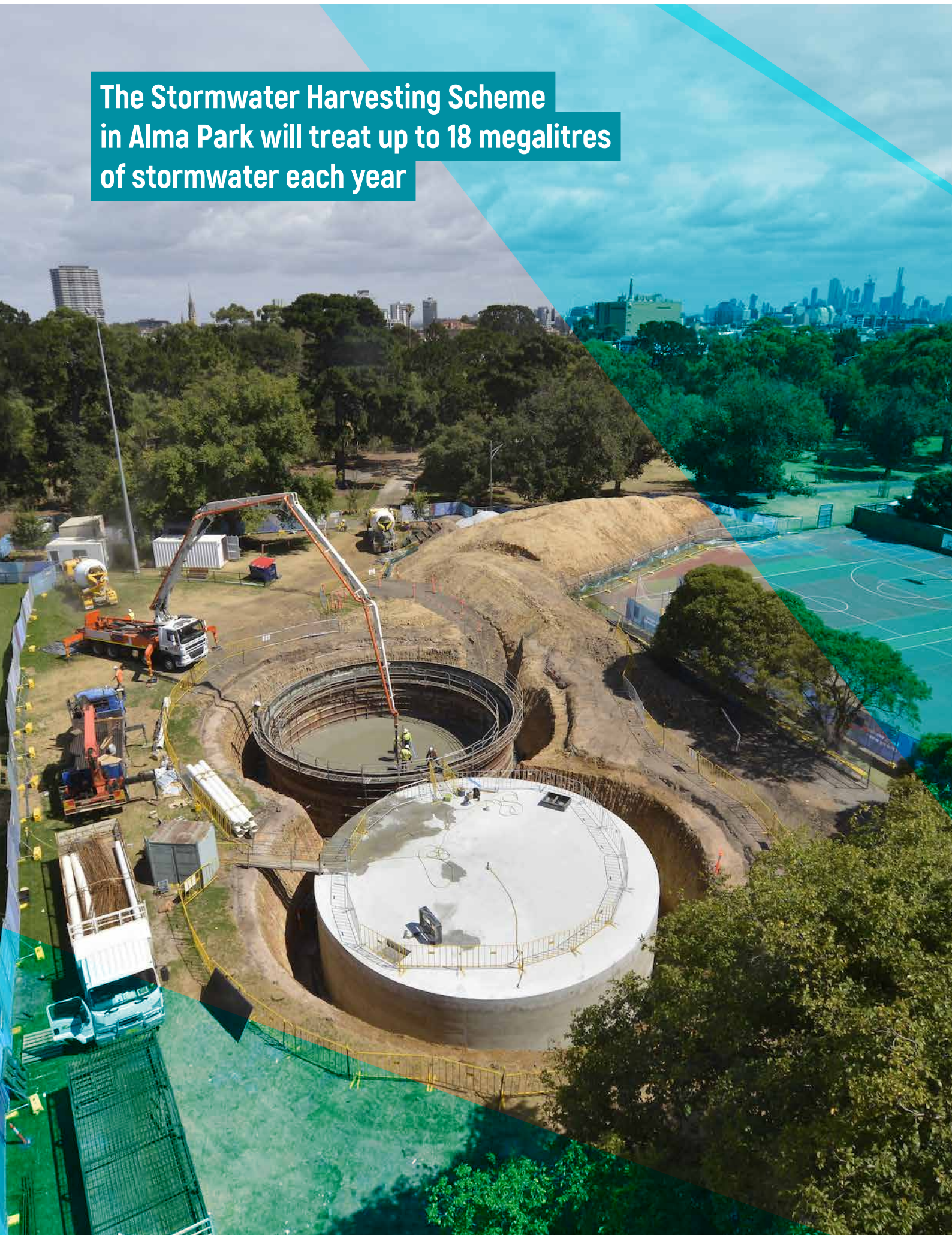
Population growth

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

Traffic congestion

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

**The Stormwater Harvesting Scheme
in Alma Park will treat up to 18 megalitres
of stormwater each year**



5

Working for our community

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Our organisational structure	5-149
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Working with Council

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

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

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

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

Our organisational structure

Several changes were made to the organisational structure during the year to ensure the organisation continues to be well equipped and responsive to the challenges of growth, financial constraints and evolving community priorities.

Organisational structure (as at 30 June 2019)



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. He has specific experience in leading major urban renewal programs and developing and implementing a range of successful placemaking, affordable housing, community development, homelessness and social justice strategies, services and programs. Peter is passionate about community engagement and building community capacity through co-creation with governments and focuses on providing better value for customers and recipients of government services.

Peter holds a Bachelor of Science with postgraduate qualifications in Human Resource Management (Graduate Diploma) and Master of Business Administration.

Office of the CEO

The Office of the CEO division seeks to provide greater focus on organisational strategy and performance (including council planning, risk, audit, Occupational Health and Safety and Enterprise Portfolio Management Office operations), strategic partnerships, government relations, communications and engagement and governance. As at 30 June 2019, the Office of the CEO consists of the following departments Communications and Engagement, OHS, Governance, Executive and Councillor Services, Strategic Partnerships, Organisational Performance, South Melbourne Market and Placemaking.



Kylie Bennetts

Director CEO's Office

Kylie Bennetts commenced in January 2018 as the Director CEO's Office. Kylie has worked in local government for over 10 years, holding a range of different portfolios and responsibilities and has also worked in state government predominantly project and policy development in the social services and community sectors. Kylie has specific experience in strategy and policy development, risk management and governance.

Kylie has a Bachelor Degree in Health Science, Prince II project management qualifications and is part-way through a Masters of Business Administration.

Place Strategy and Development

The City Strategy and Sustainable 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, environment, waste and water, and has a key role in planning for our City's growth, with an ambitious agenda for statutory planning service reform as we strive for customer service excellence.



Lili Rosic

General Manager

Lili commenced as General Manager of City Strategy and Sustainable Development in August 2018, after acting as General Manager from April 2018.

Lili's key strengths include facilitative leadership, political acumen, and expertise in strategic policy development. Committed to working with her teams to create a culture of inspirational and excellent customer service. Lili is passionate about positive and productive dialogue that involves all key stakeholders to ensure we enhance the City's public spaces, transport options, liveability and resilience to climate change.

Lili has a Masters of Business Administration; Graduate Diploma of Child, Family and Community Nursing; and Bachelor of Applied Science. She 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. She has a long affiliation with our City through numerous leadership roles at the City of Port Phillip and has extensive experience in a broad range of services.

Fiona is known for her leadership and to mentor and coach people.

Fiona has a Master of Business Administration and a Bachelor of Applied Science. She is a graduate of the Australian Institute of Company Directors, a qualified executive coach, and completed the Australian New Zealand School of Government Executive Fellows Program 2018 and she 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 and service planning, economic development, cultural and creative services.

The Community 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 seek to understand changing community need and population growth with the purpose of supporting healthy and liveable communities. We boldly enable and promote inclusion, participation connection, and access through the delivery and funding of programs, activities and services.

We lead and coordinate the implementation of Council's Fishermans Bend urban renewal program ensuring Council investment in the area catalyses the creation of healthy and liveable communities.



Tony Keenan

General Manager

Tony commenced as General Manager in October 2018. Tony has extensive leadership experience having held several Chief Executive roles in the community sector. He has broad experience in public policy having served in numerous senior advisory roles for governments.

Tony has an Executive Masters - Public Administration from the Australian and New Zealand School of Government and was awarded a Harkness Fellowship in Public Policy which he undertook at University of California, San Francisco.

Customer and Corporate Services

The Customer and Corporate Services division provides technology, human resource management, asset management, financial, and customer service leadership and support to the organisation. It also operates Council's customer contact centre.

The Division's priorities including improving customer and employee experience, developing a capable workforce and culture of high performance, getting the most from our investment in technology and assets, and ensuring the financial sustainability of Council.



Chris Carroll

General Manager

Chris Carroll joined 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 was previously employed by PricewaterhouseCoopers New Zealand as a Director in its consulting business. Prior to this, Chris worked in a variety of leadership roles for Auckland Council and the former Auckland City Council and played a key role in the implementation of the Auckland local government reforms.

Chris holds a Master of Public Policy and Management and a Master of Business Administration, is a member of the Australian Institute of Company Directors, and has extensive experience in organisational strategy and performance management, property and asset management, change leadership, and business transformation and improvement.

Our people

A multitude of services are delivered in our community by the 997 people employed at the Port Phillip City Council.

Staff profile (by banding)

	Full time equivalent									Total
	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	
Permanent full time										
Female	-	-	16.00	26.00	66.00	47.00	48.00	34.00	23.00	260.00
Male	1.00	28.00	26.00	28.00	29.00	48.86	44.00	39.00	29.00	272.86
Permanent part time										
Female	1.30	11.56	18.39	20.46	25.34	25.42	21.80	5.90	3.01	133.18
Male	3.90	3.93	5.54	9.88	3.41	2.94	2.40	-	-	32.90
Casual										
Female	0.06	0.06	0.66	0.27	0.15	-	0.30	0.09	-	1.59
Male	0.06	0.03	0.15	0.12	0.06	0.09	0.03	-	-	0.54
Total	6.32	43.58	66.74	84.73	123.96	124.31	116.53	78.99	55.91	701.07

Staff profile (by division)

	Full time equivalent					Total	
	Office of the CEO	Infrastructure and Amenity	Customer and Corporate Services	Community and Economic Development	City Strategy and Sustainable Development		
Permanent full time							
Female		20.00	43.00	50.00	112.00	35.00	260.00
Male		13.00	143.00	48.00	24.86	44.00	272.86
Permanent part time							
Female		12.99	8.60	14.37	88.90	8.32	133.18
Male		2.10	5.34	4.22	19.60	1.64	32.90
Casual							
Female		0.09	0.33	0.03	1.14	-	1.59
Male		0.03	0.06	0.03	0.36	0.06	0.54
Total		48.21	200.33	116.65	246.86	89.02	701.07

Note

- Temporary staff total of 73.41 FTE not included in table above
- Casual FTE is calculated on an estimate of two hours per pay cycle
- Fixed Term Senior Officers employees are considered Permanent for reporting purposes

People and Culture Strategy 2019-22

The 2016-2019 People and Culture Strategy was reviewed and redeveloped this year to align with the Organisational Strategy and consolidate our people and culture objectives.

Our vision is to be recognised as a leading government organisation that is agile, future ready and trusted by our people to make the best use of their diverse talents and to provide a healthy, inclusive and enabling workplace.

Our People and Culture Strategy 2019-2022 contains four themes and associated actions that are key to achieving our aspiration.

Theme 1: Our People

- We are an employer of choice that attracts and retains the right people
- We manage performance well and our people are committed to learning and growth.

Theme 2: Our Culture

- We have an aligned and engaged workforce that lives our values
- We are a diverse, inclusive and socially responsible organisation.

Theme 3: Our Leaders and Teams

- We have constructive, adaptive and resilient leadership
- We have well lead, agile, purposeful and effective teams.

Theme 4: Our Workplace

- We have safe, healthy and productive workplaces
- We provide the right tools, equipment and support for people to do their jobs.

Initiatives, measures and targets have been developed for each theme. Progress is tracked and reported regularly.

Learn. Develop. Grow.

Investing in our people capability is a priority. Through the Corporate Training Calendar in 2018/19 we offered 137 face to face courses that were attended by 1367 staff members. Compliance topics were a focus this year with additional courses offered in areas such as procurement, tender evaluation, contract management and driver safety awareness.

We also expanded our Learning Management System (MyPath) to include four new online eLearning modules for Privacy Awareness, Creating a Child Safe Port Phillip, Project Guidance and Contract Management.

Study assistance is available to staff undertaking accredited courses related to their current work or local government careers. In 2018/19, 14 staff members participated in this program, using 466.77 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
- Combined Leadership Team development
- Individual coaching for senior staff
 - 360° feedback for new level four leaders and above, using the Life Styles Inventory™, 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 16 individual debriefs were conducted by a mix of internal and external LSI Practitioners.
- 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 (HR) focused training programs, developed and delivered to our organisation by the People and Culture department and external training providers.

The programs cover recruitment, performance management, flexibility, grievances and mental health. In 2018/19, 19 staff members completed the HR Masterclass, eight completed Courageous Conversations, 22 completed Mental Health Awareness in the Workplace (Self and Others) and 16 completed Dealing with Conflict / Difficult People. Participant feedback reinforces that these programs are appropriately customised to local government and our organisation.

The change management capability of our leaders is further supported by the human resources business partnering model. A team of dedicated HR Business Partners provides coaching, support and advice to leaders in relation to general HR matters and the implementation and management of change initiatives.

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, 95 participants attended nine equal opportunity education sessions.

A further 174 staff members completed eLearning modules on either Anti-Bullying and Harassment or Equal Opportunity for Managers and Supervisors since July 2018.

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 approximately \$2,500 for the Cancer Council and men's health by participating in the Biggest Morning Tea and Movember
- Blood donation drives with over 90 individual staff donations made
- Fifty toiletries packs for the 2019 St Kilda Mums 'One Mother to Another' campaign
- Contributing around 80 Secret Santa Gifts and raising over \$1,600 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, 90 people used 198 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.

The City of Port Phillip is committed to maintaining a safe and healthy working environment for all employees, visitors, contractors, subcontractors and the public, and recognises that this is an integral part of our business.

Safety Management System

This year we continued our work to develop and embed our safety management system. We identified and prioritised 22 procedures that underpin our Health and Safety Policy which aspires to achieve zero harm.

We recognize working with the business units to co-design these procedures is important to ensure they are relevant and mitigate the risks inherent in our operations. They will provide clarity as to why and what activities need to be performed in a controlled and consistent manner, and serve to integrate safety into our business practices. Our safety management system will apply across the organisation and will establish the requirements that managers need to be aware of such as risk, incident, injury management, communication, consultation and document control.

Health and Safety Committee

To complement our safety management system, we have introduced an enterprise wide Health and Safety Committee which is chaired by our Chief Executive Officer. This committee meets every eight weeks and has established a forum to discuss wider health and safety issues. To enable for effective communication, data on hazards, incidents and risk assessments is shared. The minutes of these meetings are published on our intranet site.

Reporting

Monthly reports are produced for management to understand the hazard and incident data along with information on health and safety activities across the organisation. Regular reports are also prepared for our Audit Committee.

We recognise the need to make further improvements to our incident database to enable the data to be more meaningful and improve the management of notifications and actions. This will be a key focus in 2019/20.

Safety Leadership

In 2018/19, all senior management attended Safety Leadership training to further develop our safety culture. We acknowledge the importance of our leaders exhibiting a strong commitment to safety and inspiring others to have positive attitudes towards safety.

The introduction of safety shares at our leadership meetings reinforces health and safety as a priority and supports a learning culture.

Total recordable injury frequency rate

There were 36.40 recordable injuries per million work hours in 2018/19.



New robot CCTV systems are used to detect blockages and damage in stormwater drains.

6

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 document(s) being sought. In 2018/19 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 2018/19

Total number of FOI requests received	48
Total number of valid requests (including nine requests received in the previous financial year still under consideration)	40
Number of requests where access was granted in full	2
Number of requests where access was granted in part	27
Number of requests where access was denied in full	2
Number of requests where no documentation was found	3
Number of requests not proceeded with	8
Number of valid requests still under consideration at 30 June 2019	6
Number of appeals lodged with the FOI Commissioner	1
Total application fees collected	\$937.20
Total application fees waived	\$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 2018/19 financial year.

Privacy and Data Protection Act

The City of Port Phillip is committed to full compliance with our obligations under the **Privacy and Data Protection Act 2014**.

Our Information Privacy Policy (including guidelines and procedures) is available at Council offices and on our website.

The objective of the policy is to ensure the responsible collection and handling of individuals' personal and health information. The policy explains the ten Information Privacy Principles, and how Council goes about adhering to these principles.

Contracts

During the year Council had one instance whereby it engaged a contractor 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 that 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. Whilst 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 the 15 November 2017. In 2018-2019 the following activities were undertaken to promote and ensure responsible pet ownership and pet welfare:

- A comprehensive survey of our residents and visitors in relation to our dog off-leash restrictions was completed in December 2018. The survey was completed for Council's Animal Management to complete Action 18 of the Domestic Animal Management Plan 2017-21 (DAMP) Action 18 required we review and manage the provision of dog off-leash along the foreshore and in Fishermans Place to protect and balance the needs of the whole community. A report tabling the survey went to an ordinary Council meeting on 17 April 2019 where Councillors voted to keep all restrictions without change
- All signage along the foreshore updated as part of Council's Foreshore Unit's larger project to update all foreshore signage
- Increased pro-active patrols on our foreshore throughout summer to enforce off-leash and prohibited area restrictions

- Implemented three regular weekly proactive patrols on our streets and reserves to ensure compliance with off-leash and waste requirements in accordance with the **Domestic Animals Act 1994** and Order
- Implemented electronic notification of annual registration fees (email with SMS approved to be implemented next financial year)
- Animal Management Officer's completed training with the Lost Dogs Home (LDH) and RSPCA
- Community consultation of residents surrounding TT Buckingham Reserve, Port Melbourne completed in relation to proposed changes as part of Council's Open Spaces and Reserves Unit's upgrade of the Park
- Purchased ten new cat trapping cages to satisfy Action 14 of the DAMP
- Carried out an internal assessment of the possibilities of creating a new interactive 'app' for dog uses. It was determined that the level of information provided on Council's webpage was suitable and easily accessible
- New pet registration forms have been upgraded in accordance with Action 31 of the DAMP
- Review of Barking Dog process and protocols carried out with the creation of a new public document called 'dealing with barking dogs' in accordance with Action 32.2 of the DAMP.

Our focus in 2019/20 next year will be:

- Create a report for Council on the proposed amendment to dog off-leash requirements for TT Buckingham Reserve, Port Melbourne following the public consultation period last financial year
- Continue our focus on pro-active patrols throughout the year at our foreshore, reserves and other public areas
- New 'dealing with barking dogs' booklet to be loaded onto Council's webpage and made available to residents
- Implement approved SMS electronic notification during the registration period to improve awareness and overall registration numbers
- Work to improve online registration in accordance with Action 31 of the DAMP
- Arrange regular meetings to increase our partnership with LDH to work on enhancing services to help owners reunite with their pets, promote adoption of animals and reduce euthanasia rates across Council in accordance with Actions 29, 30 and 40 of the DAMP
- In accordance with Actions 11 and 22 of the DAMP, increase the Summer Amenity Programs focus on off-leash foreshore areas including the installation of signs on the sand.

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 2018/19 Council undertook several 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 benefiting 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 Deaf people, sourcing equipment, advocacy with housing and concessions with environmental sustainability programs.
 - MetroAccess continue 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, the Cities of Port Phillip and Glen Eira MetroAccess Officer's 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 for carers. In addition, a specific NDIS information session was organised with the Brotherhood of St Laurence for the Inner South Family and Friends network.

Accessibility and Disability Inclusion

The City of Port Phillip is committed to improve the equitable participation and inclusion for people with disability within our community. Our work is informed by a human rights approach to disability, including principles of individual autonomy, dignity and equal opportunity for all. For the year 2018-19 Council reviewed the progress made with our Access Plan 2013-2018 and developed the new Access and Inclusion Plan 2019-21. In preparing our Disability Action Plans, we take into consideration a range of legislative requirements and guidelines, such as the **Victorian Disability Act 2006** and the **Disability Discrimination Act 1992**.

A final review of Council's Access Plan (2013 - 2018) concluded the following:

- Actions completed and/or moved to ongoing operational status (i.e. 'business as usual' practice) after initial introduction of the action: 70
- Actions not completed: 3

The three outstanding actions have been reviewed. One action did not align with contemporary best practice and has been dissolved. Two actions have been absorbed in the new Access and Inclusion Plan 2019 - 2021 and as part of ongoing operational practice. Examples of accessibility and inclusion initiatives for 2018-19 include:

Arts and culture

- This year, the St Kilda Festival - Australia's largest free music festival - saw the inclusion of an accessible viewing platform for festival-goers with disability to enjoy the day's performances on the main stage.
- Council's Arts team has worked across numerous programs and events, and below are highlights and key initiatives:
 - During the National Disability Insurance Scheme (NDIS) transition stage (2018/2019), the City of Port Phillip partnered with key NDIS registered service providers to transition its popular Joint Councils Access for All Abilities (JCAAA) community based respite programs; Saturday Night Fever, Holiday Arts, Hype and Fresh. These programs are now delivered by Jewish Care and Bayley House.
 - The Cultural Development Fund supported projects such as 'Becoming' by Rawcus Theatre and Carnival of Shadows by City of Voices. Becoming is a new place-based arts project involving older people, guest artists and Rawcus – an ensemble of performers with and without disability, in association with Celebrate Ageing.

Carnival of Shadows is a new performance work where City of Voices (a company inclusive of adults with disability) create a troupe of travelling artistes for a series of site-specific and roving performances, that explore theatrical traditions of yesteryear.

- In addition to the Arts team providing Access Arts Artist Mentoring, the following Access Arts Development Programs were delivered in the past year:
 - Fog Theatre (inclusive of adults with intellectual disability). 40 weekly workshops and one major production SIGNATURE presented in April 2019 to an audience of over 150.
 - SPARC Theatre (inclusive of adults who live in unstable housing and with lived experience of acquired brain impairment/disability/mental illness). 40 weekly workshops and one major production The Greek Mythological Boat Show, presented in February 2019 to over 350 people.
 - RAG Theatre (inclusive of adults who identify as having a lived experience of mental illness/disability). 35 weekly workshops and one major production Hotel de Haven presented in April 2019 to over 70 people.

Asset management, infrastructure and maintenance

- Council completed an audit of footpath pedestrian ramps for compliance with the **Disability Discrimination Act (DDA)**. This information will be used for future budget builds for the footpath compliance program.
- Council coordinated the replacement of the lift at the South Melbourne Town Hall.
- Safer Streets Infrastructure projects for 2018/19 that enhanced accessibility included:
 - Liardet Street/Esplanade West, Port Melbourne (raised pavement zebra crossing)
 - Albert and Graham streets, Port Melbourne (raised pavement intersection)
 - Bridport Street W and Moubray Street, Albert Park (raised pavement zebra crossing)
 - Richardson Street/Bridport Street W, Albert Park (raised pavement zebra crossings on all four legs of roundabout)
- As part of Council's graffiti management a greening project was implemented at Acland Grange Care facilities in St Kilda. A workshop to provide input into the creation of the new garden was facilitated for residents, some of whom have visual impairments and/or other accessibility

requirements. This informed some of the planting chosen for the project, ensuring that there are scented and tactile plants at the very front of the garden, which can be interacted with and enjoyed from the footpath. In addition, the height of the existing garden wall has been lowered to provide maximum viewing opportunity for all passers-by.

Transport

- Transport Safety Engineering works included widening parking spaces and constructing new pram ramps:
 - Reviewed four accessible parking spaces in York Street outside the South Melbourne Market.
 - Reviewed two accessible parking spaces in Blessington Street adjacent to St Kilda Botanical Gardens.
 - Installed a new accessible parking space in Dickens Street adjacent to St Kilda Botanical Gardens.
 - Reviewed two accessible parking spaces in Westbury Street outside Christian Brothers College.
 - Reviewed two accessible parking spaces in Nott Street outside Liardet Community Centre.
- Council's Community Bus Service was reviewed as part of the Move Connect Live strategy. Indicated in the review report was the positively perceived social and community value of the bus service for people with disability, being able to move around the municipality with assistance was a significant benefit.

Sport and recreation

- Council has provided support for an Inclusive Swimming program (a program targeted to increase water awareness for people living with disability) and Boxing for Parkinson's (a boxing program for people living with Parkinson's Disease).
- 2018 saw the implementation of an online booking system for the Beach Access Program free beach wheelchair hire. This system was put in place in response to feedback to minimise duplication of information when making bookings and to increase flexibility for beach wheelchair users to make their bookings at a time convenient to them.

Family, youth and children

- In the past year City of Port Phillip has co-facilitated a supported playgroup program with Star Health. These supported playgroups provide a safe environment for families to seek support for their child on all manner of topics, including developmental delays. This program encourages early intervention and provides families with assistance on how to navigate what can sometimes be a complex service system. The supported playgroup structure led to advocacy and referrals to the National Disability Insurance Scheme's Early Childhood Early Intervention.
- Council's Youth Services network hosted a workshop on the topic of 'building an inclusive youth sector', which was facilitated by the Youth Disability Advocacy Service (YDAS). The aim of this workshop was to deliver disability awareness and inclusion training for youth organisations within the Port Phillip municipality. As a result of this workshop, amendments were actioned to Council's Middle Years Youth Services User forms to ensure the use of inclusive language.

Community engagement and communications

- Throughout the year Council has supported initiatives that provide opportunities for residents with disability to socially participate in the community. Programs are developed with input from residents and with accessibility in mind. For example, 'A Beautiful Food Experience' is an initiative led by a team of five local restaurants, Köy Restaurant, Simply Spanish, Paco Y Lola, Claypots Evening Star-South Melbourne Market and Bambu South Melbourne. This program enables people to experience sharing food and conversation in a safe and inviting space. This initiative is supported by the City of Port Phillip, including the South Melbourne Market.
- Recent years have seen the Port Phillip's Community Ball coincide with celebrating mental health week to raise further awareness. The community ball is a free event encouraging attendance by residents who may have limited opportunity to enjoy an evening out, particularly those who may experience mental health issues. Local service agencies are invited to support their clients to attend. Agencies assist with transporting their clients to and from the event and support them during the evening. Services participating include mental health services, community health, aged care services, housing associations and other community services.

- Accessibility of all Council communications has increased, with significant improvements made in the accessibility of web and email content and other documentation. There has been a focus on building the skills and capability of staff, positively impacting organisational accessibility standards, including ensuring Council produced social media videos have captions/subtitles or a transcript available.
- St Kilda Town Hall, Port Melbourne Town Hall and the ASSIST Call Centre received their re-accreditation with Scope Australia for use of the Communication Access Symbol. Receiving accreditation for this symbol indicates that an organisation is equipped to welcome customers with communication difficulties. As part of the re-accreditation process, training sessions were delivered by Scope for ASSIST team members. The training enabled ASSIST team members to learn more about the purpose of the Communication Access Symbol and explore a variety of communication strategies to best assist customers with disability.

Policy and planning

- An Access Planner was appointed by Council in 2018, with the purpose of strengthening Council's commitment to ensure people with disability are included in all aspects of community life and employment. This new role was in addition to Council's MetroAccess officer, who is responsible for advocacy and participation support for residents with disability.
- Development of the new Access and Inclusion Plan commenced in 2018. Internal stakeholders across the breadth of the organisation were consulted to formulate actions for the new Plan. Community consultation on the proposed plan was undertaken in April/May 2019. The month-long period of community consultation enabled opportunity for feedback to be provided online and in-person. The consultation process was communicated through a wide variety of channels to reach a broad audience including online and social media messaging, email distribution, promotional postcards and posters. A final plan was submitted for Council endorsement in June 2019.

More information on Council's activities in relation to accessibility and inclusion can be found at portphillip.vic.gov.au

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 2018/19 year the following information about infrastructure and development contributions is disclosed.

Total DCP levies received in 2018/19

Council	City of Port Phillip
DCP name	C13 Port Melbourne DCP
Year approved	1999
Levies received	\$0.00

DCP land, works, services or facilities accepted as works in kind in 2018/19

Council	Nil
Project value	\$0.00

Total DCP contributions received and expended to date

(for DCPs approved after 1 June 2016)

Council	Nil
Total levies received	\$0.00
Total levies expended	\$0.00
Total works in kind accepted	\$0.00
Total DCP contributions received (levies and works in kind)	\$0.00

Land, works, services or facilities delivered in 2018/19 from DCP levies collected

Council	City of Port Phillip
DCP name	C13 Port Melbourne DCP
Year approved	1999
Project description	Street tree project
Project ID	PJ177763
DCP fund extended	\$0.00
Works in kind accepted	\$0.00
Council's contribution	\$0.00
Other contributions	\$0.00
Total project expenditure	\$130,267.00
Percentage of item delivered	100.00 %

National Competition Policy

Council has an obligation to comply with requirements of competitive neutrality policy when it is operating a significant business. Competitive neutrality policy requires us to implement competitively neutral measures to mitigate any net advantage over our private competitors arising from government ownership or demonstrate that restricting competition is in the public interest.

Child safe standards

As a child safe organisation that has zero tolerance for child abuse, we continue to review and implement policies and procedure to prevent, respond and report allegations of child abuse.

Council has implemented robust screening, supervision and training protocols for new and existing staff.

These include:

- all staff working with or around children have valid Working with Children Checks
- vetting procedures including identity checks, thorough referee checks and work history checks
- mandatory online training to help all staff recognise the signs of abuse and understand the role every adult has in preventing and reporting any concerns or allegations of abuse.

Best value report

We are committed to continuously improving our services and providing value for money to our residents. This commitment complies with the **Local Government Act 1989**.

In 2018/19, 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 the services provided to the community, we have delivered seven projects that combined, will reduce the time the community waits for our services by over 5,400 days, or over one hour, 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.

Savings were achieved through continuous improvement

At the same time we created internal efficiencies that will result in over 15,926 hours of staff time savings by streamlining some of the following internal processes: food services, building surveyor lodgements, overhanging vegetation, record automation. 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 improve staff efficiency by utilising technology.

Examples of the projects delivered include:

- children services booking automation
- digital plans for planning compliance
- removal of manual and paper based time sheeting
- digital services management and response
- body worn cameras for isolated workers.

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.

Community engagement policy	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. 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.	
Community engagement guidelines	Guidelines (online toolkit)	✔
Assists staff to determine when and how to engage with the community	Date of operation of current guidelines: 20 March 2012	
Strategic Resource Plan	Adopted in accordance with Section 126 of the Act	✔
Plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years	Date of adoption: 19 June 2019 as part of the Integrated Council Plan 2017-27	
Annual Budget	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: 19 June 2019 as part of the Integrated Council Plan 2017-27	
Asset Management plans	Plans	✔
Sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years	Date of operation: 26 June 2017	
Rating Strategy	Strategy	✔
Sets out the rating structure of Council to levy rates and charges	Date of adoption: 20 June 2018	
Risk Policy	Policy	✔
Outlines Council's commitment and approach to minimising the risks to Council's operations	Date of operation of current policy: 7 June 2017	
Fraud Policy	Policy	✔
Outlines Council's commitment and approach to minimising the risk of fraud	Date of operation of current policy: 28 June 2018	

Municipal Emergency Management Plan	Prepared and maintained in accordance with Section 20 of the Emergency Management Act 1986	✓
Plan under Section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery	Date of preparation: 24 May 2019	
Procurement Policy	Prepared and approved in accordance with Section 186A of the Local Government Act 1989	✓
Policy under Section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to purchases of all goods, services and works	Date of adoption: 21 June 2019	
Business Continuity Plan	Plan	✓
Sets out the actions that will be taken to ensure that key services continue to operate in the event of a disaster	Date of operation of current plan: 15 July 2019	
Disaster Recovery Plan	Plan	✓
Sets out the actions that will be undertaken to recover and restore business capability in the event of a disaster	Date of operation of current plan: 11 May 2018	
Risk Management Framework	Framework	✓
Outlines Council's approach to managing risks to Council's operations	Date of operation of current framework: 9 July 2018	
Audit Committee	Established in accordance with Section 139 of the Act	✓
Advisory committee of Council under Section 139 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to Council's operations and compliance with applicable legal, ethical, and regulatory requirements	Date of establishment: 19 December 1995 The Charter is reviewed each year. The date of the most recent review is 18 July 2018.	
Internal audit	Engaged	✓
Independent accounting professionals engaged by Council to provide analysis and recommendations aimed at improving Council's governance, risk and management controls	Date of engagement of current provider: 12 August 2015	
Performance Reporting Framework	Framework	✓
Indicators measuring financial and non-financial performance, including the performance indicators referred to in Section 131 of the Act	Date of operation of current framework: 19 June 2019	
Council Plan reporting	Reports	✓
Reviews the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year	Date reports presented: 7 November 2018, 20 February 2019, 1 May 2019, 7 August 2019	

Financial reporting	Statements presented to Council in accordance with Section 138(1) of the Act	✓
Quarterly statements to Council under Section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure	Dates statements presented: 7 November 2018, 20 February 2019, 1 May 2019, 4 September 2019	
Risk reporting	Reports	✓
Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring, and risk minimisation strategies	Date of reports: 18 March 2019, 15 April 2019, 13 May 2019, 10 June 2019, 15 July 2019, 12 August 2019	
Performance reporting	Reports	✓
Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the Act	Date of reports: 20 February 2019, 7 August 2019	
Annual Report	Considered at an Ordinary meeting of Council in accordance with Section 134 of the Act	✓
Annual Report under Sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements	Date of consideration: 17 October 2018	
Councillor Code of Conduct	Reviewed in accordance with Section 76C of the Act	✓
Code under Section 76C of the Act setting out the conduct principles and dispute resolution processes to be followed by Councillors	Date reviewed: 15 February 2017	
Delegations	Reviewed in accordance with Section 98(6) of the Act	✓
Sets out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff	Date reviewed: Council delegations to CEO: 6 September 2017 Council delegations to staff: 6 September 2017 CEO delegations to staff: 18 January 2019	
Meeting procedures	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 Dick Gross
Mayor
City of Port Phillip
11 September 2019
St Kilda



Peter Smith
Chief Executive Officer
11 September 2019
St Kilda

Public document

Several documents are available for public inspection. Most of our information is available online and can be accessed via the web links provided below.

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.

Documents available for public inspection

- Details of overseas or interstate travel (excluding 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 - with Council, as lessor, or lessee - and 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.

A comprehensive survey of our residents and visitors in relation to our dog off-leash restrictions was completed in December 2018.



7

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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 2019.

The report highlights Council's financial performance and overall position at the close of the 2018/19 financial year (30 June 2019) 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 36 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

- **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
- Analysis of Council results by program
- Funding for delivery of our services
- The cost of delivering services
- Our financial position
- Assets we manage
- People and relationships
- Managing uncertainties
- Other matters

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

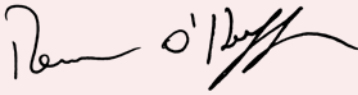
The Independent Audit Report is the external and independent opinion on the Financial Statements. The audit opinion confirms that the Financial Statements fairly present the results in all material respects of the council and comply with the statutory reporting requirements of the **Local Government 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 2019

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

11 September 2019
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 2019 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.



Dick Gross
Mayor and Councillor
City of Port Phillip

11 September 2019
St Kilda



Louise Crawford
Deputy Mayor and Councillor

11 September 2019
St Kilda



Peter Smith
Chief Executive Officer

11 September 2019
St Kilda



Independent Auditor's Report

To the Councillors of the City of Port Phillip

Opinion	<p>I have audited the financial report of the City of Port Phillip (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<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
12 September 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria



Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of the City of Port Phillip

Opinion	<p>I have audited the accompanying performance statement of the City of Port Phillip (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council are 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 determine 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>
Auditor's responsibilities for the audit of the performance statement	<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>


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 the 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 the performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
12 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the year ended 30 June 2019

	Note	\$'000	
		2019	2018
Income			
Rates and charges	3.1	125,324	121,120
Statutory fees and fines	3.2	22,147	22,948
User fees	3.3	38,881	35,657
Grants - operating	3.4	11,898	11,837
Grants - capital	3.4	4,146	3,873
Contributions - monetary	3.5	10,339	10,524
Contributions - non-monetary	3.5	243	222
Other income	3.7	18,078	17,443
Total income		231,056	223,624
Expenses			
Employee costs	4.1	91,648	87,928
Materials and services	4.2	83,594	75,739
Depreciation	4.3	25,740	23,417
Bad and doubtful debts	4.4	6,048	4,586
Borrowing costs	4.5	399	409
Other expenses	4.6	11,034	17,953
Net loss on disposal of property, infrastructure, plant and equipment	3.6	5,424	6,437
Share of net losses of associates and joint ventures	6.2	21	(15)
Total Expenses		223,908	216,454
Surplus/(Deficit) for the year		7,148	7,170
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1	48,272	245,143
Total comprehensive result		55,420	252,313

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

Balance Sheet

As at 30 June 2019

	Note	2019	2018
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	3,261	16,243
Trade and other receivables	5.1(c)	17,249	14,992
Other financial assets	5.1(b)	83,000	68,500
Other assets	5.2(a)	4,353	3,692
Total current assets		107,863	103,427
Non-current assets			
Trade and other receivables	5.1(c)	474	381
Other financial assets	5.1(b)	235	235
Investments in associates and joint ventures	6.2	326	347
Property, infrastructure, plant and equipment	6.1	3,197,775	3,145,046
Total non-current assets		3,198,810	3,146,009
Total assets		3,306,673	3,249,436
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	18,884	18,951
Trust funds and deposits	5.3(b)	7,086	5,508
Provisions	5.5	13,884	14,156
Interest-bearing liabilities	5.4	465	348
Total current liabilities		40,319	38,963
Non-current liabilities			
Provisions	5.5	2,370	2,525
Interest-bearing liabilities	5.4	8,443	7,827
Total non-current liabilities		10,813	10,352
Total liabilities		51,132	49,315
Net Assets		3,255,541	3,200,121
Equity			
Accumulated surplus		647,632	645,669
Reserves	9.1(b)	2,607,909	2,554,452
Total Equity		3,255,541	3,200,121

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

Statement of Changes in Equity

For the year ended 30 June 2019

		\$'000			
	Notes	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2019					
Balance at beginning of the financial year		3,200,121	645,669	2,496,804	57,648
Surplus/(deficit) for the year		7,148	7,148	-	-
Net asset revaluation increment/(decrement)	9.1(a)	48,272	-	48,272	-
Transfers to other reserves	9.1(b)	-	(25,274)	-	25,274
Transfers from other reserves	9.1(b)	-	20,089	-	(20,089)
Balance at end of the financial year		3,255,541	647,632	2,545,076	62,833
2018					
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)	9.1(a)	245,143	-	245,143	-
Transfers to other reserves	9.1(b)	-	(31,609)	-	31,609
Transfers from other reserves	9.1(b)	-	18,988	-	(18,988)
Balance at end of the financial year		3,200,121	645,669	2,496,804	57,648

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 2019

		\$'000	
	Note	2019 Inflows / (outflows)	2018 Inflows / (outflows)
Cash flows from operating activities			
Rates and charges		125,201	120,316
Statutory fees and fines		16,634	17,495
User fees		41,554	35,252
Grants - operating		11,860	11,818
Grants - capital		4,146	3,873
Contributions - monetary		8,032	10,524
Interest received		1,863	1,811
Trust funds and deposits taken		55,357	53,233
Other receipts		13,631	14,848
Net GST refund		9,047	7,089
Employee costs		(92,394)	(90,155)
Materials and services		(94,562)	(81,396)
Trust funds and deposits repaid		(53,779)	(52,593)
Other payments		(9,610)	(18,134)
Net cash provided by/(used in) operating activities	9.2	36,980	33,981
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(34,842)	(24,236)
Proceeds from sale of property, infrastructure, plant and equipment		220	1,431
Payments for investments		(83,000)	(68,500)
Proceeds from sale of investments		68,500	66,500
Net cash provided by/(used in) investing activities		(49,122)	(24,805)
Cash flows from financing activities			
Finance costs		(399)	(408)
Repayment of borrowings		(441)	(583)
Net cash provided by/(used in) financing activities		(840)	(991)
Net (decrease) increase in cash and cash equivalents		(12,982)	8,185
Cash and cash equivalents at the beginning of the financial year		16,243	8,058
Cash and cash equivalents at the end of the financial year		3,261	16,243
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works

For the year ended 30 June 2019

	Note	2019	2018
Property			
Buildings		15,408	6,912
Heritage buildings		-	-
Building improvements		-	-
Total buildings		15,408	6,912
Total property		15,408	6,912
Plant and equipment			
Heritage plant and equipment		37	35
Plant, machinery and equipment		1,234	1,594
Fixtures, fittings and furniture		558	625
Computers and telecommunications		1,025	2,507
Library books		830	777
Total plant and equipment		3,684	5,538
Infrastructure			
Roads		1,899	2,235
Bridges		-	-
Footpaths and cycleways		2,201	2,648
Drainage		3,884	1,078
Parks, open space and streetscapes		6,248	4,667
Other infrastructure		1,510	1,182
Total infrastructure		15,742	11,810
Total capital works expenditure		34,834	24,260
Represented by			
New asset expenditure		4,226	2,839
Asset renewal expenditure		16,124	13,484
Asset expansion expenditure		2,901	1,038
Asset upgrade expenditure		11,583	6,899
Total capital works expenditure		34,834	24,260

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 2019

Overview

Introduction

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

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of employee provisions (refer to note 5.5).
- other areas requiring judgements.

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

The budget figures detailed below are those adopted by Council on 21 June 2018. 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	Variance	
Income					
Rates and charges	124,899	125,324	425	0.34 %	
Statutory fees and fines	23,956	22,147	(1,809)	-7.55 %	1
User fees	38,194	38,881	687	1.80 %	
Grants - operating	9,233	11,898	2,665	28.86 %	2
Grants - capital	3,573	4,146	573	16.05 %	3
Contributions - monetary	7,124	10,339	3,215	45.13 %	4
Contributions - non-monetary	-	243	243	0.00 %	
Other income	14,477	18,078	3,601	24.87 %	5
Total income	221,456	231,056	9,600	4.34 %	
Expenses					
Employee costs	95,582	91,648	3,934	4.12 %	6
Materials and services	83,036	83,594	(558)	-0.67 %	
Bad and doubtful debts	3,464	6,048	(2,584)	-74.60 %	7
Depreciation and amortisation	25,338	25,740	(402)	-1.59 %	
Borrowing costs	450	399	51	11.33 %	8
Other expenses	8,214	11,034	(2,820)	-34.33 %	9
Net loss on disposal of property, infrastructure, plant and equipment	4,335	5,424	(1,089)	-25.12 %	10
Share of net profits losses of associates and joint ventures	-	21	(21)	0.00 %	
Total expenses	220,419	223,908	(3,489)	-1.58%	
Surplus for the year	1,037	7,148	6,111	2.75%	

1.1 Income and Expenditure - Explanation of Material Variances

Ref	Item	Explanation
1	Statutory fees and fines	<p>The unfavourable variance of \$1.81 million is due to the following:</p> <ul style="list-style-type: none"> • lower parking infringement notices income by \$1.26 million due to a number of factors included: 1) department vacancies, 2) Parking officers seconded to perform School Crossing to ensure community safety; 3) the implementation of the PayStay mobile phone payment option for paid parking resulted in greater parking compliance and lower parking infringements. • the budget for cautioned parking infringement notices was included under provision for doubtful debt \$0.25 million. • during the financial year the Council redirected offenders with multiple parking infringement notices to the Magistrate Court instead of Fines Victoria, which resulted in lower lodgement fees paid \$0.12 million.
2	Grants - operating	<p>The favourable variance of \$2.67 million is due to:</p> <ul style="list-style-type: none"> • the early receipt of the 2019/20 Victorian Grants Commission instalments of \$1.39 million. • a number of unbudgeted grants which totalled \$0.92 million were offset by expenditure in 2018/19 or over multiple financial years. • \$0.28 million of growth related funding for Maternal Child Health and Aged services.
3	Grants - capital	<p>The unfavourable variance of \$0.57 million is mainly due to:</p> <ul style="list-style-type: none"> • \$0.91 million of additional milestone claims in 2018/19 from the Victorian Government for the JL Murphy Reserve Pavilion upgrade and South Melbourne Life Saving Club Redevelopment projects. • \$0.7 million of unbudgeted grants from the Victorian Government for a number of projects included EcoCentre redevelopment design, Acland Street CCTV and Public Space Security Improvements.. • (\$0.64 million) Council did not receive the budgeted Commonwealth funding for the Blackspot Improvement program.
4	Contributions - monetary	<p>The favourable variance of \$3.22 million is due to higher than expected property development within the municipality, especially in the Sandridge, St Kilda Road, South Melbourne, St Kilda East and Elwood neighbourhoods.</p>
5	Other income	<p>The favourable variance of \$3.6 million is mainly due to:</p> <ul style="list-style-type: none"> • recognising \$3.02 million for the market value of subsidised rent to community groups which is offset by increased other expenses. • greater interest income due to greater cash balances throughout the year achieving above budget yield targets \$0.52 million.
6	Employee costs	<p>The favourable variance of \$3.93 million is mainly due to:</p> <ul style="list-style-type: none"> • \$1.95 million of under-spend for the Customer Experience program under employee costs offset by an increase in material and services as a result of a delivery model change (engaged a delivery partner via tender process). • \$0.87 million relates to the lower utilisation of Council managed long day child care centres. This was offset by lower user fees. • \$1.1 million of enterprise vacancies and staff turnovers during the year resulted in under-spends.
7	Bad and doubtful debts	<p>The unfavourable variance of \$2.58 million is mainly due to system issues implemented by Fines Victoria which has caused an increase in outstanding debt.</p>

Ref	Item	Explanation
8	Borrowing costs	the minor favourable variance of \$0.05 million is mainly due to a lower number of fleet vehicles held under finance leases.
9	Other expenses	The unfavourable variance of \$2.82 million is mainly due to the recognition of the \$3.02 million market value of subsidised rent to community groups which is offset by increased other income.
10	Net loss on disposal of property, infrastructure, plant and equipment	The unfavourable variance of \$1.09 million is mainly due to the residual value written off for infrastructure assets upgraded in 2018/19.

1.2 Capital Works

			\$'000	%	Ref
	Budget	Actual	Variance	Variance	
Property					
Land	3,000	-	(3,000)	-100 %	1
Total land	3,000	-	(3,000)	-100 %	
Buildings	14,377	15,408	1,031	7 %	2
Total buildings	14,377	15,408	1,031	7 %	
Total property	17,377	15,408	(1,969)	-11 %	
Plant and equipment					
Heritage plant and equipment	30	37	7	23 %	3
Plant, machinery and equipment	2,193	1,234	(959)	-44 %	4
Fixtures, fittings and furniture	330	558	228	69 %	5
Computers and telecommunications	950	1,025	75	8 %	
Library books	835	830	(5)	-1 %	
Total plant and equipment	4,338	3,684	(654)	-15 %	
Infrastructure					
Roads	4,314	1,899	(2,415)	-56 %	6
Footpaths and cycleways	1,785	2,201	416	23 %	7
Drainage	4,315	3,884	(431)	-10 %	8
Parks, open space and streetscapes	10,561	6,248	(4,313)	-41 %	9
Other infrastructure	260	1,510	1,250	481 %	10
Total infrastructure	21,235	15,742	(5,493)	-26 %	
Total capital works expenditure	42,950	34,834	(8,116)	-19 %	
Represented by:					
New asset expenditure	8,456	4,226	(4,230)	-50 %	11
Asset renewal expenditure	19,623	16,124	(3,499)	-18 %	12
Asset expansion expenditure	2,983	2,901	(82)	-3 %	
Asset upgrade expenditure	11,888	11,583	(305)	-3 %	
Total capital works expenditure	42,950	34,834	(8,116)	-19 %	

1.2 Capital Works - Explanation of Material Variances

Ref	Item	Explanation
1	Land	Net under expenditure of \$3 million primarily due to deferral of Sustainability Hub to 2020/21.
2	Building	Net over expenditure of \$1.03 million primarily due to South Melbourne Life Saving Club expenditure aligning with project progress.
3	Heritage plant and equipment	Net over expenditure of \$0.01 million due to minor unbudgeted artwork purchase.
4	Plant, machinery and equipment	Net under expenditure of \$0.96 million is due to reclassification of Parking Technology Upgrades to Other Infrastructure.
5	Fixtures, fittings and furniture	Net over expenditure of \$0.228 million is due to the purchase of furniture and fittings, which are budgeted for in the building asset class part of the building project.
6	Roads	Net under expenditure of \$2.415 million largely due to; <ul style="list-style-type: none"> • Blackspot Program funding was not successful and resulted in reduced expenditure • Wellington Street Upgrade \$0.25 million delayed due to Vic Road issues with the design • reclassification of road capital budget to maintenance for line marking, traffic management, landscaping and demolition works \$1.2 million.
7	Footpaths and cycleways	Over expenditure of \$0.41 million, primarily due to components of several road projects and programs consisting of footpath works.
8	Drainage	Net under expenditure of \$0.431 million, due to the reclassification of costs for landscaping, demolition and works on non-council assets to operating expenses.
9	Parks, open space and streetscapes	Under expenditure of \$4.31 million, largely due to deferral of expenditure to 2019/20 for Elwood Playspace, Newton Court and Chipton Reserve upgrades.
10	Other infrastructure	Over expenditure of \$1.25 million due to reclassification of capital works from Plant, machinery and equipment (Parking Technology upgrades) and Parks, open space and streetscapes (Public Space Lighting renewal).
11	New asset expenditure	Under expenditure of \$4.23 million on asset expansion primarily due to the \$3 million deferral of Sustainability Hub expenditure to 2020/21 and the reclassification to maintenance expenditure for the Kirrip Park landscaping expenditure.
12	Asset renewal expenditure	Under expenditure of \$3.45 million due to the deferral of expenditure to 2019/20 for renewal projects including Chipton and Newton Court Reserve, J.L. Murphy Reserve Pavillion Upgrade and the reclassification to maintenance expenditure for Stormwater renewal, Carlo Catani Lava Rock wall and Northport Oval upgrade.

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1 Description of Council programs

Community and Economic Development

This division is responsible for delivering high quality community, economic development, cultural and creative services by:

- Promoting inclusion, participation, respect and access
- Creating healthy and liveable communities eg Fishermans Bend urban renewal program
- Facilitating independence and promoting social connectedness for older people and those with a disability through the provision of high quality support services
- Supporting Council in its celebration and advocacy of our diverse communities and delivering a suite of services, community development programs, and events to ensure an inclusive, accessible and connected community
- Understanding the changing community need and population growth in order to support healthy and liveable communities
- Building a dynamic and creative city and economy while honouring our cultural heritage
- Upholding Council's commitment to social justice with a focus on partnerships that support the City's most marginalised and at times vulnerable communities including those who are homeless or at risk of homelessness

- Supporting the design of safe and connected communities where the rights of all citizens are valued and respected - this includes Council's obligations in relation to promoting gender equity in a targeted response to reducing men's violence against women
- Driving a whole of Council commitment to reconciliation and improved outcomes for Aboriginal and Torres Strait Islander peoples
- Delivering upon Council's 20 year commitment to the Citizens of Suai and Covalima in East Timor
- All children, young people and families are healthy and connected to reach their full potential.

Customer and Corporate Services

This division enables an innovative high performance organisation that delivers best value to the growing community through:

- Ensuring the organisation has the alignment, assets, systems, tools, information, and support required to deliver best value to the community
- Promoting a culture and capability of value for money, whole of organisation (enterprise) thinking, continuous improvement and customer experience
- Ensuring the financial sustainability of the Council and effective management of organisational risk and compliance.

Infrastructure and Amenity

This division works with our community and other stakeholders to deliver a high standard of amenity and safety across our City by:

- Delivering clean, well maintained and improved streets, buildings, villages, beaches and public spaces
- Facilitating participation in sport and recreation
- Managing and improving our parks and open spaces
- Designing and building improved city facilities
- Delivering frontline services to ensure community safety and amenity such as health, parking, animal management, planning compliance and emergency management.

Office of the CEO

This division seeks to provide greater focus on the organisational strategy and performance of Council through:

- Council planning, risk, audit and Occupational Health and Safety
- Governance of Councils project portfolio
- Strategic partnerships and place management including markets
- Communications and engagement and governance.

City Strategy and Sustainable Development

This division seeks to enhance the liveability and sustainability of our places and precincts in an environment of growth and change through:

- Leading the Council Plan themes of transport and parking and waste and water
- Playing a key role in Fishermans Bend and statutory planning
- Leading the Council Plan themes of transport and parking, waste, environment and water
- Delivering statutory planning, building and local law permitting services that promote sustainable and safe development
- Ensuring a well-connected transport future for our city, connecting people and places, as well as protecting the safety of all road users
- Implementing education programs and services that reduce carbon emissions, water use and waste generation to ensure adaptive and resilient communities
- Excellent strategic planning and urban design that protects our neighbourhood character and meets the need of communities now and into the future.

2.2 Summary of revenues, expenses and assets by program

	\$'000				
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
2019					
Community and Economic Development	21,344	42,786	(21,442)	7,702	299,788
Customer and Corporate Services	137,255	61,867	75,388	2,715	281,147
Infrastructure and Amenity	49,856	89,740	(39,884)	5,601	2,629,726
Office of the CEO	7,941	15,599	(7,658)	-	48,341
City Strategy & Sustainable Development	14,660	13,916	744	26	47,671
	231,056	223,908	7,148	16,044	3,306,673
2018					
Community and Economic Development	21,236	43,081	(21,845)	7,759	297,641
Customer and Corporate Services	130,359	64,678	65,681	2,755	280,065
Infrastructure and Amenity	48,497	80,770	(32,273)	5,178	2,577,403
Office of the CEO	7,775	14,204	(6,429)	-	47,460
City Strategy and Sustainable Development	15,757	13,721	2,036	18	46,867
	223,624	216,454	7,170	15,710	3,249,436

Note 3 Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2018/2019 was \$3.576 billion (2017/2018 was \$3.035 billion). The 2018/2019 rate in the NAV dollar was \$0.034808 (2017/2018: \$0.039287).

	\$'000	
	2019	2018
General rates	123,965	119,365
Waste management charge	196	194
Special rates and charges	649	652
Special rates and charges applied	(649)	(652)
Supplementary rates and rate adjustments	750	1,156
Interest on rates and charges	413	405
Total rates and charges	125,324	121,120

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019 and this valuation was applied to the rating year commencing 1 July 2019.

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

3.2 Statutory fees and fines

	\$'000	
	2019	2018
Infringements and costs	1,091	1,018
Court recoveries	44	39
Town planning fees	1,579	1,810
Land information certificates	166	181
Permits	1,440	1,337
Parking fines and parking permits	17,827	18,563
Total statutory fees and fines	22,147	22,948

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

3.3 User fees

	\$'000	
	2019	2018
Aged and health services	528	537
Leisure centre and recreation	810	711
Child care/children's programs	10,280	9,730
Parking	18,844	17,090
Registration and other permits	5,886	5,089
Building services	745	585
Waste management services	278	262
Other fees and charges	1,510	1,653
Total user fees	38,881	35,657

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

3.4 Funding from other levels of government

Grants were received in respect of the following.

Summary of grants

	\$'000	
	2019	2018
Commonwealth funded grants	6,873	7,275
State funded grants	9,171	8,394
Total grants received	16,044	15,669

a) Operating Grants

Recurrent - Commonwealth Government		
Aged care	227	120
Community health	368	373
General home care	2,781	2,718
Recreation	93	90
Financial Assistance Grants	2,715	2,755
Recurrent - State Government		
Aged care	32	30
Community health	178	199
Environmental Planning	26	10
Family and children	764	769
General home care	1,065	1,047
Libraries	696	694
Maternal and child health	857	814
Other	802	793
Recreation	68	133
School crossing supervisors	133	125
Total recurrent operating grants	10,805	10,670
Non-recurrent - Commonwealth Government		
Family and children	94	40
Other	30	-
Non-recurrent - State Government		
Aged Care	-	2
Community health	488	408
Environmental planning	86	68
Family and children	58	41
Other	188	117
Recreation	149	491
Total non-recurrent operating grants	1,093	1,167
Total operating grants	11,898	11,837

b) Capital Grants

	\$'000	
	2019	2018
Recurrent - Commonwealth Government		
Roads to recovery	280	453
Total recurrent capital grants	280	453
Non-recurrent - Commonwealth Government		
Environmental Planning	-	80
Other	285	-
Roads	-	688
Non-recurrent - State Government		
Building	2,606	2,122
Footpaths and cycleways	-	100
Other	667	20
Parks and streetscapes	195	310
Plant and equipment	-	-
Roads	113	100
Total non-recurrent capital grants	3,866	3,420
Total capital grants	4,146	3,873

c) Unspent grants received on condition that they be spent in a specific manner

Balance at start of year	3,438	2,842
Received during the financial year and remained unspent at balance date	2,846	2,687
Received in prior years and spent during the financial year	(2,751)	(2,091)
Balance at year end	3,533	3,438

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.

3.5 Contributions

	\$'000	
	2019	2018
Monetary	10,339	10,524
Non-monetary	243	222
Total contributions	10,582	10,746

Contributions of non-monetary assets were received in relation to the following asset classes:

	2019	2018
Other infrastructure	208	170
Other	35	52
Total non-monetary contributions	243	222

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

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	\$'000	
	2019	2018
Proceeds of sale	220	1,431
Written down value of assets disposed	(5,644)	(7,868)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(5,424)	(6,437)

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

3.7 Other income

	\$'000	
	2019	2018
Interest	2,185	1,811
Property rental	6,940	4,825
Other rent	6,273	6,268
Other	2,680	4,539
Total other income	18,078	17,443

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 4 The cost of delivering services

4.1 Employee costs

(a) Employee costs

	\$'000	
	2019	2018
Wages and salaries	63,384	62,256
WorkCover	945	883
Casual, temporary and agency staff	10,963	9,813
Superannuation	6,829	6,705
Fringe benefits tax	396	415
Annual and long service leave	7,871	7,510
Other	1,260	346
Total employee costs	91,648	87,928

(b) Superannuation

Council made contributions to the following funds:

	\$'000	
	2019	2018
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	368	385
	368	385
Employer contributions payable at reporting date.	0	24
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	5,005	5,554
Employer contributions - other funds	1,456	766
	6,461	6,320
Employer contributions payable at reporting date.	1	3

Refer to Note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

	\$'000	
	2019	2018
Consultants	12,759	7,827
Maintenance and construction contracts	11,571	10,991
Waste management contracts	11,170	9,603
Parks and gardens contract	9,196	8,982
Building and general maintenance	7,719	8,156
Parking administration contracts	5,590	5,697
Office administration	5,570	5,704
Family and community support contracts	4,396	3,853
Utilities	3,757	3,174
Cleaning contract	2,816	2,872
Information technology	2,767	2,496
Other contract payments	2,551	3,804
Security	2,022	1,275
Insurance	1,710	1,305
Total materials and services	83,594	75,739

4.3 Depreciation

	\$'000	
	2019	2018
Property	6,732	6,614
Plant and equipment	4,771	4,070
Infrastructure	14,237	12,733
Total depreciation	25,740	23,417

Refer to Note 6.1 for a more detailed breakdown of depreciation charges and accounting policy

4.4 Bad and doubtful debts

	\$'000	
	2019	2018
Parking fine debtors	5,771	4,563
Other debtors	277	23
Total bad and doubtful debts	6,048	4,586

Movement in provisions for doubtful debts		
	2019	2018
Balance at the beginning of the year	14,515	12,013
New provisions recognised during the year	8,345	7,194
Amounts already provided for and written off as uncollectible	(1,346)	(2,084)
Amounts provided for but recovered during the year	(2,297)	(2,608)
Balance at end of year	19,217	14,515

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment. The prior year provision for doubtful debts is recognised based on a credit event determined by collectability at that point in time.

4.5 Borrowing costs

	\$'000	
	2019	2018
Interest - borrowings	348	351
Interest on finance leases	51	58
Total borrowing costs	399	409

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.6 Other expenses

	\$'000	
	2019	2018
Contributions and donations*	5,335	12,479
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	73	71
Auditors' remuneration - Internal	235	251
Councillors' allowances	375	368
Operating lease rentals	924	838
Bank charges	689	669
Catering costs	346	359
Subscriptions	500	525
Other	2,557	2,393
Total other expenses	11,034	17,953

* 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 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

	\$'000	
	2019	2018
Cash on hand	20	19
Cash at bank	1,241	7,224
Term deposits	2,000	9,000
Total cash and cash equivalents	3,261	16,243

(b) Other financial assets

	\$'000	
	2019	2018
Current		
Term deposits	83,000	68,500
	83,000	68,500
Non-current		
Shares in Municipal Associations Purchasing Scheme (MAPS)	5	5
Shares in Regional Kitchen Group Pty Ltd	230	230
	235	235
Total other financial assets	83,235	68,735
Total financial assets	86,496	84,978

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 5.3(b))	7,086	5,508
Total restricted funds	7,086	5,508
Total unrestricted cash and cash equivalents*	(3,825)	10,735

* Council has liquid funds invested longer term disclosed as Other financial assets which, if taken into account, would show a positive balance for unrestricted cash and cash equivalents.

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

	\$'000	
	2019	2018
- Statutory reserve balances (Note 9.1(b))	22,522	20,230
- Cash held to fund carried forward capital works	4,766	6,622
- Child Care Centre's infrastructure levy	5,360	5,177
- Tied grants	3,533	3,438
- Palais Theatre	2,699	2,049
- Sustainable transport	2,205	1,867
- In Our Backyard - Growing affordable housing in Port Phillip	2,000	1,500
- Middle Park Beach ongoing maintenance	1,280	1,243
- South Melbourne Life Saving Club	-	413
Total funds subject to intended allocations	44,365	42,539

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	
	2019	2018
Current		
Statutory receivables		
Rate debtors	3,374	3,251
Infringement debtors	24,554	20,212
Provision for doubtful debts - infringements	(18,749)	(14,191)
GST receivable	1,520	1,704
Non-statutory receivables		
Other debtors	7,018	4,340
Provision for doubtful debts - other debtors	(468)	(324)
Total current trade and other receivables	17,249	14,992
Non-current		
Other debtors	474	381
Total non current trade and other receivables	474	381
Total trade and other receivables	17,723	15,373

Short term receivables are carried at invoice amount. The 2018/19 provision for doubtful debts is recognised following an assessment of historic defaults and future conditions in order to determine expected credit losses. The 2017/18 provision for doubtful debts is determined where there is a credit event or evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

d) Ageing of Receivables

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

	\$'000	
	2019	2018
Current (not yet due)	4,087	2,331
Past due by up to 30 days	430	422
Past due between 31 and 180 days	102	203
Past due between 181 and 365 days	74	33
Past due by more than one year	490	71
Total trade and other receivables	5,183	3,060

e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of 2,309,000 (2018: \$1,280,000) were impaired. The amount of the provision raised against these debtors was 468,000 (2018: \$324,000). 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	
	2019	2018
Current (not yet due)	1,538	674
Past due by up to 30 days	422	225
Past due between 31 and 180 days	123	256
Past due between 181 and 365 days	136	50
Past due by more than one year	90	75
Total trade and other receivables	2,309	1,280

5.2 Non-financial assets**(a) Other assets**

	\$'000	
	2019	2018
Prepayments	2,940	2,958
Accrued income	1,413	734
Total other assets	4,353	3,692

5.3 Payables

a) Trade and other payables

	\$'000	
	2019	2018
Trade payables	14,881	14,790
Accrued expenses	4,003	4,161
Total trade and other payables	18,884	18,951

b) Trust funds and deposits

	\$'000	
	2019	2018
Refundable deposits	657	573
Fire Services Levy	620	646
Other refundable deposits	5,809	4,289
Total trust funds and deposits	7,086	5,508

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Services Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

5.4 Interest-bearing liabilities

	\$'000	
	2019	2018
Current		
Finance leases	465	348
	465	348
Non current		
Borrowings- secured (1)	7,500	7,500
Finance leases	943	327
	8,443	7,827
Total	8,908	8,175

(1) Borrowings are secured by Council rate income

a) The maturity profile for Council's borrowings is:

Not later than one year	-	-
Later than one year and not later than five years	7,500	7,500
Later than five years	-	-
	7,500	7,500

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

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

b) The maturity profile for Council's finance lease liabilities is:

Not later than one year	465	376
Later than one year and not later than five years	936	343
Later than five years	7	-
Minimum future lease payments	1,408	719
Less: Future finance charges	(124)	(44)
Present value of minimum lease payments	1,284	675

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. The Council has the contractual right to acquire leased vehicles at the end of the lease term based on an agreed upon residual value. The Council does not have any financial restrictions imposed by their current leasing arrangements.

5.5 Provisions

a) Employee Provisions

	\$'000	
	2019	2018
Balance at beginning of the financial year	16,341	15,948
Additional provisions	8,650	8,492
Amounts used	(8,721)	(7,867)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(16)	(232)
Balance at the end of the financial year	16,254	16,341
Current provisions expected to be wholly settled within 12 months		
Annual leave	3,924	3,973
Long service leave	7,664	7,505
Retirement gratuity	13	16
Other	296	288
	11,897	11,782
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,868	1,891
Retirement gratuity	119	143
	1,987	2,034
Total current employee provisions	13,884	13,816
Non-current		
Long service leave	2,370	2,525
Total non-current employee provisions	2,370	2,525
Aggregate carrying amount of employee benefits		
Current	13,884	13,816
Non-current	2,370	2,525
Total aggregate carrying amount of employee provisions	16,254	16,341

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	
	2019	2018
Key assumptions		
- discount rate	2.73 %	2.65 %
- inflation	2.43 %	2.37 %
- settlement	17.70 %	12.43 %

b) Other Provisions

	\$'000	
	2019	2018
Provision for site remediation 2-4 Buckhurst Street	-	340
	-	340
Total provisions	16,254	16,681

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2019.

	\$'000	
	2019	2018
Bank overdraft	1,500	1,500
Credit card facilities	167	167
Purchasing card facilities	2,000	2,000
Other facilities - LGFV Municipal Bond	7,500	7,500
Total facilities	11,167	11,167
Used facilities	7,519	7,528
Unused facilities	3,648	3,639

5.7 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
2019					
Operating					
Open space management	27,385	22,323	5,071	-	54,779
Building maintenance	9,371	8,859	718	-	18,948
Garbage collection and recycling	9,037	5,073	24	-	14,134
Consultancies	7,258	4,924	433	-	12,615
Community Services	4,538	2,234	1,152	-	7,924
Computers and technology	4,373	3,171	6,314	9,976	23,834
Operational services	2,803	706	169	-	3,678
Cleaning contracts for council buildings	1,113	-	-	-	1,113
Total	65,878	47,290	13,881	9,976	137,025
Capital					
Buildings	3,282	-	-	-	3,282
Parks, open spaces and streetscapes	2,310	-	-	-	2,310
Total	5,592	-	-	-	5,592
Total	71,470	47,290	13,881	9,976	142,617
2018					
Operating					
Open space management	1,738	-	-	-	1,738
Building maintenance	11,708	11,609	9,380	-	32,697
Garbage collection and recycling	8,613	8,513	4,900	-	22,026
Consultancies	2,335	489	815	-	3,639
Community Services	5,158	174	76	-	5,408
Computers and technology	1,987	400	228	-	2,615
Operational services	4,144	23	11	-	4,178
Cleaning contracts for council buildings	1,462	975	-	-	2,437
Total	37,145	22,183	15,410	-	74,738
Capital					
Buildings	7,613	-	-	-	7,613
Parks, open spaces and streetscapes	1,586	-	-	-	1,586
Total	9,199	-	-	-	9,199
Total	46,344	22,183	15,410	-	83,937

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.

A recent audit of the works outstanding identified a list of items remaining to finalise the streetscape works, with a total value of \$124,000.

	\$'000	
	2019	2018
Value of works outstanding at 1 July	2,902	2,896
Adjustment to works outstanding	(2,648)	-
Works completed	(130)	(65)
	124	2,831
CPI adjustment (included in future works 2019/20)	-	71
Value of works outstanding at 30 June	124	2,902

Operating lease commitments

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

	\$'000	
	2019	2018
Not later than one year	519	554
Later than one year and not later than five years	145	417
Later than five years	5	3
	669	974

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 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

								\$'000
	At Fair Value 30 June 2018	Additions	Contributions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2019
Land	2,520,246	-	-	(32,346)	-	(1,900)	-	2,486,000
Buildings	209,245	7,209	-	15,761	(6,732)	(1,329)	3,304	227,458
Infrastructure	378,130	11,047	208	60,966	(14,237)	(2,126)	3,048	437,036
Plant and Equipment	28,957	4,853	35	3,891	(4,771)	(289)	76	32,752
Work in progress	8,468	12,907	-	-	-	-	(6,846)	14,529
	3,145,046	36,016	243	48,272	(25,740)	(5,644)	(418)	3,197,775

Summary of work in progress

						\$'000
	Opening WIP	Additions	Transfers	Write-offs	Closing WIP	
Buildings	4,106	8,645	(3,304)	(6)	9,441	
Infrastructure	4,287	4,253	(3,048)	(410)	5,082	
Plant and equipment	75	9	(76)	(2)	6	
Total	8,468	12,907	(6,428)	(418)	14,529	

a) Property

	\$'000		
	Land - specialised	Buildings - specialised	Total Property
At fair value 1 July 2018	2,520,246	383,263	2,903,509
Accumulated depreciation at 1 July 2018	-	(174,018)	(174,018)
WDV at beginning of financial year	2,520,246	209,245	2,729,491
Movements in fair value			
Additions	-	7,209	7,209
Revaluation increments/decrements	(32,346)	51,318	18,972
Disposal	(1,900)	(1,934)	(3,834)
Write-off	-	-	-
Transfers	-	3,304	3,304
Non-current assets classified as held for sale	-	-	-
	(34,246)	59,897	25,651
Movements in accumulated depreciation			
Depreciation and amortisation	-	(6,732)	(6,732)
Accumulated depreciation of disposals	-	605	605
Revaluation increments/decrements	-	(35,557)	(35,557)
Non-current assets classified as held for sale	-	-	-
	-	(41,684)	(41,684)
At fair value 30 June 2019	2,486,000	443,160	2,929,160
Accumulated depreciation at 30 June 2019	-	(215,702)	(215,702)
WDV at end of financial year	2,486,000	227,458	2,713,458

Note - all land and buildings are considered specialised by their nature.

b) Plant and equipment

\$'000

	Heritage plant and equipment	Plant, machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Total plant and equipment	Total works in progress
At fair value 1 July 2018	17,169	10,065	4,594	10,206	10,871	52,905	8,468
Accumulated depreciation at 1 July 2018	(333)	(5,816)	(3,246)	(5,962)	(8,591)	(23,948)	-
WDV at beginning of financial year	16,836	4,249	1,348	4,244	2,280	28,957	8,468
Movements in fair value							
Additions	28	1,233	558	1,025	830	3,674	12,907
Contributions	35	-	-	-	-	35	-
Revaluation increments/decrements	3,386	-	-	-	-	3,386	-
Disposal	-	(758)	(1,514)	(4,131)	-	(6,403)	-
Write-off	-	-	-	-	-	-	(418)
Transfers	-	76	-	-	-	76	(6,428)
Finance lease addition	-	1,179	-	-	-	1,179	-
	3,449	1,730	(956)	(3,106)	830	1,947	6,061
Movements in accumulated depreciation							
Depreciation and amortisation	(172)	(1,925)	(444)	(1,444)	(786)	(4,771)	-
Accumulated depreciation of disposals	-	606	1,471	4,037	-	6,114	-
Revaluation increments/decrements	505	-	-	-	-	505	-
	333	(1,319)	1,027	2,593	(786)	1,848	-
At fair value 30 June 2019	20,618	11,795	3,638	7,100	11,701	54,852	14,529
Accumulated depreciation at 30 June 2019	-	(7,135)	(2,219)	(3,369)	(9,377)	(22,100)	-
WDV at end of financial year	20,618	4,660	1,419	3,731	2,324	32,752	14,529

c) Infrastructure

\$'000

	Roads	Bridges	Footpaths and cycleways	Drainage	Parks, open spaces and streetscapes	Off street car parks	Other Infrastructure	Total Infrastructure
At fair value 1 July 2018	257,242	4,429	130,017	124,988	97,401	9,794	15,517	639,388
Accumulated depreciation at 1 July 2018	(111,775)	(2,576)	(53,248)	(49,080)	(35,506)	(2,694)	(6,379)	(261,258)
WDV at beginning of financial year	145,467	1,853	76,769	75,908	61,895	7,100	9,138	378,130
Movements in fair value								
Additions	1,812	-	2,172	1,370	4,800	-	893	11,047
Contributions	89	-	60	9	-	-	50	208
Revaluation increments/ decrements	2,379	202	(9,190)	-	-	53	655	(5,901)
Disposal	(602)	-	(794)	(574)	(1,862)	(53)	(237)	(4,122)
Write-off	-	-	-	-	-	-	-	-
Transfers	6	-	782	-	1,806	-	454	3,048
	3,684	202	(6,970)	805	4,744	-	1,815	4,280
Movements in accumulated depreciation								
Depreciation and amortisation	(4,088)	(45)	(3,027)	(865)	(5,221)	(136)	(855)	(14,237)
Accumulated depreciation of disposals	365	-	346	178	958	9	140	1,996
Revaluation increments/ decrements	60,507	(85)	5,755	-	-	1,088	(398)	66,867
	56,784	(130)	3,074	(687)	(4,263)	961	(1,113)	54,626
At fair value 30 June 2019	260,926	4,631	123,047	125,793	102,145	9,794	17,332	643,668
Accumulated depreciation at 30 June 2019	(54,991)	(2,706)	(50,174)	(49,767)	(39,769)	(1,733)	(7,492)	(206,632)
WDV at end of financial year	205,935	1,925	72,873	76,026	62,376	8,061	9,840	437,036

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

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

Asset recognition thresholds and depreciation periods

	Depreciation period	Threshold limit
Land and land improvements		
land	-	All
land improvements	10 - 100 years	\$5,000
Buildings		
heritage buildings	100 years	\$5,000
buildings	25 - 100 years	\$5,000
building improvements	100 years	\$5,000
Plant and equipment		
heritage plant and equipment	100 years	\$2,000
plant, machinery and equipment	4 - 7 years	\$2,000
fixtures, fittings and furniture	5 years	\$2,000
computers and telecommunications	3 - 6 years	\$2,000
library books	5 years	All
motor vehicles	5 years	All
Infrastructure		
road pavements and seals	18 - 30 years	\$5,000
road substructure	100 years	\$5,000
road formation and earthworks	250 years	\$5,000
road kerb, channel and minor culverts and other	50 years	\$5,000
bridges deck	20 - 80 years	\$5,000
bridges substructure	40 - 100 years	\$5,000
footpaths and cycleways	40 - 50 years	\$5,000
drainage	150 years	\$5,000
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

Depreciation and amortisation

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

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

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

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the 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 the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a four to seven year period.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, Frank Carbone AAPI (Val 1764). The valuation of buildings is a depreciated replacement cost. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	\$'000			DoV
	Level 1	Level 2	Level 3	
Specialised land	-	-	2,486,000	June 19
Buildings	-	-	227,458	June 19
	-	-	2,713,458	

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 the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	\$'000			DoV
	Level 1	Level 2	Level 3	
Roads	-	-	205,935	June 19
Bridges	-	-	1,925	June 19
Footpaths and cycleways	-	-	72,873	June 19
Drainage	-	-	76,026	June 17
Parks, open spaces and streetscapes	-	-	62,376	June 18
Off street carparks	-	-	8,061	June 19
Other infrastructure*	-	-	9,840	June 19
	-	-	437,036	

* 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 2019 were performed by the following independent valuers:

- **Australian Art Valuers** - contemporary, visual, historical and public art;
- **Sainsbury Books** - heritage photographs; and
- **Leonard Joel** - historical items, artworks, monuments and memorials, mayoral robes, chains and other attire.

Details of the Council's heritage and works of art and information about the fair value hierarchy as at 30 June 2019 are as follows:

	\$'000			DoV
	Level 1	Level 2	Level 3	
Heritage and works of art	-	-	20,618	June 19

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 \$1,800 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 \$600 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 98 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 250 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land

	\$'000	
	2019	2018
Parks and reserves	1,956,036	1,978,444
Commercial	201,774	206,849
Community	214,703	215,298
Council office land	113,487	119,655
Total specialised land	2,486,000	2,520,246

6.2 Investments in associates, joint ventures and subsidiaries

Joint Arrangement - Joint Venture

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

Joint Venture - Albert Park Hockey and Tennis Centre

In 1997 Council entered into a 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 and Wesley College had signed the lease and Council had committed to signing the lease at the earliest opportunity.

The objective of the Joint Venture is to provide, manage and maintain the Albert Park Hockey and Tennis Centre for use by sporting clubs, schools and residents of Port Phillip municipality and the students of Wesley College. The 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 Venture parties with 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 which both parties have committed to signing, has the same provisions as the former agreement being joint control, equal share of risks and rewards and equal share of net assets.

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 draft audited Joint Venture financial statements for the 12 months ended 31 March 2019 and Council's carrying value in the joint venture investment represents a 50 per cent share of the net assets and liabilities of the Albert Park Hockey & Tennis Centre as at 31 March 2019.

	\$'000	
	2019	2018
Fair value of Council's investment in Albert Park Hockey and Tennis Centre	326	347
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	347	332
Reported surplus(deficit) for year	(21)	15
Transfers (to) from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus(deficit) at end of year	326	347
Movement in carrying value of specific investment		
Carrying value of investment at start of year	347	332
Share of surplus(deficit) for year	(21)	15
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	326	347
Council's share of expenditure commitments		
Operating commitments	3	3
Capital commitments	12	12
Council's share of expenditure commitments	15	15
Council's share of contingent liabilities and contingent assets	nil	nil
Significant restrictions	nil	nil

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

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

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

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

Committees of management

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

Principles of consolidation

An assessment by management has determined that there are no consolidated entities for the 30 June 2019 reporting period.

Note 7 People and relationships

7.1 Council and key management remuneration

a) Related Parties

Parent entity - City of Port Phillip is the parent entity

Subsidiaries and Associates - Interests in subsidiaries and associates are detailed in Note 6.2.

b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Councillor Dick Gross (Mayor from 28 November 2018)

Councillor Bernadene Voss (Mayor to 27 November 2018)

Councillor Andrew Bond

Councillor Katherine Copsey

Councillor Tim Baxter

Councillor Louise Crawford

Councillor Marcus Pearl

Councillor Ogy Simic

Councillor David Brand

Other

Chief Executive Officer **Peter Smith**

Director Office of the CEO **Kylie Bennetts**

General Manager Customer and Corporate Services **Chris Carroll**

General Manager Infrastructure and Amenity **Fiona Blair**

General Manager Community and Economic Development
(to 7 September 2018) **Carol Jeffs**

General Manager Community and Economic Development
(from 22 October 2018) **Tony Keenan**

General Manager Community and Economic Development
(from 10 September to 31 October 2018*) **Mary McGorry**

General Manager City Strategy and
Sustainable Development **Lili Rosic**

Chief Financial Officer **Dennis O'Keeffe**

	2019	2018
Total number of Councillors	9	9
Total of Chief Executive Officer and other Key Management Personnel	9	8
Total Number of Key Management Personnel	18	17

* Overlap in General Manager Community and Economic Development from 24 October to 31 October 2018 due to staff transition.

c) Remuneration of Key Management Personnel

	\$'000	
	2019	2018
Total remuneration of key management personnel		
Short-term benefits	2,249	2,184
Post-employment benefits	67	164
Other long-term benefits	176	51
Total remuneration*	2,492	2,399

* Total remuneration includes salary, bonuses, allowances, superannuation, termination, leave payments and accrued long service leave but excludes accrued annual leave.

	Number	
	2019	2018
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$30,000 - \$39,999	7	8
\$60,000 - \$69,999	1	-
\$70,000 - \$79,999	1	-
\$80,000 - \$89,999	1	-
100,000 - \$109,999	-	2
\$150,000 - \$159,999	1	-
\$190,000 - \$199,999	1	1
\$220,000 - \$229,999	-	1
\$230,000 - \$239,999	2	-
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	-	1
\$270,000 - \$279,999	1	2
\$280,000 - \$289,999	1	-
\$290,000 - \$299,999	-	1
\$380,000 - \$389,999	1	-
\$390,000 - \$399,999	-	1
	18	17

d) Senior Officers Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive Officer; or
- b) whose total annual remuneration exceeds \$148,000.

	Number	
	2019	2018
The number of Senior Officers in their relevant income bands:		
\$148,000 - \$149,999	-	4
\$150,000 - \$159,999	6	6
\$160,000 - \$169,999	4	3
\$170,000 - \$179,999	8	3
\$180,000 - \$189,999	5	7
\$190,000 - \$199,999	6	2
\$210,000 - \$219,999	1	1
\$250,000 - \$259,999	1	1
	31	27
		\$'000
	2019	2018
Total Remuneration* for the reporting year for Senior Officers included above, amounted to		
	5,553	4,687

* Total remuneration includes salary, bonuses, allowances, superannuation, termination, leave payments and accrued long service leave but excludes accrued annual leave.

Total Annual Remuneration under AASB 124 includes termination and annual leave and long service leave balance payouts due to senior staff ceasing employment with the City of Port Phillip during the financial year.

7.2 Related party disclosure**a) Transactions with related parties**

The are no transactions by Council with related parties.

b) Outstanding balances with related parties

The are no outstanding balances at the end of the reporting period in relation to transactions with related parties.

c) Loans to/from related parties

There are no loans in existence at balance date that have been made, guaranteed or secured by the Council to a related party.

d) Commitments to/from related parties

There are no commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

a) Contingent assets

	\$'000	
	2019	2018
Open space contributions		
Council estimates that assets will pass to Council in the future in respect of anticipated development contributions for open space contributions.	7,124	7,124

Operating lease receivables

Council has entered into leases and licences for some of the property it owns or controls as a Committee of Management for crown land. Properties used for commercial purpose are held under leases which have varying terms. Long term leases usually reflect significant private investment in the buildings on the land. Most leases include an annual rental increase and periodical reviews to market. Council also enters into licence agreements with stallholders at the South Melbourne Market.

	\$'000	
	2019	2018
Future minimum rentals receivables under non-cancellable operating leases are as follows:		
Not later than one year	9,846	9,674
Later than one year and not later than five years	20,904	15,616
Later than five years	51,956	56,567
	82,706	81,857

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 2018/19 year). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is \$431,431.

Legal matters

The Council is presently involved in a number of confidential legal matters which are being conducted through Council's solicitors. These matters are yet to be finalised and the financial outcome cannot be determined.

Infringements Review

Council is currently party to an Ombudsman Victoria review in relation to infringements. Council is participating fully and openly. The impact on Council from this review is uncertain.

8.2 Changes in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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. A preliminary assessment has determined that the impact will not be material.

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.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$290,710 in lease related assets and an equivalent liability.

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 to not-for-profit entity to further its objectives. A preliminary assessment has determined that the impact will not be material.

8.3 Financial instruments

a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

b) Market risk

Market risk is the risk that the fair value or future cash flows of Council's financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product
- monitoring of return on investment
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. Council have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- Council have a policy for establishing credit limits for the entities we deal with
- Council may require collateral where appropriate
- Council only invest surplus funds with financial institutions, which have a recognised credit rating specified in our investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required, or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have readily accessible standby facilities and other funding arrangements in place
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments
- monitor budget to actual performance on a regular basis
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amount of financial liabilities as disclosed in the face of the balance sheet and the amount is related to financial guarantees, and is deemed insignificant based on prior periods data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +0.25 per cent and -1.00 per cent in market interest rates (AUD) from year-end rates of 2.65 per cent.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

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

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

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

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

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

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

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from one to three years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

8.5 Events occurring after balance date

No matters have occurred after balance date, that require disclosure in the financial report.

Note 9 Other matters

9.1 Reserves

a) Asset revaluation reserves

	\$'000		
	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
2019			
Property			
Land and land improvements	2,248,394	(32,346)	2,216,048
Buildings	78,413	15,761	94,174
	2,326,807	(16,585)	2,310,222
Infrastructure			
Roads	70,741	62,886	133,627
Bridges	825	117	942
Footpaths and cycleways	27,881	(3,435)	24,446
Drainage	33,144	-	33,144
Parks, open spaces and streetscapes	16,816	-	16,816
Off street carparks	3,862	1,141	5,003
Other infrastructure	6,342	257	6,599
	159,611	60,966	220,577
Plant and equipment			
Heritage plant and equipment	10,386	3,891	14,277
	10,386	3,891	14,277
Total Asset revaluation reserves	2,496,804	48,272	2,545,076

The asset revaluation reserve is used to record the movements in fair value of Council's assets over time.

	\$'000		
	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
2018			
Property			
Land	2,008,849	239,545	2,248,394
Buildings	78,413	-	78,413
	2,087,262	239,545	2,326,807
Infrastructure			
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
	154,013	5,598	159,611
Plant and equipment			
Heritage plant and equipment	10,386	-	10,386
	10,386	-	10,386
Total Asset revaluation reserves	2,251,661	245,143	2,496,804

The asset revaluation reserve is used to record the movements in fair value of Council's assets over time.

b) Other reserves

	\$'000			
	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
2019				
General reserve	37,418	18,818	(15,925)	40,311
Statutory reserves				
Resort and recreation reserve	18,226	6,456	(4,164)	20,518
Contributions for carparking reserve	1,791	-	-	1,791
Contribution for C13 infrastructure reserve	213	-	-	213
	20,230	6,456	(4,164)	22,522
Total other reserves	57,648	25,274	(20,089)	62,833
2018				
General reserve	30,922	23,546	(17,050)	37,418
Statutory reserves				
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
Total other reserves	45,027	31,609	(18,988)	57,648
			\$'000	
			2019	2018
Asset revaluation reserve			2,545,076	2,496,804
Other reserves			62,833	57,648
Total reserves			2,607,909	2,554,452

General reserve

The general reserve comprises allocations made by the council for the purpose of funding major medium term expenditure initiatives and future commitments that relate to the unexpended portion of government grants received.

Resort and recreation reserve

The resort and recreation reserve is for the accumulation of developer contributions which are to be expended at a future date on recreational infrastructure.

Contributions for carparking reserve

The car parking reserve is for the accumulation of developers contributions which are to be expended at a future date on improved car parking facilities.

Contributions for C13 infrastructure reserve

The C13 infrastructure reserve is for the accumulation of developers contributions which are to be expended at a future date on specific infrastructure. See note 5.7 for further information.

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

	\$'000	
	2019	2018
Surplus/(deficit) for the year	7,148	7,170
Depreciation/amortisation	25,740	23,417
(Profit)/loss on disposal of property, infrastructure, plant and equipment	5,424	6,437
Contributions - non-monetary assets	(243)	(222)
Other	745	995
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(2,257)	(2,376)
(Increase)/decrease in prepayments	18	(1,103)
(Increase)/decrease in accrued income	(679)	(269)
Increase/(decrease) in trade and other payables	(67)	1,269
(Decrease)/increase in other liabilities	1,578	640
Increase/(decrease) in provisions	(427)	(1,977)
Net cash provided by operating activities	36,980	33,981

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/ Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, 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. 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.

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 2018, an interim actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106 per cent. To determine the VBI, the Fund Actuary used the following long-term assumptions:

- Net investment returns
6 per cent pa
- Salary inflation
3.5 per cent pa
- Price inflation (CPI)
2 per cent pa.

Vision Super has reported that the estimated VBI at 30 June 2019 was 107.1 per cent. The VBI is to be used as the primary funding indicator. Because the VBI was above 100 per cent, the 30 June 2018 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 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5 per cent of members salaries (9.5 per cent in 2017/2018). This rate will increase in line with any increases in the SG contribution rate.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

- Funding calls

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 a set 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 the a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2018 interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2018 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$131.9 million
- A total service liability surplus of \$218.3 million
- A discounted accrued benefits surplus of \$249.1 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 2018.

2018 interim actuarial investigation

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim actuarial investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

	\$'000	
	2018	2017
The Fund's actuarial investigations identified the following in the defined benefit category of which Council is a contributing employer:		
A VBI surplus	131.9	69.8
A total service liability surplus	218.3	193.5
A discounted accrued benefits surplus	249.1	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018.

Glossary

Item	Explanation
Accrual accounting	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
Accumulated surplus	The value of all net assets accumulated over time.
AIFRS	Australian equivalents to International Financial Reporting Standards.
Asset expansion expenditure	Expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to beneficiaries.
Asset renewal expenditure	Expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
Asset upgrade expenditure	Expenditure that: <ul style="list-style-type: none"> a) enhances an existing asset to provide a higher level of service or b) increases the life of the asset beyond its original life.
Assets	Future economic benefits controlled by Council as a result of past transactions or other past events.
Bad and doubtful debts	Bad debts written off and the movement in the bad debt provision for infringement debtors and sundry debtors.
Balance sheet	A quantitative summary of Council's financial condition at 30 June, including assets, liabilities and net equity.
Borrowing costs	Interest paid on borrowings.
Capital expenditure	Capital expenditure is relatively large (material) expenditure that produces economic benefits expected to last for more than 12 months. A pre-determined 'threshold' may be used which indicates the level of expenditure deemed to be material in accordance with Council's policy. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and upgrade expenditures, the total project cost needs to be allocated accordingly.
Cash and cash equivalents	Cash and investments readily convertible to cash, including cash on hand, cash held in the bank, deposits at call and highly liquid investments.
Contributions	Contributions received by Council are received for the purpose of providing and improving public open space, provision/improvement of the drainage system and in relation to specific projects.
Comprehensive Income Statement	A financial statement highlighting the accounting surplus or deficit which highlights whether Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrement reversal) and share of other comprehensive income of associates and joint ventures accounted for by the equity method, to arrive at a 'comprehensive result'. The comprehensive result equates to the movement in net assets or total equity.
Current assets	Assets where Council expects to receive the future economic benefit within the next 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.
Current liabilities	Liabilities where Council expects to fulfil its obligation within the next 12 months unless the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date.
Depreciation	An expense which recognises the value of a fixed asset as it is used up over time.

Item	Explanation
Employee benefits	Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax, WorkCover and redundancy payments.
Equity	The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.
Expense	An outgoing payment made by Council.
Financing activities	Financing activities means those activities which relate to changing the size and composition of the financial structure of the entity, including equity and borrowings not falling within the definition of cash.
Fixed assets	See Property, infrastructure, plant and equipment.
Grants - non-recurrent	Grant income received for a 'one off' specific purpose, generally for a particular project.
Grants - recurrent	Grant income received on a regular basis (i.e. quarterly, annually) and granted to Council by another entity for specific or general purposes.
Income	Income is the amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
Infrastructure	Non-current property, plant and equipment excluding land.
Interest	Includes interest earned on all cash and investment balances, interest earned on rates and unrealised gains on managed fund investments.
Interest bearing loans and borrowings	Council's borrowings.
Investing activities	Investing activities means those activities which relate to acquisition and disposal of non-current assets, including property, plant and equipment and other productive assets, and investments not falling within the definition of cash.
Liabilities	Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.
Materials and administrative costs	Expenditure incurred in relation to building maintenance, general maintenance, plant and equipment maintenance, office and administration, insurance, registration and Metropolitan Fire Brigade levy, financial and legal costs and information technology costs.
Changes in equity for the period	The net movement in the net surplus (deficit) and asset revaluation increments (decrements). This is also equal to the change in net assets.
Net asset revaluation increment (decrement)	This represents the increase (decrease) between the old valuation and new valuation of property and infrastructure asset classes, which were re-valued during the year.
Net assets	The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.
Net gain (loss) on disposal of property, plant and equipment, infrastructure	The net of income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year.
New asset expenditure	Expenditure that creates a new asset that provides a service that does not currently exist.

Item	Explanation
Non-current assets	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.
Non-current assets classified as held for sale	Non-current assets that Council intends to sell within the next 12 months.
Non-recurrent grants	Means a grant obtained on the condition that it is expended in a specified manner and is not expected to be received again during the period covered by a Council's Strategic Resource Plan.
Non-current liabilities	Liabilities where the obligation is not expected to be fulfilled within the next 12 months or where Council has a right to defer settlement of the liability for at least 12 months after reporting date.
Other expenses	Includes auditors' remuneration, Councillors' allowances, operating lease rentals, impairment losses, community grants and contributions, training and professional development expenditure, contract settlement expenditure and expenditure incurred in relation to special rate schemes.
Other income	Income received from donations, insurance recoveries, craft markets, festivals, local laws, right-of-way sales, transport and other sources.
Prepayments	Payments made by Council in advance of receiving the goods or services.
Property, infrastructure, plant and equipment	Often referred to as Fixed Assets. This is the largest component of Council's asset base or worth. This represents the value of all land, buildings, roads, footpaths, drains, bridges, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
Provisions	Includes accrued long-service leave, annual leave, sick leave and rostered days off owing to employees at reporting date.
Rate and charges	Income received from ratepayers in relation to general rates, garbage rates and special rate schemes.
Recurrent grant	A grant other than a non-recurrent grant.
Reserves	Includes the asset revaluation reserve which includes the net revaluation increments and decrements arising from the revaluation of fixed assets in accordance with AASB 1041 'Revaluation of Non-Current Assets'. Other reserves include statutory reserves such as resort and recreation and carpark and general reserves where money is held in reserve for specific projects.
Restricted cash	Cash and cash equivalents, within the meaning of AAS, that are not available for use other than a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.
Right-of-way	Former laneway no longer required for access to surrounding properties.
Share of net profits (losses) of associates and joint ventures	Council's share of the net profit/loss recognised in its joint venture partnerships.
Statement of capital works	Means a statement which shows all capital expenditure of a council in relation to non-current assets and asset expenditure type.

Item	Explanation
Statement of cash flows	The statement of cash flows shows the net cash inflows and outflows in the forthcoming year in the form of a reconciliation between the opening and closing balances of total cash and investments for the year. The cash flow statement should be prepared in accordance with the requirements of AASB 107 Statement of Cash Flows.
Statement of changes in equity	The statement of changes in equity shows the movement in Accumulated Surplus and reserves for the year. The net movement in the net surplus (deficit) and asset revaluation increments (decrements). This is also equal to the change in net assets.
Statutory fees and fines	Includes parking infringements and costs, PERIN court recoveries, town planning fees, land information certificates and trader parking and street furniture permits.
Statutory reserves	Statutory reserves are funds set aside for specified statutory purposes in accordance with various legislative requirements. These reserves are not available for other purposes.
Strategic Resource Plan	Means the Strategic Resource Plan prepared by Council under Section 126 of the Act.
Surplus (deficit)	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Trade and other payables	Monies owed by Council to other entities/individuals.
Trade and other receivables	Monies owed to Council by ratepayers and other parties less provisions for doubtful debts.
Trust funds and deposits	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (e.g. Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.
Unrestricted cash	Unrestricted cash represents all cash and cash equivalents other than restricted cash.
User fees	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, child care/children's program fees, debt collection recovery charges, debt collection recovery charges, election fines, recreation fees, library fines and other charges and tow-away charges.

Performance statement

For the year ended 30 June 2019

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 (e.g. 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 the council's strategic resource plan. **The Local Government (Planning and Reporting) Regulations 2014** requires explanation of any material variations in the results contained in the performance statement. Explanations are provided where the previous results are outside a 10 per cent materiality threshold.

The forecast figures included in the Performance Statement are those adopted by Council in its Strategic Resource Plan on 19 June 2019 and forms part of the Council Plan 2017-27. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained from the Council website at portphillip.vic.gov.au

About the City of Port Phillip

The City of Port Phillip is located south of Melbourne's city centre on the northern shore of Port Phillip Bay. The foreshore stretches over 11 kilometres. A network of public open spaces makes the City a desirable place for residents and visitors to enjoy. Significant employment areas within Port Phillip include the St Kilda Road office district, and the industrial, warehousing and manufacturing districts in South Melbourne, Port Melbourne and Fishermans Bend.

The City of Port Phillip is one of the smallest and most densely populated municipalities in Victoria, covering an area of 20.6 kilometres and being home to 113,200 people. Our population will continue to grow with Fishermans Bend expecting to be home to around 80,000 residents and provide jobs for 40,000 over the next four decades.

Sustainable capacity indicators

For the year ended 30 June 2019

Service / indicator / measure	2015	2016	2017	2018	Result 2019
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,701.51	\$1,737.12	\$1,818.52	\$1,960.69	\$1,977.99
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$5,516.95	\$5,528.54	\$5,739.61	\$5,659.57	\$6,287.75
Material variation explanation					
This result is driven by the increase in infrastructure asset valuations as well as capital expenditure.					
Population density per length of road [Municipal population / Kilometres of local roads]	388.32	396.77	401.75	416.59	425.56
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,573.38	\$1,668.41	\$1,730.46	\$1,785.99	\$1,805.92
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$111.46	\$85.52	\$110.68	\$100.75	\$97.92
Disadvantage					
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	10.00	10.00	10.00	10.00	10.00

Definitions

“adjusted underlying revenue” means total income other than:

- non-recurrent grants used to fund capital expenditure; and
- non-monetary asset contributions; and
- contributions to fund capital expenditure from sources other than those referred to above

“infrastructure” means non-current property, plant and equipment excluding land

“local road” means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

“population” means the resident population estimated by Council

“own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

“relative socio-economic disadvantage”, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

“SEIFA” means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

Service performance indicators

For the year ended 30 June 2019

Service / indicator / measure	2015	2016	2017	2018	Result 2019
Animal Management					
Health and safety	4	5	2	6	6
Animal management prosecutions [Number of successful animal management prosecutions]					
Material variation explanation					
Council officers resolve animal related issues in a consistent proactive approach with those involved resulting in less cases prosecuted and remaining under our target of less than 10.					
Food Safety					
Health and safety	95.55 %	99.11 %	99.28 %	100.00 %	100.00 %
Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100					
Material variation explanation					
Strong work continues in the area of critical and major non-compliance notifications followed up on time meeting our target of 100 per cent.					
Governance					
Satisfaction	60	59	57	57	59
Satisfaction with Council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					
Material variation explanation					
The result indicates an increase from the previous years' reflecting strong consultation and engagement opportunities with the community to ensure Council decisions are informed by the community's views.					
Home and Community Care (HACC)					
Participation	22.22 %	20.2 %	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016
Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100					
Material variation explanation					
Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs					
Participation	16.79 %	14.7 %	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016
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					
Material variation explanation					
Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.					

Service / indicator / measure					Result
	2015	2016	2017	2018	2019
Libraries					
Participation	20.14 %	19.4 %	19.21 %	20.39 %	18.63 %
Active library members [Number of active library members / Municipal population] x100					
Material variation explanation	The number of active library members has decreased by 1,429 from 2017/18. The decreasing trend in participation reflects the emergence of online materials.				
Maternal and Child Health (MCH)					
Participation	83.55 %	84.20 %	82.89 %	84.80 %	74.28 %
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Material variation explanation	The transition to the new state-wide Child Development Information System (CDIS) for the full 2018/19 year resulted in more accurate data, reduced duplication and targeted appointment reminders which has improved data related to participation.				
Participation	69.05 %	87.2 %	84.48 %	94.74 %	80.00 %
Participation in the MCH service by Aboriginal children Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100					
Material variation explanation	The transition to the new state-wide Child Development Information System (CDIS) for the full 2018/19 year has resulted in more accurate data. Continued efforts and being culturally responsive by MCH staff has continued to maintain attendance by children of Aboriginal descent at a consistent rate.				
Roads					
Satisfaction	73	70	70	67	68
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
Material variation explanation	A significant amount of resealing roads has been undertaken increasing the result to 68 one point higher from the previous year and in line with other metropolitan Councils.				
Statutory Planning					
Decision making	73.08 %	70.91 %	70.00 %	61.04 %	72.22 %
Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					
Material variation explanation	The overall result has increased, however when we include mediated and withdrawn outcome, Council decisions upheld at VCAT is 87 per cent.				
Waste Collection					
Waste diversion	34.5 %	34.1 %	32.94 %	31.71 %	29.18 %
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					
Material variation explanation	The diversion of recyclables to landfill in 2019 caused a drop in the overall result. Council maintains a strong focus on reducing the amount of waste going to landfill. The Don't Waste It! Waste Management Strategy will provide the blueprint for how Council and the community work together to create a more sustainable future for Port Phillip and the way waste, recyclables and organics is managed moving forward.				

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed an item from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the Food Act 1984

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

Financial performance indicators

For the year ended 30 June 2019

Service / indicator / measure						Result		Forecast	
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Efficiency									
Revenue level	\$1,359.31	\$1,434.05	\$1,429.76	\$1,502.47	\$1,544.17	\$1,583.07	\$1,621.27	\$1,661.01	\$1,701.01
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]									
Expenditure level	\$2,623.49	\$2,619.67	\$2,798.66	\$3,006.31	\$3,072.16	\$3,013.82	\$2,978.23	\$2,952.00	\$3,002.31
Expenses per property assessment [Total expenses / Number of property assessments]									
Workforce turnover	9.95 %	10.43 %	10.00 %	11.75 %	18.04 %	10.05 %	10.01 %	10.02 %	10.07 %
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100									

Material variation explanation

Staff turnover has increased compared to previous years. One of the key reasons is that Melbourne has a very competitive labour market and City of Port Phillip staff are well regarded in their profession which makes them well placed for roles elsewhere.

There was also a range of planned organisational change that occurred throughout the year, with one of the most significant being in our digital area as a result of our CX program. We are currently finalising a People and Culture strategy which outlines how we plan to invest in our people and support them to operate at the best of their ability and attract and retain talent. This will be a key focus in the 2019/20 financial year.

Liquidity

Working capital	220.88 %	243.22 %	231.65 %	265.45 %	267.53 %	167.29 %	142.91 %	173.53 %	182.34 %
Current assets compared to current liabilities [Current assets / Current liabilities] x100									
Unrestricted cash	15.35 %	-10.44 %	-41.14 %	-50.19 %	-85.93 %	36.61 %	35.73 %	50.66 %	66.91 %
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100									

Material variation explanation

Councils unrestricted cash ratio has decreased to -85.93 due to funds being placed in long term investments, including current financial assets. This has seen Council achieve optimal investment returns as a result of strong cash management. Council has \$86.26 million of cash and other financial assets (investments), \$30.82 million of which is restricted, placing Council in a strong position to meet its financial obligations, as reflected in the working capital ratio. In future years Council expect this ratio to improve as more funds are held in shorter termed investments, and current liabilities decrease.

Service / indicator / measure	Result					Forecast			
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Stability									
Rates concentration	60.23 %	61.21 %	58.67 %	57.51 %	57.56 %	59.14 %	59.62 %	60.23 %	60.54 %
Rates compared to adjusted underlying revenue									
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort	0.22 %	0.23 %	0.20 %	0.20 %	0.18 %	0.17 %	0.16 %	0.15 %	0.15 %
Rates compared to property values									
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

Material variation explanation

This result has shifted marginally as a result of the impact of significant increases in property values in certain areas of the municipality. This is expected to shift in future years as result of the 2019/20 valuation seeing a decline in values and an increase in the rate in the dollar.

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

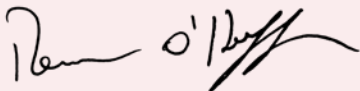
"current assets" has the same meaning as in the AAS (Australian Accounting Standards)

"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

11 September 2019
St Kilda

In our opinion, the accompanying performance statement of the City of Port Phillip for the year ended 30 June 2019 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.

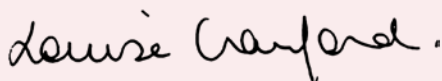
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

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 Dick Gross
Mayor and Councillor
City of Port Phillip

11 September 2019
St Kilda



Louise Crawford
Deputy Mayor and Councillor

11 September 2019
St Kilda



Peter Smith
Chief Executive Officer

11 September 2019
St Kilda

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