



CITY OF STONNINGTON

Mail to: PO Box 21 Prahran Vic 3181
 T 03 8290 1333
 F 03 9521 2255
 E council@stonnington.vic.gov.au

Services Centres
 Corner Glenferrie Road and High Street, Malvern
 Corner Chapel and Greville Streets, Prahran

www.stonnington.vic.gov.au



Capturing Stonnington...
 ...through the eyes of our community

CITY OF STONNINGTON
 Annual Report 2010/11



Our Vision

Stonnington will be a place of community, individuality and business where an environment is created that fosters the hopes, wellbeing and aspirations of all people.

The Environment

Valuing the sustainability of the natural environment (water consumption, climate change, biodiversity, recycling, waste reduction and renewable energy) and the link between environment and the health and wellbeing of the community.

Liveability

Valuing good urban design that maintains and enhances a quality lifestyle through the effective management of public open space including footpaths, walking tracks, parks, recreational facilities, access to dining and retail opportunities, and access to parking.

Amenity/Character of the Area

Valuing the balance between the amenity and character of the area. This includes the mix of innovative developments, heritage buildings and their protection, and effective management of open space.

Being Connected

Valuing the importance of establishing and maintaining good social relationships, actively participating in the community and having a sense of belonging.

Access to Services and Facilities

Valuing the right of people who live, work or visit in Stonnington to access the services and facilities they need to support their health and wellbeing.

Our City

- Our Vision
- 2 Council's Role In the Community
- 4 Councillors
- 6 Our City
- 8 Mayor's Message
- 9 CEO's Message

Our Performance

- 10 Environment
- 18 Community
- 28 Liveability
- 36 Prosperity

Council Operations

- 44 Key Statistics
- 45 Corporate Governance
- 50 General Local Law
- 50 Whistleblowers
- 52 Freedom of Information
- 56 Advocacy
- 58 Organisational Chart
- 60 Human Resources and Organisational Development
- 63 Occupational Health and Safety
- 67 Risk Management
- 69 Business Systems and Technology
- 70 Environmental Management
- 73 Best Value Victoria Report
- 74 Balanced Scorecard Reporting
- 80 National Competition Policy Compliance
- 81 Victorian Local Government Indicators

Financials

- 82 Financial Report
- 84 Financial Results Overview
- 87 Understanding the Financials
- 157 Glossary
- 159 Index

The images on the front page and section breaks of this Annual Report were submitted by members of the Stonnington community and visitors to Stonnington as part of the "What I Love About Stonnington" campaign. (see page 72).

BUDGET ACTIVITY		PERCENTAGE ACHIEVED	COMMENT	PAGE	
01	Environment				
	Implement environmental education initiatives.	100%	The Sustainable Living Expo was held and Council continued working with schools through the Stonnington Green Schools Network program and Waterwatch.	13	
	Continue the conversion of sportsgrounds to warm season grasses.	100%	Malvern Cricket Ground was planted with drought tolerant Santa Ana Couch grass.	14	
	Provide an efficient and comprehensive recycling collection service, with an emphasis on increasing the awareness of what can be recycled and therefore the amount of material recycled.	100%	Recycling increased by 11.67% which exceeds the target of 2.5%.	15	
	Implement the Sustainable Transport Policy via initiatives such as the installation of wayfinding signage and the Walking Strategy.	100%	A range of sustainable transport initiatives were delivered including commencement of the Car Share Trial, adoption of the Walking Policy and completion of stage three of the Gardiners Creek Trail.	16	
02	Community				
	Enhance Council's Aged Services through the implementation of the Active Service Model.	100%	Council continued to provide services for frail aged clients, people with a disability and their carers with a focus on maintaining independence.	22	
	Plan and deliver a diverse range of community sport and recreation opportunities for a variety of ages and abilities.	100%	The Grow With Us Program was delivered and the Active Living Program provided a range of exercise classes in Stonnington Parks.	22	
	Actively administer and provide a \$2.6 million community grants program.	100%	More than 100 community groups in Stonnington benefited from the 2010/11 community grants program.	24	
	Ensure the community is well informed about Council decisions through targeted use and distribution of advertising, resident newsletters, media and the website.	100%	This was achieved through the monthly advertorial in the Leader, bi-monthly community magazine, ward newsletters, website, media and publications.	25	
03	Liveability				
	Implement public realm strategies to support Council's structure plans.	100%	Council endorsed the Public Realm Strategy in October 2010, which provides precinct recommendations and an implementation plan – now underway.	30	
	Promote and market the unique experiences and character of key retail shopping precincts.	100%	The new "What I Love About Stonnington" campaign promoted key business precincts in Stonnington.	30	
	Implement Council's Graffiti Eradication Policy to further deliver effective eradication services, ongoing education of school aged children and support to the Stonnington Police in providing enforcement.	100%	Council undertook a range of actions to address graffiti, working with traders, schools, Police and the community.	31	
	Implement the Heritage Strategy Action Plan by identifying and assessing additional places and precincts for inclusion in the Heritage Overlay in the Stonnington Planning Scheme.	100%	Council is in the final stages of implementing its Heritage Strategy Action Plan, including introducing heritage controls across 31 precincts.	34	
04	Prosperity				
	Support local business and trader associations through business planning including the provision of key data for decision-making.	100%	The Stonnington Economic Profile was launched and research was conducted on the Chapel Street economy in relation to visitation.	38	
	Work with late night operators and partners of the Stonnington Liquor Accord to improve late night amenity through the implementation of the Action Plan for the Chapel Street Precinct.	100%	Regular meetings of the Accord and steering committees were held. Training was undertaken with Liquor Accord Members and research was conducted.	39	
	Partner with L'Oreal Melbourne Fashion Festival and leverage opportunities.	100%	A total of \$8.4 million was generated in business activity through the L'Oreal Melbourne Fashion Festival partnership with Stonnington.	40	
	Build on the success of Stonnington Jazz and other events with a focus on visitor markets beyond Stonnington.	100%	A total of 12,500 people attended Stonnington jazz, including a significant audience from outside of the municipality. This generated local business for venues, restaurants and shops.	40	
05	Other				
	Conduct an internal ward boundary review as required by section 219 of the Local Government Act.	100%	This was completed by the VEC with no change to internal boundaries.	46	
	Continue to further embed the Human Rights legislation within the Council.	100%	Human Rights training was rolled out across the organisation.	54	
	Upgrade servers and network equipment to improve reliability and performance, and increase data storage for future capacity planning.	95%	New firewalls were installed for improved network security for both Town Halls. One e-planning server is to be installed. A range of upgrades were undertaken.	69	
06	Performance Target				
		ACTUAL RESULT	BUDGET	COMMENT	PAGE
	Average rates and charges per assessment	\$1331	\$1336	A growth in the number of assessments in 2010/11 meant average rates and charges per assessment were less than budgeted.	82
	Rates and charges as a percentage of Total Recurrent Revenue	59.35%	59.89%	Council's reliance on rates and charges to fund operational and capital expenditure was slightly below budget but remains at relatively high levels.	82
	Percentage of rates and charges outstanding at 30 June 2011	1.72%	2.07%	Improved management of debtors and a stronger collection process resulted in reduced levels of outstanding debt.	82
	Working Capital / Liquidity Ratio (times)	2.06	1.93	Council's ability to meet short-term financial commitments is exceptionally strong. For every dollar of current liability, Council has \$2.06 in current assets.	82
	2010/11 Capital Expenditure	\$30.988 m	\$31.954 m	Council's capital expenditure program was entirely internally funded.	82

SNAPSHOT OF OUR PERFORMANCE

Environment

10

Stonnington will be a responsible environment manager through innovation, leadership, quality delivery and accountability.



Community

18

Stonnington will be a city where all people can be happy, healthy and safe and have the opportunity to feel part of and contribute to the community.



Liveability

28

Stonnington will be the most desirable place to live, work and visit in Melbourne.



Prosperity

36

Stonnington will be a prosperous community and a premier tourist and retail destination with thriving local businesses and an entrepreneurial spirit.



Council Operations

42

Stonnington is committed to good governance through transparent processes, accessible services, accountability, strong leadership, effective management of resources, advocacy, and responsiveness to current and future community needs.



Financials

82



Council

Strategic Planning Framework

The City of Stonnington's Annual Report provides a thorough review of Council services, activities and business over the past financial year.



Fig 1.1 Council's Strategic Planning Framework

The Annual Report illustrates Stonnington's capacity to deliver outcomes that meet the community's needs and aspirations, and reflects our performance against strategic objectives and targets, in line with the Council Plan.

Council's key objectives cover four areas:

- **Environment**
Stonnington will be a responsible environment manager through innovation, leadership, quality delivery and accountability.
- **Community**
Stonnington will be a city where all people can be happy, healthy and safe and have the opportunity to feel part of and contribute to the community.
- **Liveability**
Stonnington will be the most desirable place to live, work and visit in Melbourne.
- **Prosperity**
Stonnington will be a prosperous community and a premier tourist and retail destination with thriving local businesses and an entrepreneurial spirit.

Council's Role In the Community

The Victorian Constitution Act 1975, Section 64A(1) provides for "a system of local government consisting of democratically elected Councils having the function and

powers the Parliament considers necessary to ensure the peace, order and good government of each municipal district."

A "local community" is defined to include:

- People who live in the municipal district; and
- People and bodies who are ratepayers; and
- People and bodies who conduct activities in the municipal district.

The role of a Council is defined in the Local Government Act 1989, which formalises a Council's legal status, purpose and objectives, including the following:

- Promoting social, economic and environmental viability and sustainability;
- Ensuring resources are used efficiently and effectively and that Best Value principles are met;
- Improving the overall quality of life of people;
- Promoting appropriate business and employment opportunities;
- Ensuring equitable access to services and facilities;
- Ensuring equitable imposition of rates and charges; and
- Ensuring transparent and accountable decision-making.

Council is committed to working in partnership with key stakeholders, residents and businesses to continuously review our Local Laws, Council policies and meeting procedures to promote community consultation, advocate community needs to third parties and provide strong democratic leadership. The City of Stonnington is dedicated to providing services that are responsive and meet the needs of the community.

For more information on how we deliver our services to the community see the Council Operations section of this Annual Report from page 42.

About this Annual Report

This Annual Report is a key reporting tool used to monitor the City of Stonnington's performance in 2010/11 in line with key objectives of the Council Plan 2009-13 and Budget 2010/11. The report also explains the internal processes that provide us with the capacity to deliver high quality and responsive services to the community.

How to use this Annual Report

This report is divided into seven sections:

- Snapshot of Our Performance
- Environment
- Community

- Liveability
- Prosperity
- Council Operations
- Financials

The sections are colour coded throughout the document to enable easy reference. It is recommended you refer to the contents page at the front of this Report and index on page 159.

A Snapshot of Our Performance folds out from inside the front cover and includes key achievements and challenges for 2010/11 that have been measured against set objectives.

The main body of the report details achievements and challenges for 2010/11 against Council's four key objectives – Environment, Community, Liveability and Prosperity, and information on future projects. Accompanying statistical information demonstrating Council's performance over time is also included. The Council Operations section covers areas integral to Stonnington, providing a high level of service and transparency.

The Financials section includes detailed statements which fulfil Council's reporting requirements. For an explanation on the financial statements refer to the Understanding the Financials section on page 87.

Councillors

SOUTH WARD



Mayor, Cr Melina Sehr

M 0417 773 644
T 9530 2731 **F** 9530 2731
 msehr@stonnington.vic.gov.au

Senior Managing Consultant for IBM. Justice of Peace. First elected 2002, re-elected 2004 and 2008. Mayor March 2003-March 2004, March 2004-November 2004 and 2010/11.



Cr Tim Smith

T 0418 279 548 **F** 9521 2255
 tsmith@stonnington.vic.gov.au

Strategy Consultant
 Political Commentator
 First elected 2008. Mayor 2009/10.



Cr Claude Ullin

M 0417 773 833
T 1300 082 440 **F** 9509 6791
 cullin@stonnington.vic.gov.au

Company Director. First elected 1999, re-elected 2002, 2004 and 2008. Mayor 2000/01, 2007/08 and 2008/09. Served as an elected Councillor and Mayor of the former City of Malvern.

NORTH WARD



Cr Tas Athanasopoulos

T 0417 773 255
 tathanasopoulos@stonnington.vic.gov.au

Company Director Security and Tourism. First elected 1999. Served as an elected Councillor 1999-2002. Re-elected 2004 and 2008.



Cr John Chandler

M 0417 771 288
T 1300 080 756 **F** 9804 7206
 jchandler@stonnington.vic.gov.au

Architect. Justice of Peace. First elected 1996, re-elected 1999, 2002, 2004 and 2008. Mayor 1996/97 and 2006/07. Served as an elected Councillor and Mayor for the former City of Prahran.



Cr Angus Nicholls

M 0417 770 498
T 1300 081 255 **F** 9804 8477
 anicholls@stonnington.vic.gov.au

Wholesale Fish Agent.
 First elected 2008.

EAST WARD



Cr Greg Hannan

M 0417 773 566
T 1300 084 399 **F** 9571 4733
 ghannan@stonnington.vic.gov.au
 Engineer. First elected 2008.



Cr Judy Hindle

M 0419 993 177
T 1300 082 577 **F** 9886 0148
 jhindle@stonnington.vic.gov.au
 Elected 2002. Re-elected 2004 and 2008.



Cr Anne O'Shea

M 0419 990 377
T 1300 082 932 **F** 9572 4637
 aoshea@stonnington.vic.gov.au
 Lawyer. First elected 1996. Re-elected 1999, 2002, 2004 and 2008. Mayor 2005/06.



Our City

The City of Stonnington is located in Melbourne's inner south-eastern suburbs, alongside the Yarra River, covering an area of 25.62 square kilometres. The City takes in the suburbs of Prahran, Windsor (part), South Yarra (part), Toorak, Armadale, Malvern, Malvern East, Kooyong and Glen Iris (part).

The City is primarily a residential area, with some commercial, industrial, office and institutional land uses. It is well known for its shopping and lifestyle precincts, parks and gardens, leafy streets and historical architecture.

The estimated population of the City of Stonnington in 2011 is 100,536. It is anticipated that the municipality will experience a population growth rate of approximately 9 per cent over the next 10 years. Stonnington has a relatively young population with 30 per cent of the population aged 20 to 34 years and 50 per cent of the population younger than 35 years. More residents live alone (34.7 per cent) than live in couples without dependants (27.7 per cent) or couple families with dependants (20.4 per cent). More than half of households are purchasing or own their residence, however close to 40 per cent of households are rented.

Stonnington's residents are often on the move with about 50 per cent of Stonnington residents having moved within the past five years. Stonnington has a culturally and economically diverse population. The housing stock ranges from some of Melbourne's finest mansions to large blocks of public housing, an indication of the community's contrasting lifestyles, aspirations and expectations.

Nineteen percent of the community was born in non-English speaking countries. The municipality is made up of people from more than 135 different countries who speak more than 108 languages, the top five non-English languages being Greek, Chinese, Italian, Russian and Indonesian.

The three most common occupations in Stonnington are professionals, managers and administrative workers. Around 22 per cent of Stonnington workers are employed within the municipality.

The level of vehicle ownership and usage by the Stonnington community is lower than the Melbourne average. The availability of a range of public transport options in the municipality coupled with high-density housing and limited parking in the inner suburbs may influence the patterns of commuting.

Our History:

Stonnington was formed in June 1994 through the amalgamation of the Cities of Malvern and Prahran. Stonnington takes its name from a historically significant mansion in the area, which was named after Stonington in Connecticut, USA.

Stonnington is situated on the traditional land of the Boonwurrung and Wurundjeri people. The Boonwurrung and Woiwurrung (clan of the Wurundjeri) people continued to live along the Yarra River as European settlement expanded beyond the centre of the Port Phillip district (Melbourne) in the 1800s.

As part of the expanding development of the area, the first Prahran Market was established in 1864. Originally known as Fitzroy Road, Chapel Street was named in 1852 when the first chapel was built. The first commercial activity along Chapel Street was established in the late 1830s, making it one of the oldest shopping strips in Melbourne.

Local government has operated in the area for about 155 years. The first municipal election was held in Prahran in 1856 and the Prahran Town Hall was opened in 1861. Planning for the Malvern Town Hall started in 1867, with the Malvern Council holding its first meeting there in 1871.



Mayor's Message



On behalf of Council, I am pleased to present the 2010/11 Annual Report, highlighting the key achievements for Stonnington, in line with our Council Plan objectives, strategies and targets. This report also highlights our challenges and areas of focus for 2011/12.

Council continued to maintain a strong financial position during the year and delivered a comprehensive Capital Works Program in excess of \$30 million. A number of major projects were delivered, providing high quality services and facilities for our community including:

- The completion of the \$13.3 million Harold Holt Swim Centre redevelopment.
- The Functions On Chapel venue within the historic Prahran Town Hall.
- The \$3.9 million Phoenix Park Children's Hub project.
- The McArthur Street Maternal and Child Health Centre refurbishment.

Council has undertaken much advocacy work during the year on behalf of our community (see page 56). Council fought hard to protect our shopping strips from extended clearways. Council has consulted with and represented the community on the 590 Orrong Road development site – and will continue working with stakeholders to achieve a balanced outcome. We have worked to protect our street trees from extensive pruning due to the electrical line safety regulations and we have defended our suburbs from inappropriate development at VCAT. Council also worked solidly to enhance community safety through the 'Saturation Policy' and Liquor Accord Group.

We continued to work in close partnership with our local trader groups and businesses, developing and implementing a "What I Love About Stonnington" campaign. Photography and social media competitions were held as part of the campaign and a total of 80 entries were received. The winning photographs will be made into a series of postcards to help promote Stonnington's key business precincts and are featured in this Annual Report.

Stonnington is leading the way in animal welfare and worked in close partnership with the Save A Dog Scheme (SADS) during the year, which operates Council's pound and helps to re-house animals. In November 2010, Council unanimously agreed to support the removal of the 28 day rule for the holding of dogs and cats in pounds and shelters and support the 'Stop the Clock' campaign. I am delighted to be organising the Mayoral Charity Ball for October 2011 with the proceeds going to the Save A Dog (and Cat) Scheme.

Stonnington continued to provide 'Grow With Us' programs during the year, ranging from youth recreation activities, to library programs and parent information sessions. A significant and highly successful events program was also delivered – ranging from Stonnington Jazz, to Stonnington Spring Fashion Runway, Carols, Pets in the Park, Musical Melodies, VIVA Youth Festival and more.

Council has undertaken a range of environmental initiatives to ensure our city is sustainable now and into the future. The implementation of the Yarra River Biodiversity Project commenced, which incorporates water sensitive urban design and planting of indigenous species along the Yarra River to create a green corridor, as well as the provision of bike paths and walking tracks for residents to enjoy. Energy saving activities included installation of over 200 solar panels at the Stonnington Depot – reducing greenhouse gas emissions by 65 tonnes, installing timers on lighting systems at four major sportsgrounds, and commencement of replacing old streetlights with new energy efficient globes.

This has been a fantastic year of achievement for Stonnington and I look forward to working with my fellow Councillors, Council staff and the community – to continue the great work into 2011/12.

Cr Melina Sehr
Mayor

CEO's Message



Council continued to deliver a diverse range of high quality services to our community throughout the year, ranging from rubbish and recycling collection to library services, childcare, aged services, aquatic centres, planning, road maintenance, street cleaning, parks and events.

Stonnington achieved the highest overall satisfaction results in the Local Government Community Satisfaction Survey for 2011, with a score of 72 for overall performance in our group of councils. This reflects Stonnington's ongoing commitment to delivering quality services for the benefit of the community.

Stonnington improved its strong financial position in 2010/11, demonstrating prudent fiscal management. The year's surplus of \$12.1 million exceeded budget and last year's result. The operating surplus is one of the major sources of funds for the annual capital works program. Costs were managed within budget limits, despite an unbudgeted \$2.16 million contribution to a funding shortfall in the Vision Superannuation defined benefits scheme.

Council also delivered a robust capital works program exceeding \$30 million, which was funded internally, without undertaking any new borrowings. This expenditure comprised \$26 million to renew, replace, upgrade and expand existing assets, to safeguard the sustainable delivery of Council's services to the community, plus almost \$5 million invested in new assets. Council also continued to meet its scheduled debt reduction target. As at 30 June 2011, borrowings were reduced to only \$3.364 million and are on track to be fully repaid by 2016/17.

Council's budgeted operating surplus of \$10 million in 2011/12 will be used to fund capital works and operating projects totalling \$32.3 million. The future fund reserve is to be increased by \$1.4 million in 2011/12 to \$3.4 million as at 30 June 2012. This will give Council greater financial capacity to respond to strategic property acquisition and development opportunities from its own cash reserve.

Council supported local businesses throughout Stonnington. A total of 23 business education seminars were held and a

number of streetscape improvements in retail precincts were undertaken. Council launched the new Stonnington Economic Profile publication and introduced the "What I Love About Stonnington" campaign to promote key business precincts. Council also worked with regional partners including Destination Melbourne, Tourism Victoria and other Councils in the Inner Melbourne Action Plan group, to promote visitation to the area.

Stonnington developed and commenced the implementation of an Integrated Communications and Marketing Strategy during the year, which aims to improve communication and engagement with our community. A new website was launched providing an accessible, user-friendly, interactive site. Consultation with our community was undertaken on a range of issues – from planning and heritage matters to traffic management, waste management, graffiti, aged services and community safety.

Sustainability continued to be a focus for Stonnington, across all areas of operations. Malvern Cricket Ground was planted with drought tolerant grass and the garden beds at Hedgeley Dene Gardens were upgraded to drip irrigation, which reduces water use up to 50 per cent. A total of 887 tonnes of greenhouse gas emissions were saved through purchasing green power for street lighting and Council continued working with school and community groups to promote sustainable living and biodiversity – through expos, plantings and presentations.

I would like to take this opportunity to recognise the commitment of staff who work tirelessly to ensure the community is able to enjoy the many outstanding services, facilities and events that Stonnington provides. I would also like to thank the Mayor and Councillors for their ongoing support throughout the year.

Warren Roberts
CEO



Service Statistics:

- 2,120,000 garbage bin collections
- 1,000,000 recycling collections
- 43.0% of waste diverted from landfill
- 887 tonnes of greenhouse gas emissions saved through purchasing green power for street lighting
- 34,400 streetscape trees

CITY OF STONNINGTON

Environment

Stonnington will be a responsible environment manager through innovation, leadership, quality delivery and accountability.

Achievements

Strategy: Support Council and the community to move towards sustainable energy options by leadership and the adoption of environmental design practices



Energy Saving Initiatives

Sustainable infrastructure underpins building design in Stonnington and a number of buildings have been fitted with flow restrictors, sensor lights and low energy use lights.

A solar hot water system containing 42 modules was installed at the Prahran Aquatic Centre to pre-heat water for the 50 metre outdoor pool. This has resulted in reduced gas consumption for water heating.

Over 200 solar panels were installed at the Stonnington Depot, reducing electricity consumption by 15 per cent and reducing greenhouse gas emissions by 65 tonnes.

Polyester insulation and aircell insulation has been installed in various Council buildings which has improved the insulation rating on these buildings.

Timers have been installed on a range of sportsground lighting systems including Toorak Park, Como Park, Orrong Romanis Reserve and Malvern Cricket Ground.

Green Lighting

Replacing old street lights with new energy-efficient globes is a key focus for Council, in the quest to save significant greenhouse gas emissions. In the past year, the electricity distribution companies have approved the installation of energy efficient lights on their street lighting networks. Council now has the opportunity to upgrade to more energy efficient street lighting. The most promising option currently available is to upgrade the minor road 80 watt mercury vapour lamps to twin T5 14 watt fluorescent lights. This change will reduce electricity consumption by 67 per cent for every fitting upgraded and also result in decreased power costs. However, the cost of making the change is expensive, requiring assistance from the power companies, State and Federal Governments. Council has commenced the process, allocating Capital Works funding of \$100,000 to allow approximately 200 of Council's 4,300 minor road lights to be replaced.

The retrofitting of energy efficient street lighting, will help progress Council toward achieving its 2015 20 per cent greenhouse gas emissions reduction target. Retrofitting

200 luminaires would reduce the electricity consumption of street lighting by 56,700 kWh, reduce greenhouse gas emissions by approximately 75 tonnes and reduce electricity charges by approximately \$7,000 annually.

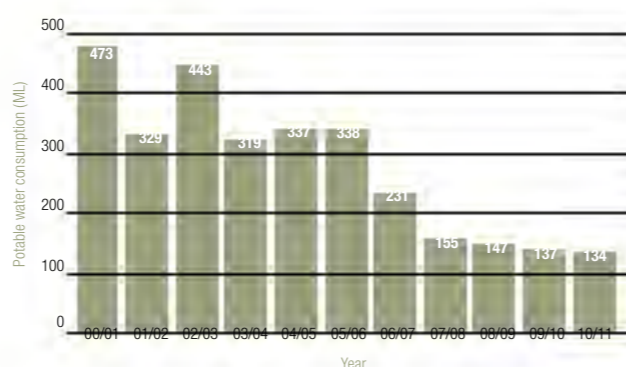
Council continues to advocate for funds to implement this program and was successful in applying to the Federal Government's Regional and Local Community Infrastructure Program for \$141,000 in funding to be put toward the installation of energy efficient street lighting.

ENERGY CONSUMED BY COUNCIL

Target: Work towards decreasing Council's greenhouse gas emissions by 20% by 2015 and 30% by 2020.

Results: Greenhouse gas emissions associated with electricity consumption in Stonnington's streetlighting have decreased by 22.6 per cent between 2004/05 and 2010/11. In 2010/11, 16 per cent of Council's electricity for streetlighting was purchased as accredited Greenpower.

City of Stonnington's annual corporate potable water consumption



Strategy:

Manage and strengthen the local biodiversity, and protect and increase the flora and fauna of the natural and riparian environment

Yarra River Biodiversity Project

Stage one of the Yarra River Biodiversity Project commenced, which aims to improve the quality of stormwater entering the Yarra River and improve biodiversity in the area. It incorporates water sensitive urban design with natural filters such as vegetation within wetlands, recycled materials in the boardwalk construction, and planting of indigenous species along the Yarra River that will create a green corridor to attract native wildlife. The project also addresses weed control and erosion. Interpretive signage, and bicycle and walking paths will be constructed enabling opportunities for people to enjoy the natural environment.

Rain Gardens

Council installed a rain garden in Chapel Street. A rain garden is a planted area – indented into the ground – that allows rainwater from areas like paths, roads, roofs, driveways, and lawn areas, to be absorbed. This reduces rain run-off by enabling stormwater to soak into the ground as opposed to flowing into drains or creating flooding. The purpose of a rain garden is to improve water quality in nearby bodies of water. Rain gardens also cut down on the amount of pollution reaching our natural waterways.

Strategy:

Strengthen the community's focus on the environmental agenda by building upon innovative and leading practices through education and communication for all ages

Educating Our Community

Council held a number of events, information sessions and programs throughout 2010/11 to educate the community on sustainability.

The Spring Into Gardening event attracted 6,000 people to Victoria Gardens to explore sustainable living.

A Sustainable Living Expo was held with over 1,000 people attending. The event featured environmental presentations and demonstrations on sustainable gardening, caring for chickens, reducing water and energy use, sustainable transport and a range of exhibitions on sustainable products and services.

Council continued working with local school teachers and students through the Stonnington Green Schools Network program, to educate students on sustainability – both at home and at school. This included tree planting and Waterwatch.

Biodiversity Beyond Boundaries Program

Stonnington worked with Armadale Primary School to measure, plan and improve the biodiversity levels of an area at Glen Iris Wetlands. This occurred as part of the school undertaking the Biodiversity Module for their Resource Smart Accreditation. Over 100 students were involved in this eight week program undertaking a thorough audit of the site, detailed planning about its improvement and culminating in a range of activities to improve the site including planting of 1,500 tubestock to increase large trees and flora, weed removal and adding logs to the site. This program has enabled the students to increase their understanding of local biodiversity and be actively engaged in the improvement of their local environment.

Strategy:

Use water conservation and drought management best practice principles to manage Council's natural assets in the public realm

Resurfacing Malvern Cricket Ground

Malvern Cricket Ground was planted with a drought tolerant Santa Ana Couch grass during the year. Santa Ana is a warm season grass that was planted to replace the cool season grasses previously growing on the oval. Warm season grasses will use approximately half the amount of water compared to cool season grasses to grow in optimum condition. The durability and consistency of the surface of the oval has been improved with levelling and the planting of the new grass. This will enhance the experience and standard of sports being played on the oval, as well as providing a safer surface for competitors. The works have significantly improved the amenity and aesthetic appearance of the oval, which enhances the Town Hall precinct.

Irrigation at Hedgeley Dene Gardens

The irrigation system in all of the garden beds in Hedgeley Dene Gardens was upgraded from sprinklers and shrub sprays to drip irrigation. Drip irrigation is a more efficient method of applying irrigation to garden beds. The amount of water applied to irrigate the garden beds will be significantly reduced (up to 50 per cent), while supplying a targeted optimum amount of water to plants. The use of drip irrigation avoids the issue of over-spray beyond the areas in garden beds targeted for irrigation. It results in less water lost via evaporation and is less obvious in application. It sets a good example to the community about how to irrigate responsibly, while being able to maintain plants in good, healthy condition.

Glen Iris Wetlands

The Lower Yarra Stormwater Action Plan implementation continues. The Glen Iris Wetlands project, part of the Action Plan, has improved the treatment of stormwater and created habitat for the foraging, breeding and sheltering of native animal and bird species.

The wetland system passively treats stormwater from the Hedgeley Dene main drain to improve the quality of water



that enters Gardiners Creek and ultimately the Yarra River. Treatment removes a range of pollutants contained in the water.

The Glen Iris Wetlands now consists of two deep ponds and a small pond interconnected by rock weirs and surrounded by vegetation. Native species have been planted throughout the wetlands and on the pond edges.

The stormwater treatment wetland and storage pond is now 5,345m² and removes approximately 12 per cent of nitrogen and 21 per cent of phosphorous from the water entering the wetlands from Hedgeley Dene drain each year. Prior to this project, these pollutants would have directly entered Gardiners Creek.

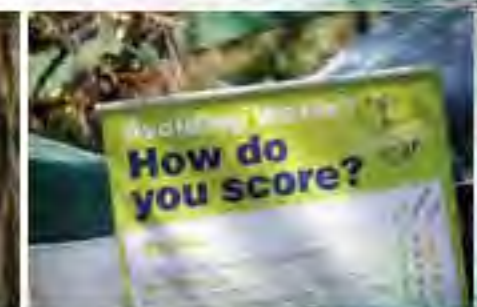
WATER CONSUMPTION

Target: Decreased volume of water consumed by Council and the community with improved stormwater quality entering our waterways.

Results: Council has reduced its potable water consumption through initiatives including water harvesting for reuse in parks and reserves, and water tanks installed at Phoenix Park Library and Phoenix Park Children's Hub. Planting of drought tolerant trees, grass and shrubs has also reduced water consumption.
See graph on page 12.

Strategy:

Reinforce innovative waste management practices to continue to minimise municipal waste



Council continued implementing the Sustainable Environment Plan and Waste Management Strategy during the year. Community education was undertaken on reducing waste and increasing recycling efforts through communication materials, visits to schools, running recycling tours of the Material Recovery Facility and providing more options to recycle (such as providing household battery drop-off points and mobile phone recycling).

Stonnington continued to provide effective waste and recycling collection services as well as hard waste collection and greenwaste collection.

A survey held in February 2011 with the Stonnington Survey Group showed that the majority of respondents thought Council's management is reasonable across all sustainable areas. The majority (41 per cent) thought Council shows strong management in waste and recycling.

LESS WASTE SENT TO LANDFILL

Target: Increase diversion away from landfill by 2.5% by 2013 based on 2008 figures.

Results: In 2010/11 figures show a decrease in waste of 5.09% which exceeds the 2013 target of 2.5%.

Tonnes of Waste	
Baseline 2007/08	23,474
Year 2010/11	22,279
Percentage variance	-5.09%
Target	-2.50%
Result	On Target

INCREASED RECYCLING YIELD

Target: Increase in recycling yield by 2.5% by 2013 based on 2008 figures.

Results: The 2010/11 figures show an increase in recycling of 11.67% which exceeds the 2013 target of 2.5%.

Tonnes of Waste	
Baseline 2007/08	15,048
Year 2010/11	16,804
Percentage variance	11.67%
Target	2.50%
Result	On Target

Strategy:

Encourage Council and the community to use sustainable transport options

Car Share Trial

Council commenced a 12 month car share trial in March 2011, operated by Flexicar. Car share provides an alternative to car ownership. Car share members tend to rely on active modes of travel, using car travel only for those journeys that cannot be made by walking, cycling or public transport. Car sharing is a membership-based scheme that provides access to a car, when required, for rent by the hour or the day. Rental includes petrol, maintenance, road-side assistance and cleaning. Car share can break the cycle of car dependency and use, and reduce the number of privately owned cars on the road, as well as traffic congestion, parking demand and pollution. The trial will allow Council to evaluate the benefits of the service to residents, business and broader Stonnington community. Car share vehicles are located within dedicated parking bays in: Darling Street car park, South Yarra; Princes Street car park, Prahran; Cato Street car park, Prahran; and Windsor car park, Windsor.

Walking Policy

Council adopted the Walking Policy in 2011, which identifies how Council can develop and implement initiatives and programs so residents can reduce the amount of short car trips they take and increase the amount of walking they do. The target is to increase the amount of walking by Stonnington residents within Stonnington by 50 per cent by 2020. The proposed vision for the future of walking in Stonnington is to progressively make Stonnington's suburbs and precincts world-class walking areas, where it is safe and convenient to walk to destinations, where people are actively encouraged and able to walk, and where key community stakeholder groups and the community support Council's efforts to increase the amount of walking. The development of the Walking Policy follows the implementation of the Sustainable Transport Policy (2008) which identified walking as a priority transport mode.

Closing the Gap In the Gardiners Creek Trail

Cycling along the Gardiners Creek Trail is now much safer thanks to the completion of the Warrigal Road underpass – stage three of the 'closing the gap' project.

The joint project with Boroondara and Monash Councils, with the assistance of a Federal Government grant, offers a more convenient route for cyclists and pedestrians travelling along this popular trail.

The Gardiners Creek Trail plays a vital role in helping people to keep active and enjoy the outdoors as well as encouraging people to use sustainable transport options, thereby improving the local environment.

Stonnington is dedicated to the ongoing upgrade of the trail and has undertaken a number of projects and initiatives to ensure it remains a user-friendly and enjoyable trail for all:

- In Stonnington, the majority of the path has been upgraded, which has included the installation of solar lighting.
- Approximately 460 individual environmentally-friendly solar lights have been embedded along the entire length of the path. They illuminate the edges of the trail improving safety for the hundreds of cyclists who commute along the bike path each day. Council was able to deliver this project thanks to a funding contribution by the Department of Transport.
- Council has also undertaken indigenous revegetation in and around the Gardiners Creek Trail to improve the local environment for both visitors to the area and habitat for the native wildlife.

The underpass offers a convenient and safe option for people travelling along this popular trail.

The final stage of the project will include the construction of the Solway Street bridge which collapsed during the February 2011 floods.

The Federal Government's funding of the bridge will result in the finalisation of the much-anticipated project which will provide a continuous shared path from Box Hill South to the Main Yarra Trail in Hawthorn – a project some 15 years in the making.

SUSTAINABLE TRANSPORT

The Stonnington Survey Group Survey 2010 indicated there has been an increase in the use of sustainable transport modes among Stonnington residents, with 55% of survey respondents saying they travelled less by private car. Of those, 49% said public transport was the dominant mode of transport, followed by walking at 32%.

In 2010, Maternal and Child Health Nurses began to ride bikes to home visits.

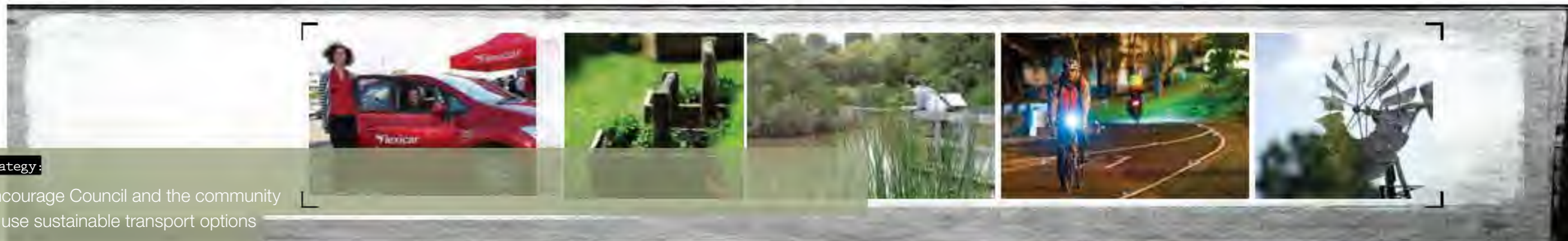
Council spent \$221,000 on bicycle works, \$33,000 on pedestrian wayfinding signage and \$2,000 on taxi zones in 2010/11.


Challenges:

- Reducing our energy and water use across Council's facilities to meet reduction targets, whilst increasing the development and refurbishment of facilities to meet growing community needs.
- Preserving and creating open space, with increasing pressure of residential development.
- Weather extremes have presented issues for Council in ensuring the planting of appropriate vegetation to accommodate drought, whilst ensuring careful planning to mitigate potential storm effects.
- Encouraging sustainable transport.

Looking Ahead:

- Yarra River Biodiversity Project implementation and advocacy for funding.
- Educating the community on waste reduction, recycling options and living sustainably, through school visits, planting days, events and projects.
- Advocating to government for further funding to progress the switch to green lighting.



The background of the entire page is a photograph of a park. In the foreground, there are trees with green and yellowing leaves. In the background, a large fountain is spraying water upwards. The scene is captured in a slightly blurred, artistic style.

Service Statistics:

- 1,139,198 library items loaned
- 614,963 visits to Stonnington libraries
- 395,818 visitors to aquatic facilities
- 374,873 hours of childcare through five childcare centres
- 68,628 hours of in-home support services (general home, personal and respite services)
- 19,267 hours of planned activity group and Adult Day Activity Support services
- 4,268 hours of assessment services
- 47,343 meals delivered through Meals on Wheels
- 21,819 ethnic meals provided
- 1,138 inspections of food premises
- 275 inspections of beauty industry premises
- 372 investigations under the Public Health and Wellbeing Act
- 226 inspections for Tobacco Act compliance
- 5,000 people attended Pets in the Park
- \$2.6 million of community grants

CITY OF STONNINGTON

Community

Stonnington will be a city where all people can be happy, healthy and safe, and have the opportunity to feel part of and contribute to the community.

Achievements

Strategy: Maintain the quality and enhance the use of our facilities, amenities and open space to encourage community participation and cater for the interests and needs of the whole community



Harold Holt Swim Centre

The \$13.3 million Harold Holt Swim Centre redevelopment was completed in December 2010, providing a broad range of recreational, health and leisure opportunities for people of all ages, abilities and needs – children, families, seniors, training athletes, learners and people focused on getting fit.

Features of the new fully equipped health, fitness and aquatic centre include:

- Children's indoor learn to swim pool, toddlers' pool and fun leisure area featuring a beach entry which opens to an outdoor splash deck and fun interactive water features for children
- Hydrotherapy pool with in-water ramp access where programs including physiotherapy and exercise classes for all abilities are offered
- New ground floor centre entrance as well as lift access to the first level
- Fully accessible change rooms and family 'change village'
- Gym featuring state-of-the art cardio and weight training fitness equipment
- Two group fitness studios as well as a separate studio for cycle classes
- Fully qualified and experienced staff on duty at all times, health consultations, individualised programs and regular reviews included in health club memberships

- Personal trainers available upon request
- Indoor spa/sauna and outdoor spa with gazebo
- Child Care facilities with fully qualified staff
- Learn to swim program catering for children as young as six months through to adults
- Reception and merchandise area
- Environmentally sustainable pool plant systems incorporating rainwater harvesting and energy-saving systems to make use of natural light and ventilation

The 50m outdoor pool and 25m indoor pool have also been revitalised.

Functions On Chapel

Stonnington's newest venue, Functions On Chapel within the historic Prahran Town Hall was completed and officially opened in December 2010. Originally built in 1861, significant effort has been made to retain the style and character of the original town hall.

The venue has parquet floors and original decorative ceilings, two break-out rooms, a courtyard and commercial kitchen.

The main hall has capacity for 300 people for a cocktail party and 200 for a seated dinner. Demand has been strong for weddings, celebrations and community events.

Phoenix Park

The \$3.9 million Phoenix Park Community Hub project, including a maternal and child health centre, childcare centre, kindergarten and playgroup operating from the site, was opened. The innovative facility features playground areas landscaped with a range of natural materials and plants to provide an adventurous and safe environment for children of all ages to enjoy.

McArthur Street Maternal and Child Health Centre

The McArthur Street Maternal and Child Health Centre was redeveloped, offering families a range of community services under the one roof, including maternal and child health, community-run playgroups and the Malvern Special Needs Playgroup. The contemporary facility enables more families in Malvern to access vital early years' services. The building has been transformed from a 1950s cream brick house into a modern and functional facility. A new playground and landscaping works were also completed. The \$400,000 refurbishment was funded by Council.

Active Living Program

Stonnington's Active Living Program offered a range of free activities in the City's parks and gardens throughout the year, to suit people of all ages and abilities including mums and bubs fitness, tai chi, yoga, balance exercise and pilates.

WELLBEING INDICATORS

Target: % increase in self-reported health.

Results: A total of 67% of Stonnington Survey Group respondents said they were in good/excellent health, compared to 62% in 2009.

Target: % increase in child health assessments.

Results: Stonnington is performing above target at all ages and stages visits:

- The participation rate for the four month visit was 97.5% in 2010/11 compared with the State average of 91.5% in 2009/10.
- The participation rate for the eight month visit was 94.2% in 2010/11 compared with the State average of 82.7% in 2009/10.

Target: % getting sufficient exercise for health.

Results: A total of 56% of the Stonnington Survey Group respondents were getting good exercise for health – which was the same percentage as 2009.

Strategy:

Continue to plan, deliver and improve the quality, accessibility and relevance of community services to ensure they meet the current and future needs of all demographic groups through all stages of life

**Grow With Us**

Stonnington – *Grow with Us* is a suite of creative and innovative programs, events and activities fully funded by Council as a unique way of improving services for children, families and young people in the City. This initiative includes partnerships and collaborations with a wide range of organisations including sporting clubs, schools, Prahran Market, early years services as well as Melbourne University. Stonnington – *Grow with Us* is an example of local innovation and collaboration in response to identified local needs.

Grow with Us initiatives during the year included:

- Parent information sessions and parenting workshops with a focus on building family resilience, as well as sessions especially for fathers and grandparents
- A partnership with Melbourne University's Masters in Early Childhood Education program, to provide professional development for childcare staff and further enhance Stonnington childcare services as a best practice model
- A broad range of free recreational programs for young people including hip hop dance, rowing lessons and martial arts
- A 'youth activity wheel', promoting local sport and recreation opportunities within the municipality
- A range of programs and sessions delivered at libraries, including an early learning reading program, and a transition program to support students to navigate their way from primary to secondary school
- Study space at libraries for VCE students in the weeks leading up to exams; sessions covering tips on diet, exercise, how to relax and study smarter; and tutors at Toorak Library with specialist expertise
- A 2011 calendar, in collaboration with Prahran Market, on the theme of "Healthy Foods – Fresh Tastes", which included key dates for families including immunisation sessions for infants and a recipe for each month

Services For Older People and People With a Disability

Council continued to provide services to frail aged clients, people with a disability and their carers. Services have been enhanced through implementation of the Active Service Model – moving from a focus of 'dependence' to 'independence'.

Services are provided to support people to live independently within the community, whilst maintaining their safety and dignity. This includes assessing and helping to address health, wellbeing, social, medical and support needs – ranging from mobility to helping with daily aspects of life (e.g. dressing), through to transport and social needs. Council also helps people to link to other services through referrals, such as medical services, physiotherapy and counselling.

Council continued to work with the Caulfield Community Health Service and Inner South Community Health Service to provide a variety of support services to the community.

Celebrating 100 Years

Council held its annual 100 Reasons to Celebrate with the Mayor event in July, which recognises the significant milestone of people turning 100 years old in our community. Participants enjoyed morning tea with the Mayor, shared their life stories and were acknowledged for their contribution to the community.

Cultural Diversity

Council worked on the development of a Cultural Diversity Grants Program alongside Culturally and Linguistically Diverse (CALD) elderly community groups. The new program means CALD seniors have more opportunities to participate in a range of activities, beyond provision of meals – such as leisure and health activities. Service agreements for groups were completed and Council conducted food safety training. Over 100 direct service staff were also trained in cultural awareness.

DEMONSTRATED INITIATIVES THAT HAVE MAXIMISED POSITIVE SOCIAL AND HEALTH OUTCOMES

Target: Positive social outcomes and health outcomes identified.

Results: Positive social and health outcomes have been identified through participation in activities including: Grow with Us events and programs, seminars for parents, Diversity Week events, Aged Services social support programs and the Stonnington Seniors Festival.

Street Parties – Greet The Street Initiative

Stonnington's Greet The Street program provides an opportunity for residents to come together, build community spirit and promote a greater sense of safety.

'Greet the Street' is the culmination of a review by the City of Stonnington into its street party processes and procedures. The purpose of the review was to encourage residents to host safe and fun street parties in their neighbourhoods, using local public spaces to build a sense of community. The objective of the review was to simplify the process for residents, provide clear information and guidelines and achieve efficient internal procedures.

As a result of the review, the timeframe to process an application has been significantly reduced – from five weeks to three weeks. Many other outcomes were achieved. Easy-to-follow documentation including sample invitations and guidelines has been produced, and hosts receive aprons with the Greet the Street logo; two previous permits (road closures and alcohol) were merged into one; Council has taken on board liaison with emergency services and concerned neighbours; and Council Officers provide safety checks and road barriers before each party.

The application fee charged to host a street party is \$50. The fee charged is not linked to the cost to Council, rather it is a commitment from the residents that the street party will proceed as planned. Council has decided to donate the fees to support a Christmas lunch event that is run by a local charity, Prahran Mission, that targets services to support people experiencing poverty, homelessness and economic disadvantage. The Christmas lunch event is a partnership between Council and Prahran Mission.

Surveys were distributed to residents who have hosted street parties, attracting a response rate of 66 per cent. Respondents told us that street parties provide a better sense of community, resulted in more social contact and encouraged neighbours to look out for one another.

Strategy: Develop strategic alliances to provide coordinated responses to community needs



Strategy:

Improve the effectiveness of community engagement and participation to facilitate community involvement in decision-making

International Day of People With Disability

A range of activities were organised by the City of Stonnington in partnership with Prahran Mission, Scope and Mecwacare, through the Metro Access program to celebrate International Day of People With Disability in December 2011 including:

- An Open Day at Harold Holt Swim Centre
- A performance by Stonnington theatre group 'One Voice Theatre' at the Prahran Market
- A Prahran Mission art exhibition held at both Malvern and Prahran Town Halls
- A Mecwacare photographic exhibition held at Malvern and Prahran Town Halls, plus the Harold Holt Swim Centre

Supporting Community Groups

More than 100 community groups in the City of Stonnington benefited from Council's 2010/11 Community Grants Program enabling them to provide high quality, responsive services to support the Stonnington community.

Council's Community Grants Program helps community groups to provide services and facilities that cannot be funded through Federal, State or private sources. Organisations that benefit from the program provide community services that minimise social isolation, build community identity, and promote equality and wellbeing for all members of the Stonnington community. Community Grants help a broad range of organisations to provide a range of cultural, recreational, social and support services.

Some of the 2010/11 grants recipients included:

- Malvern Bowling Club
- Stonnington Youth Concert Band
- Windsor Senior Citizens Club
- Malvern Emergency Food Program

Some grant recipients receiving funding over three years include:

- Stonnington Toy Library
- Prahran Mission
- Prahran Citizens Advice Bureau

Mental Health

There was a major focus on creating more awareness about mental health during the year, with Aged Services staff undertaking training to increase awareness of the issues faced by people with mental health issues, to help people in their homes and foster networks with mental health agencies.

DEVELOPED AND IMPLEMENTED THE MUNICIPAL PUBLIC HEALTH PLAN

The annual review of the Municipal Public Health Plan was completed in 2011.

Quarterly reference group meetings were held.

Strong partnerships were maintained with primary health care providers and the following publications were produced and distributed with provider details:

- Family Violence Wallet Card
- Mental Health Services Guide
- Emergency Relief and Material Aid Handbook

Enhancing Communications with our Community

Stonnington has strengthened its focus on communications through the development of an Integrated Communications and Marketing Strategy in March 2011, which addresses the areas of: Strategic Communications; Internal Communications; Publications; Media and Advertising; Digital Communications; Consultation and Engagement; Customer Service; Events; Marketing; Advocacy; Accessible Communications; and Targeted Communications.

Stonnington implemented first quarter actions – on target, and a total of 29 Actions (33 per cent) are already complete, out of 87 actions to be carried out over the next three years.

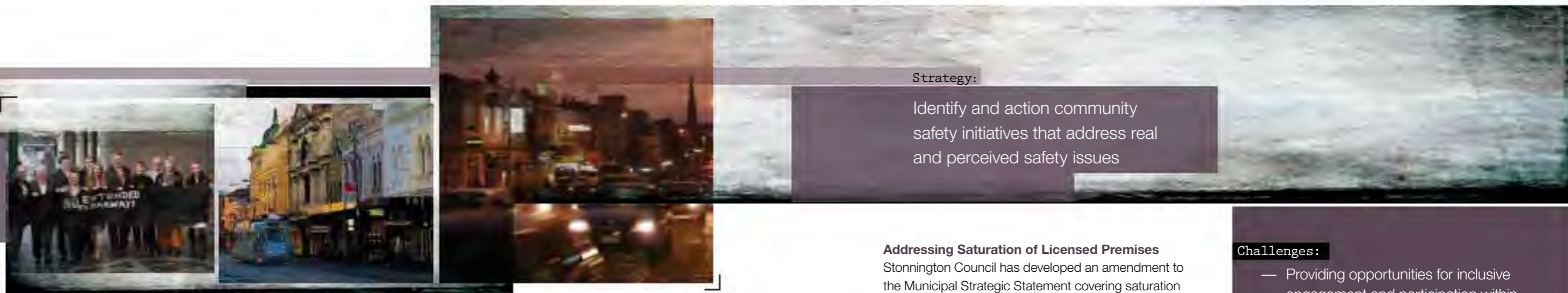
The Stonnington website was redeveloped and launched, providing an accessible, user friendly, interactive and attractive site. It was designed to address W3C AA accessibility standards; the content and navigation was restructured focused on the customer (following user workshops and statistics measuring use); and useability was improved. The focus on interactivity of the website was enhanced through a 'Connect with us' portal on the front page and a range of features including the use of online forms, linkages with social media sites, and 'RSS' news feeds for people to receive information on their topics of choice. During the year, significant work was undertaken towards a consultation and engagement portal and development is well underway. A digital communications strategy is being prepared.

Following the launch of the website, a total of 78,950 unique visitors were measured during the April to June 2011 quarter. This is an average of 26,316 visits to the website per month.



Council continued to provide information to the community on a range of services, projects, activities and events, and to encourage participation, through:

- Communications, marketing and promotions for 16 major events and festivals
- Over 121 publications produced
- 6 editions of *In Stonnington* produced
- 5 ward newsletters produced following ward meetings
- 11 half-page advertorial columns in the Stonnington Leader newspaper
- Over 30 individual advertisements (classified and display ads in the Age, Melbourne Weekly and Leader)
- 260 media releases and responses issued
- Regular Social Media (Facebook and Twitter) participation

**Strategy:**

Identify and action community safety initiatives that address real and perceived safety issues

Engaging Our Community In Decision-Making

A range of consultation options were used in 2010/11 including the Stonnington Survey Group surveys, consultative committees for planning matters, community meetings, forums and submissions.

The Stonnington Survey Group is a collection of Stonnington households that take part in surveys quarterly each year. The surveys are about a number of different topics and the information gathered is used in the development of new plans and policies to set the direction of the municipality over the coming years. The Stonnington Survey Group was launched on 14 September 2005 and the membership has grown to over 400 households that represent a cross-section of the community.

A total of 71 planning consultative meetings were held throughout the year.

A total of five ward meetings were held during the year with Councillors and community members within their specific wards, to discuss local issues.

Consultation on the Awning Policy, Planning Scheme Review and Heritage Amendments took place, and a range of traffic management work street meetings were carried out.

Stonnington survey group surveys were undertaken on waste management, graffiti, community safety, smoking in outdoor areas and health. Other surveys included the Aged Services quarterly survey, Aged Services exit survey, Grow With Us survey and Environmental Health Unit Proprietor Satisfaction Survey.

Advocacy

Council advocated on behalf of the community to other levels of government on a range of key issues during the year including:

- Overturning extended clearways
- Street tree pruning (electric line clearance)
- Sustainable street lighting
- Yarra River Biodiversity Project
- 590 Orrong Road
- Forrest Hill Infrastructure Development Master Plan
- Modelling good design for higher density development
- Saturation controls for licensed premises in Chapel Street
- Animal welfare
- Green lighting
- 'What I Love About Stonnington' campaign

Addressing Saturation of Licensed Premises

Stonnington Council has developed an amendment to the Municipal Strategic Statement covering saturation of licensed premises in the Chapel Street entertainment precinct. The amendment responds to community concern about maintaining the amenity of the area.

Stonnington undertook an innovative research project involving partnerships with Police, late night traders and local residents to investigate and address street violence and antisocial behaviour related to the misuse of alcohol in the Chapel Street Precinct. This sought to curb a decline in amenity, negative perceptions of community safety, and impacts on health and wellbeing.

Council developed the research paper, 'Late night liquor licensing trading in the Chapel Street Precinct – Measuring the saturation levels.' The development of the research paper identified the need for a social impact assessment as part of the planning permit process. As a result, Council has adopted an internal referral process whereby all late night licensed venue applications are referred to Corporate and Community Planning for a social impact assessment. Statutory Planners are required to consider comments received as part of the social impact assessment. This new process has enabled Statutory Planners to go beyond a site specific assessment of amenity impact in order to consider how the application will impact on a community. This demonstrates a far broader assessment process that takes into consideration both the bigger picture and site specific implications of an application.

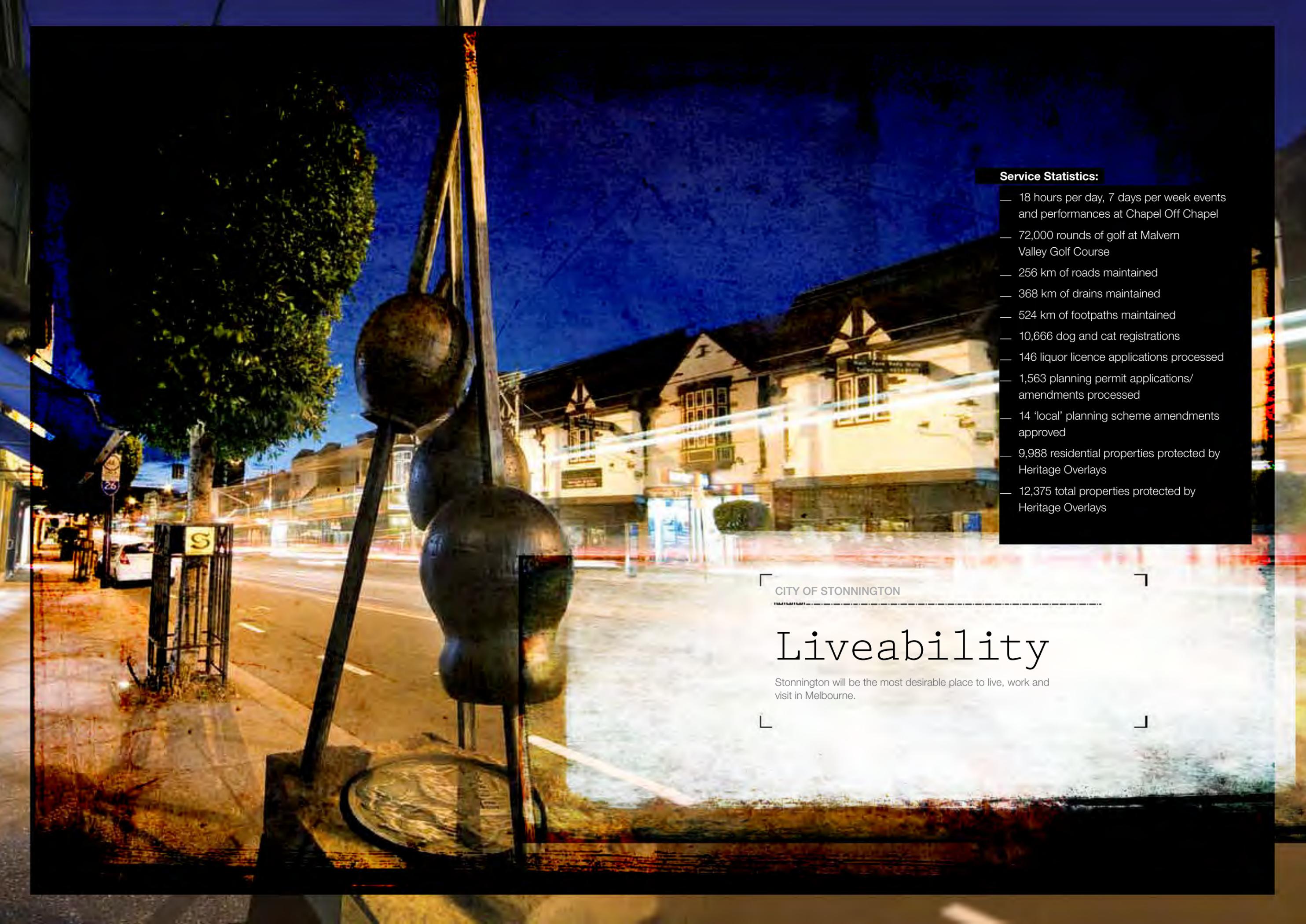
The saturation research findings have enabled the preparation of a Planning Scheme Amendment to introduce the findings of the research. Stonnington is proud to be a leading Council in proposing changes to its Planning Scheme, through the amendment process, to incorporate strategies to reduce alcohol-related harm. The amendment introduces social assessment requirements for licensed venues.

Challenges:

- Providing opportunities for inclusive engagement and participation within the community.
- Achieving the social inclusion of a mobile population.
- Meeting the growing needs of our ageing community.
- Meeting the demand for childcare.
- Providing open space and recreation facilities for sporting and leisure use in our community, with increase in development and density.

Looking Ahead:

- Delivering the 'Grow With Us' Program, to enhance learning, growth, wellbeing and recreation programs for families, children and young people.
- Delivering a comprehensive range of high quality events and festivals for the local community.
- Providing aged care services and referrals to enable our older residents to access the range of services they need to remain living independently in their own homes.
- Continuing to promote the Malvern Town Hall and Functions on Chapel as community venues for use.
- Implementation of the Access and Inclusion Plan, to support people with a disability to access and participate in services and activities across Stonnington.



Service Statistics:

- 18 hours per day, 7 days per week events and performances at Chapel Off Chapel
- 72,000 rounds of golf at Malvern Valley Golf Course
- 256 km of roads maintained
- 368 km of drains maintained
- 524 km of footpaths maintained
- 10,666 dog and cat registrations
- 146 liquor licence applications processed
- 1,563 planning permit applications/ amendments processed
- 14 'local' planning scheme amendments approved
- 9,988 residential properties protected by Heritage Overlays
- 12,375 total properties protected by Heritage Overlays

CITY OF STONNINGTON

Liveability

Stonnington will be the most desirable place to live, work and visit in Melbourne.

Achievements

Strategy: Understand the uniqueness of Stonnington's shopping strips to promote their attraction to a diverse community

What I Love About Stonnington Campaign

Stonnington held a campaign "What I Love About... Stonnington", to promote the key business precincts of High Street, Glenferrie Road, Toorak Road, Toorak Village, Waverley Road and Chapel Street. Promotion was through social media (Facebook and Twitter), Stonnington website pages, In Stonnington magazine, ward newsletters, electronic news, distributed postcards and posters, and through the local trader associations websites and email, and an official launch. Publicity on different aspects of the campaign was achieved through articles in: The Age, the Herald Sun, Stonnington Leader and Melbourne Weekly.

Photography and social media competitions were held as part of the campaign and a total of 80 entries (62 Photos and 18 Social Media entries) were received. The winning photographs will be made into a series of 12 postcards that will help to promote Stonnington's key business precincts.

The campaign resulted in increased traffic to the website for the What I Love About campaign, from 1 May to 30 June 2011. The traffic to the URL www.stonnington.vic.gov.au/WhatILoveAboutStonnington was 627 page views. In addition, the information was linked to information on trader association websites and to social media sites. In additions there were 65 new Facebook Page 'likes' and 51 new Twitter followers for Stonnington.

Over \$3000 in prizes were sponsored by local businesses, ranging from beauty products and fitness sessions, to salon services, natural health care, myotherapy, a chocolate hamper, restaurant vouchers and shopping vouchers.

Strategy:

Maintain and enhance the public realm to provide safe, accessible, useable, clean and attractive spaces and streetscapes

Public Realm Strategy

The Public Realm Strategy, endorsed by Council in October 2010, replaces the Open Space Strategy (2000). The new Strategy extends the typical understanding of 'green spaces' such as parks and gardens, to a broader understanding of the public realm, which includes all external space available for public use.

The Strategy provides a vision and direction for Stonnington's public realm and will be used to guide the planning, design and management of the public realm, with the primary objectives of developing a sense of place, community wellbeing and access for all people to Stonnington's public spaces.

The document provides a Strategic Overview, Precinct Recommendations and an Implementation Plan. It records and maps all of Stonnington's public spaces, together with all current strategies that impact on public space. In addition, it provides a framework for the integration of current or planned recommendations and actions.

It is intended that the Public Realm Strategy remains a 'living' document requiring regular updates and revision to remain relevant and useful. Its main purpose is to ensure a holistic approach to the public realm.



ASSESSMENT OF LOCAL AMENITY

Target: Satisfaction with open space.

Results: Council engages Integrated Open Space Services to undertake a user satisfaction survey of a selection of parks across Stonnington. The results are presented as a specific set of recommendations for improvements and are compared to 17 other Melbourne metropolitan councils. In previous years, Council sustained a satisfaction rating of 7.5 however this year it increased to a rating of 8.0. Stonnington was ranked first out of 17 in comparison to other authorities in the Melbourne region for satisfaction with the level of maintenance.

In 2011, 78% of Stonnington Survey Group members thought the public realm in their area was maintained at a 'good to very good' standard. This was a 32% increase from the 2009 rate result (46%).

The Stonnington Survey Group said their top choices for improving the public realm were improved lighting (45%), well-designed public toilets (42%), more trees lining streets (40%), more seats and street furniture (34%).

92.8% said Stonnington is a pleasant environment with nice streets and well planned open spaces.

Addressing Graffiti

The City of Stonnington has a strong commitment to addressing the problem of illegal graffiti through eradication, enforcement, engagement and education, and Council has undertaken a number of actions during the year:

- Publishing fact sheets online and a brochure: 'Graffiti – a guide for residents and business owners.'
- Providing a Graffiti Hotline (1800 067 072).
- Promptly removing graffiti from Council-owned buildings and infrastructure.
- Removing graffiti from private property on request and providing colour matched paint.
- Providing free graffiti removal kits at service centres.
- Funding the Glenferrie Road Business Association and Toorak Road South Yarra Traders Association for graffiti removal.
- Funding the Graffiti Awareness Education program delivered in all Stonnington schools.
- Working with the Police to identify and prosecute graffiti offenders.
- Working with Neighbourhood Watch to encourage the immediate notification of graffiti to police and demonstrate benefits of immediate removal.
- Providing advice to businesses on reducing graffiti through crime prevention through environmental design (CPTED).
- Working with Metro Trains, the Victoria Police, Department of Justice and others to ensure a planned and coordinated approach to graffiti management and eradication.



Strategy:

Balance recreation and sporting use with sustainable environmental principles



Domestic Animal Management Plan

Council adopted its first Domestic Animal Management Plan in 2008. The Plan documents Council's existing programs and practices as well as providing direction for the improvement of animal management services within Stonnington.

The evaluation of the performance of the first two years of the Plan indicates that it has focused the Animal Management Team on improving responsible animal ownership in Stonnington.

Actions completed included:

- Community Education – through responsible pet ownership brochures, a Pets in the Park event, and media coverage in the Leader;
- Improving Community Safety – through patrolling streets and reserves and providing information on roles and responsibilities;
- Training of Officers – in Cert IV Animal Control and Regulation, and through industry networks and seminars;
- Enhancing Animal Registration – through patrolling and door knocks;
- New Technologies – such as wireless laptops enabling access to the Animal Registration database and speedy return of lost pets to owners, and Shelter Buddy software implementation is underway to manage Pound data; and
- Council's advocacy for the abolition of the 28 day limit on housing shelter animals.

Continued implementation of the Plan over the next year will improve responsible animal ownership and reduce incidences of animal nuisance.

SAFETY

Target: Increase in perceptions of safety.

Results: A Stonnington Survey Group Survey in 2011 found that 78% of members feel 'safe at all times or nearly always safe' – an increase of 4% since 2009.

INCREASE IN RESIDENT PERCEPTION OF CLEANLINESS/AMENITY

Target: Improve resident perception of cleanliness and amenity.

Results: The City of Stonnington improved its score on the 'appearance of public areas' from 71 in 2010 to 73 in 2011.

Source: Local Government Community Satisfaction Survey

Como Park

The current works carried out in Como Park North include planting of indigenous Eucalyptus trees including River Red Gums, Yellow Box, Red Box, Manna Gum and Yellow Gum, to replace the avenue of Poplars along the Williams Road North edge of the park. These trees will attract native birds to the area and complement the revegetation works currently being undertaken along the banks of the Yarra River.

Features of the first stage of the Master Plan include a petanque court which will provide an informal space for social play and requested as part of the community consultation; a gravel pathway around the oval for residents to use as a fitness track; irrigation to the oval and garden beds with the water source provided through the recycling of stormwater collected in Como Park; and new safety fencing along the eastern and western boundaries to make the park a safer place for children.

In addition, two new fitness stations are to be installed so that residents can exercise in a local park and make the most of the wonderful surroundings.

Altogether the works will make the park a more attractive space for environmentalists, social/sporting groups and individuals.

The next stage of the Master Plan will focus on improving the access for all residents to the upper oval and extending the path system on the upper oval to create a circuit linking back to Como Park North.

COMMUNITY SATISFACTION SURVEY

Target: Increase in % of customers rating Council's services as good or better.

Results: The Local Government Community Satisfaction Survey 2011 reflected outstanding results for Stonnington – in comparison to 77 participating Victorian councils.

Stonnington was the highest in our group of Councils for: Overall Performance with a score of 72; and Advocacy with a score of 73.

Customer Contact was 76 and Community Engagement was 65 – both higher than the median of our group of Councils.

Overall performance in key services was 68 (this included: Local roads and footpaths; health and human services*; recreational facilities; appearance of public areas; traffic management and parking facilities; waste management; enforcement of local laws; economic development*; and town planning policy and approvals.)

*These Stonnington services scored highest in our group of Councils.

Strategy:

Celebrate the municipality's heritage and diverse buildings by balancing its existing character with complementary and sustainable developments

Protecting Heritage

Council adopted a Heritage Strategy Action Plan in 2006. The action plan followed the preparation of Council's Thematic Environmental History 2006 and was designed to provide Council with a sound framework for a comprehensive and coordinated review of existing heritage places and the assessment of new places.

Council is now in the final stages of implementing its Heritage Strategy Action Plan. This has included introducing heritage controls across 31 new and extended precincts, in 11 groups, to include these areas in the Heritage Overlay. This has represented a major allocation of resources by Council to extend heritage protection to cover a significant proportion of the City. Group 1-7 precincts have been approved and Group 10 was not pursued. The remaining precincts in Groups 8, 9 and 11 have been exhibited and are pending approval.

The final stage is the consideration of themes of individual buildings. This is now underway with the identification of individual hotels, churches and halls.

Planning and Development

Stonnington facilitates the approval of development that aspires to the provision of safe spaces that are of a high urban design calibre and that respect the municipality's heritage areas.

The Statutory Planning Unit has been encouraging applicants to consider the provision of Water Sensitive Urban Design (WSUD) initiatives in their development proposals in line with the draft policy adopted by Council. Major development applications have been required to consider Environmentally Sustainable Design initiatives beyond WSUD from their conceptual design stages.



The Developer and Objector Satisfaction Survey has been conducted and results analysed. A number of improvements have been implemented as a result. Some of these are:

- The creation of a full-time Fast Track Planner position to process straight forward planning applications within 21 days.
- The updating of our Standard Conditions and Notes.
- Development of Information and Fact Sheets for the users of the statutory planning system.
- The assessment of access in planning applications to ensure access complies with the Disability Discrimination Act (DDA).

Chapel Off Chapel

Chapel Off Chapel continued to provide a dynamic and diverse performance schedule, ranging from comedy, theatre, dance, music and cabaret, as well as art exhibitions throughout the year.

High quality events and performances were held 18 hours a day, seven days a week, maintaining Chapel's national and international reputation as a leading arts and entertainment venue. In addition, performing and visual arts space was provided to community groups throughout the year to undertake activities in the arts.

Strategy:

Recognise and enhance Stonnington's diverse culture and indigenous heritage through programs and events that support the arts, traditions and heritage

Library Activities

Libraries are far from the dusty, quiet institutions of the past as they continued to be one of Council's most popular services with over 600,000 visits in the last year. Hits to the website also continued to rise as people took advantage of the new downloadable e-audio books and databases.

The dynamic program of events also attracted more than 12,000 people to the school holiday programs, storytimes, baby time rhymes, author talks and workshops.

The Study with Us program encouraged senior students to use the library's study areas as a place for quiet study and provided motivational speakers on a range of subjects including study skills and nutrition. Tutors in popular VCE subjects offered valuable one-on-one tuition in the lead up to final exams. Those students transitioning from primary school to high school were not left out as they attended the libraries for orientation sessions. Each child was given a welcome pack including a membership card.

Workshops on a wide range of subjects continued throughout the year and included computer skills for seniors, exploring your family history, house dating, fashion through the years and an Antiques Road Show style workshop.

The libraries continued to provide items for reading and listening to, as once again, loans exceeded one million items.

Reconciliation Week

The Australian and Aboriginal flags were raised at the Malvern Town Hall on 30 May 2011 in a ceremony to recognise the start of National Reconciliation Week and an event was held at Phoenix Park Community Hall on 1 June, where Wurundjeri elder Ian Hunter gave local school children some fascinating insights into Aboriginal storytelling. They also enjoyed grass bracelet making, didgeridoo and dance workshops.

Challenges:

- Protecting and enhancing the municipality's highly valued characteristics whilst recognising the need for change.
- Preserving our heritage and valued landscapes.
- Ensuring our communications and engagement is well planned and accessible for the community; and meet the growing needs of the community.

Looking Ahead:

- Redevelopment of the Stonnington Pound to increase capacity for cats.
- Improving customer satisfaction by providing customer service training.
- Adoption and implementation of the new Arts and Culture Strategy.
- Implementation of the Integrated Communications and Marketing Strategy.
- Developing and implementing a consultation portal online, from the Stonnington website.
- Finalising the review of the Municipal Emergency Management Plan, with all stakeholders.



Service Statistics:

- 2,000 young people and families attended the Converse Block Party/VIVA Skate Competition
- 6,000 people attended Spring Into Gardening
- 13,500 people attended three carols concerts in Stonnington parks
- Nearly 13,000 attended Jazz in the Gardens Series
- 4,000 people attended Musical Melodies in the Park
- 2,000 people attended Symphony Under the Stars
- 12,500 people attended Stonnington Jazz
- \$290,000 Arts and Cultural Sponsorship program
- 1,169 footpath trading permits issued
- 1,600 people attended Business Education Events

┌ CITY OF STONNINGTON ┐

Prosperity

Stonnington will be a prosperous community and a premier tourist and retail destination with thriving local businesses and an entrepreneurial spirit.

└ ┘

Achievements

Strategy: Promote activities that support and develop local business with a focus on neighbourhood retailers

Business Support

The City of Stonnington delivers a number of economic development programs, business and tourism marketing activities and high profile events, to support local businesses, encourage visitation and shopping in Stonnington, and to equip businesses with skills to ensure their viability. This includes the following:

- An e-newsletter for Stonnington businesses was produced throughout the year
- A Stonnington Business Directory continues to be provided online
- A dedicated business education program was held, comprising 23 seminars this year and Council also delivered a program of business networking events
- Free 'small business mentoring' was offered with four sessions a month
- Council conducted research into the Chapel Street economy on visitation – to understand consumer behavior, to assist with future planning
- Advertising is undertaken to promote programs
- The Stonnington Economic Profile publication was developed to better understand the economic profile of business in the city – a valuable resource to assist existing businesses and to attract businesses to our City
- Working with trader groups to promote and enhance local business precincts

Stonnington Economic Profile

Council launched the Stonnington Economic Profile in May 2011, which provides a snapshot of economic activity in the City of Stonnington.

It provides data on retail, gross regional product, revenue, regional exports and imports, tourism, employment, wages and salaries.

There are more than 8,000 businesses in Stonnington, including 4,500+ operating from offices, shops, suites, factories and warehouses – and 3,500 home-based businesses.

Retail is the most visible sector in Stonnington – with 26 retail and activity centres.

The retail sector provides a quarter of all jobs in Stonnington and helps the accommodation, café and restaurant sectors.

Local businesses in Stonnington contribute to the strength of the City's identity and character, and are important for employment, tourism and attracting visitors.



Strategy:

Further the existing relationship between late night operators, the community and Council to work together to actively improve late night amenity

Strategy:

Work collaboratively with regional partners to implement agreed strategies to benefit our combined communities

Improving Late Night Amenity

Council manages the Liquor Accord, which is a voluntary commitment by licensed premises to best practice in and around licensed premises in the Chapel Street precinct.

Council has implemented training for Liquor Accord members including conflict resolution.

Research was undertaken into Chapel Street's late night economy to understand visitation, expenditure, length of stay and activities, as well as perceptions of safety and amenity.

PROFILE OF TYPICAL CHAPEL STREET EVENING CUSTOMER:

The typical evening customer is aged 20 to 29 years, equally likely to be male or female, travels by taxi or car and most likely lives in a surrounding suburb. He or she goes to Chapel Street in the evening two to four times a week to use a pub or bar and a restaurant, nightclub or theatre. He or she is in Chapel Street for two to four hours and spends an average of \$85. Evening customers are in Chapel Street longer than daytime customers. Evening customers rate Chapel Street at 3.9 out of 5.0 as an entertainment precinct.

Promoting Regional Partnerships

Stonnington works in partnership with Inner Melbourne Action Plan (IMAP) councils to promote tourism in the inner metropolitan area and encourage visitor dispersal to the local areas. The IMAP tourism group is delivering a three-year strategic plan (see page 49). The popular Inner Melbourne Map highlighting local precincts and attractions is now available for licence by the tourism, transport and hospitality sectors which will lead to more copies of the map being produced and an increase in distribution as well as visitor dispersal.

Council partners with Destination Melbourne to promote key retail precincts and local experiences through Official Visitors Guides and has also commenced planning on a promotional campaign to attract the 'Visiting Friends and Relatives' market.

Promotion of Stonnington's local attractions and events through Tourism Victoria's website as well as participation in the Cultural Guide continues.

Council participated in the State Government's Small Business Festival, increasing the number of seminars in the program and attracting a greater number of local participants.



Strategy:

Promote Stonnington as a premier retail and tourism destination with its unique attractions and shopping strips

Promoting Tourism

The Stonnington Jazz festival attracts visitation from outside Stonnington and generates significant local business – for venues, local restaurants, cafes, and shops over the 11 day festival.

The high profile Stonnington Spring Fashion Runway and Stonnington Fashion Hall of Fame is held each year to leverage the Spring Racing Carnival. Spring/Summer collections from local designers and retailers highlight the fashions in Stonnington's famed shopping precincts.

Stonnington partners with the L'Oreal Melbourne Fashion Festival incorporating promotion of local business and to further cement Stonnington as a fashion destination – and to bring people to Stonnington to shop.

Council ran a "What I Love About Stonnington" campaign, promoting the shopping strips of Chapel Street, High Street, Glenferrie Road, Toorak Road, Waverley Road and Toorak Village – and encouraging people to visit, experience and share what they love about Stonnington. A series of 12 postcards promoting these destinations in Stonnington is the result of the campaign's photography and social media competitions. Extensive promotion of Stonnington was undertaken.



Strategy:

Improve the quality of Stonnington's retail precincts to match the aspirations of being a premier retail and tourism destination



Challenges:

- Ensuring that the right balance is achieved in the approval of late night entertainment uses to maintain the viability, vibrancy and liveability of our shopping precincts.
- Ensuring new development provides for increased open space and landscapes.
- Redefining the function of Stonnington's retail and business precincts to ensure long-term viability and relevance.

Looking Ahead:

- Ensuring we achieve the right balance between protecting the amenity of existing residential areas while facilitating the ongoing economic viability of our shopping strips.
- Working with traders to support business and promote visitation, through regional partnerships with IMAP, Destination Melbourne, Tourism Victoria; a program of business workshops and seminars; tourism promotion; major events and marketing activities.

VISITATION AND EXPENDITURE

Target: Increase in the number of visitors to and expenditure within shopping and entertainment precincts.

Results: A total of \$8.4 million was generated in business activity through the L'Oreal Melbourne Fashion Festival partnership with Stonnington in 2010. Retailers along High Street, Armadale leveraged the festival by coordinating in-store events and street entertainment, to complement Trunk shows held at the Malvern Town Hall. It is estimated that 160,289 visits were made by 62,376 people to Stonnington for L'Oreal Melbourne Fashion Festival events.

Stonnington Jazz attracted 12,500 people (including 9,000 people at Malvern Town Hall and Chapel Off Chapel) in 2010/11 compared to 10,900 in 2009/10.

Spring into Gardening attracted 6,000 people (1,000 more than last year); 4,000 people attended Musical Melodies in the Park featuring Rhonda Burchmore (1,000 more than last year) and 13,500 people attended Christmas Carols concerts in Stonnington parks (1,500 less than last year due to a rain affected event at Como Park).


Streetscape Improvements In Retail Precincts

Programmed maintenance and services are carried out in business precincts across Stonnington on an ongoing basis to improve the identity and amenity of shopping strips. Council also inspects footpaths and street furniture assets every six months to ensure they are safe and serviceable.

The capital works program provides significant funds every financial year for streetscape and infrastructure projects, which are carried out in stages across the municipality. These projects include improvements such as new street furniture, footpaths/paving, tree planting, landscaping, poles, kerb and channel and various other works identified and implemented in consultation with traders.

Projects during the 2010/11 year included:

- Completion of Stage 5 streetscape works along Glenferrie Road (including drainage, footpath paving, kerb and channel, trees and tree guards). Council is currently working on plans for Stage 6 works to be undertaken in the 2011/12 financial year with trader consultation.
- Completion of Chapel Street streetscape works for the 2010/11 year with ongoing improvement projects planned over the next four years.
- Continuing upgrades to the Forrest Hill (Yarra/Claremont) Precinct – including landscaping and paving.
- Completion of painted poles in Toorak Village last year.



Contents:

- 44 Key Statistics
- 45 Corporate Governance
- 50 General Local Law
- 56 Advocacy
- 58 Organisational Chart
- 60 Human Resources and Organisational Development
- 63 Occupational Health and Safety
- 67 Risk Management
- 69 Business Systems and Technology
- 70 Environmental Mangement
- 73 Best Value Victoria Report
- 74 Balanced Scorecard Reporting
- 80 National Competition Policy Compliance
- 81 Victorian Local Government Indicators

CITY OF STONNINGTON

Council Operations

Stonnington is committed to good governance through transparent processes, accessible services, accountability, strong leadership, effective management of resources, advocacy, and responsiveness to current and future community needs.

Key Statistics

Key Statistics	2010/11	2009/10	2008/09	2007/08	2006/07
Average Rates and Charges per Assessment	\$1,331	\$1,253	\$1,200	\$1,139	\$1,084
Average Operating Expenditure per Assessment	\$2,090	\$2,058	\$1,948	\$1,874	\$1,802
Average Capital Expenditure per Assessment	\$571	\$683	\$452	\$535	\$429
Number of births	1,014	1,006	1,078	1,116	1,093
Net Cost of childcare per utilised childcare place	\$2,674	\$3,591	\$4,273	\$4,038	\$3,568
Cost of home care per contact hour	\$43.68	\$49.38	\$35.79	\$34.91	\$34.48
Cost of meals on wheels per meal	\$19.86	\$18.08	\$14.39	\$12.83	\$11.21
Average number of library visits per capita	9.87	10.06	6.94	7.02	7.54
Average cost of library services per loan	\$3.90	\$3.42	\$3.32	\$3.24	\$3.43
Average cost of library services per visit	\$4.87	\$4.20	\$5.77	\$5.73	\$5.74
% of complying inspections, for registered premises subject to environmental health inspections	88.3%	91.3%	91.0%	87.0%	91.0%
Aquatic Centre visits over the year	395,818	298,137	476,970	478,356	491,690
Cost of animal control per capita	\$5.95	\$4.74	\$4.73	\$5.05	\$4.67
Cost of rapid response per capita	\$2.16	\$1.83	\$1.76	\$2.16	\$1.62
Cost of after-hours field services per capita	\$3.53	\$3.36	\$3.39	\$3.22	\$3.52
Cost of graffiti eradication per capita	\$4.49	\$2.23	\$2.25	\$2.45	\$2.45
Weight of household waste collected and deposited in landfill per tenement	473kg	417kg	449kg	468kg	433kg
Community satisfaction rating for waste management services	75%	79%	76%	73%	74%
% of household waste recycled	43.0%	42.1%	40.3%	39.1%	40.3%
Cost of non-recyclable waste collection and disposal per tenement receiving service	\$87.05	\$72.77	\$74.91	\$69.42	\$69.44
Cost of recyclable waste collection per tenement receiving service	\$36.62	\$39.19	\$38.57	\$37.41	\$29.39
Community satisfaction rating for local roads and footpaths	65%	64%	62%	62%	63%
Ratio of roads per capital expenditure to roads depreciation	0.94	0.76	0.61	0.74	0.51
Community satisfaction rating for appearance of public areas	73%	71%	68%	73%	69%
Cost of municipal cleaning per assessment	\$60.20	\$50.83	\$49.59	\$46.11	\$45.76
Cost of parks and gardens maintenance per capita	\$35.16	\$35.35	\$37.05	\$37.65	\$36.25
% achievement of 'due date' performance targets for planning applications	70%	71%	70%	61%	68%
Number of planning applications decided during the year	1,545	1,400	1,198	1,245	885
Number of planning applications decided during the year through appeal	225	184	156	146	177
Cost per planning application	\$1,880	\$1,748	\$2,096	\$2,240	\$1,353

Corporate Governance

Stonnington is committed to good governance through transparent processes, accessible services, accountability, strong leadership, effective management of resources, advocacy, and responsiveness to current and future community needs.

The *Local Government Act 1989 (the Act)* is the principal Act under which Councils operate. It prescribes the legislative framework for Councils to be accountable to their local communities in the performance of functions, the exercise of powers and the use of resources. The Act formalises Council's legal status, purpose and objectives, including the following:

- Promoting social, economic and environmental viability and sustainability;
- Ensuring resources are used efficiently and effectively and that Best Value principles are met;
- Improving the overall quality of life of people;
- Promoting appropriate business and employment opportunities;
- Ensuring equitable access to services and facilities;
- Ensuring equitable imposition of rates and charges; and
- Ensuring transparent and accountable decision-making.

This framework demonstrates that the way Council operates its business is similar to the way public and private corporations operate to meet the high standard corporate governance principles of the Australian Securities Exchange (ASX). These principles include:

1. Solid foundations for management and oversight;
2. Structure of Council;
3. Ethical and responsible decision making;
4. Integrity in financial reporting;
5. Rights of ratepayers, residents and the community;
6. Recognising and managing risk; and
7. Remunerating fairly and responsibly.

These principles are addressed in this report.

The Council

A Council must consist of no fewer than five and no more than 12 Councillors. Stonnington Council has had nine Councillors since the amalgamation of Councils in the 1990s. The last General Election was on 20 November 2008, with the following Councillors elected at that time.

East Ward

Cr Greg Hannan
Cr Judy Hindle
Cr Anne O'Shea

North Ward

Cr Tas Athanasopoulos
Cr John Chandler
Cr Angus Nicholls

South Ward

Cr Melina Sehr (Mayor)
Cr Tim Smith
Cr Claude Ullin

Each Council term is four years. The next General Election was due on the last Saturday of November 2012, however, proposed changes in the legislation may see the election date brought forward to the fourth Saturday in October 2012.

Mayor

The Mayor, Cr Melina Sehr, was elected by the Councillors at a Special meeting on 7 December 2010 for a one-year term. It is Cr Sehr's third term as Mayor having served in this position March 2003-2004 and then March 2004-November 2004. (The term was shortened due to a change in legislation.)

The Mayor takes precedence at all municipal proceedings within the municipality and takes the chair at all meetings of the Council at which she is present.

Electoral Representation Review

Electoral representation reviews are the process of considering and recommending electoral arrangements for Councils. A review considers:

- How many Councillor positions are required for the Council;
- What electoral structure is suitable for the municipality; and
- Where any electoral (Ward) boundaries should be located.

In accordance with the *Local Government Act 1989*, Councils are required to undertake an Electoral Representation Review before every second election with the last one carried out in early 2004. Following a review of this legislation in 2009, amendments made to the Act now provide for all Councils to have electoral representation reviews every 12 years. Further, the reviews can only be conducted within two years of a General Election. Stonnington Council was gazetted and included in the first round in 2011. Following a public consultation process, consideration of submissions and evaluation of the existing structure, the final report was signed off by the Minister for Local Government and confirmed that no changes were required to the internal ward boundaries or the number of Councillors. The next review is currently scheduled for 2023.

Meetings

Ordinary meetings of Council are held on the first and third Mondays of the month, excluding January and subject to the timing of public holidays. The meeting schedule is adopted by Council in December each year and is advertised in the local paper and on Council’s website.

Council meetings are often well attended by interested members of the public and commence at 7.00pm in the Council Chamber at the Stonnington City Centre Malvern. Copies of the Notice Paper are available prior to the meeting on Council’s website and for viewing at Council Libraries with copies also available at the meetings. Minutes or Notice Papers of past meetings are also on the Council’s website.

The meeting procedure is outlined in Council’s General Local Law 2008 (No.1). Voting is by a show of hands and every Councillor present at the meeting must vote.

Councillor Briefings are held on the second and fourth Mondays of each month. These are not decision-making meetings but closed informal meetings where Councillors

have the opportunity to have in-depth discussion on strategic policy development, new and on-going projects and other matters.

Planning Consultative Meetings are part of Stonnington Council’s planning process. These meetings provide a forum for the Ward Councillors, applicant and objectors to discuss their points of view in respect to a proposed development and endeavour to reach some mutual agreement on the proposal before it comes to Council for consideration. Such meetings are held when there are seven or more objectors.

Figure 1.2 Councillor meeting attendance 2010/11

Councillor	Council Meetings	Councillor Briefings	Planning Consultative Meetings
Total Meetings (including 2 Special Meetings)	26	23	71
Athanasopoulos	26	22	0
Chandler	26	21	19
Hannan	23	19	6
Hindle	23	20	24
Nicholls	17	17	1
O'Shea	22	17	16
Sehr	26	19	14
Smith	21	11	8
Ullin	25	22	20

Other Meetings

Councillors also attend other meetings on behalf of Council, being represented on the following bodies:

- Municipal Association of Victoria
- Inner Regional Housing Working Group – Melbourne 2030
- Outer Regional Housing Working Group – Melbourne 2030
- Metropolitan Transport Forum
- VicRoads Board Public Transport Advisory Committee
- Metropolitan Waste Forum
- Victorian Multicultural Commission’s Standing Committee on Local Government and Cultural Diversity
- Victorian Local Governance Association (VLGA)
- Prahran Mission Board
- Glenloch Homes

- Inner South Metropolitan Mayors Forum
- Prahran Mechanics Institute

Council has a number of local advisory committees that Councillor representatives attend:

- Chapel Off Chapel Advisory Board
- Ethnic Services Committee
- Stonnington History Committee

The Chief Executive Officer

The Chief Executive Officer is a member of Council staff however is the only one who reports directly to the Council. Stonnington’s CEO Warren Roberts, is responsible for:

- Ensuring that the decisions of Council are implemented without undue delay;
- The day to day management of the Council’s operations in accordance with the Council Plan;
- The structure of the Council and all staff matters; and
- Providing timely advice to the Council.

An annual performance review of the CEO is conducted by Council to assess his performance against a set of ‘key performance indicators’.

Senior Officers

The employment requirements of Council’s Senior Officers, along with principles of conduct, contractual and performance evaluation and delegated authorities are detailed in the Act. During the year the General Manager Planning and Development changed with the Manager of Planning, Stuart Draffin, being successfully appointed.

The Council has five Divisions headed by the following people:

- **City Works**
Simon Thomas, General Manager
- **Corporate Services**
Geoff Cockram, General Manager
- **Planning and Development**
Stuart Draffin, General Manager
- **Social Development**
Connie Gibbons, General Manager
- **Sustainable Future**
Karen Watson, Executive Manager

Remuneration

Councillors

The Mayor and Councillors receive an allowance for undertaking the duties of Councillor. The level of allowance that will be payable for a period of four years is determined by Council following consultation with the community after the General Election. Stonnington Council is classified as a Category 3 Council under the Local Government Act and Councillors receive the maximum allowance.

The Act provides for annual adjustments of Mayoral and Councillors allowances by the Minister for Local Government in line with movements in the remuneration of Victorian Statutory and Executive Officers. These were adjusted and gazetted on 26 August 2010, effective from 1 December 2010 as follows:

	Annual amount payable pre 1 December 2010	Annual amount payable post 1 December 2010
Mayor	\$79,233	\$81,610
Councillors	\$24,805	\$25,549

The Mayor is not entitled to receive the Councillor allowance in addition to the Mayoral allowance. The Mayor and Councillors also receive an amount equivalent to the Superannuation Guarantee levy (currently 9 per cent). Allowances are paid quarterly in advance except for the change of financial year when they are paid in early July, and a pro-rata adjustment with the change of Mayor.

Officers and Staff

Council staff are remunerated in accordance with the requirements of the Local Government Act, the Victorian Local Authorities Award 2001, the Nurses (ANF – Victorian Local Government) Award 2002 and the Council’s Enterprise Agreement No.7/2010.

Independent Audit Committee Members

The Independent members of the Audit Committee have been appointed as follows:

- Audit Chair** – Garry Richardson
effective from 1 May 2010 at \$9,450 per annum.
- Deputy Chair** – Stuart Newey
effective from 1 May 2009 at \$6,300 per annum.

A summary of the remuneration of responsible persons is included in the Financial Report under Note 39 – Related party transactions.



Legislation changes

Local Government is covered by a considerable volume of legislation in the delivery of its services and programs. Over the past 12 months legislative changes in some of the significant Acts include:

- *Domestic Animals Act* – changes in respect to Dangerous Dogs
- *Food Act 1984* – for greater consistency and accountability in the governance of the food regulatory system
- *Liquor Control Reform Act 1998* – tightens requirements on liquor vendors

Municipal Inspectorate

The Local Government Investigations and Compliance Inspectorate is responsible for delivery of a compliance audit program for all Victorian local councils. The audit framework is designed to assess local council compliance with the *Local Government Act 1989* and provide an independent appraisal of key processes surrounding council operations. Stonnington Council was audited from 6 to 10 June 2011, as part of this rolling audit program of the 79 councils over a three year period. A total of 27 compliance areas were tested with Council being ‘compliant’ on 26 and ‘close to compliant’ on the 27th item which has now been corrected for any future actions.

Reviews and Submissions

- The following reviews and submissions have been undertaken throughout 2010/11:
- Council Delegations to Staff
 - Submission to the Charter of Human Rights Review
 - IMAP Car Share Research
 - Public Realm Strategy
 - Street Parties Policy
 - Awnings Policy Position
 - Community Grants Program
 - Councillor Code of Conduct

- Submission to Campaign to Abolish 28 Day Rule Imposed on Animal Shelters
- Stonnington Bus Services Review
- Stonnington Youth Strategy
- Debt Management Policy
- Community Facilities Leasing/Licensing Policy
- Stonnington Walking Policy
- City of Stonnington – Public Health Plan 2009 – 2013 Review
- Asset Management
- Preventing Violence Against Women
- A City for All: City of Stonnington Access and Inclusion Plan 2010 - 2013
- Food Premises Rating System Proposal
- Procurement Policy Amendment
- Submission on Discussion Paper – Our Cities – A National Strategy for the Future of Australian Cities
- Electoral Representation Review
- Council Plan 2009 - 2013 Review

Civic Functions

- Council has pleasure in conducting a number of civic functions each year such as Citizenship Ceremonies, Citizens of the Year and hosting a range of other events including:
- Fundraising Gala for Prahran Mission
 - Inner South Metropolitan Mayors Group meeting
 - Greek Flag Raising Ceremony
 - Historical Poster Competition
 - German Students reception from Korowa Girls School
 - Centenarians Morning Tea

Citizenship

Citizenship Ceremonies were conducted in July, September, December, January (Australia Day), March and May. These ceremonies are well attended and Council is very pleased to welcome citizens to their new home in the City of Stonnington – as well as Australia. The Mayor is required by law to receive the Oaths or Affirmations of Allegiance, undertaken as part of the ceremony.

Figure 1.3 Citizenship Ceremony Details

	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06
Number of ceremonies held in year	6	5	4	5	5	4
Number of persons naturalised	610	650	459	504	688	458

Citizens of the Year Awards

- Stonnington Council calls for nominations for Citizen of the Year for a number of categories and a ceremony to make these awards and celebrate each person or group’s contribution is held with a cross section of the Stonnington community invited. The Awards Ceremony was held in August 2010.
- The following persons and group were recognised for their outstanding service to the community in Stonnington:
- Amanda Bruce – Arts/Culture
 - Patricia Baitz – Education
 - Marjorie Cox – Community Service
 - John Hutson – Youth
 - Toorak Opportunity Shop Ladies and Tuesday Bowen Street Volunteers – Joint Community Group of the Year
 - Meagan Lowe – Young Citizen of the Year

The Inner Melbourne Action Plan

The Inner Melbourne Action Plan (IMAP) is a successful collaboration between the cities of Melbourne, Port Phillip, Yarra and Stonnington working together on inner city regional issues to foster creativity, liveability, prosperity and sustainability. The IMAP contains 11 regional strategies and identifies 57 actions for implementation.

During 2010-11 the IMAP Implementation Committee completed its Plan Review and updated its three-year implementation plan. Significant work has been done in the areas of sustainable transport, affordable housing, closer working relationships with the tertiary education sector, policy development for managing cumulative impacts from licensing venues and sustainable environment projects.

Some of the many achievements included:

- Completion of the Regional Greenlight pedestrian safety project.
- Further development of the bicycle network throughout the IMAP region including Chapel Street.
- Development of a Planning Scheme Amendment by Stonnington to restrict the number of licensed premises closing after 1.00am and placing limits on the number of patrons permitted. The Amendment is due to be lodged with the Minister of Planning for consideration.
- Stronger Regional Development through collaboration between tertiary education providers and councils has been advanced through a project to support Work Integrated Learning – providing students with projects and experience in the workplace.
- Collaboration to produce fact sheets for an information series on Environmentally Sustainable Design issues to provide consistent information for customers across the four IMAP councils.
- Distribution of the IMAP regional tourist map continued in 2010-11. A licensing agreement has been developed to protect the integrity of the map and allow its extended use within tourism, transport and hospitality sectors.

General Local Law 2008 (No.1)

Council's General Local Law 2008 (No.1) was adopted after a full review in 2008.

Council's General Local Law 2008 (No.1) was adopted after a full review in 2008. Subsequent minor amendments have been conducted since then, and in February 2011 a minor amendment of the shopping trolley clauses 520(1) and 520(2) was adopted. It is anticipated that a review of the Meeting Procedures section will commence in 2011/12 as a result of legislative changes that require amendment to the Local Law.

Council's General Local Law covers:

- The Common Seal
- Election of Mayor
- Council Meeting Procedure
- Special Committees
- Protection of Council Land
- Roads, Public Places and Council Land – Obstructions and Behaviour
- Street Selling, Collections and Distributions
- Protection of the Amenity of the municipality
- Keeping of Animals
- Sanitation
- Administration of the Local Law including enforcement, permits, fees and charges, offences and Authorised Officers

The General Local Law is available for inspection at the Services Centres and Council Libraries and Council's website www.stonnington.vic.gov.au.

Whistleblower Protection Act 2001

The City of Stonnington acts in accordance with Section 105 of the Whistleblower Protection Act 2001 ("the Act").

Statement of Support to Whistleblowers

The Stonnington City Council is committed to the aims and objectives of the Whistleblowers Protection Act 2001. It does not tolerate improper conduct by its Councillors or staff, nor the taking of reprisals against those who come forward to disclose such conduct.

The Council recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

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

Disclosures of improper conduct or detrimental action by the Council or its employees, may be made to the following Officers:

- The Protected Disclosure Coordinator
Fabienne Thewlis, Manager Governance and Corporate Support – 8290 1305 or
- The Protected Disclosure Officer
Danny Cheung, Manager IT – 8290 1393.
(Following retirement in August 2011, this position is temporarily being filled by Geoff Cockram, General Manager Corporate Services – 8290 1333.)



All correspondence, telephone calls and emails from internal or external Whistleblowers will be referred to the Protected Disclosure Coordinator. Where a person is contemplating making a disclosure and is concerned about approaching the Protected Disclosure Coordinator or a Protected Disclosure Officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

An alternative contact may also be made directly to the Ombudsman Victoria, Level 22, 459 Collins Street, Melbourne. Telephone – 9613 6202.

The Council will take all reasonable steps to protect the identity of the Whistleblower and if it is not possible

to do so the Whistleblower will be informed and steps undertaken to ensure no reprisals are taken as a result. This includes the security of records whether paper or electronic. Council's Human Resources and Organisation Development Officer has been appointed as the Welfare Manager responsible for looking after the general welfare of the Whistleblower. An investigator will be responsible for carrying out an internal investigation into a disclosure – this may be an internal or external person.

Of the one disclosure in 2011, the matter was still under investigation at the end of the year to determine whether it is a Whistleblower disclosure.

Figure 1.4 Summary of Whistleblower Disclosures Made

	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06
Disclosures made	1	1	1	0	0	0
Disclosures referred to the Ombudsman for determination	0	1	0	0	0	0
Disclosures referred to Council by the Ombudsman for investigation	0	0	0	0	0	0
Investigations taken over from Council by the Ombudsman	0	0	0	0	0	0
Requests made by a Whistleblower to the Ombudsman to take over an investigation by the Council	0	0	0	0	0	0
Disclosed matters that Council has declined to investigate	0	0	0	0	0	0
Disclosed matters that were substantiated upon investigation	0	0	0	0	0	0
Recommendations made by the Ombudsman that relate to the Council	0	0	0	0	0	0

Freedom of Information

The Freedom of Information Act 1982 establishes a legally enforceable right for the community to access information from certain records held by Council.

Requests for access to documents under the Freedom of Information Act can be lodged in writing with the Freedom of Information Officer, City of Stonnington, PO Box 21, Prahran, 3181. A fee of \$23.90 applies for each application and other fees will apply as the application is processed. The application fee increased on 1 July 2011 to \$24.40. General enquiries on lodging an application can be made through the Service Centre on 8290 1333 and details are also on Council's website. The Act requires that the request must give as much detail of the documents requested as possible and not be for a broad range of documents.

Council processed 52 applications during the year, of which only 36 were valid and processed. To be a valid request the application must be accompanied by the required fee.

Figure 1.5 Summary of Freedom Of Information Applications Received

	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05
Applications received and processed	36	29	27	23	21	45	36
Internal Reviews	1	1	1	2	1	1	0
Appeals to VCAT	0	0	0	0	0	1	1

Documents Available For Inspection

In accordance with section 11 of the Local Government (General) Regulations 2004 the following documents are available for public inspection:

- a. Details of current allowances fixed for the Mayor and Councillors under section 74 or 74A of the Act;
- b. The total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states:
 - i. Ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and
 - ii. The number of senior officers whose total remuneration falls within the ranges referred to in (b) (i) above;
- c. Details of overseas or interstate travel (with exceptions) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors, or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel, including accommodation costs;
- d. Names of Council Officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;

- e. Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted;
- f. Agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- g. A list of all special committees established by Council and the purpose for which each committee was established;
- h. A list of all special committees established by the Council which were abolished or ceased to function during the financial year;
- i. Minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- j. A register of delegations kept under sections 87, and 98 of the Act, including the dates on which the last review under sections 86(6) and 98(6) of the Act took place;
- k. Submissions received in accordance with section 223 of the Act during the previous 12 months;

- l. Agreements to establish regional libraries under section 196 of the Act; (not applicable);
- m. Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;
- n. A register of authorised officers appointed under section 224 of the Act;
- o. A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant;
- p. A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during the year to each organisation by the Council;

- q. A list of contracts valued at \$100,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more:
 - i. Which the Council entered into during the financial year without first engaging in a competitive process; and
 - ii. Which are not contracts referred to in section 186(5) or (5A) of the Act.

Note: The Act provides that an amount higher than \$100,000 may be fixed by Order in Council made under section 186(1) of the Act. (The Minister has fixed the following amounts, which now apply - \$150,000 for services and \$200,000 for works.)

In accordance with Section 222 of the Local Government Act, inspection of any of these documents can be arranged by contacting the Civic Support Officer on 8290 1331.

Information Privacy Policy

The City of Stonnington believes that the responsible handling of personal information is a key aspect of democratic governance and is strongly committed to protecting an individual's right to privacy. Council is committed to full compliance with its obligations under the Information Privacy Act 2000 (Vic) and the Health Records Act 2001. In particular, the City of Stonnington will comply with the Information Privacy Principles contained in these Acts.

Any person who feels aggrieved by Council's handling of their personal information may make a complaint to Council's Privacy Officer on (03) 8290 1333. The complaint will be investigated within five business days and a written response provided. Alternatively, complaints may be made to the Privacy Commissioner (although the Commissioner may decline to hear the complaint if you have not first made a complaint to the City of Stonnington).

Figure 1.6 Summary of Information Privacy Complaints Received

	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05
Internal Reviews	1	1	1	1	0	0	1
Reviewed by Privacy Commissioner	0	1	1	0	0	0	0

Charter of Human Rights and Responsibilities Act 2006

The Charter of Human Rights and Responsibilities Act 2006 sets out 20 rights that reflect four basic principles: Freedom, Respect, Equality and Dignity.

The Charter became fully operational in 2008 and requires Council, as a public authority, to take human rights into account when making decisions, providing advice and delivering services. Section 38(1) of the Charter states that: “it is unlawful for a public authority to act in a way that is incompatible with a human right or, in making a decision, to fail to give proper consideration to a relevant human right.”

In February 2008 Council adopted a Statement of Human Rights:

The City of Stonnington recognises and respects that everyone has the same human rights entitlement to allow them to participate in, and contribute to, society and our community. We recognise that all persons have equal rights in the provision of, and access to, Council services and facilities. We recognise that, at all times, such rights may be limited, insofar as to strike a balance between individual rights and the protection of public interest.

Stonnington Council provides Human Rights Charter training to all new employees including casual, temporary and ongoing internal contractors.

In 2011, five three-hour refresher sessions were provided to 68 staff including General Managers, Managers and Coordinators. An online e-learning program is currently being prepared to assist with future training.

Apart from the training, Council has undertaken a number of activities to support and promote human rights during the 2010-11 financial year including:

- An assessment of implementation of the Charter using the Victorian Local Governance Association templates;
- Review and upgrade of Council’s Charter web page;
- Internal promotion via the Sustainable Future Managers Meeting and ‘Meeting in the Middle’;
- Inclusion in Governance training conducted in February 2011;
- In Stonnington article ‘Committed to Human Rights’ (April/May edition); and
- Submission to the Charter of Human Rights Review (June 2011).

Victorian Ombudsman

The Victorian Ombudsman is a constitutional independent officer of the Victorian Parliament established under the Ombudsman Act 1973. The role and duties of the Ombudsman are to:

- Promote excellence in public administration in Victoria;
- Seek to ensure the highest possible standards of public sector service delivery to all Victorians;
- Enquire into or investigate administrative actions taken by a Government department or public statutory body or by any member of staff of a municipal council.

The Ombudsman’s office also checks compliance by State entities with certain specified Victorian legislation such as the Whistleblowers Protection Act 2001, Freedom of Information Act 1982 and the Charter of Human Rights and Responsibilities Act 2006.

Disclosures

While Councils are not required to make continuous disclosure to the ASX, it is governed by legislation that requires regular reporting to other levels of Government and must respond to any matters raised by:

- Local Government Victoria
- Ombudsman Victoria
- Auditor General Victoria
- Valuer General Victoria
- State and Federal Government Departments and agencies.

Figure 1.7 Rates Statistics

	2010/11	2009/10	2008/09	2007/08	2006/07
No. of Rate Notices Sent	54,162	53,290	52,917	52,446	52,141
No. of Instalment Notices Sent (3 notices)	72,879 (44.85% of total issued)	72,089 (45.09% of total issued)	68,918 (43.4% of total issued)	65,869 (41.8% of total issued)	66,908 (42.77% of total issued)
No. of Final Notices Sent	4,504	3,899	4,166	3,987	4,206
No. of Summons Issued	427	520	489	483	466
Total Rates Collected for Year %	98.28%	98.24%	98.48%	98.85%	98.7%
New Owner Kits	4,051	4,044	3,707	5,489	5,116

Figure 1.8 Valuation Statistics

Supplementary valuations	4,046
Public open space valuations	26
Analysis of property sales	3,775
Building permits assessed for valuation	1,200

Audit Committee

The Audit Committee oversees Council’s audit, control and risk management functions. The Audit Committee is an Advisory Committee with two independent members – the Chair, Garry Richardson and Deputy Chair, Stuart Newey. The Mayor and one other Councillor also sit on this committee which meets quarterly.

Meetings are also attended by the Chief Executive Officer, General Manager Corporate Services, Manager Finance, Manager Governance and Corporate Support and other Managers as required. Both the Internal Auditors (Oakton) and External Auditors (Victorian Auditor-General’s service provider) also attend.

The primary objective of the Audit Committee is to assist Council in fulfilling its responsibilities relating to organisational risk management practices, accounting and reporting including:

- Monitoring Council’s exposure to risk and management of risk.
- Maintaining open lines of communication among Councillors, internal auditors, external auditors and officers enabling an exchange of views and information.
- Determining through regular review of audit activity, the adequacy and effectiveness of the City’s administrative, operating and accounting controls.

- Assisting in establishing and maintaining appropriate corporate conduct, and good governance.

- Monitoring and appraising the quality of the audits conducted by the City’s internal auditor.

- Reviewing the annual financial statements of the Council.
- Providing advice in determining Council’s risk control audit programs and risk minimisation measures.

Internal Audits

In 2010/2011 the following internal audits were undertaken by Council’s Internal Auditors (Oakton) and results followed up through the Executive Management Team and the Audit Committee.

- Follow up of Audit Recommendations from 2009
- Human Resources
- Rates and Valuations
- Status report on internal audit recommendations 2011
- Compliance and Response
- Chapel Off Chapel
- Councillors’ Expenses
- Governance Process review
- Parks Services
- Purchasing and Accounts Payable
- Occupational Health and Safety

Advocacy

Extended Clearways Removed

The extended clearways were finally removed in December 2010, following more than two years of advocacy by Council in partnership with traders.

In mid-2008, the previous State Government announced plans to extend clearways on major arterial roads within 10km of the central business district. Following this, the City of Stonnington, along with traders, has fought a battle to oppose extended clearways arguing they would decimate shopping strips.

In February 2009, VicRoads announced it would be extending clearways. Stonnington Council joined forces with the City of Yarra on behalf of traders and the community, and lodged proceedings in the Supreme Court. Council bagged parking signs in High Street for the duration of the court case. For the period that the signs were covered, Stonnington did not enforce parking restrictions in this area.

The court case was held over two and a half days in May 2010 and five months later, His Honour, Justice Osborn delivered a decision at the Supreme Court on the extended clearways issue – Stonnington and Yarra City Councils v Roads Corporation and Ancor (SCP 1101 of 2010) on 7 October 2010. While the Minister's direction to extend clearway hours along High Street was upheld by the court, and settled, Council continued its advocacy role on behalf of traders and the community in the lead up to the State Government elections in 2010.

The long fought battle was finally won in December 2010, when the new Government was elected (with clearways a key election issue) and Victorian Premier, Ted Baillieu, reversed the extended clearways decision and installed signs to mark the return of the original clearway times.

Council is proud to have taken up the campaign, on behalf of traders and residents, leading the fight all the way to the Supreme Court and then strongly advocating during the elections, to overturn the extended clearways.

Preserving Our Liveability

Liveability is a key focus for Stonnington and Council has undertaken advocacy on behalf of residents and traders, to protect the liveability and amenity of our local areas and key business precincts. Council has listened to and represented the community in the initial stages of the proposed 590 Orrong Road development and continues to work with all stakeholders to ensure an appropriate and balanced outcome on this major strategic development site. Council has also worked to improve planning outcomes across the City, promoting mandatory height limits, advocating for appropriate urban design outcomes and actively encouraging the creation and preservation of open space. Stonnington has continued to defend our suburbs from inappropriate developments at VCAT, and has lobbied for saturation controls for licensed premises in Chapel Street.

Street Tree Pruning

The Victorian Government has changed the Electrical Safety (Electric Line Clearance) Regulations with significant implications for trees growing near powerlines in Stonnington. Compliance with the regulations will affect over half of the 32,000 street trees and some park trees in Stonnington because they are near electricity lines. It would have a significant impact on the appearance of streets. Council would have to remove an estimated 2,000 trees, severely prune 5,500 trees and increase the amount of pruning of approximately 12,500 trees in the vicinity of electric lines.

The estimated cost of tree removals and severe pruning to achieve full compliance with the new regulations is a one off cost of \$5.7 million. The ongoing cost to our pruning program is \$300,000 per annum. Council continues to actively lobby State Government to reintroduce provisions within the new Electrical Safety (Electric Line Clearance) Regulations 2010 to protect the amenity of trees near powerlines and achieve practical and sensible outcomes.

The MAV has established a reference group with the State Government – through which Stonnington is represented and played an active role – to work towards a solution.

Council is working with the MAV and other councils on a risk-based approach and has submitted this to Energy Safe Victoria.

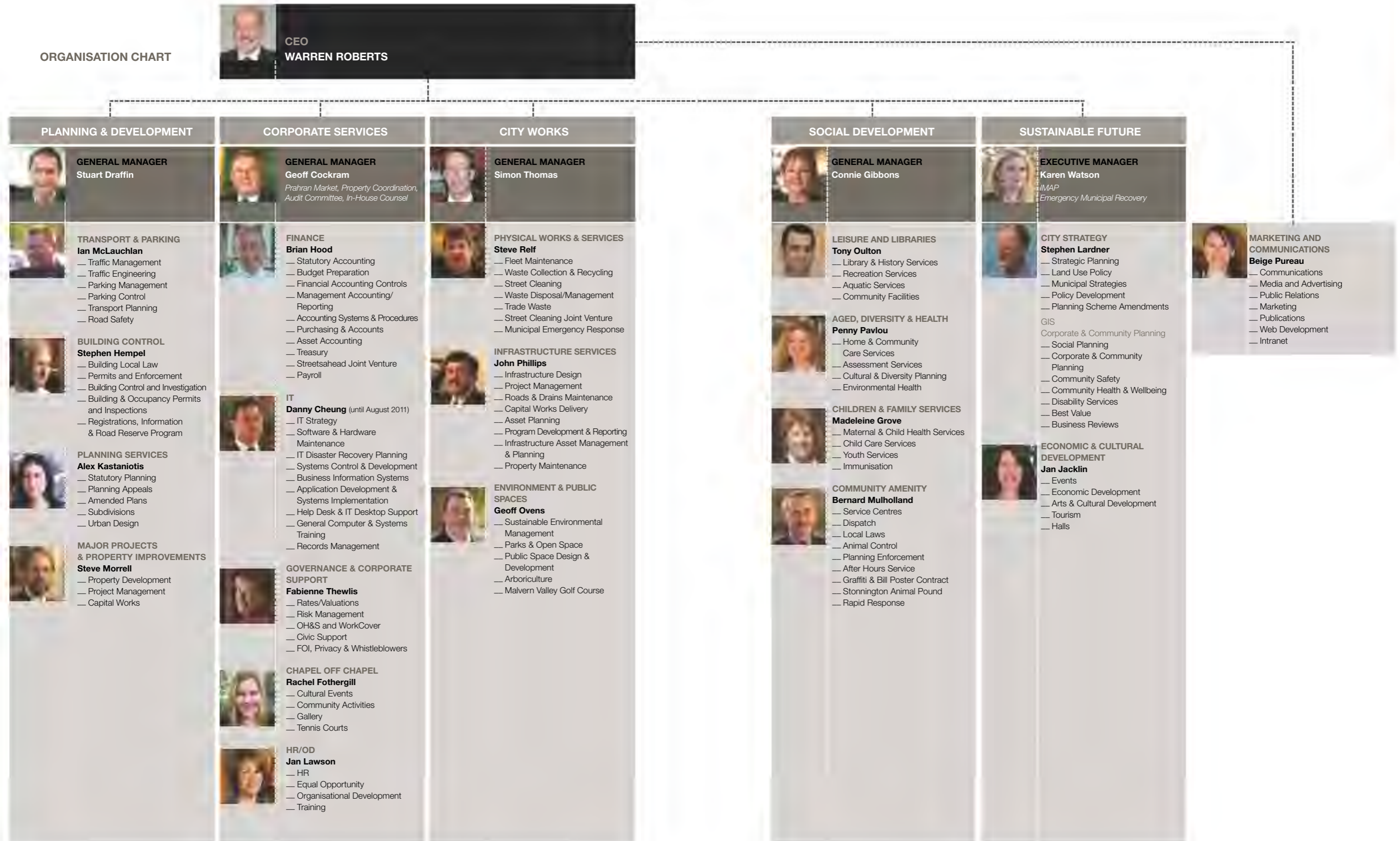
Animal Welfare Campaign

The City of Stonnington is leading the way in animal welfare and works closely with the Save a Dog Scheme (SADS) which operates Council's pound and helps to re-house animals or find suitable adoption until they can be re-housed. In addition, in November 2010 Council unanimously agreed to support the removal of the 28-day rule for the holding of dogs and cats in pounds and shelters and to support the 'Stop the Clock' campaign. The previous Code of Practice for the management of dogs and cats in shelters and pounds required that the maximum time any animal selected for sale can be held at a shelter is four weeks. At the conclusion of this period, the animal was required to be euthanased or permanently removed from the facility. By removing this restriction within the Code of Practice, shelter operators have been provided with greater flexibility in determining the amount of time necessary to find a permanent home for these animals.

Yarra River Biodiversity Project

Council continues to seek funding for the Yarra River Biodiversity project and was successfully granted \$100,000 during the year from Melbourne Water.

ORGANISATION CHART



Human Resources and Organisational Development



Blue Horizon

Stonnington's workplace culture improvement program, Blue Horizon, continued to improve the engagement of our workforce. Results of the November 2009 survey showed that our people are engaged and positive about working at the City of Stonnington. This was reinforced by the high participation rate in the survey of a little over 75 per cent. The intervening period has been spent developing programs and undertaking in excess of 30 workshops as a result of survey outcomes. At these workshops employees highlighted priorities for workplace improvements to be implemented over the coming 12 months.

A number of actions were undertaken across the organisation as well as at department level including:

- A Leadership Development Framework was developed to meet the needs of our developing and aspiring leaders.
- Better links were made between annual staff development reviews and the learning opportunities available in our Corporate Training Program.
- Communication needs were fed into the development of a three year Integrated Communications and Marketing Strategy.

A follow up survey will be conducted in July 2011 to allow us to monitor these improvements and capture further development needs. This way we can ensure that we retain our strong people focus and that the morale of individual staff remains high.

Learning and Development

The City of Stonnington is committed to the development of all staff through a variety of learning and development activities. The Corporate Training Program is one of these activities and targets employees from across all levels of the Council. The aim of the Corporate Training Program is to build on the skills identified as being important to achieving organisational goals and related to employees' professional development.

Outcomes from the annual Staff Development Program form the basis of the Corporate Training Program. Employees, in discussion with their Supervisor, discuss development needs for the coming year. These are recorded and the common needs incorporated into the program.

Courses held as part of the 2010/11 Corporate Training Program that came out of the Staff Development Program process included Leadership Fundamentals, Giving and Receiving Feedback and Microsoft Office.

One of the highlights of 2010/11 was the implementation of the Lunch 'n' Learn program. This program, attended by staff from all levels of the organisation, provides access to training during lunch breaks on topics such as Running Effective Meetings and Minute Taking. The Lunch 'n' Learn sessions make effective use of staff time and also provide opportunities for those people who would otherwise be unavailable to attend training. The success of this program resulted in the development and implementation of further sessions to be run over 2011/12.

Another initiative designed to support staff in continued learning and development is Council's Educational Assistance Policy. In the 2010/11 financial year, 10 staff commenced or continued further study with the support of Council.

Induction

The City of Stonnington's Corporate Induction Program is attended by all new full and part-time staff. This program, run over three sessions, covers topics such as Occupational Health and Safety, Equal Opportunity and an Organisational Induction and Bus Tour around the municipality.

A valuable addition to the induction program in 2010/11 was the inclusion of a presentation by the Sustainable Environment Unit. This was particularly beneficial in educating new staff on waste, recycling, green purchasing and saving energy at work.

A total of 68 new staff attended the induction program in 2010/11 and current staff are also welcome to attend.

Staff Profile

Council's workforce as at 30 June 2011 was 829 people*. The head count in terms of gender balance by mode of employment and organisational seniority is shown in the following tables.

*532.38 Full Time Equivalent (FTE).

In 2010/11 Stonnington staff attended over 248 different training courses. These covered a wide range of topics including compliance, professional development, technical skills and leadership.

Wellbeing Program

The Wellbeing Program aims to educate and empower employees to be responsible for their own health and make positive lifestyle changes. The program assists Council to meet occupational health and safety requirements and benefits the organisation because these lifestyle factors can result in a decrease in absenteeism and increase in staff morale. It has also been listed by employees as one of the best things about working at Council which means that it assists us to retain employees and in turn keep recruitment costs down.

The Wellbeing Program for 2010/11 consisted of many varied events and initiatives aimed at meeting the health and wellbeing needs and interests of the organisation's diverse workforce. Through the extremely popular 10,000 Steps Team Challenge it was found that team health challenges were preferred by many Stonnington employees and this has helped shape the planning of the 2011/12 Wellbeing Calendar.

Great success was achieved by the Wellbeing Committee in meeting its goal of engaging the outdoor employees more in the Wellbeing Program. The Committee used a targeted approach to working with the outdoor employees to find ways to make the program more accessible and learn more about their interests and health needs. The Wellbeing Committee will now embark on its fifth annual program bringing employees beneficial, interesting and important health initiatives and information.

Recruitment

Over the past year recruitment was a common theme in all departments. A record number of internal appointments were made, proving the strong talent within the organisation. It highlights the strength of management and the success of many programs such as the Learning and Development Program, the Leadership Development Programs, and Council's many retention strategies such as the Wellbeing Program.

Business changes, retirements and employees moving on meant that many new employees were inducted into the City of Stonnington bringing new talent, skills and fresh ideas to help us positively shape the future of the organisation.

The Human Resources team also introduced process improvements for both candidates applying for positions at the City of Stonnington and managers needing to recruit new employees making the overall recruitment experience more efficient and effective for everyone.

Equal Opportunity

Council has a network of Contact Officers located across the organisation, dedicated to addressing Equal Opportunity and in particular to help employees to address issues such as workplace conflict, bullying, harassment and discrimination. Contact Officers are professionally trained employees with a demonstrated reputation of integrity, objectivity and credibility – they are committed to Equal Opportunity, Diversity and Equity principles. The network meets regularly for training and discussion and the program is widely publicised across the organisation.

The City of Stonnington also has a Staff Consultative Committee in place, comprising members of staff, management and union representatives who meet quarterly to discuss matters relating to the Enterprise Agreement and Equal Opportunity.

Figure 1.9 Staff Profile

	Male		Female		Total
Full-time	257	(60%)	171	(40%)	428
Part-time	50	(26%)	139	(74%)	189
Casual	78	(37%)	134	(63%)	212
Total	385	(46%)	444	(54%)	829

	Male		Female		Total
Executive	4		2		6
Managerial	11		8		19
Non-managerial	370		434		804
Total	385		444		829

Occupational Health and Safety



Policy

"The City of Stonnington is committed, so far as is reasonably practicable, to providing and maintaining a working environment for employees, contractors, and members of the general public that is safe and without risks to health. Our commitment is a management priority covering all operations and functions, including those where our people work off site, and extends to ensuring our operations do not place the community at risk of injury or illness.

Meeting this commitment requires teamwork, with employees and contractors at all levels cooperating in order to ensure that a safe environment is maintained for everyone. All staff will receive the necessary training to work safely, and to participate in health risk programs."

Stonnington Council continued to demonstrate its strong commitment to Occupational Health and Safety (OHS) in 2010/11 with solid progression of Council towards the target of Council-wide A/NZS 4801 – Occupational Health and Safety Management System accreditation.

Key points addressed during 2010/11 include:

Reporting

The Risk Management Unit reports to the Executive Management Team on Occupational Health and Safety, including statistics, incidents, strategy, training, activities, new and reviewed policies and progression to A/NZS 4801 each month. Further reporting is provided to the Audit Committee quarterly and the Council every six-months. Occupational Health and Safety is one of the required meeting agenda items for all team meetings.

Objectives and Targets

Key Performance Targets have been developed for the Corporate Plan, and the Risk Management Strategy and Action Plan 2009-2012 sets and reports on the progress and status. Occupational Health and Safety Objectives and Targets were set and approved by both the

Occupational Health and Safety Committee and Executive Management Team in September 2010.

A/NZS 4801 Occupational Health and Safety (OHS) Management System

Accreditation Progress

Council has undertaken the following during the year:

- A review of all policies and procedures in the OHS Manual
- Training and raising awareness of OHS responsibilities of all staff and their knowledge of the OHS policies and procedures
- Advancing the usability and content of the Risk Register and online incident recording
- Establishment of a coordination committee to monitor the progress of the divisions towards A/NZS4801
- Internal audits on the understanding of the various policies and procedures and to check compliance.

City Works was audited during the year and has successfully maintained its certification, which has been in place for a number of years.

Training

Ongoing induction and refresher training of staff and contractors is considered important to ensure everyone knows how they are supposed to work in their local work environment and to ensure the Council's requirements are met that anyone who attends each work-site knows the safe working procedures for those areas.

During 2010/11, Council delivered:

- OHS Induction (for 60 new staff) and a refresher course
- Manual handling
- Department/work unit specific induction
- Contractor induction
- Confined spaces training
- Chemical register training
- Risk register training
- First Aid and CPR training

Figure 1.10 Annual Staff turnover (of full-time and part-time employees)

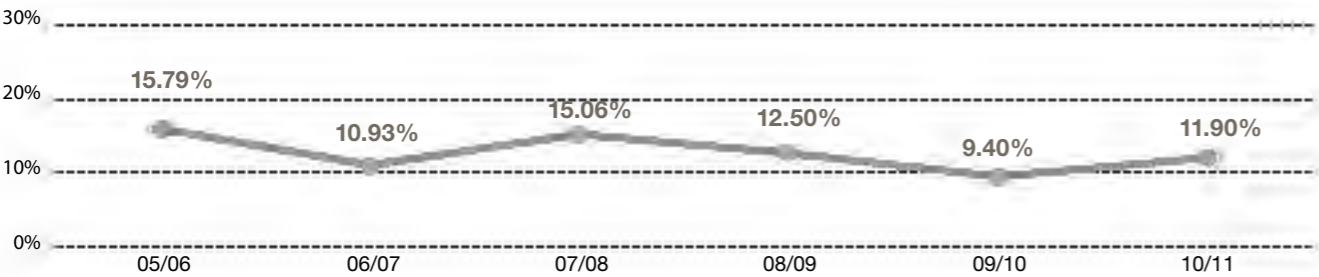


Figure 1.11 Ensuring Equal Opportunity

EO Statistics	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Training sessions conducted	8	16	24	9	10	8
Employees attending training sessions	160	257	251	82	118	122
EO reports raised	4	5	5	0	0	0
EO reports investigated internally	4	5	5	0	0	0
EO reports investigated by EO Commissioner	0	0	0	0	0	0
EO reports dismissed by EO Commissioner	0	0	0	0	0	0

Health Checks

Regular checks are conducted for

- High risk areas and work station assessments as required
- Hearing
- SunSmart

Chemwatch

Staff have had training on the Chemical Register used by Council to enable them to further populate the register and attach the necessary Material Safety Data Sheets and manage any hazards or risks that certain chemicals pose to the health of individuals.

OHS Manual and Service Plans

This year has seen a major review of the OHS Manual and Service Plans have or are being updated as a flow-on from this review. Policies and procedures were forwarded to Council's specialist legal advisor for checking and found to be well drafted and able to be followed.

Internal OHS Audits

Following the review of the OHS Manual a process of Internal Audits of the understanding of these policies and procedures has commenced with Corporate Services, Sustainable Futures and City Works preparing for the November 2011 A/NZS 4801 external audit. The other two Divisions will proceed through this in 2012.

There are now eight internal auditors, who have been working on the 2010-2011 schedules. The program for the coming year is being developed. A total of 99 per cent of internal audits were conducted as planned. A total of 90 per cent of workplace inspections – were conducted in line with the procedure.

This has been a significant commitment from each work unit to ensure that they fully understand their OHS responsibilities and the staff who trained to do these internal audits.

OHS Representatives Committee

The OHS Committee meets quarterly and has a strong group of representatives who share information and inform others of what is happening in their work unit. This is the forum for consultation with staff to commence the review of policies or creation of new policies, and other matters associated with OHS. The OHS Officer and Injury Management Officer also advise on what is happening in the field. The OHS Committee minutes are distributed and

placed on the OHS noticeboard, as well as department meeting minutes. Further evidence of consultation structures are contained in the OHS Manual with three procedures that relate to consultation: Issue Resolution, Consultation and Communication, and Designated Work Groups.

Emergency and Evacuation Management

Extensive work has been undertaken following the installation of an electronic alarm system at Prahran Town Hall with the revised Emergency Manual being issued to wardens in late June. The Evacuation Manual is now being reviewed for the Stonnington City Centre (Malvern) as installation of an electronic alarm system is nearing completion at Malvern. The training of wardens in evacuation and fire extinguisher use across all work places and a schedule of evacuation drills also commenced.

Harmonisation of the OHS Acts

Work on the harmonisation of the OHS Acts across Australia has been proceeding with concerns on the possible implications to all workplaces on the extent of anticipated change. Council is continuing with its review of policies and training, and will transition to any new legislation.

Procurement Policy

The Procurement Policy was made under Section 186A of the Local Government Act 1989. This section of the Act requires the Council to prepare, approve and comply with a Procurement Policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by the Council.

The policy applies to all contracting and procurement activities at Council and is binding upon Councillors, Council officers and temporary employees, contractors and consultants while engaged by the Council.

This Policy is to be read in conjunction with the OHS Purchasing Policy Procedure – Procedure OHS A 4.2, among other Council policies.

Safety Week

Another successful week of programmed events and activities was undertaken in the last week of October focused not only around safety in the workplace but also work life balance.

Figure 1.12 WorkSafe Key Performance Indicators

KPI		2010/11	2009/10
1	Number and rate of incidents	179 incidents (3.44 per week)	203 incidents (3.9 per week)*
2	Number and rate of standardised claims	49 new claims registered. Of these, 15 (30.61%) were Standard, or upgraded to Standard claims.	27
3	Number and rate of time lost claims	27 (1.92 per week)	36 (1.44 per week)
4	Number of claims exceeding 13 weeks	2	2
5	Number of fatality claims	0	0
6	Average cost of claim	\$1820.08	\$2,164.59
7	Percentage of total claims lodged who have Return to Work Plans	17.02% (not required for all claims)	31.75% (not required for all claims)
8	Evidence of OHS Policy Statement, OHS objectives and regular management reporting	See comments above	
9	Evidence of OHS criteria in purchasing guidelines	Included in Policy	Included in Policy
10	Evidence of consultation structure	See comments above	
11	Percentage of Internal Audits/Inspections conducted as planned	100%	99%
12	Percentage of issues identified from:		
	Internal audits	100%	100%
	HSP Pins	Nil	None received
	WorkSafe Notices	1	1 – overturned on appeal
	OHS Committee recommendations	100%	100%
	OHS Projects	100%	100%
13	Percentage of management and staff who received OHS training	50% covering training listed above 80% being education on policies and procedures as part of review	80%



Risk Management

WorkCover Claims Lodged

Figure 1.13 WorkCover Claims Lodged 2010/11

	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05
No time lost claims	22	27	26	15	20	24	21
Time lost claims	27	36	18	22	22	32	36
Total claims lodged	49	63	44	37	42	56	57

The City of Stonnington has recorded a 77 per cent reduction in the number of days compensation was paid during the year 2010/11, and a 29 per cent reduction in the number of claims that have been registered as, or upgraded to, Standard claims. The Streetsahead Joint Venture has recorded a 92 per cent reduction in number of days compensation paid during the year 2010/11 and a 64 per cent reduction in the number of claims that have been registered as, or upgraded to, Standard claims.

Stonnington's claims performance in the past year has resulted in industry based improvements as well. The overall claims cost rate has fallen from 1.35 per cent in 2009/10 to 0.31 per cent in 2010/11 – the industry average is 0.67 per cent. Council's number of claims registered per \$1m remuneration dropped from 0.45 in 2009/10 to 0.29 in 2010/11. The average is 0.46. Streetsahead has improved its position in relation to the overall claims each year, except 2007/08. Claims costs incurred during 2010/11 are down from \$162,164.00 to \$38,463.00 – representing an overall improvement of 76 per cent. Streetsahead Joint Venture claims performance in the past year has resulted in industry based improvements as well. The overall claims cost rate has fallen from 3.58 per cent in 2009/10 to 0.78 per cent in 2010/11 – the industry average is 3.62 per cent. Streetsahead's number of claims registered per \$1m remuneration dropped from 3.09 in 2009/10 to 1.01 in 2010/10. The average is 2.00.

Risk management is recognised as an integral part of good management practice and as an important aspect of corporate governance. Effective risk management supports informed decision-making and encourages the identification of opportunities for continuous improvement.

Risk Management applies across the whole organisation and range of specific functions, projects and activities. It includes Occupational Health and Safety, Human Resources, Public Liability, Professional Indemnity, Financial and Information Technology risk, public image and reputation and governance.

Council has policies and procedures in place to manage, avoid or minimise potential risks that may affect our community. The principles supporting these policies are in accordance with the *International Standard ISO 31000: Risk Management – Principles and Guidelines*.

Reporting

The Risk Management Coordinator reports monthly to the Executive Team for both Risk and OHS, as well as quarterly to the Audit Committee and six-monthly to Council.

Risk Management Strategy

Council's Risk Management Strategy and Action Plan was reviewed and the current plan covers 2009-2012. It covers 28 action areas with 112 action items being addressed or completed. Key performance criteria have been developed for inclusion in future Corporate Plans in respect to Risk and OHS.

Risk Register

A risk is defined as the possibility of something happening that impacts on your objectives. It is the chance to either make a gain or a loss. It is measured in terms of likelihood and consequence.

To assist staff with this assessment Council reviewed and upgraded its Risk Register (Risk Wizard) and transferred the risks to the new format. This register is also used for OHS risks and training on the improved system has been conducted over the year with each new upgrade.

Insurances

Jardine Lloyd Thomas and Civic Mutual Plus manage Council's insurance portfolio. In negotiating insurances for 2011/12 the property market has hardened due to a number of well publicised natural disasters over the past nine months around the world. There has also been upward pressure on premiums for the professional insurances however local government has been relatively immune to date from the tough market conditions.

Motor vehicle premiums are determined on claims experience and Stonnington being an inner metro-council, has a lot of fleet on the road daily. Overall the average increase for Council insurance premium was 20 per cent.

Over the past year Council experienced major damage from hail stones (26 fleet vehicles affected) and significant storm damage to a number of buildings which has impacted on Council property insurance.

A desk top audit of Council's public liability risks was undertaken in March by the Broker and a number of Council properties were inspected as part of the property insurance risk assessment by the insurer in May.

Business Continuity and Disaster Recovery Plan (BCDRP)

The BCDR Plan was reviewed and amended in line with changes in legislation during the year and a desk-top simulation was carried out with the key Officers in late March 2011. Sub-plans for each Division will now be developed to support and direct those Divisions – in the event of a localised incident/event, and feedback into the main Disaster Plan Committee if required. The Plan is scheduled for Internal Audit early in the new financial year.

Training

The Risk Management Coordinator continues to provide Induction training to new staff members on Council's Risk Unit. He has also assisted in a number of other training programs of contractors and risk software.

Security
In May and June 2010 Council commenced the contracts for two security services after a lengthy tender process. Both contractors are fulfilling the terms of the contract very well and regular monthly meetings are held with them and the relevant business units.

Claims

Figure 1.14 Analysis of Insurance Claims

	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05
Public liability	204	205	149	196	190	182	254
	(77% denied)						
Time lost claims	5	2	2	4	4	2	0
Total	209	207	151	200	194	184	254

Figure 1.15 Motor Vehicle Claims

	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06
Motor vehicle incidents	116	145	120	135	110	104
	(51% denied)					
Over excess claims	6	12	13	20	11	18
	(5.1%)	(8.3%)	(10.8%)	(14.8%)	(10.0%)	(17.3%)

The performance of the Council is distinguished by

having a strong customer service culture complemented by business processes that are focused on business outcomes. Technology and agile business systems are therefore an integral part of the Council business. Throughout the year, Council's technology infrastructure and business systems have been progressively upgraded to improve business efficiencies and services while keeping pace with innovative technologies.

A number of strategic projects have been committed, starting with migration of Lotus Notes email system to Microsoft Exchange and associated Notes databases to a standard Microsoft platform.

These projects and initiatives formed part of the new IT and Business Systems Strategy Plan 2011/2013 that was developed and endorsed as the corporate strategy.

Milestones and Achievements for 2010/11:

— The IT and Business Systems Strategy Plan 2011/2013 was developed;

— The Council's website and Intranet were redeveloped with a new Content Management System;

— Migration of Council's Network Active Directory to AD 2003 to commence migration of Lotus Notes email system to Microsoft Exchange 2010;

— Installed new mail server infrastructure in readiness for migration of Lotus Notes email service to Microsoft Exchange 2010;

— Final quality assurance of the migration of Lotus Notes email to Outlook completed ready for rollout to Council;

— Specification for the redevelopment of Lotus Notes Disabled and Resident Parking System to Microsoft SQL.Net environment completed with the project planned for completion in late 2011;

— A new Health Management system was selected to replace the Health module in Proclaim. The transformation to the new system is to be completed in late 2011;

— Minor business systems and applications upgraded included;

— Carelink Plus to version 3.8 for Aged Care Services

— Voice mail Repatee system to version 2.5 for Council's Service Centre

— TRIM upgraded to version 6.25 to improve management and searching of Council's documents

— Risk Wizard upgraded to Reliance version 3.5 for management of OH&S

— Council's GIS system Intrapap upgraded to v 7

— Council's Halls' bookings system, RMS upgraded to latest version 8.11.472

— Property valuations database – Property Store migrated to the standard Microsoft SQL 2008

— Replaced Council's Chemalert system

— Council's main Firewall upgraded

— Council's Library computers were replaced with new Windows 7 PCs

— Developed an interface between the GRMS and TRIM document management systems

— Developed a mobile solution using Apple iPads for the Environmental Health Officers to conduct on-site premises inspections;

— Installed IT communications for the redeveloped Harold Holt Swim Centre;

— Commissioned and moved Fenwick Street Child Care Services to Phoenix Park; and

— Commissioned and installed ICT services at McArthur Street Maternal Child Health Service.

Business Systems and Technology

Environmental Management

Sustainability in the City of Stonnington is about improving the environmental, social, cultural and economic quality of life for our community without compromising the ability of future generations to do the same.

Council's role is to provide leadership in environmental performance and we strive to continually reduce the environmental impact of providing our services. Council works in close partnership with residents, community groups, businesses and other government departments to develop policies which actively promote environmental sustainability.

Our Guiding Principles

Resources

Resources must be efficiently used to minimise waste, environmental damage or lack of supply.

Equity Between Generations

The present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.

Precautionary Principle

Where there are threats of serious or irreversible environmental damage, lack of full scientific certainty will not be used as a reason for postponing measures to prevent environmental damage. Public and private decisions will be guided by careful evaluation to avoid, wherever possible, serious or irreversible damage to the environment.

Integration

The development and progression of sustainability programs will be incorporated and considered in Council processes.

Innovation

Council will take a leadership role, demonstrating and promoting how things can be done differently and more effectively, which is essential for ongoing learning and adaptation of new ideas.

Accountability

Council will effectively interact with the community by providing opportunities for two-way communication on policies, principles and programs and informing the community of ideas, decisions and achievements.

Commitment to Continuous Improvement

Sustainability is a long-term goal that requires a commitment to making continuous progress towards that goal. This commitment to continuously progress is necessary to maintain the effort and enthusiasm required to achieve desirable outcomes. It also means that change can be implemented at a manageable pace with the potential impacts of all activities and solutions fully considered to achieve maximum benefit.

Community Involvement

Education about environmental issues and ownership regarding policies, plans and commitments arise from genuine community involvement.

Triple Bottom Line Analysis

Actions must be analysed for social, environmental and financial impacts. Sound management of these three areas is imperative to a cohesive sustainability strategy that will fit into the Council's broad range of responsibilities.

Highlights

- Stage one of the Yarra River Biodiversity Project commenced, which aims to improve the quality of stormwater entering the Yarra River and improve biodiversity in the area.
- The Spring Into Gardening event attracted 6,000 people to Victoria Gardens to explore sustainable gardening and living options.
- A Sustainable Living Expo was held with over 1,000 people attending.
- Council continued working with local school teachers and students through the Stonnington Green Schools Network program, to educate students on sustainability – both at home and at school. This included tree planting and Waterwatch.
- Stonnington worked with Armadale Primary School to measure, plan and improve the biodiversity levels of an area of Glen Iris Wetlands.
- Council commenced a 12 month car share trial in March 2011, operated by Flexicar.
- Council adopted the Walking Policy in 2011, which identifies how Council can develop and implement initiatives, programs and environments so residents can reduce the amount of short car trips they take and increase the amount of walking they do.
- Council commenced the process of retrofitting of energy efficient street lighting.
- In 2010/11, a total of 16 per cent of Council's electricity for streetlighting was purchased as accredited Greenpower.
- Timers have been installed on a range of sportsground lighting systems including Toorak Park, Como Park, Orrong Romanis Reserve and Malvern Cricket Ground.
- A solar hot water system containing 42 modules was installed at the Prahran Aquatic Centre to pre-heat water for the 50 metre outdoor pool. This has resulted in reduced gas consumption for water heating.
- Over 200 solar panels were installed at the Stonnington Depot, reducing electricity consumption by 15 per cent and reducing greenhouse gas emissions by 65 tonnes.
- Malvern Cricket Ground was planted with a drought tolerant Santa Ana Couch grass during the year, and the irrigation system in all the garden beds in Hedgeley Dene Gardens was upgraded from sprinklers and shrub sprays to drip irrigation, reducing water use by half.

For more information refer to the Environment Section on page 10.



Capturing Stonnington through the eyes of our community



What I Love About Stonnington

Stonnington ran an innovative campaign in May and June 2011 – “What I love About... Stonnington” – which aimed to promote local business and tourism, and engage people in our community to share the secrets of what they love about Stonnington.

Part of this campaign included a photography and social media competition attracting 80 entries, which captured the essence of Stonnington as a place to live, visit, shop and enjoy.

A number of entries are featured throughout this Annual Report.

The images above were the winners of the “What I Love About... Stonnington” photography competition and will be made into postcards.

Best Value Victoria Report

Best Value was introduced by the State Government in 1999 with the overall objective of encouraging Local Government to achieve high community satisfaction based on service excellence and continuous improvement

The Local Government Act was amended in 2001 to incorporate the six Best Value Principles, which require Council to ensure:

- All services meet quality and cost standards.
- All services are responsive to local community needs.
- Each service is accessible to those for whom it is intended.
- Continuous improvement in the provision of services is achieved.
- A program of regular consultation with the community in relation to the services provided by Council is developed.
- Achievements in relation to the Best Value Principles are reported to the community at least once a year.

In 2000, the City of Stonnington developed a Best Value approach (Figure 1.16) comprising of four steps:

- Understand the need
- Agree what's required
- Deliver what's agreed
- Evaluate and continuously improve

Figure 1.16 Vision and Strategy



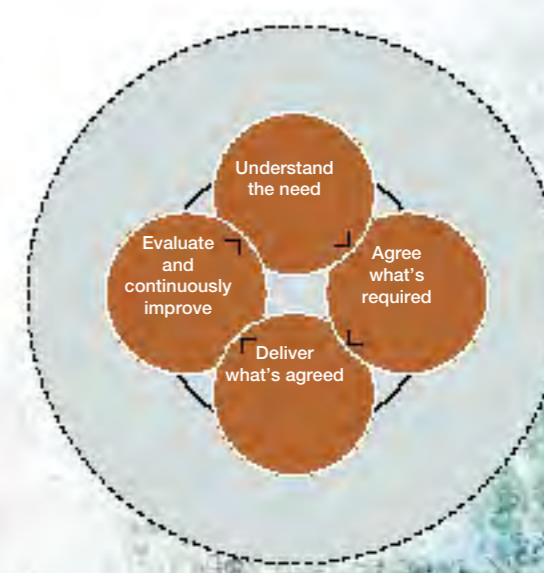
Between 2001 and 2005, Council completed an initial program of service review and has subsequently focused on ensuring that service standards continue to be a reflection of local community needs.

In 2010, Council updated its Best Value Program Service Review Guidelines. Implementation of the Best Value reviews according to this timetable commenced in 2010 and will continue through 2011.

A fundamental feature of Council's commitment to Best Value and continuous improvement is the recognition of community requirements as a main consideration in the design and delivery of services. Council actively consults with the community and the Stonnington Survey Group continues to be a valuable addition to Council's consultation methods.

A key element of Council's Best Value approach is the continued use of the Balanced Scorecard to measure performance against cost and quality standards, monitor responsiveness to customer requirements and gauge service outcome effectiveness. Council actively measures and monitors performance through Balanced Scorecards on an ongoing basis.

Figure 1.17 The Stonnington Best Value Model

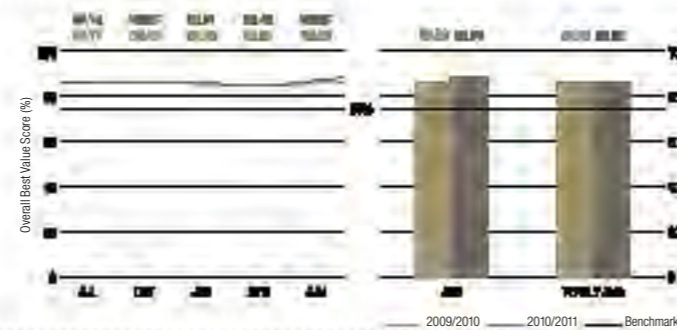


Balanced Scorecard Reporting

The Balanced Scorecard is used to measure Stonnington's performance against cost and quality standards, monitor responsiveness to customer needs and gauge service effectiveness

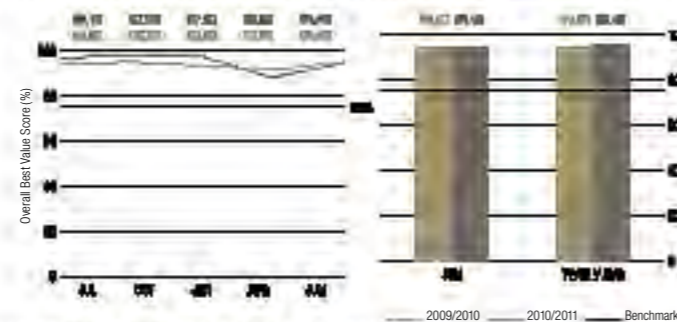
Corporate Average

Council's overall performance as a yearly average across all service areas has remained stable and maintains a high rate. A number of initiatives have been developed across the organisation to improve performance. The extreme weather conditions early in 2011 impacted on the delivery of some services to meet standards. These are reflected in the individual unit descriptions following.



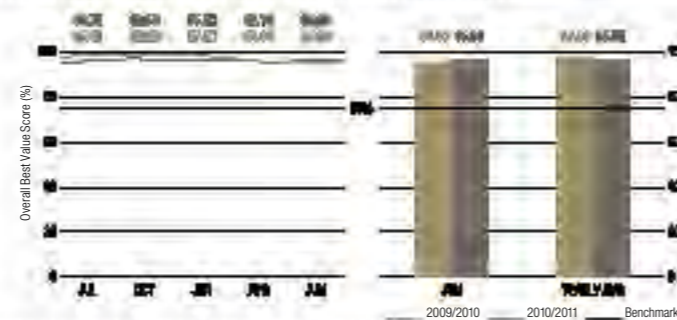
Aged and Disability – Assessment Services

Council continues to provide a high quality and responsive assessment service to older residents within budget parameters. The effectiveness of the service is evidenced by maintenance of the completion of client assessments within seven days of first contact.



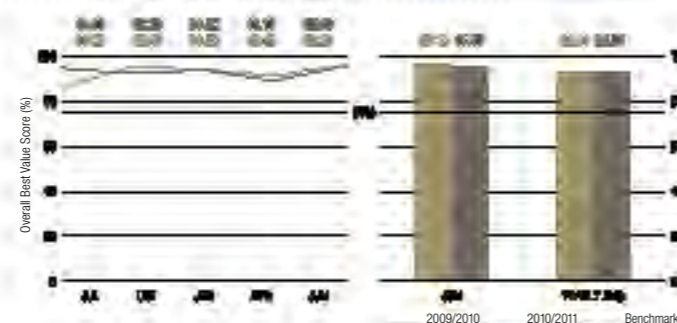
Aged and Disability – Community Based Services

Council continues to provide high quality, responsive and effective community-based services for older residents. Positive feedback and demand for the range of services provided has increased this year.



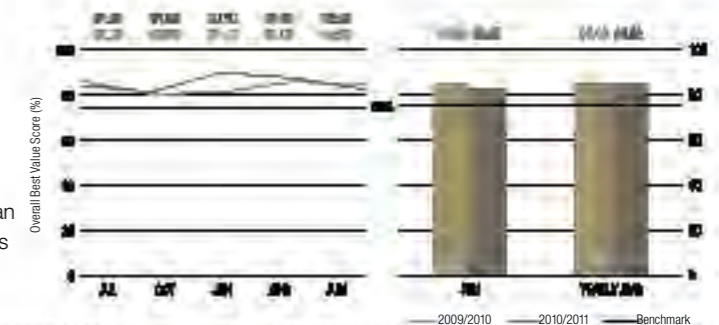
Aged and Disability – In Home Support Services

Council continues to provide high quality in home support services for older residents and people with disabilities to help them remain independent within their own homes. Council provided 62,000 hours of In Home Care Services, 3,000 hours of Home Maintenance Services and 48,000 Delivered Meals.



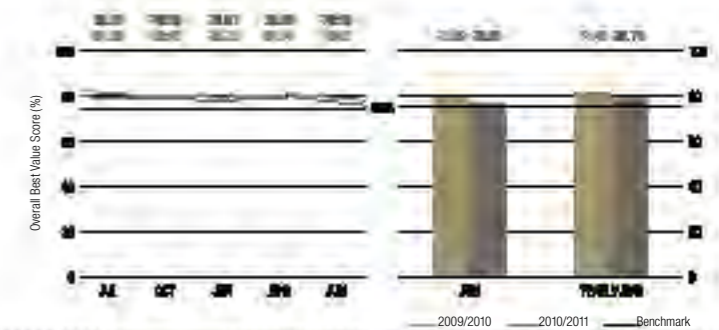
Aquatic Services

Attendance at Harold Holt Swim Centre improved with the re-opening of the 50m outdoor pool and the completion of the major redevelopment. Improved attendances ensured that cost measures also improved, while additional facilities allowed the services to improve on service quality responsiveness. Continued growth in programs and services will continue into 2011/12. Prahran Aquatic Centre attendances returned to pre-redevelopment figures with the rebalance of attendances across the two centres.



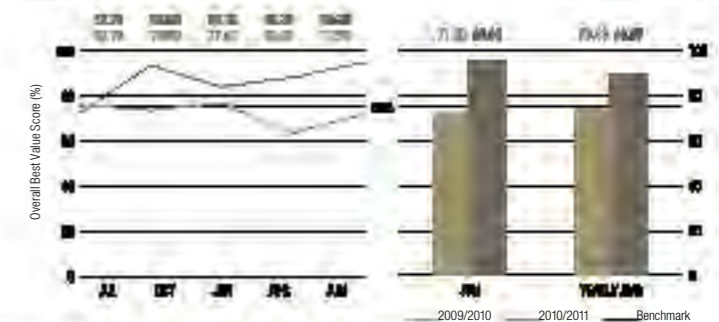
Building Control Services

Building Control Services maintained its role balancing the construction industry with the needs of residents and ratepayers through permits, enforcement and liaison. The Building Control Intervention Filter Criteria policy, for dealing with private building surveyors, was amended to open discussion with private building surveyors in cases where the Building Commission does not carry out its supervisory actions.



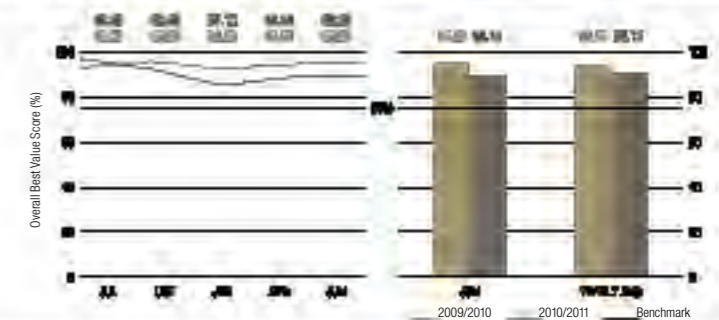
Childcare Services

Service improvements continued across the year and increased quality leading to improved utilisation. A review of staffing was undertaken and there were associated fee changes to implement new childcare regulations for 2011/12.



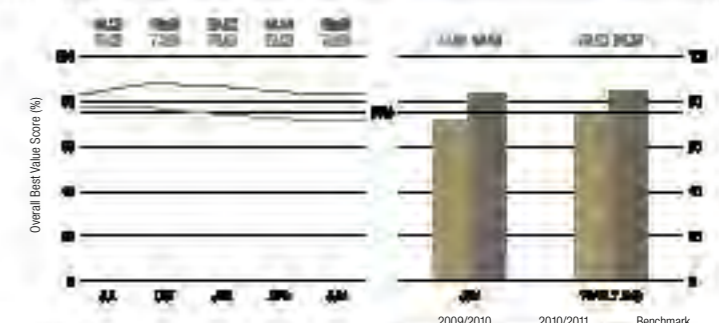
Environmental Health Services

Council continues to explore improvements in monitoring, education and enforcement processes in food, health and tobacco compliance across the municipality. Improved service systems and standards have led to increased service quality, responsiveness and effectiveness.



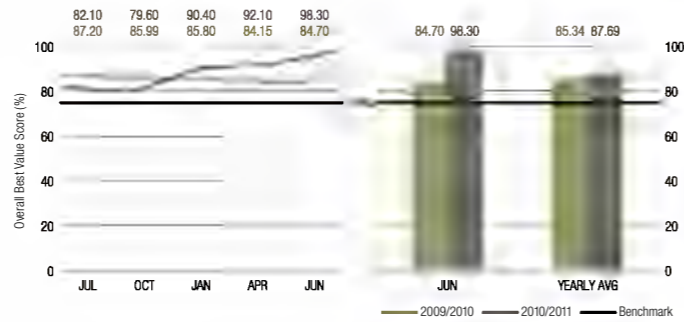
Community Amenity – Compliance and Response Services

Community demand for Council's Compliance Services continued to grow and Best Value has been achieved. The Response Unit has been transferred to Physical Services following a restructure. Service reviews and business case development has resulted in increased resources to the Compliance Unit. This promises to improve the score in 2011/12. Animal Management and Local Laws will be reported on separately for 2011/12.



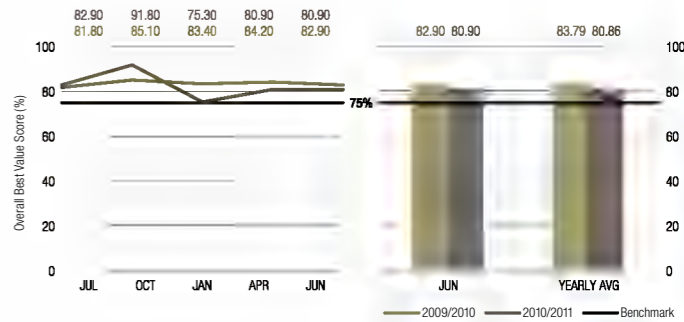
Finance Services

Effective budgetary and cost controls and an ongoing focus on cash management assisted Council to achieve a strong operating surplus, in excess of budget, while ongoing project management enabled the delivery of an internally-funded capital works program. System enhancements provided users with improved reporting tools, reduced paper flows and created efficiencies, while budgets, forecasts and other financial reports were produced in a timely manner.



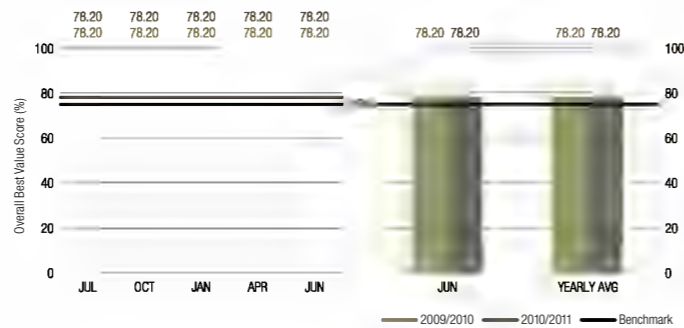
Library Services

Council continued to provide a quality library and information service to the community, with over 1.1 million items loaned. Library visits remained stable and visits to the library webpage continued to increase. Attendance at activities in all Council libraries remained steady and included programs such as Study with Us and In Conversation author talks. The 150 year history book of the Prahran Library Service, *The Pride of Prahran*, was launched in December.



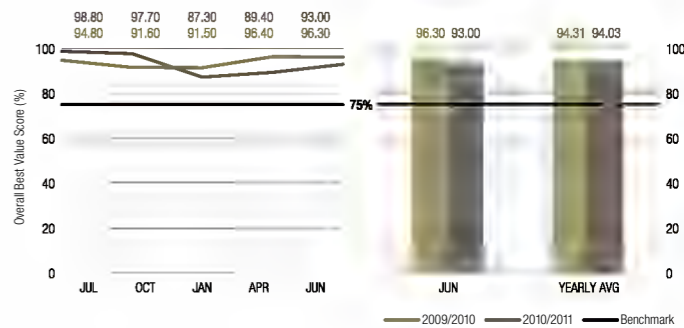
Halls Services

The new venue at Prahran Town Hall, 'Functions on Chapel' officially opened in 2010. The venue has been promoted and has a stand-alone website, and as such, bookings are increasing.



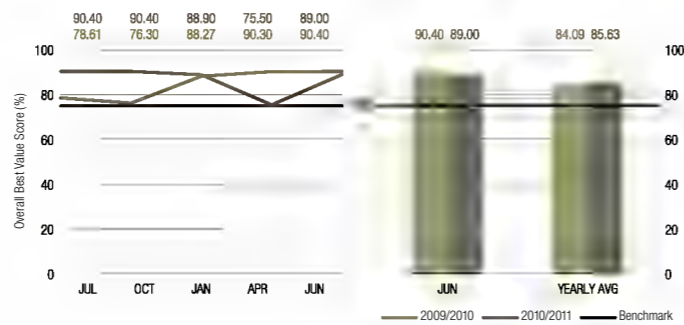
Maternal and Child Health Services

High service effectiveness is reflected in high attendance at key age/stage assessments. Implementation of a central booking system has maintained attendance and improved service to families. Reminder letters are sent for missed appointments. In collaboration with other agencies, Council maintains its responsiveness to community needs through various parent education activities.



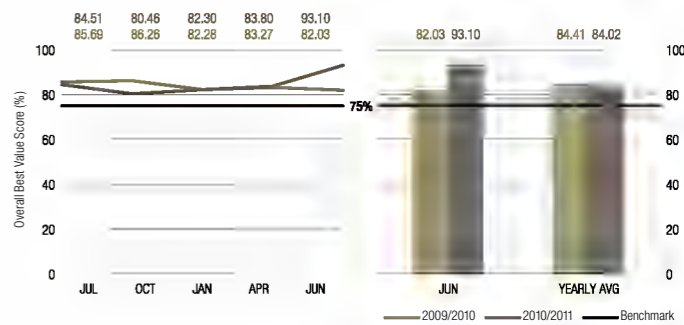
Human Resources and Organisational Development Services (Including Payroll)

There was strong participation in the Employee Engagement Survey (75 per cent) showing a high level of engagement of staff. The results showed that, overall, staff are positive about working at the City of Stonnington. Over the past year, teams have been implementing over 30 action plans to improve the workplace and service delivery to our community.



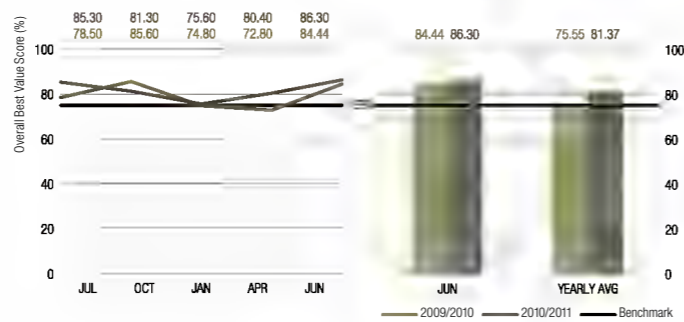
Parking Enforcement Services

Non-financial performance indicators were met. The protracted dispute with the Victorian Government over High Street clearway operating hours, plus continuing adjustments to safer operating procedures and contractor ability to provide sufficient officers on-street, caused a reduction in the number of parking infringement notices issued below target, reducing revenue. Council is reviewing service delivery with its contractor to better manage the service.



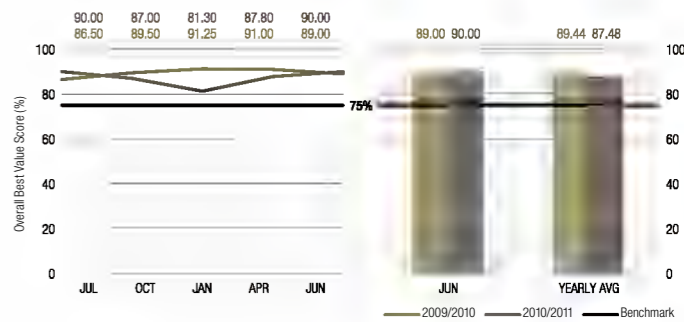
Information Technology Services

Council continued to provide quality support services to end users in 2010/11. Guided by the Council's new IT and Business Systems Strategy Plan for 2011-2013, the performance of IT services was improved by consolidating operating platforms and system upgrades while reducing maintenance overheads and administration costs.



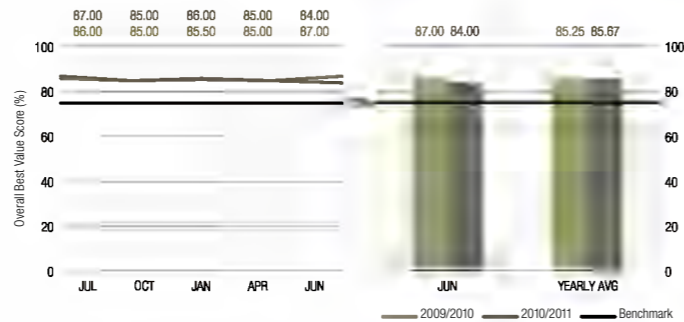
Parks and Gardens Services

Council's Parks and Gardens achieved a rating of 80 per cent user satisfaction. This rating was the highest within the survey group of 18 Councils, placing Stonnington the highest ranked. Council's contractors continue to provide a high quality and responsive service, achieving high ratings for mowing, tree management and general maintenance of park surrounds.



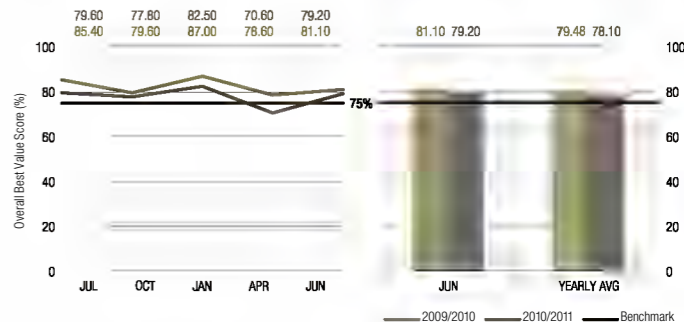
Infrastructure Services

Infrastructure services improved its consultation process with residents and continued to deliver Council's capital works program with a high completion rate within scheduled timeframes and budget allocation. Recent flood events have necessitated a review of the impact of development works on Council's drainage infrastructure assets.



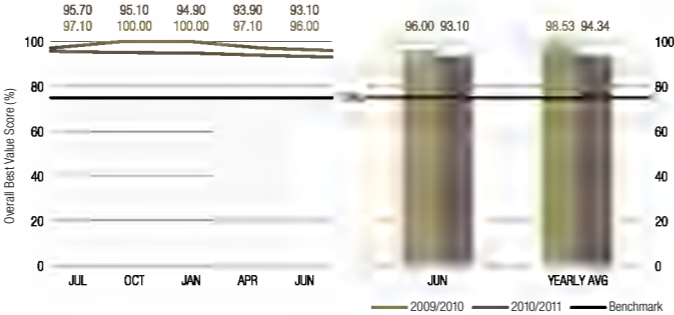
Planning Services

Planning Services' performance was generally above the Best Value benchmark. When performance dipped below the benchmark, it was due to a combination of increased application activity and staffing gaps.



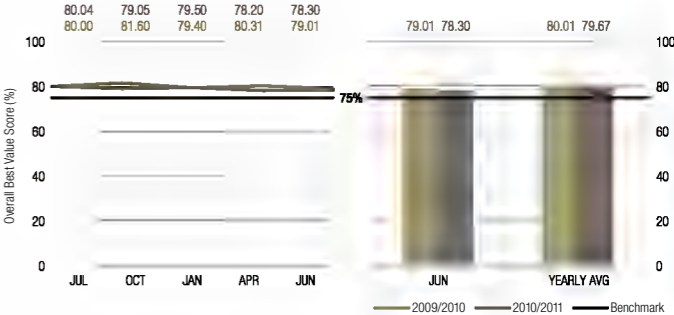
Rates Services

There was a slight decrease in arrears rates collections on last year's results but overall an excellent rate collection was achieved. There has been recalibration of the figures throughout the year that have affected the percentages but not improvement in the business processes. There was also a slight dip in the land information certificates issued which had a decreasing effect on the overall total.



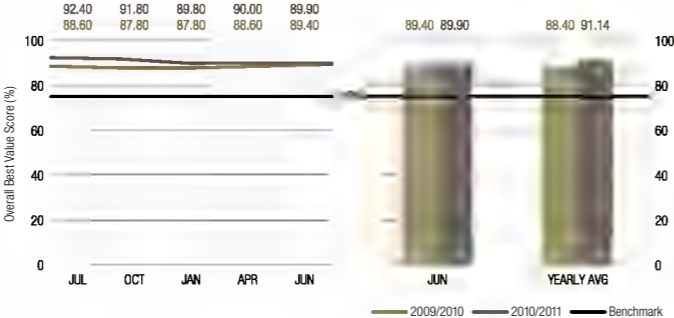
Street Cleaning Services

Severe storm activity, the breaking of the prolonged drought, and a greater volume of autumn leaves for sweeping and collection during 2010/11 predicated a fall in the measured service responsiveness and effectiveness.



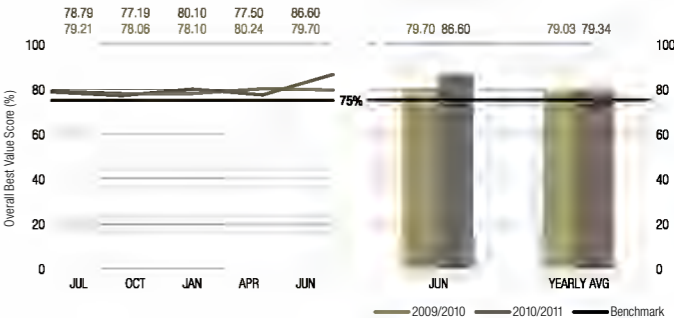
Recreation Services (Including Tennis Centres)

Sport and recreation participation continues to grow in Stonnington causing significant increases to facility utilisation levels and increasing demand for a greater range and number of sport and recreation opportunities. Highlights included the successful launch of the Active Living Program, an initiative aimed at increasing residents' participation in physical activity.



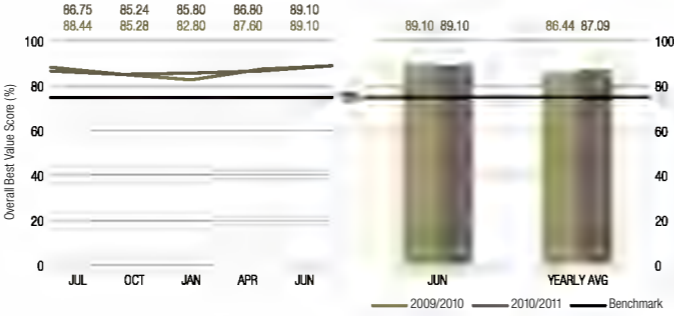
Transport and Parking Services

There was some improvement in the quality, responsiveness and effectiveness of Council's Transport and Parking Services. Revenue from operator car parks and the at-grade car parks was below budget due to the economic downturn, which continues from last year's performance. There was a positive net return overall as labour, cleaning and revenue collection costs reduced due to the introduction of Automatic Pay Stations.



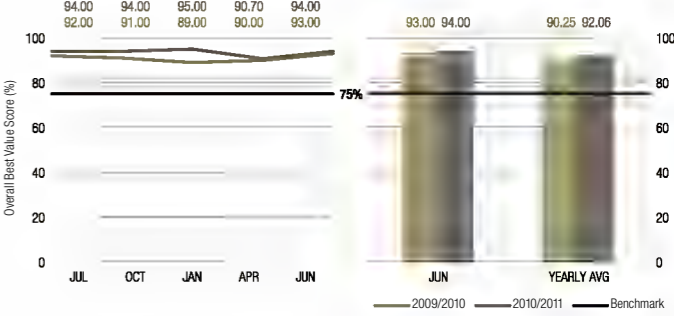
Recycling Services

Performance remained consistent throughout 2010/11 despite the change-over of contractor during this period; an action that would more usually be accompanied by a short-term drop in service delivery quality.



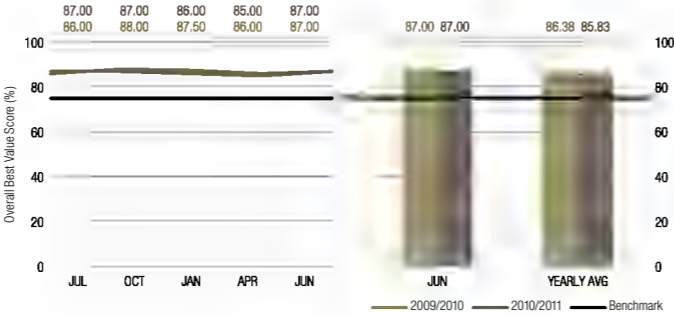
Valuations Services

Performance over the year was well within the Best Value range. An extensive supplementary valuation campaign giving rise to over 1.5 million dollars in additional billable revenue was achieved the previous year. In addition, the processing of 42 official objections and the outcomes of a five-week case in the Supreme Court were significant achievements.



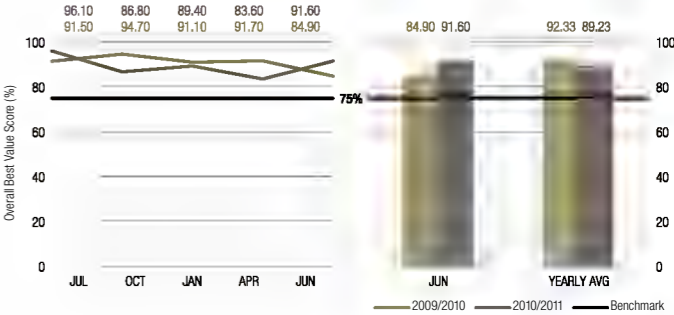
Roads and Drains Maintenance Services

Improved drain cleaning programs introduced in late 2010 helped to deal with the heightened workload created by the heavy rains in February 2011. Further improvements have been introduced since. Council continued to adhere to the Road Management Plan with inspections undertaken and issues rectified by staff.



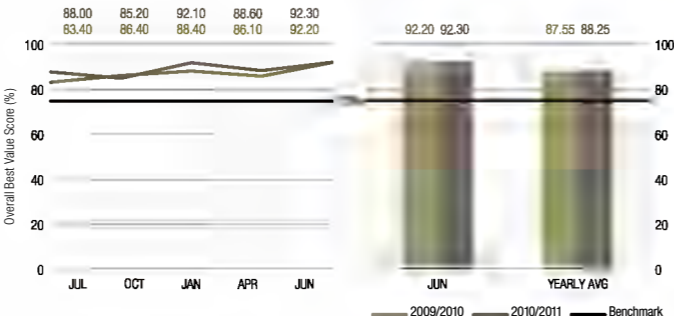
Waste Collection Services

Waste collection services were delivered to an improved standard through 2010/11. High service demand on the biannual hard and green waste service was reflected by the (comparatively) lower annual average score.



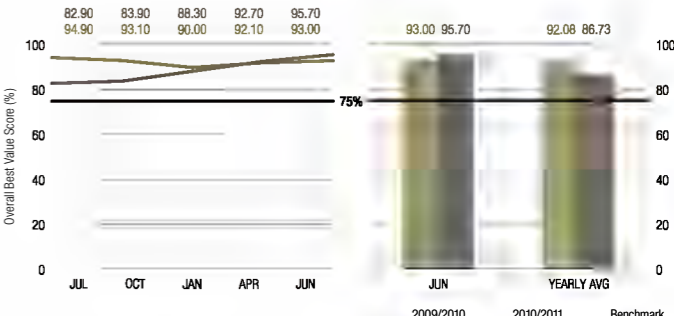
Service Centres

A high level of service was maintained throughout the year; approximately 30,000 contacts were received monthly including telephone calls, counter enquiries, cash transactions, issuing permits and various other administration activities.



Youth Services

Youth Services continued to deliver high quality programs and services to the community. Developing an evidence based approach to service delivery became a priority in 2010/11 with a focus on strong partnerships and collaborative practice underpinning the delivery of services.



NATIONAL COMPETITION POLICY COMPLIANCE: 2010-11

Certification by Chief Executive Officer

Stonnington City Council has complied with the requirements of the National Competition Policy (NCP) for the period 1 July 2010 to 30 June 2011, in accordance with the requirements outlined in National Competition Policy and Local Government (Revised 2011) as set out below:

A. Trade Practices Compliance

State whether the Council is compliant or non-compliant.
If non-compliant, justify or cite actions to redress.

Compliant

B. Local Laws Compliance

State whether the Council is compliant or non-compliant.
List all local laws made or remade during 2010-11 which impose a restriction on competition.

Compliant

–Nil

C. Competitive Neutrality Compliance

State whether the Council is compliant or non-compliant,
for all significant businesses. List any significant businesses that are non-compliant.

Compliant

–Nil

I certify that:

- a) this statement has been prepared in accordance with the 2010-11 National Competition Policy reporting guidelines; and
b) this statement presents fairly the Council's implementation of the National Competition Policy.



Warren Roberts
CEO, City of Stonnington

26 August 2011

VICTORIAN LOCAL GOVERNMENT INDICATORS

The following Victorian Local Government indicators are provided to assist in the evaluation of Council's performance during the 2010/11 financial year. The indicators were introduced by the State Government to help both the community and councils to judge the health of the Local Government sector and to benchmark individual and overall industry improvement in performance over time.

No.	Category	Indicator	Indicator Definition	2010/2011
1	Overall	Community satisfaction rating for the overall performance generally of the Council.	Result from the annual Community Satisfaction Survey for Local Governments, coordinated by Local Government Victoria.	72
2	Advocacy	Community satisfaction rating for Council's advocacy and community representation on key local issues.	Result from the annual Community Satisfaction Survey for Local Governments, coordinated by Local Government Victoria.	73
3	Engagement	Community satisfaction rating for Council's engagement in decision-making on key local issues.	Result from the annual Community Satisfaction Survey for Local Governments, coordinated by Local Government Victoria.	65
4	All Rates	Average rates and charges per assessment.	Rates and charges declared as being receivable, in the calculations for the adopted rates divided by the number of assessments used in the calculation of the adopted rate.	\$1,331
5	Residential Rates	Average residential rates and charges per assessment.	Rates and charges declared for all residential assessments divided by the number of residential assessments used in the calculation of the adopted rate.	\$1,274
6	Operating Costs	Average operating expenditure per assessment.	Total expenditure per the Income Statement including asset sales and depreciation divided by the number of assessments used in the calculation of the adopted rate.	\$2,090
7	Capital Expenditure	Average capital expenditure per assessment.	Amount capitalised to the Balance Sheet and contributions to major assets not owned by Council divided by the number of assessments used in the calculation of the adopted rate.	\$571
8	Infrastructure	Renewal.	Ratio of current spending on capital renewal of existing infrastructure assets that returns the service potential or life of the asset to that which it had originally to the long-term AAAC divided by useful life. <small>Note: The Average Annual Asset Consumption (AAAC) is the amount of Council's asset base consumed during a year based on current replacement cost.</small>	121.3%
9	Infrastructure	Renewal and maintenance.	Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or life of the asset to that which it had originally plus current spending on maintenance to AAAC plus planned maintenance divided by useful life.	113.3%
10	Debts	Average liabilities per assessment.	Total liabilities as per the Balance Sheet less items held in trust divided by the number of assessments used in the calculation of the adopted rate.	\$601
11	Operating Result	Operating result per assessment.	Surplus for the period per the Income Statement divided by the number of assessments used in the calculation of the adopted rate.	\$224

Contents:

Financial Statements

- 89 Standard Statements
- 89 Income Statement
- 90 Balance Sheet
- 91 Cash Flow Statement
- 92 Capital Works
- 93 Notes to the Standard Statements
- 95 Certification of the Standard Statements
- 96 Auditor General's Report on the Standard Statements

Financial Statements

- 98 Comprehensive Income Statement
- 99 Balance Sheet
- 100 Statement of Changes in Equity
- 101 Cash Flow Statement

Notes to Financial Statements

- 102 Introduction
- 102 Note 1 Significant accounting policies
- 110 Note 2 Rates and charges
- 110 Note 3 Traffic fines and parking
- 110 Note 4 User fees
- 111 Note 5 Grants
- 113 Note 6 Contributions
- 113 Note 7 Reimbursements
- 113 Note 8 Other revenue
- 113 Note 9 Employee benefits
- 114 Note 10 Materials and services
- 114 Note 11 Depreciation and amortisation
- 115 Note 12 Finance costs
- 115 Note 13 Other expenses
- 115 Note 14 Investment in associate
- 116 Note 15 Cash and cash equivalents
- 117 Note 16 Trade and other receivables
- 117 Note 17 Other financial assets
- 117 Note 18 Other assets
- 118 Note 19 Property, infrastructure, plant and equipment
- 123 Note 20 Investment property
- 123 Note 21 Trade and other payables
- 123 Note 22 Trust funds and deposits
- 124 Note 23 Provisions

- 125 Note 24 Interest-bearing loans and borrowings
- 126 Note 25 Gain/Loss on disposal of property, plant and equipment
- 127 Note 26 Reserves
- 128 Note 27 Adjustments directly to equity
- 129 Note 28 Reconciliation of cash flows from operating activities to surplus for the year
- 129 Note 29 Reconciliation of cash and cash equivalents
- 130 Note 30 Financing arrangements
- 130 Note 31 Restricted assets
- 130 Note 32 Superannuation
- 132 Note 33 Commitments
- 133 Note 34 Operating lease commitments
- 133 Note 35 Contingent liabilities and contingent assets
- 134 Note 36 Financial instruments
- 139 Note 37 Auditors' remuneration
- 139 Note 38 Events occurring after balance date
- 140 Note 39 Related party transactions
- 141 Note 40 Joint venture information
- 143 Note 41 Wholly owned subsidiary
- 144 Note 42 Income, expenses, and assets by function/activities
- 145 Note 43 Financial ratios (Performance indicators)
- 147 Note 44 Capital expenditure
- 149 Certification of the Financial Report

**Performance Statement for the year ended
30 June 2011**

- 154 Certification of the Performance Statement
- 155 Auditor General's Report on the Performance Statement

CITY OF STONNINGTON

Financial Report

FINANCIAL RESULTS OVERVIEW

HIGHLIGHTS

- > Operating surplus of \$12.1 million
- > Extensive capital works program of \$31 million
- > Borrowings reduced from \$4 million to only \$3.364 million

Financial Position

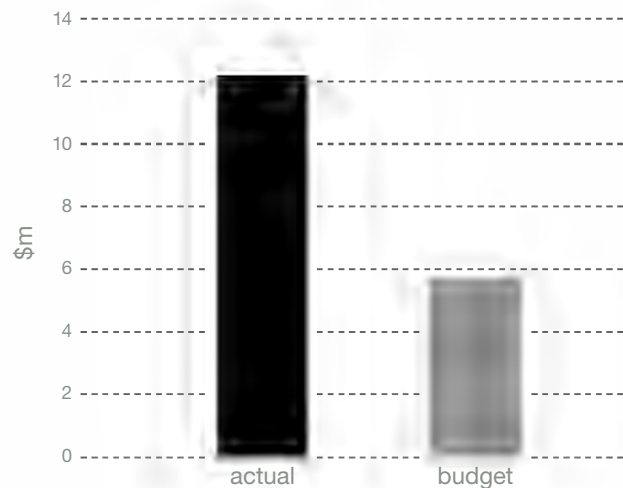
Council's strong financial position continues to be reinforced. The balance sheet indicates that current assets are more than adequate to meet current liabilities, which is an important measure of liquidity. Borrowings have been steadily reduced to only \$3.364 million, which is a very modest level of debt when compared to Council's total assets of \$1.4 billion, consequently finance costs are minimal. The 2010/11 surplus of \$12.1 million was \$6.4 million better than budget and is important because it enables Council to sustain its day-to-day operations in the longer term and provides an internal source of funding for capital works. Council's ability to fully fund its ambitious capital works programs through operational surpluses and cashflows negates the need to undertake borrowings.

The strong financial position reflects sound financial management and Council's commitment to financial sustainability. It also strengthens Council's financial capacity to deliver on the objectives and strategies of the Council Plan and Strategic Resource Plan.

Net Result

Council achieved an operating surplus of \$12.1 million compared to a budget of \$5.7 million. The favourable variance of \$6.4 million was achieved through increased revenues while cash expenses were managed within budget limits despite an unbudgeted \$2.16 million funding contribution to the Vision Superannuation defined benefits scheme.

2010/11 Operating Surplus

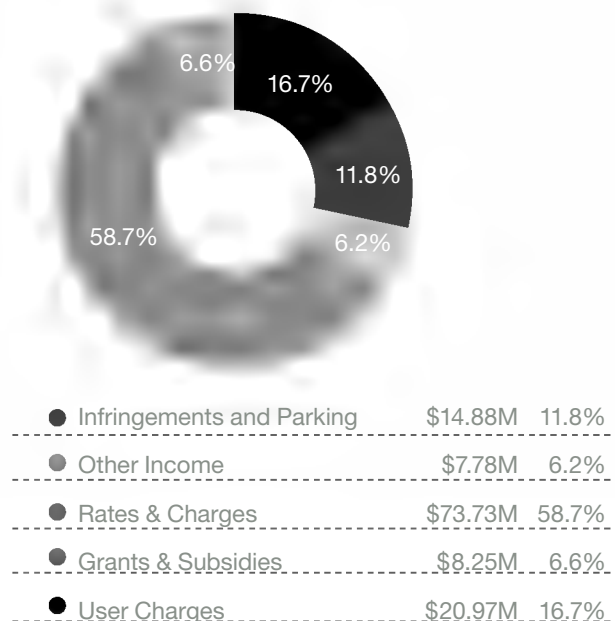


Revenue

Council's total revenue for 2010/11 of \$125.6 million compared favourably to a budget of \$120.6 million.

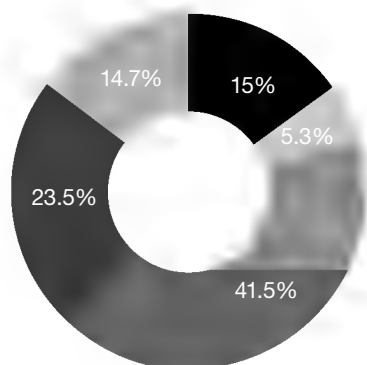
The main factors contributing to this favourable variance of \$5 million include higher rates and garbage charges (+\$1.234m), interest earned on investments (+\$1.017m), reimbursements from the State Revenue Office for valuation data (+\$0.758m) and developer contributions (+\$1.416m).

An analysis of Council's revenue sources highlights Council's ongoing reliance on rate revenue to fund community service delivery and the renewal of community assets.



Expenses

Council's total expenses for 2010/11 of \$113.456 million were under the budget of \$115.047 million. Cash costs were collectively managed within budget limits despite an unbudgeted funding payment of \$2.16 million to the Vision superannuation defined benefits fund. A revaluation of Council's infrastructure assets and a reassessment of the useful life of road assets, both undertaken after the budget was compiled, meant that depreciation charges were under budget by \$3.9 million.



● Depreciation	\$17.05M	15.0%
● Other Expenditure	\$6.00M	5.3%
● Staff Costs	\$47.10M	41.5%
● Service Delivery and Materials	\$26.72M	23.5%
● Contact Payments	\$16.68M	14.7%

Capital Expenditure

During the 2010/11 year Council's investment of \$30.988 million in capital works was entirely internally funded. This expenditure comprised \$26m to renew, replace, upgrade and expand existing assets so as to safeguard the sustainable delivery of Council's services to the community plus almost \$5m invested in new assets.

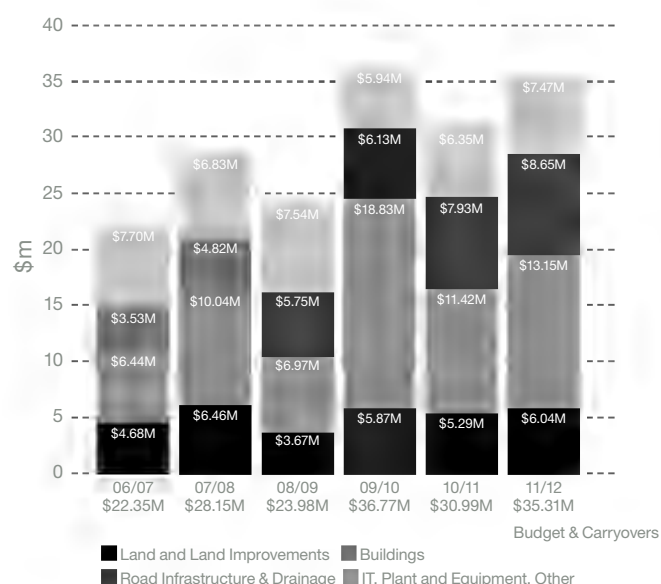
Works already underway, to the value of \$4.5 million, will be carried over to 2011/12 for completion – including the Como Park pavilion refurbishment, Prahran Market Square stage 2 and completion of Phoenix Park community centre.

Some of the key capital works in 2010/11 included: Local roads refurbishment and resurfacing, drainage and footpath works \$9.01m Buildings \$11.42m Land, parks and gardens \$5.29m Motor vehicles, plant and equipment, IT, library books, office equipment and furniture \$5.3m

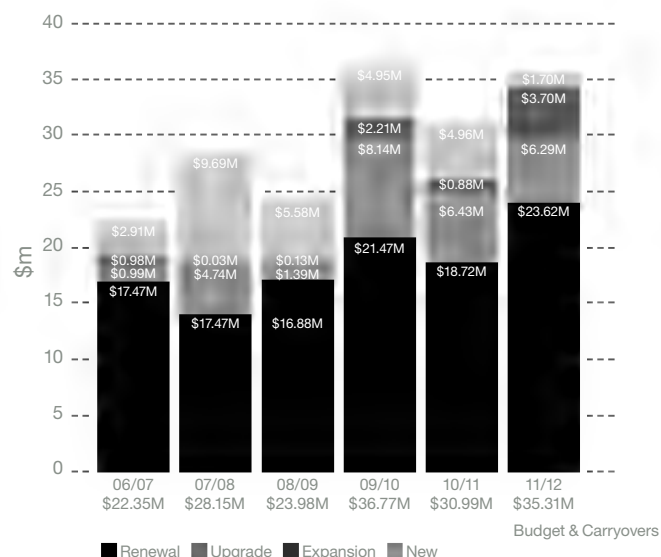
The 2010/11 capital works expenditure is classified as:

Renewal of existing assets to restore their useful life or service potential to original condition	\$18.722m
Expansion of existing assets to benefit more users	\$0.883m
Upgrade of existing assets to extend their useful life or provide greater service	\$6.425m
New assets	\$4.958m

Capital Expenditure by Asset Class



Capital Expenditure by Asset Type



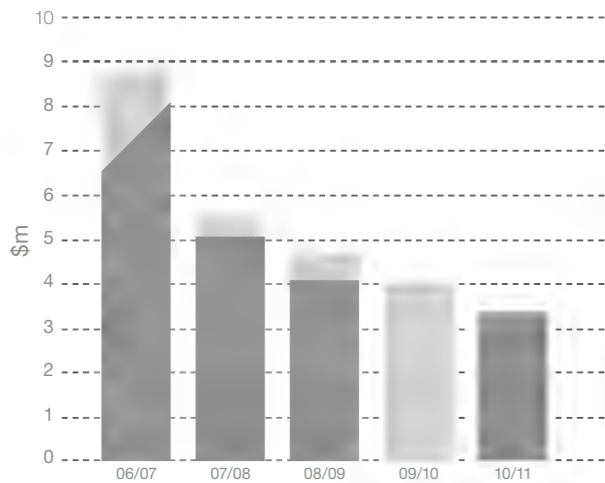
FINANCIAL RESULTS OVERVIEW

Borrowings

Debt (excluding finance leases) was reduced to \$3.364 million at 30 June 2011 from \$4.0 million at 30 June 2010. Debt funding is used where necessary to finance capital works although Council's long term projections indicate it has the capacity to fund planned capital projects with its own funds and without the need for new borrowings. With an asset base of \$1.4 billion, Council has exceptionally low levels of borrowings and this facility remains a funding option available to Council.

Scheduled repayments on existing loans will see their elimination by the 2016/17 year.

Borrowings



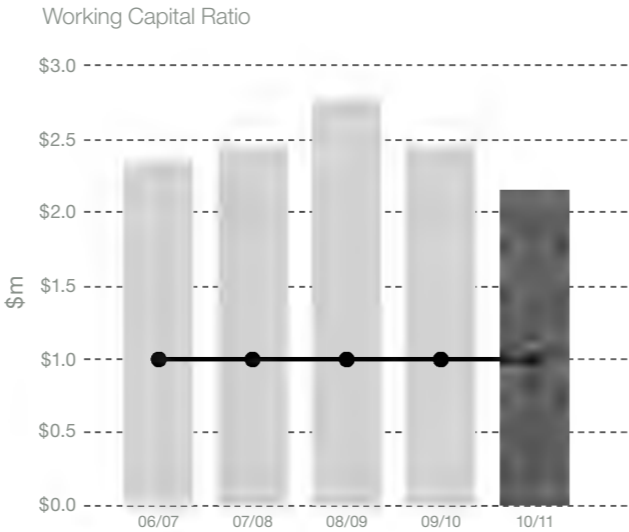
Cash and Other Financial Assets

Cash and other financial assets at 30 June 2011 total \$54.665 million.

Council's liquidity position continues to be very strong with a ratio of 206 percent. This ratio means that Council has \$2.06 of cash and current assets for every \$1.00 of current liabilities.

Legislative and policy restrictions on Council's cash at 30 June 2011 total \$30.953 million. This statutory obligation means that Council must set aside sufficient cash to fund employee long service leave entitlements and its open space and car-parking reserves.

Cash assets will be required to fund the 2011/12 capital works program of \$30.81 million as well as projects of \$4.5 million carried over into the 2011/12 year for completion.



Looking Ahead:

- The City of Stonnington is projecting an operating surplus of \$10.01 million in 2011/12 and continuation of its strong balance sheet position over the lifespan of the 2009/13 Council Plan. The strong financial position ensures Council has the capacity to deliver the objectives and strategies within the Council Plan and Strategic Resource Plan.
- The generation of operating surpluses over the four years of the Council Plan provides a key source of funding for major new initiatives. Council's 2011/12 budget also allows for another significant investment in capital works – fully funded through internal cash sources and without the need to undertake new borrowings. In fact borrowings will be further reduced in 2011/12. Major projects to be completed in 2011/12 include Surrey Road Park and Phoenix Park Community Centre.
- The approved budget includes a modest general rate increase of 4.2 percent for 2011/12, which is broadly consistent with the long-term financial strategy and among the lowest rate increases in metropolitan Melbourne.
- Council's strong financial position ensures it is able to provide high quality services to the community in all areas and provides funding for new community and organisational initiatives in line with the Council Plan.

UNDERSTANDING THE FINANCIALS

AUDITING PROCESS

Council's Financial Report includes the Financial Statements, Standard Statements and Performance Statement, and is prepared to meet the requirements of the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements are audited by the Auditor General Victoria's agent and are approved in principle by both the Council's Audit Committee and Council. The reports are then forwarded to the Auditor General's Office for finalisation and provision of the Auditor General's opinion on the Financial and Standard Statements and also for the Performance Statement.

The audit opinion from the Auditor General provides an independent view of the financial statements and will advise the reader if there are any issues of concern. The opinion confirms that the Financial Reports have been prepared in accordance with relevant legislation and accounting standards and represent a fair view of the financial affairs of Council.

For the financial year ended 30 June 2011 Council received a clear audit opinion for all financial statements.

FINANCIAL STATEMENTS

There are four key financial statements that are supported by explanatory notes.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement

Each statement assists in the overall understanding of Council's financial performance and position.

1. Comprehensive Income Statement

The Comprehensive Income Statement measures Council's financial performance for the year. This statement discloses the operating surplus or deficit resulting from continuing operations. For the year ended 30 June 2011 Council reported a surplus of \$12.158 million from its operations.

The statement includes all sources of revenue and operating expenses that relate to the delivery of Council services. The Income Statement is prepared on an accrual basis, meaning that all revenue and expenses relating to the financial year are included in the statement although the cash relating to those transactions may not have been received or paid.

The Comprehensive Income Statement includes depreciation charges, being the value of assets consumed during the year. These assets include buildings, roads, footpaths, and drains and all other infrastructure assets that are used to deliver Council services. Assets are depreciated over their expected useful life.

In accordance with accounting standards contributions of \$2.916 million received from developers are reported as revenue in this statement. However such contributions are capital in nature and Council is obligated to use those contributions to fund future capital works, particularly in the creation of open space reserves.

Although Council reported a surplus of \$12.158 million from its operations in 2010/11, the Comprehensive Income Statement also includes the net movement in Council's equity in the Clayton South Regional Landfill. For the 2010/11 year Council's equity in that joint initiative declined by \$0.101 million, comprising Council's share of profits \$0.281 million less dividends received of \$0.382 million. Council revalues its infrastructure assets biannually and the next revaluation exercise will be undertaken in June 2012. No increment or decrement was taken to account in 2010/11.

2. Balance Sheet

The Balance Sheet discloses Council's net worth and clearly defines both Council's assets and liabilities as at 30 June 2011. Assets and liabilities are classified as either current or non-current, where current assets and liabilities are expected to be converted into cash or paid within the next 12 months.

Net Assets, or Total Equity, represents Council's accumulated net worth and includes many infrastructure and community assets such as buildings, land, parks, roads and drains.

At 30 June 2011 Council has a strong Balance Sheet. Current Assets are more than adequate to meet current commitments as and when they fall due and its assets are funded by a very low level of borrowings. The main components of Council's balance sheet are cash and investments, property and infrastructure assets, low levels of borrowings, accumulated surpluses and reserves.

3. Statement of Changes in Equity

The Statement of Changes in Equity summarises the increase (or decrease) in Council's net worth for the year ended 30 June 2011. Council's net worth can only change as a result of:

- A surplus or deficit as recorded in the Comprehensive Income Statement.
- An increase or decrease in the value of non-current assets resulting from revaluation of those assets. The value of all non-current assets is reviewed regularly to ensure the true value of assets is reflected in the Balance Sheet.

UNDERSTANDING THE FINANCIALS

4.Cash Flow Statement

The Cash Flow Statement identifies Council's cash receipts and payments for the financial year and the net 'cash on hand' position at 30 June 2011. It excludes non-cash expenses such as depreciation but includes payments in relation to capital projects, proceeds from asset sales and movements in cash that Council may hold as a result of holding trust deposits. Council's cash arises from, and is used, in three main areas:

Cash Flows provided by Operating Activities: Outlines all cash receipts and cash payments relating to Council's ongoing service delivery. It is important that Council maintains a cash surplus from its operating activities to ensure the ongoing provision of day-to-day operations and to fund the purchase and enhancement of new and existing assets.

Cash Flows from Investing Activities: Includes capital works expenditure and any receipts from the sale of assets.

Cash Flows from Financing Activities: Includes proceeds from borrowing and the repayment of loans, movement in cash held in trust deposits and movement in term deposits between short term (up to 90 days) and longer term. For the purposes of the Statement of Cash Flows, and in accordance with accounting policy, only term deposits with terms of less than 90 days are treated as cash on hand.

Term deposits that mature beyond 90 days are treated as other financial assets. To the extent that cash provided by operating activities is maximised then Council is less likely to resort to the funding of capital works through external borrowings.

NOTES TO THE FINANCIAL STATEMENTS

The Notes provide further information in relation to the guiding principles employed to formulate the financial statements and detail specific items of note within the statements. The notes also advise if there has been any change to accounting standards, policy or legislation that has affected the preparation of the statements.

The notes are directly linked by number identification to the respective Financial Statement and can highlight where there has been a significant change from the previous year's comparative figure.

STANDARD STATEMENTS

The Standard Statements include three of the four statements mentioned previously (Income Statement, Balance Sheet and Cash Flow Statement) together with a further statement (Statement of Capital Works).

The Standard Statements compare actual performance to Council's financial plan, expressed through its annual budget. These statements are prepared on an accounting basis consistent with those used for the Financial Statements. All major variances to budget are explained in the accompanying notes.

The Statement of Capital Works sets out the expenditure on each major class of assets – including land and buildings, road and drainage infrastructure and plant and equipment. It also shows what investment has been made renewing, upgrading or expanding existing assets and creating new assets.

PERFORMANCE STATEMENT

Council has adopted a budget as part of its Council planning cycle and has separately identified the Key Strategic Activities (KSAs) to be undertaken during the financial year. Performance targets and measures are developed for each KSA.

The Performance Statement reports Council's achievement against these performance targets and measures for the financial year ending 30 June 2011. In some cases the assessment of whether a target has been achieved is subjective. For example, under-expenditure in capital works could be interpreted as a failure to meet expectations in development of assets, but could also be interpreted as a success and achievement of a target where efficiencies were realised and works were delivered at a lower than budgeted cost.

CERTIFICATION BY PRINCIPAL ACCOUNTING OFFICER AND COUNCILLORS

The Certification of the Financial Report by the Principal Accounting Officer is made by the person responsible for the financial management of Council and signifies that, in his/her opinion, the financial statements have met all the statutory and professional reporting requirements.

The Certification of the Councillors is made by two Councillors empowered on behalf of Council to certify that, in their opinion, the financial statements fairly and accurately report Council's financial position.

STANDARD INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 Actual \$'000	2011 Budget \$'000	Variance \$'000	Variance %
Revenue					
Rates and charges		73,729	72,495	1,234	1.7%
Traffic fines and parking		14,879	15,885	(1,006)	(6.3%)
User fees		18,057	17,760	297	1.7%
Grants – recurrent		7,314	7,479	(165)	(2.2%)
Grants – non recurrent	1	939	787	152	19.3%
Contributions	2	2,916	1,500	1,416	94.4%
Reimbursements	3	1,238	480	758	157.9%
Interest	4	3,007	1,990	1,017	51.1%
Other revenue	5	3,408	2,046	1,362	66.6%
Fair value adjustments for investment property	6	144	186	(42)	22.6%
Financial assets available for sale – loss for the period		(17)	–	(17)	
Total revenue		125,614	120,608	5,006	4.2%
Expenses					
Employee benefits		47,103	45,576	(1,527)	(3.4%)
Materials and services		43,399	43,418	19	0.0%
Bad and doubtful debts		–	20	20	100.0%
Community grants		2,580	2,658	78	2.9%
Depreciation and amortisation	7	17,051	20,964	3,913	18.7%
Finance costs		242	245	3	1.2%
Other expenses	8	3,044	2,083	(961)	(46.1%)
Net loss on disposal of property, infrastructure, plant and equipment		37	83	46	55.4%
Total expenses		113,456	115,047	1,591	1.4%
Profit from Continuing Operations		12,158	5,561	6,597	118.6%
Share of other comprehensive income of associates and joint ventures accounted for by the equity method		(101)	100	(201)	(201.0%)
Net Surplus for the year		12,057	5,661	6,396	113.0%

The accompanying notes form part of this financial report.

STANDARD BALANCE SHEET

AS AT 30 JUNE 2011

	Note	2011 Actual \$'000	2011 Budget \$'000	Variance \$'000	Variance %
Assets					
Current assets					
Cash and cash equivalents	9	3,657	1,989	1,668	83.9%
Trade and other receivables	10	7,048	9,139	(2,09)	(22.9%)
Other financial assets	11	51,008	40,000	11,008	27.5%
Other assets	12	1,483	1,147	336	29.3%
Total current assets		63,196	52,275	10,921	20.9%
Non-current assets					
Trade and other receivables		–	–	–	0.0%
Other financial assets	13	3,377	2,015	1,362	67.6%
Investment in associate accounted for using the equity method	14	1,860	5,234	(3,374)	(64.5%)
Property, infrastructure, plant and equipment		1,326,908	1,458,063	(131,155)	(9.0%)
Investment property	15	6,750	6,022	728	12.1%
Intangible assets	16	1,449	1,729	(280)	(16.2%)
Total non-current assets		1,340,344	1,473,063	(132,719)	(9.0%)
Total assets		1,403,540	1,525,338	(121,798)	(8.0%)
Liabilities					
Trade and other payables	17	15,127	13,123	(2,004)	(15.3%)
Trust funds and deposits	18	2,900	2,475	(425)	(17.2%)
Provisions	19	11,660	10,878	(782)	(7.2%)
Interest-bearing loans and borrowings		970	677	(293)	(43.3%)
Total current liabilities		30,657	27,153	(3,504)	(12.9%)
Non-current liabilities					
Provisions	19	1,398	1,809	411	22.7%
Interest-bearing loans and borrowings		3,446	3,688	242	6.6%
Total non-current liabilities		4,844	5,497	653	11.9%
Total liabilities		35,501	32,650	(2,851)	(8.7%)
Net Assets		1,368,039	1,492,688	(124,649)	(8.4%)
Equity					
Accumulated surplus		523,551	526,656	(3,105)	(0.6%)
Reserves	20	844,488	966,032	(121,544)	(12.6%)
Total Equity		1,368,039	1,492,688	(124,649)	(8.4%)

The accompanying notes form part of this financial report.

STANDARD CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 Actual \$'000	2011 Budget \$'000	Variance \$'000	Variance %
Cash flows from operating activities					
Rates and charges		73,572	70,994	2,578	3.6%
Traffic fines and parking		15,480	16,189	(70)	(4.4%)
User fees (inclusive of GST)		18,446	17,809	637	3.6%
Grants (inclusive of GST)		9,619	8,969	650	7.2%
Contributions (inclusive of GST)	21	2,916	1,650	1,266	76.7%
Reimbursements (inclusive of GST)	22	1,351	528	823	155.9%
Interest	23	2,900	1,840	1,060	57.6%
Other receipts (inclusive of GST)	24	4,023	5,369	(1,346)	(25.1%)
Net GST refund/payment		6,834	5,603	1,231	22.0%
Payments for materials and services (inclusive of GST)		(54,312)	(53,712)	(600)	(1.1%)
Payments to employees (including redundancies)		(46,603)	(44,523)	(2,080)	(4.7%)
Other payments	25	(3,597)	(1,070)	(2,527)	(236.2%)
Net cash provided by operating activities		30,629	29,646	983	3.3%
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	26	(26,181)	(35,039)	8,858	25.3%
Proceeds from sale of property, infrastructure, plant and equipment		409	401	8	2.0%
Payments for other financial assets	27	(3,444)	–	(3,444)	0.0%
Net cash (used) in investing activities		(29,216)	(34,638)	5,422	15.7%
Cash flows from financing activities					
Finance costs		(223)	(245)	22	9.0%
Trust funds and deposits	28	385	50	335	(670.0%)
Repayment of interest bearing loans from Prahran Market Pty Ltd		450	450	–	0.0%
Repayment of interest bearing loans and borrowings	29	(646)	(738)	92	12.5%
Net cash (used) in financing activities		(34)	(483)	449	(93.0%)
Net increase (decrease) in cash and cash equivalents		1,379	(5,475)	6,854	125.2%
Cash and cash equivalents at the beginning of the financial year		2,278	7,464	(5,186)	69.5%
Cash and cash equivalents at the end of the financial year	9	3,657	1,989	1,668	83.9%

The accompanying notes form part of this financial report.

STANDARD CAPITAL WORKS STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 Actual \$'000	2011 Budget \$'000	Variance \$'000	Variance %
Capital Expenditure By Asset Class:					
Land Improvement	30	5,290	4,450	(840)	(18.9%)
Buildings		11,416	11,908	492	4.1%
Motor Vehicles, Plant, and Equipment		2,230	2,140	(90)	(4.2%)
Other (Library Books, Office Equipment, Furniture)	31	1,981	2,346	365	15.6%
Road Others	32	1,080	1,556	476	30.6%
Drainage, Roads, Foothpaths. Kerb & Channels, ROW's, Bridges		7,928	8,720	792	9.1%
		29,925	31,120	1,195	3.8%
Equity in Joint Venture:					
Leased Plant, Motor Vehicles, and Equipment		373	–	(373)	0.0%
		373	–	(373)	0.0%
Intangible Assets		690	834	144	17.3%
		30,988	31,954	966	3.0%
Types of Capital Works					
Renewal/Replace		18,722	18,862	140	0.7%
Upgrade		6,425	6,621	196	3.0%
Expansion		883	805	(78)	(9.7%)
New Assets		4,958	5,666	708	12.5%
Total Capital Works		30,988	31,954	966	3.0%
Property, Plant, and Equipment movement Reconciliation Worksheet:					
Total capital works		30,988	31,954	966	3.0%
Movement in fair value of investment property		144	186	42	22.6%
Asset revaluation movement		–	84,000	84,000	100.0%
Depreciation/amortisation		(17,051)	(20,964)	(3,913)	18.7%
Written down value of assets sold		(571)	(447)	124	(27.7%)
Termination of Finance Leases		–	–	–	0.0%
Fully depreciated assets Written Back		–	–	–	0.0%
Write off/ Adjustment assets		(74)	–	74	0.0%
Net Movement – Property, Plant, and Equipment, Intangibles and Investment Property		13,436	94,729	81,293	85.8%

The accompanying notes form part of this financial report.

NOTES TO THE STANDARD STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

A: BASIS OF PREPARATION OF THE STANDARD STATEMENTS

The City of Stonnington is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required - a Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement, and Standard Capital Works Statement together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Report and the 2010/11 Budget. The results reported in these Statements are consistent with those reported in the 2010/11 General Purpose Financial Report, and have been prepared in accordance with all applicable Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent of budget line items. Explanations have been provided for variations below the materiality threshold if considered to be material because of the nature.

The budget figures included in the Standard Statements are those adopted by the Council at its meeting on 24 May 2010. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet the council's business plan and financial performance targets for both the short and long term. The budget also reflected expected changes to equity resulting from asset revaluations, despite the knowledge their impact would be difficult to predict.

Detailed information on the actual financial results are contained in the General Purpose Financial Report. The detailed budget can be obtained by reference to Council's web site. The Standard Statements must be read with reference to these documents.

Note 1 Grants – Non recurrent

Council received the following unbudgeted grants: Harold Holt Swimming Centre redevelopment, Energy Efficient Street lighting, George Gahan Community Centre Roof and Forest Hill Precinct Creating better places.

Note 2 Contributions

Developer contributions for public open spaces were higher than budget due to strong levels of development activity.

Note 3 Reimbursements

A greater range of revaluation services provided for State Revenue Office and Service Authorities, Insurance recoveries for various Council properties following storm damage and other operating costs reimbursed by third parties were all in excess of budget.

Note 4 Interest

Interest income exceeded budget as the year's opening cash position and interest rates on investments during the year were both higher than budgeted.

Note 5 Other revenue

Other revenue was favourable to budget with higher revenue from transport clearway towing and an unbudgeted Clayton Landfill Joint Venture dividend of \$380K.

Note 6 Fair value adjustments for investment property

The movement in the valuation of Council's investment property was lower than budgeted by \$42K.

Note 7 Depreciation

Depreciation was lower than budget mostly due to the June 2010 revaluation exercise, which was undertaken after the budget was set, causing an extension of road asset lives

Note 8 Other Expenses

Other expenses were higher than budget due to unplanned asset writeoffs and debt collection costs and operating projects both exceeding budget.

Note 9 Cash and cash equivalents

Cash and cash equivalents include all term deposit investments with expiry dates less than 90 days from the end of the financial year. Any term deposits maturing greater than 90 days from 30 June 2010 are classified as Other Financial Assets. Council's short term deposits at June 2011 exceeded budget.

Note 10 Trade and other receivables

Lower traffic infringements issued during the year and improved debtor collection processes both contributed to receivables being less than budget at June 2011.

NOTES TO THE STANDARD STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 11 Other Financial assets – current

The stronger than budgeted operating performance, more effective cash collection processes and some timing delays in capital works all contributed to cash investments exceeding budget.

Note 12 Other assets

Accrued interest on investments is higher than budgeted.

Note 13 Other Financial assets – non current

Other financial assets exceeded budget due to the inclusion of shares held in Regional Kitchen Pty Ltd.

Note 14 Investment in associate accounted for using the equity method

See note 13 – this item was less than budget as the investment in Regional Kitchen Pty Ltd is now shown under ‘other financial assets’.

Note 15 Investment Property

The value of Council’s City Square investment property exceeded expectations.

Note 16 Intangible assets

Lower than budget expenditure on software meant that intangible assets are under budget.

Note 17 Trade and other payables

The value of payments outstanding for trade creditors at 30 June 2011 was higher than expected due to a significant volume of capital works performed in the last quarter of 2010/11.

Note 18 Trust funds and deposits

The movement in trusts and deposits held is unpredictable. In contrast to budget assumptions, receipts for the year exceeded refunds paid.

Note 19 Provisions

The Long Service Leave provision is calculated under the new Enterprise Bargaining Agreement and reflects newly negotiated entitlements.

Note 20 Reserves

The asset revaluation decrement booked in 2009/10 was not anticipated in the budget.

Note 21 Contributions (inclusive of GST)

Developer contributions for public open spaces were higher than budget due to strong levels of development activity.

Note 22 Reimbursements (inclusive of GST)

A greater range of revaluation services provided for State Revenue Office and Service Authorities, Insurance

recoveries for various Council properties following storm damage and other operating costs reimbursed by third parties were all in excess of budget.

Note 23 Interest

Interest income exceeded budget as the year’s opening cash position and interest rates on investments during the year were both higher than budgeted.

Note 24 Other receipts (inclusive of GST)

Other receipts were unfavourable to budget due to timing issues.

Note 25 Other payments

Other payments were higher than budget due to debt collection costs and operating projects both exceeding budgets.

Note 26 Payments for property, infrastructure, plant and equipment

Timing delays in capital projects have caused below budget expenditure, although significant commitments and projects commenced late in 2010/11 will be carried over into 2011/12 and completed in that year.

Note 27 Payments for other financial assets

This variance relates to the increase in longer term cash deposits.

Note 28 Trust funds and deposits

The movement in trusts and deposits held is unpredictable. In contrast to budget assumptions, the receipts for the year exceeded refunds paid.

Note 29 Repayment of interest bearing loans and borrowings

Finance lease payments were slightly lower than budget assumptions.

Note 30 Land Improvement

Includes expenditure on capital works carried over from 2009/10 not provided for in the 2010/11 budget

Note 31 Other (Library Books, Office Equipment, Furniture)

Savings were realised across a range of projects.

Note 32 Road Others

A number of projects were not completed in 2010/11 and will be carried over to the 2011/12 financial year.

CERTIFICATION OF THE STANDARD STATEMENTS

In my opinion, the accompanying standard statements have been prepared on accounting bases consistent with the financial report and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

Brian Hood CPA

Principal Accounting Officer

29 August 2011

Malvern

In our opinion, the accompanying standard statements have been prepared on accounting bases consistent with the financial report and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

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

We have been authorised by the Council on 29 August 2011 to certify the standard statements on its behalf in their final form.

Cr Melina Sehr

Mayor

29 August 2011

Malvern

Anne O'Shea

Councillor

29 August 2011

Malvern

Warren Roberts

Chief Executive Officer

29 August 2011

Malvern

AUDITOR GENERAL'S REPORT ON THE STANDARD STATEMENTS

AUDITOR GENERAL'S REPORT ON THE STANDARD STATEMENTS

VAGO

Victorian Auditor-General's Office
INDEPENDENT AUDITOR'S REPORT
To the Councilors, Stonnington City Council

The Standard Statements and Financial Report

The accompanying standard statements for the year ended 30 June 2011 of the Council which comprise of standard income statement, standard balance sheet, standard cash flow statement, standard capital works statement, the related notes and the certification of standard statements have been audited.

The accompanying financial report for the year ended 30 June 2011 of the Stonnington City Council which comprises of the consolidated comprehensive income statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The Councilors's Responsibility for the Financial Report and Standard Statements

The Councilors of the Stonnington City Council are responsible for the preparation and fair presentation of:

- the standard statements in accordance with the basis of preparation as described in a basis of preparation of the standard statements of the statements and the requirements of the Local Government Act 1989
- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the Local Government Act 1989.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the standard statements and financial report that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the Audit Act 1994, my responsibility is to express an opinion on the standard statements and financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the standard statements and financial report are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standard statements and financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the standard statements and financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the standard statements and financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councilors, as well as evaluating the overall presentation of the standard statements and financial report.

Level 24, 35 Collins Street, Melbourne VIC 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Available in the Public Interest

VAGO

Victorian Auditor-General's Office
Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the Constitution Act 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion:

- the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in a basis of preparation of the standard statements to the statements and comply with the requirements of the Local Government Act 1989
- the financial report presents fairly, in all material respects, the financial position of the Stonnington City Council as at 30 June 2011 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the Local Government Act 1989.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to a basis of preparation of the standard statements to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the Local Government Act 1989. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Standard Statements and Financial Report

This auditor's report relates to the Standard Statements and Financial Report of the Stonnington City Council for the year ended 30 June 2011 included both in the Stonnington City Council's annual report and on the website. The Councilors of the Stonnington City Council are responsible for the integrity of the Stonnington City Council's website. I have not been engaged to report on the integrity of the Stonnington City Council's website. This auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
1 September 2011

Robert
DOR Parnell
Auditor-General

Level 24, 35 Collins Street, Melbourne VIC 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Available in the Public Interest

COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Note	Council		Consolidated	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Income					
Rates and charges	2	73,729	68,874	73,729	68,874
Traffic fines and parking	3	14,879	15,543	14,879	15,543
User fees	4	18,057	17,710	21,039	20,642
Grants – recurrent	5	7,314	7,461	7,314	7,461
Grants – non recurrent	5	939	822	1,007	902
Contributions	6	2,916	2,054	2,916	2,054
Reimbursements	7	1,238	535	1,238	535
Interest		3,007	2,373	3,271	2,541
Other revenue	8	3,408	2,988	3,408	2,991
Fair value adjustments for investment property	20	144	940	144	940
Financial assets available for sale – gain/(loss) for the period		(17)	150	(17)	150
Total income		125,614	119,450	128,928	122,633
Expenses					
Employee benefits	9	47,103	43,144	47,669	43,797
Materials and services	10	43,399	40,658	45,120	42,314
Community grants		2,580	2,710	2,580	2,710
Depreciation and amortisation	11	17,051	19,637	17,269	19,853
Finance costs	12	242	279	242	279
Other expenses	13	3,044	4,257	3,024	4,268
Net loss on disposal of property, infrastructure, plant and equipment	25	37	166	37	166
Total expenses		113,456	110,851	115,941	113,387
Profit from operations		12,158	8,599	12,987	9,246
Other comprehensive income					
Share of other comprehensive income of associates accounted for by the equity method	14	(101)	1	(101)	1
Net Asset revaluation increment/(decrement)	26(b)	–	(21,466)	–	(21,46)
Comprehensive result		12,057	(12,866)	12,886	(12,219)

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

BALANCE SHEET AS AT 30 JUNE 2011

	Note	Council		Consolidated	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Assets					
Current assets					
Cash and cash equivalents	15	3,657	2,278	5,961	3,833
Trade and other receivables	16	7,048	6,840	7,228	7,225
Other financial assets	17	51,008	47,729	51,008	47,729
Other assets	18	1,483	1,351	1,491	1,364
Total current assets		63,196	58,198	65,688	60,151
Non-current assets					
Trade and other receivables	16	–	450	–	–
Other financial assets	17	3,377	3,394	1,377	1,394
Investments in associate accounted for using the equity method	14	1,860	1,961	1,860	1,961
Property, infrastructure, plant and equipment	19	1,326,908	1,313,430	1,330,286	1,316,965
Investment property	20	6,750	6,600	6,750	6,600
Intangible assets	19	1,449	1,641	1,449	1,641
Total non-current assets		1,340,344	1,327,476	1,341,722	1,328,561
Total assets		1,403,540	1,385,674	1,407,410	1,388,712
Liabilities					
Current liabilities					
Trade and other payables	21	15,127	9,461	15,366	9,714
Trust funds and deposits	22	2,900	2,515	2,900	2,515
Provisions	23	11,660	11,469	11,698	11,492
Interest-bearing loans and borrowings	24	970	959	970	959
Total current liabilities		30,657	24,404	30,934	24,680
Non-current liabilities					
Provisions	23	1,398	1,185	1,403	1,188
Interest-bearing loans and borrowings	24	3,446	4,103	3,446	4,103
Total non-current liabilities		4,844	5,288	4,849	5,291
Total liabilities		35,501	29,692	35,783	29,971
Net Assets		1,368,039	1,355,982	1,371,627	1,358,741
Equity					
Accumulated surplus		523,551	517,185	527,139	519,944
Reserves	26	844,488	838,797	844,488	838,797
Total Equity		1,368,039	1,355,982	1,371,627	1,358,741

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Note	Total 2011 \$'000	Accumulated Surplus 2011 \$'000	Asset Revaluation Reserve 2011 \$'000	Other Reserves 2011 \$'000
Council 2011					
Balance at beginning of the financial year		1,355,982	517,185	824,844	13,953
Profit from operations		12,158	12,158	-	-
Share of other comprehensive income of associates accounted for by the equity method	14	(101)	(101)	-	-
Transfers from other reserves	26	-	50	-	(50)
Transfers to other reserves	26	-	(5,741)	-	5,741
Balance at end of the financial year		1,368,039	523,551	824,844	19,644
Consolidated 2011					
Balance at beginning of the financial year		1,358,741	519,944	824,844	13,953
Profit from operations		12,987	12,987	-	-
Share of other comprehensive income of associates accounted for by the equity method		(101)	(101)	-	-
Transfers from other reserves		-	50	-	(50)
Transfers to other reserves		-	(5,741)	-	5,741
Balance at end of the financial year		1,371,627	527,139	824,844	19,644

	Note	Total 2010 \$'000	Accumulated Surplus 2010 \$'000	Asset Revaluation Reserve 2010 \$'000	Other Reserves 2010 \$'000
Council 2010					
Balance at beginning of the financial year		1,374,455	513,423	846,310	14,722
Profit from operations		8,599	8,599	-	-
Prior period Road Extra assets written off	27	(5,607)	(5,607)	-	-
Net asset revaluation increment	26	(21,466)	-	(21,466)	-
Share of other comprehensive income of associates accounted for by the equity method	14	1	1	-	-
Transfers from other reserves	14	-	1,169	-	(1,169)
Transfers to other reserves	26	-	(400)	-	400
Balance at end of the financial year		1,355,982	517,185	824,844	13,953
Consolidated 2010					
Balance at beginning of the financial year		1,376,567	515,535	846,310	14,722
Profit from operations		9,246	9,246	-	-
Prior period Road Extra assets written off	27	(5,607)	(5,607)	-	-
Net asset revaluation increment		(21,466)	-	(21,466)	-
Share of other comprehensive income of associates accounted for by the equity method		1	1	-	-
Transfers from other reserves		-	1,169	-	(1,169)
Transfers to other reserves		-	(400)	-	400
Balance at end of the financial year		1,358,741	519,944	824,844	13,953

The above statement of change in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Note	Council 2011 Inflows/ (Outflows) \$'000	2010 Inflows/ (Outflows) \$'000	Consolidated 2011 Inflows/ (Outflows) \$'000	2010 Inflows/ (Outflows) \$'000
Cash flows from operating activities					
Rates and charges		73,572	68,475	73,572	68,475
Traffic fines and parking		15,480	15,656	15,480	15,656
User fees (inclusive of GST)		18,446	18,800	22,534	24,616
Grants (inclusive of GST)		9,619	8,842	9,619	8,842
Contributions (inclusive of GST)		2,916	2,054	2,916	2,054
Reimbursements (inclusive of GST)		1,351	583	1,351	583
Interest		2,900	2,140	2,972	2,177
Other receipts (inclusive of GST)		4,023	2,626	4,023	2,626
Net GST refund/(payment)		6,834	5,904	6,675	5,766
Payments for materials and services (inclusive of GST)		(54,312)	(49,517)	(57,016)	(54,536)
Payments to employees (including redundancies)		(46,603)	(41,397)	(46,603)	(41,397)
Other payments		(3,597)	(595)	(3,597)	(595)
Net cash provided by operating activities	28 (a)	30,629	33,571	31,926	34,267
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment		(26,181)	(39,750)	(26,255)	(39,973)
Proceeds from sale of property, infrastructure, plant and equipment		409	550	409	550
Payments for other financial assets	28 (b)	(3,444)	(663)	(3,444)	(663)
Net cash (used) in investing activities		(29,216)	(39,863)	(29,290)	(40,086)
Cash flows from financing activities					
Finance costs		(223)	(282)	(246)	(311)
Trust funds and deposits		385	140	384	140
Proceeds from interest bearing loans and borrowings		450	-	450	-
Repayment of interest bearing loans and borrowings		(646)	(831)	(1,096)	(831)
Net cash (used) in financing activities		(34)	(973)	(508)	(1,002)
Net increase/(decrease) in cash and cash equivalents		1,379	(7,265)	2,128	(6,821)
Cash and cash equivalents at the beginning of the financial year		2,278	9,543	3,833	10,654
Cash and cash equivalents at the end of the financial year	29	3,657	2,278	5,961	3,833
Financing arrangements	30				
Restrictions on cash assets	31				

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

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

INTRODUCTION

- (a) The Stonnington City Council 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 1251 High Street, Malvern, Victoria.
- (b) The purpose of the Council is:
- to provide for the peace, order, and good government of its municipal district;
 - to promote the social, economic, and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, 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 (Finance and Reporting) Regulations 2004.

Reference to Council in this report includes the Council and its controlled entity.

NOTE 1
SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

This financial report has been prepared on the accrual and going concern basis.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(f), 1(g), 1(h), 1(i), 1(j) and 1(n).

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.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Council and those entities over which Council has the power to govern the financial and operating policies to obtain benefits from their activities. The financial statements of Council's controlled entities are prepared for the same period as Council, using consistent accounting policies. The assets, liabilities, incomes and expenses of all controlled entities of Council have been included at the values shown in their audited financial reports. In preparing the consolidated financial statements, all inter-entity balances and transactions, income and expenses, and profit and losses from intra-group transactions have been eliminated in full.

Where there are no material differences between the Council and consolidated figures in the notes to the financial statements, then the consolidated figures are not displayed.

(c) Revenue recognition

Rates, grants, and contributions

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

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates. A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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

Contribution revenue is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the

Note 1 Significant accounting policies (cont.)

contribution will flow to the Council, and the amount of the contribution can be measured reliably.

Where grants recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant is disclosed in note 5. The note also discloses the amount of unused grant from prior years that was expended on Council's operations during the current year.

Grant revenue received in advance of a financial year has been treated as income in the year of receipt in accordance with AASB1004, notwithstanding the grant relates to the subsequent year and services funded by the grant are yet to be delivered.

User fees and fines

User 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.

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, infrastructure, plant and equipment

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

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Dividends

Dividend revenue is recognised when the Council's right to receive payment is established.

(d) Depreciation and amortisation of non-current assets

Land improvements and buildings, infrastructure, plant and equipment, heritage assets, 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. Depreciation rates and methods are reviewed annually.

Where infrastructure 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.

Major depreciation periods used are listed below with changes made to a number of Infrastructure assets types to better reflect the actual annual asset consumption:

Property

Land Improvements	20 years
Buildings	50 years
Heritage Buildings	100 years

Plant, Motor Vehicles & Equipment

Plant & Equipment	4-10 years
Motor Vehicles	3-5 years
Furniture & Equipment	5-10 years
Office Equipment & Information Technology	4-10 years
Heritage Indoor Assets	100 years
Library Stocks	3-8 years
Intangible Assets	4 years

Infrastructure

Road Surface	25 years
Road Substructure	200 years
Sealed Footpaths	30-40 years
Kerb & Channel	60-80 years
Bridges	80 years
Rights of Way	15-200 years
Car Parks	50 years
Drains	100 years
Drainage Pits	50 years
Road Extras	10-25 years

Following a condition assessment on road assets by Council engineers, the useful life of road substructure assets was revised from 150 years to 200 years. This change was effective from 1 July 2010, which resulted in a reduction in depreciation of \$177K.

(e) Repairs and maintenance

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

(f) Finance costs

Finance costs are recognised as an expense in the year in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. No finance costs were capitalised during the reporting year (nil in 2010).

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

Note 1 Significant accounting policies (cont.)

(g) Recognition and measurement of assets

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 amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, and an appropriate share of directly attributable variable and fixed overheads.

The following classes of assets have been recognised in note 19. In accordance with Council's policy, the threshold limits detailed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

No changes have been made to the asset recognition threshold limits during the 2011 financial year.

	Threshold Limit \$'000

Property	
Land	all land
Land under roads	10
Land Improvements	5
Buildings (incl Heritage Buildings)	5

Plant, Motor Vehicles, Furniture & Equipment	
Plant & Equipment	1
Motor Vehicles	all
Furniture & Equipment	1
Office Equipment & Information Technology	1
Heritage Indoor Assets	1
Library Stocks	all holdings with life exceeding one year
Intangible Assets	1

Infrastructure	
Roads, Streets, Rights of way, and Bridges	10
Road Extras	10
Drainage	10

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment (motor vehicles, office equipment and information technology, furniture and equipment, heritage indoor assets and library stocks), are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction (being either market value or written down replacement cost). 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.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 4 years. The valuation is performed by experienced council officers.

Where 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 relevant 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.

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the cost basis. Council does not recognise land under roads that it controlled prior to that date in its financial report.

(h) 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Comprehensive Income Statement.

(i) Non-current assets held for sale

A non-current asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

Note 1 Significant accounting policies (cont.)

(j) Investment property

Investment property, Malvern City Square, is held to generate long-term rental yields and increased capital value. All tenant leases are on an arms length basis. Investment property is carried at fair value \$6,750,000 (\$6,600,000 2010), determined annually by Council's valuers. Changes to fair value are recorded in the Comprehensive Income Statement. (refer note 20).

(k) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(l) Financial assets

Term deposits are valued at cost and interest revenues are recognised as they accrue. The policy is to hold Term Deposits through to their maturity (refer note 36).

(m) Other financial assets

Shares in the Prahran Market Pty Ltd, Regional Kitchen Pty Ltd, RFK Pty Ltd, and MAPS are measured at cost or fair value depending on the nature of the investment.

(n) Accounting for investments in associates

Council's investments in associates is accounted for using the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the Investments. The Council's share of the financial results of the Investments is recognised in the Comprehensive Income Statement of the year (refer note 14).

(o) Joint venture operations

The municipality's interest in a joint ventures' operation is recognised by including its share of any assets, liabilities, revenue, and expenses of the joint venture within the relevant items reported in Council's Comprehensive Income Statement, Balance Sheet, and Cash Flows Statement. All intra – entity transactions have been eliminated in full, in the preparation of these accounts (refer note 40).

(p) Contract deposits and retention amounts

Amounts received as contract deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 22).

(q) Employee benefits

Wages and salaries

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll cost.

Annual Leave and Long Service Leave

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

The liability for employee benefits includes annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Council is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employee remuneration to the extent that the leave is likely to be taken during service rather than paid out on termination.

All annual leave is deemed to be current. For long service leave, any amount accrued for an employee with more than 7 years service is classified as current. Service of less than 7 years is classified as a non-current liability.

The measurement of liabilities for annual leave and long service leave has been determined by reference to estimated settlement of the leave as at 30 June 2011 taking into account attrition rates and pay increases through promotion and certified agreements and increments.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) due within twelve months of balance date are measured at their nominal amounts with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. Commonwealth bond rates are used for discounting future cash flows.

Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 15% (2010, 15%).

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

Note 1 Significant accounting policies (cont.)

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plans which provide benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 32.

Retirement gratuities

Retirement gratuities were provided to certain employees who joined the Council prior to 18 October 1995. The liability represents a set proportion of accumulated sick leave that is payable on retirement. At balance date, the liability is measured at the present value of estimated future cash flows to be made for this entitlement. Retirement gratuities expected to be paid later than one year have been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

(r) Leases

Finance leases

Leases of assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to 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 amortised 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 that are currently held by Streetsahead Cleaning Service are being amortised over a 2 to 5 year period (refer notes 19, 24 and 40).

Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council (refer note 34).

(s) Allocation between current and non-current

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

(t) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed. Such agreements are recognised on an 'as incurred' basis.

(u) Web site costs

Costs in relation to web sites are charged as an expense in the year in which they are incurred.

(v) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of GST, except where the GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an expense. Receivables and payables are shown inclusive of GST.

Cash flows are presented in the Cash Flows Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(w) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

(x) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date. The financial impact of the Standards when applied is expected to be minimal.

Note 1 Significant accounting policies (cont.)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include: – simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; – removing the tainting rules associated with held-to-maturity assets; – simplifying the requirements for embedded derivatives; – removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; – allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and – reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: a. the objective of the entity's business model for managing the financial assets; and b. the characteristics of the contractual cash flows.	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments
AASB 124: Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

Note 1 Significant accounting policies (cont.)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project.	Applicable for annual reporting periods commencing from 1 January 2010.	These amendments are not expected to impact Council
AASB 2009-8: Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions [AASB 2]	These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments.	Applicable for annual reporting periods commencing on or after 1 January 2010.	These amendments are not expected to impact Council
AASB 2009-9: Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters [AASB 1]	These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome.	Applicable for annual reporting periods commencing on or after 1 January 2010.	These amendments are not expected to impact Council
AASB 2009-10: Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]	These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments.	Applicable for annual reporting periods commencing on or after 1 February 2010.	These amendments are not expected to impact Council

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19.	Applicable for annual reporting periods commencing on or after 1 July 2010.	These amendments are not expected to impact Council
AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred.	Applicable for annual reporting periods commencing on or after 1 July 2010.	This Interpretation is not expected to impact Council.

(y) Rounding

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 2

RATES AND CHARGES

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land plus buildings and other improvements.

The Capital Improved Value (CIV) used to calculate general rates for 2010/2011 was \$54.182 billion (2009/2010 \$50.029 billion).

The 2010/2011 rate in the CIV dollar was 0.001102 (2009/2010, 0.0011418).

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Residential	48,271	46,045	48,271	46,045
Commercial & Industrial	11,280	10,044	11,280	10,044
Interest on rates	453	407	453	407
Garbage charge	12,711	11,394	12,711	11,394
Special Rates	1,014	984	1,014	984
	73,729	68,874	73,729	68,874

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation was first applied in the rating year commencing 1 July 2010.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2012, and the valuation will be first applied to the rating period commencing 1 July 2012.

NOTE 3

TRAFFIC FINES AND PARKING

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Infringements and costs	9,331	9,920	9,331	9,920
PERIN court recoveries	2,139	2,345	2,139	2,345
Fees – ticket machines	1,297	1,246	1,297	1,246
Fees – car parking fees	1,921	1,827	1,921	1,827
Permits	191	205	191	205
	14,879	15,543	14,879	15,543

NOTE 4

USER FEES

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Leisure centre fees	2,283	1,669	2,283	1,669
Child care/childrens program fees	2,945	2,533	2,945	2,533
Town planning fees	898	859	898	859
Aged services fees	857	800	857	800
Registration fees	1,152	1,055	1,152	1,055
Rental income	5,351	5,247	8,333	8,179
Road occupancy charges	195	230	195	230
Building services fees	591	642	591	642
Green Fees	881	962	881	962
Sponsorship	17	19	17	19
Other fees and charges	2,887	3,694	2,887	3,694
	18,057	17,710	21,039	20,642

NOTE 5

GRANTS

Grants were received in respect of the following:

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Summary of grants				
Federally funded grants	396	480	396	480
State funded grants	7,857	7,803	7,925	7,883
Total	8,253	8,283	8,321	8,363
Recurrent				
Addas	90	118	90	118
Adventure playground & leisure services	131	64	131	64
Apprentice Incentive program	20	–	20	–
Assessment services	479	464	479	464
Building inclusive communities	104	105	104	105
Community care – aged	138	93	138	93
Delivered meals	137	159	137	159
Family and children	200	146	200	146
Family Day Care\Childcare	–	9	–	9
Freeza program	25	19	25	19
Graffiti awareness education	–	15	–	15
Home help – aged	1,343	1,302	1,343	1,302
Home maintenance service	119	107	119	107
Immunisation	63	61	63	61
Library subsidy	556	542	556	542
Maternal & child health services	417	425	417	425
Planned activity group grant	211	189	211	189
Roads to recovery	217	198	217	198
School crossing subsidy	114	102	114	102
Specific home care	892	830	892	830
Victorian Grants Commission – General	1,380	1,853	1,380	1,853
Victorian Grants Commission – Local roads funding	362	336	362	336
Youth participation and access	30	46	30	46
Youth support services	170	164	170	164
YouthLinx	–	58	–	58
Other minor grants	116	56	116	56
Total Recurrent	7,314	7,461	7,314	7,461

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 5 Grants (cont.)

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Non-recurrent				
Community development and assistance grant	–	50	–	50
Community facilities grant	–	12	–	12
Como Park North fitness equipment	54	–	54	–
Como Park storm water project	–	10	–	10
Creating Better Places	136	–	136	–
Depot solar panels grant	–	140	–	140
Energy efficient street lighting	141	–	141	–
George Gahan Centre	40	–	40	–
HACC – minor capital	1	50	1	50
Harold Holt Centre redevelopment	500	–	500	–
IMAP Greenlight project	–	45	–	45
Learner to probation L2P	59	–	59	–
Library capital grant	–	35	–	35
Melbourne Water grants	–	150	–	150
Place management	–	35	–	35
Prahran RSL improvements grant	3	27	3	27
Road safety funding	–	42	–	42
Safe roads motorcycle measures	5	–	5	–
Synthetic sports surface feasibility grant	–	40	–	40
Taste Provincial Victoria – Prahran Market	–	–	68	–
Tennis court replacement grant	–	50	–	50
Victorian bushfire case management	–	17	–	17
Other minor grants	–	119	–	199
Total Non-Recurrent	939	822	1,007	902
	8,253	8,283	8,321	8,363
Conditions on Grants				
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:				
Roads to Recovery	–	199	–	199
Solar panel grant	–	140	–	140
Prahran RSL relocation Grant	–	27	–	27
	–	366	–	366
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:				
Roads to Recovery	199	–	199	–
Solar panel grant	140	–	140	–
Prahran RSL relocation Grant	27	–	27	–
Water Grants	–	220	–	220
	366	220	366	220
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	(366)	146	(366)	146

NOTE 6 CONTRIBUTIONS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Open space	2,916	2,054	2,916	2,054

Resort and recreation fees received during the year are transferred to Other reserves pursuant to section 18 of the Subdivision Act 1988 (Resort and Recreation Reserve) (refer notes 26 & 31).

NOTE 7 REIMBURSEMENTS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Council works cost recovery	699	436	699	436
State Revenue Office – valuation recoup	539	99	539	99
	1,238	535	1,238	535

NOTE 8 OTHER REVENUE

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Joint Venture – Streetsahead Cleaning Service	1,286	781	1,286	781
Transport clearway towing	424	620	424	620
Fully depreciated assets write back	–	357	–	357
Dividends	384	2	384	2
Other	1,314	1,228	1,314	1,231
	3,408	2,988	3,408	2,991

NOTE 9 EMPLOYEE BENEFITS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Wages and salaries	35,129	33,132	35,695	33,785
Annual leave and long service leave	5,032	5,471	5,032	5,471
Superannuation	5,445	3,026	5,445	3,026
Fringe Benefits Tax and Worksafe	954	955	954	955
Other employee expenses	543	560	543	560
	47,103	43,144	47,669	43,797

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 10 MATERIALS AND SERVICES

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Contract payments – parks	6,744	6,227	6,744	6,227
Contract payments – parking	5,229	4,917	5,229	4,917
Contract payments – waste	519	375	519	375
Contract payments – physical services	1,400	1,571	1,400	1,571
Contract payments – roads & drains	1,240	1,157	1,240	1,157
Contract payments – other	1,547	1,783	1,547	1,783
Legal and consulting fees	2,878	2,776	2,878	2,776
Stamp duty on summons and registration searches	1,186	1,365	1,186	1,365
Maintenance	3,250	2,895	3,533	3,197
Materials, services and vehicle cost	4,147	3,499	5,585	4,853
Utility cost	3,082	2,981	3,082	2,981
Fire services	2,658	2,590	2,658	2,590
Printing, stationery, postage & advertising	2,073	1,932	2,073	1,932
Insurance	796	969	796	969
Tipping fees & waste removal	2,596	1,645	2,596	1,645
Activities & events	1,842	1,819	1,842	1,819
Other	2,212	2,157	2,212	2,157
	43,399	40,658	45,120	42,314

NOTE 11 DEPRECIATION AND AMORTISATION

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Land Improvements (incl. Car Parks)	1,215	2,237	1,215	2,237
Buildings	3,435	3,130	3,653	3,346
Heritage Buildings	773	543	773	543
Heritage Indoor Assets	16	15	16	15
Furniture & Equipment	375	406	375	406
Office Equipment & Information Technology	630	681	630	681
Plant, Motor Vehicles & Equipment	1,269	1,420	1,269	1,420
Library Books	823	809	823	809
Roads, Streets, ROW and Bridges	4,320	5,860	4,320	5,860
Road Extras	1,644	1,779	1,644	1,779
Drainage	1,338	1,614	1,338	1,614
Software – Intangible	955	922	955	922
Leased Assets	258	221	258	221
	17,051	19,637	17,269	19,853

NOTE 12 FINANCE COSTS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Interest – borrowings	146	208	146	208
Interest – finance leases	96	71	96	71
	242	279	242	279

NOTE 13 OTHER EXPENSES

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Audit – external	62	54	73	65
Audit – internal	113	79	113	79
Catering	287	277	287	277
Debt collection	51	58	51	58
Assets written off	74	3,040	74	3,040
Operating works projects	1,749	656	1,749	656
Sundry other	708	93	677	93
	3,044	4,257	3,024	4,268

NOTE 14 INVESTMENT IN ASSOCIATE

Regional Landfill Clayton South

Background

The Regional Landfill Clayton South Investment is a joint council initiative comprising the municipalities of Stonnington, Glen Eira, Monash, Boroondara and Whitehorse for the sole purpose of owning and operating a putrescible landfill (rubbish tip) to the benefit of the owner Councils. The City of Stonnington has a 12.76% interest in the assets, liabilities, and operating result of this Investment. Council's share of the financial result in the Investment is brought to account using the equity accounting method as an investment in an associate based on 2011 unaudited accounts, (2010 unaudited accounts).

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 14 Investment in associate (cont.)

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Council's share of retained profits				
Council's share of retained profits at start of year	685	684	685	684
Reported profit for year	281	1	281	1
Transfers (to)/from reserves	–	–	–	–
Distributions for the year	(382)	–	(382)	–
Council's share of retained profits/ (accumulated losses) at end of year	584	685	584	685
Council's share of reserves				
Council's share of reserves at start of year	297	1,169	297	1,169
Share of asset revaluation decrement	–	(872)	–	(872)
Council's share of reserves at end of year	297	297	297	297
Movement in carrying value of specific investment				
Carrying value of investment at start of year	1,961	2,822	1,961	2,822
Share of profit for year	281	1	281	1
Share of asset revaluation decrement	–	(862)	–	(862)
Distributions received	(382)	–	–	–
Carrying value of investment at end of year	1,860	1,961	1,860	1,961

NOTE 15

CASH AND CASH EQUIVALENTS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash on hand	11	10	11	10
Cash at bank	646	1,254	1,443	2,087
Term Deposits (90 days or less)	3,000	1,014	4,507	1,736
	3,657	2,278	5,961	3,833
Other financial assets – Term Deposits (greater than 90 days)	51,008	47,729	51,008	47,729
Councils cash and term deposits are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:				
– Long service leave obligations as prescribes by the Local Government Act (Note 23)	8,409	7,921	8,414	7,924
– Reserve funds allocated for specific future purposes (Note 26)	19,644	13,890	19,644	13,890
– Trust funds and deposits (Note 22)	2,900	2,515	2,900	2,515
Restricted Funds	30,953	24,326	30,958	24,329
Total unrestricted cash and term deposits	23,712	25,681	26,011	27,233

NOTE 16

TRADE AND OTHER RECEIVABLES

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current				
Rates debtors	1,599	1,504	1,599	1,504
Parking infringement debtors	13,607	13,568	13,607	13,568
Provision for doubtful debts – parking infringements	(10,679)	(10,400)	(10,679)	(10,400)
Other debtors	1,242	1,127	1,422	1,512
Provision for doubtful debts – other debtors	(100)	(100)	(100)	(100)
Special rate assessment	22	22	22	22
Net GST receivable	1,357	1,119	1,357	1,119
	7,048	6,840	7,228	7,225
Non-current				
Advance to Prahran Market Pty Ltd	–	450	–	–
Total	7,048	7,290	7,228	7,225

NOTE 17

OTHER FINANCIAL ASSETS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current				
Term Deposits (note 1(k))	51,008	47,729	51,008	47,729
Non-current				
Shares in Prahran Market – At Cost	2,000	2,000	–	–
Shares in Regional Kitchen Pty Ltd – Fair Value	1,362	1,379	1,362	1,379
Shares in RFK Pty Ltd (t/a Community Chef) – Fair Value	–	–	–	–
MAPS Shareholding – At Cost	15	15	15	15
	3,377	3,394	1,377	1,394
Total	54,385	51,123	52,385	49,123

NOTE 18

OTHER ASSETS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Accrued income	1,295	1,219	1,295	1,219
Prepayments	183	126	191	139
Other	5	6	5	6
	1,483	1,351	1,491	1,364

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 19

PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Summary				
at cost	82,012	42,286	82,997	46,957
Less accumulated depreciation	30,300	27,977	30,734	29,112
	51,712	14,309	52,263	17,845
at fair value as at 30 June 2010	1,441,586	1,278,736	1,445,505	1,278,735
at fair value as at 30 June 2011	19,476	–	19,476	–
Less accumulated depreciation	194,092	–	195,184	–
	1,266,970	1,278,736	1,269,797	1,278,735
Works in progress	8,226	20,385	8,226	20,385
Total	1,326,908	1,313,430	1,330,286	1,316,965
Property				
Land				
at fair value as at 30 June 2010	834,389	834,389	834,389	834,389
Land Improvements				
at cost	1,668	–	1,668	6
at fair value as at 30 June 2010	47,891	37,896	47,891	37,896
Less accumulated depreciation	11,210	–	11,210	6
	38,349	37,896	38,349	37,896
Buildings				
at cost	23,179	–	23,179	3,741
at fair value as at 30 June 2010	112,358	112,307	116,277	112,306
Less accumulated depreciation	3,486	–	4,578	799
	132,051	112,307	134,878	115,248
Heritage Buildings				
at cost	3,393	–	3,393	–
at fair value as at 30 June 2010	46,957	47,008	46,957	47,008
Less accumulated depreciation	722	–	722	–
	49,628	47,008	49,628	47,008
Total Property	1,054,417	1,031,600	1,057,244	1,034,541

Valuation of buildings (Incl. Heritage Buildings) was undertaken by a qualified valuer Mr P. Fitzgerald AAPI CPV. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation.

Valuation of land was undertaken by a qualified valuer Mr P. Fitzgerald AAPI CPV. The valuation of land is at fair value as at the date of valuation.

Note 19 Property, infrastructure, plant and equipment (cont.)

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Plant, motor vehicles, furniture and equipment				
Plant, motor vehicles and equipment				
at cost	15,645	14,289	16,338	14,927
Less accumulated depreciation	8,850	8,023	9,157	8,274
	6,795	6,266	7,181	6,653
Leased plant and equipment				
at cost	1,495	1,491	1,495	1,491
Less accumulated depreciation	470	456	470	456
	1,025	1,035	1,025	1,035
Furniture and equipment				
at cost	5,058	4,522	5,202	4,666
Less accumulated depreciation	3,023	2,648	3,079	2,675
	2,035	1,874	2,123	1,991
Office equipment and information technology				
at cost	6,162	6,016	6,310	6,158
Less accumulated depreciation	4,964	4,698	5,035	4,750
	1,198	1,318	1,275	1,408
Heritage indoor assets				
at cost	2,205	2,098	2,205	2,098
Less accumulated depreciation	988	971	988	971
	1,217	1,127	1,217	1,127
Library stocks				
at cost	14,685	13,870	14,685	13,870
Less accumulated depreciation	12,005	11,181	12,005	11,181
	2,680	2,689	2,680	2,689
Total Plant and Equipment	14,950	14,309	15,501	14,903

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 19 Property, infrastructure, plant and equipment (cont.)

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Infrastructure				
Roads, streets, rights of way and bridges				
at cost	5,191	–	5,191	–
at fair value as at 30 June 2010	295,315	173,720	295,315	173,720
Less accumulated depreciation	125,988	–	125,988	–
	174,518	173,720	174,518	173,720
Drainage				
at cost	3,331	–	3,331	–
at fair value as at 30 June 2010	104,676	53,328	104,676	53,328
Less accumulated depreciation	52,686	–	52,686	–
	55,321	53,328	55,321	53,328
Road Extras				
at fair value as at 30 June 2010	–	20,088	–	20,088
at fair value as at 30 June 2011	19,476	–	19,476	–
	19,476	20,088	19,476	20,088
Total Infrastructure	249,315	247,136	249,315	247,136
Works in progress				
Buildings	971	16,133	971	16,133
Land Improvements	5,611	1,989	5,611	1,989
Roads, streets, rights of way and bridges	830	1,906	830	1,906
Drainage	521	39	521	39
Road Extras	288	240	288	240
Intangible Assets	5	78	5	78
Total Works in progress	8,226	20,385	8,226	20,385
Total Property, Infrastructure, Plant and Equipment	1,326,908	1,313,430	1,330,286	1,316,965
Intangible Assets				
at cost	10,732	10,111	10,732	10,111
Less accumulated depreciation	9,283	8,470	9,283	8,470
	1,449	1,641	1,449	1,641
Total Property, Infrastructure, Plant and Equipment (Incl Intangibles)	1,328,357	1,315,071	1,331,735	1,318,606
Reconciliation of work in progress				
Balance at beginning of financial year:	20,385	7,727	20,385	7,727
Acquisition of assets	30,219	36,250	30,219	36,250
Transferred to assets	(42,378)	(23,592)	(42,378)	(23,592)
Balance at end of financial year:	8,226	20,385	8,226	20,385

Valuation of Roads, Streets, Rights of Way, Bridges, Drains, and Road Extras has been determined in accordance with an valuation undertaken by Mr J. Phillips Dip Eng CE.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Note 19 Property, infrastructure, plant and equipment (cont.)

	2011					
	Balance at beginning of financial year \$'000	Acquisition of assets \$'000	Depreciation and amortisation (Note 11) \$'000	WDV of disposals (Note 25) \$'000	Assets Written Off \$'000	Balance at end of financial year \$'000
Movement – Council						
Property						
Land	834,389	–	–	–	–	834,389
Land improvements	37,896	1,668	1,215	–	–	38,349
Buildings	112,307	23,179	3,435	–	–	132,051
Heritage Buildings	47,008	3,393	773	–	–	49,628
Total Property	1,031,600	28,240	5,423	–	–	1,054,417
Plant & Equipment						
Plant, Motor Vehicles & Equipment	6,266	2,230	1,269	432	–	6,795
Leased Plant, Motor Vehicles & Equipment	1,035	373	258	125	–	1,025
Furniture and Equipment	1,874	536	375	–	–	2,035
Office Equipment & Information Technology	1,318	525	630	14	1	1,198
Heritage Indoor Assets	1,127	106	16	–	–	1,217
Library Stocks	2,689	814	823	–	–	2,680
Total Plant & Equipment	14,309	4,584	3,371	571	1	14,950
Infrastructure						
Roads, Streets, Rights of Way, and Bridges	173,720	5,191	4,320	–	73	174,518
Drainage	53,328	3,331	1,338	–	–	55,321
Road Extras	20,088	1,032	1,644	–	–	19,476
Total Infrastructure	247,136	9,554	7,302	–	73	249,315
Works in progress						
Buildings	16,133	(15,162)	–	–	–	971
Land Improvements	1,989	3,622	–	–	–	5,611
Roads, streets, rights of way and bridges	1,906	(1,076)	–	–	–	830
Drainage	39	482	–	–	–	521
Road Extras	240	48	–	–	–	288
Intangibles	78	(73)	–	–	–	5
Total Works in progress*	20,385	(12,159)	–	–	–	8,226
Total Property, Infrastructure, Plant and Equipment	1,313,430	30,219	16,096	571	74	1,326,908
Intangible Assets	1,641	763	955	–	–	1,449
Total Property, Infrastructure, Plant and Equipment, and Intangibles	1,315,071	30,982	17,051	571	74	1,328,357

* Refer to the reconciliation of work in progress in Note 19 on page 23 for further detail.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

Note 19 Property, infrastructure, plant and equipment (cont.)

	2010								
	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Prior period assets written off	Depreciation and amortisation	WDV of disposals	Assets Written Off	Transfers to/Lease Termination	Balance at end of financial year
	\$'000	\$'000	(Note 26)	(Note 27)	(Note 11)	(Note 25)	\$'000	\$'000	\$'000
Movement – Council									
Property									
Land	883,470	1,808	(49,294)	–	–	152	1,443	–	834,389
Land improvements	51,232	3,322	(14,414)	–	2,237	–	7	–	37,896
Buildings	107,363	3,505	4,872	–	3,130	–	303	–	112,307
Heritage Buildings	34,817	4,235	8,499	–	543	–	–	–	47,008
Total Property	1,076,882	12,870	(50,337)	–	5,910	152	1,753	–	1,031,600
Plant & Equipment									
Plant, Motor Vehicles & Equipment	5,890	1,977	–	–	1,420	537	1	357	6,266
Leased Plant, Motor Vehicles & Equipment	978	371	–	–	221	–	–	(93)	1,035
Furniture and Equipment	1,985	295	–	–	406	–	–	–	1,874
Office Equipment & Information Technology	1,595	434	–	–	681	27	3	–	1,318
Heritage Indoor Assets	998	144	–	–	15	–	–	–	1,127
Library Stocks	2,697	801	–	–	809	–	–	–	2,689
Total Plant & Equipment	14,143	4,022	–	–	3,552	564	4	264	14,309
Infrastructure									
Roads, Streets, Rights of Way, and Bridges	144,128	3,851	32,884	–	5,860	–	1,283	–	173,720
Drainage	55,535	1,757	(2,350)	–	1,614	–	–	–	53,328
Road Extras	27,183	1,092	(801)	(5,607)	1,779	–	–	–	20,088
Total Infrastructure	226,846	6,700	29,733	(5,607)	9,253	–	1,283	–	247,136
Works in progress									
Buildings	5,052	11,081	–	–	–	–	–	–	16,133
Land Improvements	1,251	738	–	–	–	–	–	–	1,989
Roads, Streets, Rights of Way, and Bridges	1,301	605	–	–	–	–	–	–	1,906
Drainage	119	(80)	–	–	–	–	–	–	39
Road Extras	4	236	–	–	–	–	–	–	240
Intangibles	–	78	–	–	–	–	–	–	78
Total Works in progress	7,727	12,658	–	–	–	–	–	–	20,385
Total Property, Infrastructure, Plant and Equipment	1,325,598	36,250	(20,604)	(5,607)	18,715	716	3,040	264	1,313,430
Intangible Assets	2,051	512	–	–	922	–	–	–	1,641
Total Property, Infrastructure, Plant and Equipment, and Intangibles	1,327,649	36,762	(20,604)	(5,607)	19,637	716	3,040	264	1,315,071

NOTE 20

INVESTMENT PROPERTY

	Council		Consolidated	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	6,600	5,650	6,600	5,650
Capital expenditure during year	6	10	6	10
Movement in fair value from revaluation	144	940	144	940
Balance at end of financial year	6,750	6,600	6,750	6,600

Investment property, Malvern City Square, is held to generate long-term rental yields. All tenant leases are on arms length basis. Investment property is carried at fair value being \$6,750,000 (\$6,600,000, 2010), determined annually by Council Valuers. Changes to fair value are recorded in the Comprehensive Income Statement.

NOTE 21

TRADE AND OTHER PAYABLES

	Council		Consolidated	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Trade payables	9,908	5,098	10,094	5,266
Accrued expenses	5,106	4,293	5,161	4,378
Other	113	70	111	70
	15,127	9,461	15,366	9,714

NOTE 22

TRUST FUNDS AND DEPOSITS

	Council		Consolidated	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Refundable building deposits	264	257	264	257
Refundable contract deposits	630	585	630	585
Retention amounts	387	307	387	307
Other refundable deposits	1,619	1,366	1,619	1,366
	2,900	2,515	2,900	2,515

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 23
PROVISIONS

	Annual leave \$'000	Long service leave \$'000	Gratuity \$'000	Other \$'000	Total \$'000
2011					
Balance at beginning of the financial year	4,088	7,921	180	306	12,495
Provision utilised	(2,349)	(402)	(38)	(692)	(3,481)
Additional provisions made	2,320	890	6	697	3,913
Balance at the end of the financial year	4,059	8,409	148	311	12,927
2010					
Balance at beginning of the financial year	3,892	6,374	148	154	10,568
Provision utilised	(2,075)	(318)	–	(666)	(3,059)
Additional provisions made	2,271	1,865	32	818	4,986
Balance at the end of the financial year	4,088	7,921	180	306	12,495

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(a) Employee benefits				
Current				
Annual leave	4,059	4,088	4,097	4,111
Long service leave	7,159	6,916	7,159	6,916
Time in lieu	70	84	70	84
Other	241	222	241	222
	11,529	11,310	11,567	11,333
Non-current				
Long service leave	1,250	1,005	1,255	1,008
Retirement gratuity	148	180	148	180
	1,398	1,185	1,403	1,188
Total	12,927	12,495	12,970	12,521
Aggregate carrying amount of employee benefits:				
Current	11,529	11,310	11,567	11,333
Non-current	1,398	1,185	1,403	1,188
	12,927	12,495	12,970	12,521
The following assumptions were adopted in measuring the present value of long service leave and retiring gratuity:				
Weighted average increase in employee costs	3.86%	3.52%	3.86%	3.52%
Weighted average discount rates	4.79%	4.47%	4.79%	4.47%
Weighted average settlement period	12	12	12	12
Current Employee Benefits that:				
Expect to be utilised within 12 months	3,424	2,785	3,479	2,843
Expect to be utilised after 12 months	8,105	8,377	8,105	8,377
	11,529	11,162	11,584	11,220
(b) Other Current Provision				
Insurance Excess Provision	131	159	131	159
Total	13,058	12,654	13,101	12,680

NOTE 24
INTEREST-BEARING LOANS AND BORROWINGS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Current				
Borrowings – secured	677	638	677	638
Non-current				
Borrowings – secured	2,687	3,364	2,687	3,364
Total	3,364	4,002	3,364	4,002
The maturity profile for Council's borrowings is:				
Not later than one year	677	638	677	638
Later than one year and not later than five years	2,687	2,595	2,687	2,595
Later than five years	–	769	–	769
	3,364	4,002	3,364	4,002
Finance leases				
Council's share of Streetsahead joint venture's obligations under finance leases for the lease of plant and equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):				
Not later than one year	387	407	387	407
Later than one year and not later than five years	898	914	898	914
Later than five years	–	–	–	–
Minimum lease payments	1,284	1,321	1,284	1,321
Less: Future finance charges	(232)	(261)	(232)	(261)
Recognised in the balance sheet as:	1,052	1,060	1,052	1,060
Current				
Leases	293	321	293	321
Non-current				
Leases	759	739	759	739
Total	1,052	1,060	1,052	1,060
Aggregate carrying amount of interest-bearing loans and borrowings:				
Current	970	959	970	959
Non-current	3,446	4,103	3,446	4,103
	4,416	5,062	4,416	5,062

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 25

GAIN/LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Total				
Proceeds from sales	409	550	409	550
Less carrying amount of assets sold	446	716	446	716
Loss on disposal	(37)	(166)	(37)	(166)
Council				
Proceeds from sales (Incl. Assets held for sale)	394	535	394	535
Less carrying amount of assets sold	419	704	419	704
Loss on disposal	(25)	(169)	(25)	(169)
Share of equity in joint venture				
Proceeds from sales	16	15	16	15
Less carrying amount of assets sold	28	12	28	12
Loss on disposal	(12)	3	(12)	3

NOTE 26

RESERVES

	Balance at beginning of financial year \$'000	Increment (decrement) \$'000	Balance at end of financial year \$'000
(a) Asset revaluation reserve			
2011			
Property			
Land	483,729	-	483,729
Land improvements	5,764	-	5,764
Buildings	193,403	-	193,403
Heritage buildings	19,061	-	19,061
	701,957	-	701,957
Infrastructure			
Roads, streets, rights of way & bridges	90,412	-	90,412
Road extras	11,922	-	11,922
Drainage	19,381	-	19,381
	121,715	-	121,715
Share of net asset revaluation increment of associate	1,172	-	1,172
Total Asset revaluation reserve	824,844	-	824,844
2010			
Property			
Land	533,023	(49,294)	483,729
Land improvements	20,178	(14,414)	5,764
Buildings	188,531	4,872	193,403
Heritage buildings	10,562	8,499	19,061
	752,294	(50,337)	701,957
Infrastructure			
Roads, streets, rights of way & bridges	57,528	32,884	90,412
Road extras	12,723	(801)	11,922
Drainage	21,731	(2,350)	19,381
	91,982	29,733	121,715
Share of net asset revaluation increment of associate	2,034	(862)	1,172
Total Asset revaluation reserve	846,310	(21,466)	824,844

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 26 Reserves (cont.)

	Balance at beginning of financial year \$'000	Net Asset revaluation increment/ (decrement) \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of financial year \$'000	Consolidated balance at end of financial year \$'000
(b) Reserves						
2011						
Asset revaluation reserve	824,844	–	–	–	824,844	824,844
Open Space Reserve	11,500	–	5,043	–	16,543	16,543
Off-Street Parking Reserve	790	–	49	–	839	839
Developer Contributions	63	–	149	(50)	162	162
Future Fund Reserve	1,600	–	500	–	2,100	2,100
Total Reserves	838,797	–	5,741	(50)	844,488	844,488
2010						
Asset revaluation reserve	846,310	(21,466)	–	–	824,844	824,844
Open Space Reserve	12,663	–	2,054	(3,217)	11,500	11,500
Off-Street Parking Reserve	790	–	–	–	790	790
Developer Contributions	69	–	50	(56)	63	63
Future Fund Reserve	1,200	–	400	–	1,600	1,600
Total Other reserves	861,032	(21,466)	2,504	(3,273)	838,797	838,797

The Open Space Reserve is used to record developer contributions and utilisation of this reserve to purchase or develop open space assets.

The Off-Street Parking Reserve is used to record contributions to off-street parking and funds the purchase or development of off-street parking assets.

The Future Fund Reserve is a reserve created to assist Council when making strategic property acquisitions.

NOTE 27

ADJUSTMENTS DIRECTLY TO EQUITY

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Prior periods Road Extra assets written off	–	5,607	–	5,607

NOTE 28 (A)

RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS FOR THE YEAR

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Profit from operations	12,057	8,600	12,886	9,247
Depreciation/amortisation	17,051	19,637	17,269	19,853
(Profit)/loss on disposal of property, infrastructure, plant and equipment	37	166	37	166
Assets written off	74	3,040	74	3,040
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	(101)	(1)	(101)	(1)
Fair value adjustments for investment property	(144)	(940)	(144)	(940)
Fully depreciated assets written back	–	(357)	–	(357)
Change in assets and liabilities:				
(Increase)/decrease in trade and other receivables	(105)	(42)	101	(49)
(Increase)/decrease in prepayments	(57)	(15)	(44)	(28)
Increase/(decrease) in accrued income	41	(44)	41	(44)
Increase/(decrease) in trade and other payables	1,372	1,653	1,418	1,468
(Decrease)/increase in other liabilities	–	–	(28)	13
Increase in provisions	404	1,874	418	1,899
Net cash provided by operating activities	30,629	33,571	31,926	34,267

NOTE 28 (B)

PAYMENTS FOR OTHER FINANCIAL ASSETS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Operating lease payments	165	165	165	165
Movement in investments	(3,609)	(828)	(3,609)	(828)
	(3,444)	(663)	(3,444)	(663)

NOTE 29

RECONCILIATION OF CASH AND CASH EQUIVALENTS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash and cash equivalents (see note 15)	3,657	2,278	5,961	3,833
Less bank overdraft	–	–	–	–
	3,657	2,278	5,961	3,833

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 30

FINANCING ARRANGEMENTS

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Bank overdraft	250	250	250	250
Used facilities	–	–	–	–
Unused facilities	250	250	250	250

NOTE 31

RESTRICTED ASSETS

Council has cash, cash equivalents and other financial assets (notes 15, 17) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Open Space & Car Parking Reserves).

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Long service leave*	5,511	5,400	5,511	5,400
Reserve funds (note 26(b))	17,382	12,353	17,382	12,353
	22,893	17,753	22,893	17,753

* Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in notes 15 and 23 due to a different basis of calculation prescribed by the regulation.

NOTE 32

SUPERANNUATION

Council makes employer superannuation contributions in respect of its employees to Vision Super (the Fund). Obligations for contributions are recognised as an expense in the Comprehensive Income Statement when they are due. The Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Plan's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, Council does not use defined benefit accounting for these contributions.

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2008, Council makes the following contributions:

- 9.25% of members' salaries (same as previous year) and;
- the difference between resignation and retrenchment benefits paid to any retrenched employees (same as previous year).

Note 32 Superannuation (cont.)

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Following an actuarial review conducted by the Trustee in late 2010, as at 31 December 2008, a funding shortfall of \$71 million for the fund was determined. A call to employers for additional contributions was made for the financial year 30 June 2011, with Council making a contribution of \$2.16 million in June 2011 as its share of the shortfall. A further actuarial review will be undertaken as at 31 December 2011 by mid 2012. Based on the result of this review, a detailed funding plan will be developed and implemented to achieve the target of full funding by 31 December 2013. The Council will be notified of any additional required contributions by late 2012.

Accounting Standard Disclosure

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	31-Dec-08 \$'000
Net Market Value of Assets	3,630,432
Accrued Benefits (per accounting standards)	3,616,422
Difference between Assets and Accrued Benefits	14,010
Vested Benefits	3,561,588

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

	2011 \$'000	2010 \$'000
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	5,403	3,021
Employer contributions to other superannuation funds	42	5
	5,445	3,026
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	134	31
	134	31

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 33

COMMITMENTS

The Council has entered into the following commitments

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2011					
Operating					
Production of food services (Aged meals)	780	780	390	–	1,950
Municipal turf maintenance and mowing services	1,223	1,255	1,971	–	4,449
Provision of Worksafe insurance services	703	703	2,109	–	3,515
Parking enforcement and car parks	5,911	4,434	–	–	10,345
Provision of insurance broking & premium services	696	696	2,089	–	3,481
Central record services	640	677	1,456	–	2,773
Management of car parks	519	519	260	–	1,298
Specialised consulting services (Panel)	300	300	600	–	1,200
Hard & green waste collection	600	650	–	–	1,250
Cleaning of municipal buildings & aquatics centres	736	736	531	–	2,003
Recycling Collections	850	870	2,825	–	4,545
Other contractual obligations	1,223	798	1,127	–	3,148
Total	14,181	12,418	13,358	–	39,957
Capital					
Construction works	8,516	3,827	3,358	–	15,701
Plant and equipment	87	87	64	–	238
Other capital works	3,417	1,791	1,641	–	6,849
Total	12,020	5,705	5,063	–	22,788
2010					
Operating					
Production of food services (Aged meals)	383	–	–	–	383
Municipal turf maintenance and mowing services	597	–	–	–	597
Provision of Worksafe insurance services	703	703	2,109	–	3,515
Parking enforcement and car parks	3,500	–	–	–	3,500
Provision of insurance broking & premium services	696	696	2,089	–	3,481
Central record services	622	640	2,133	–	3,395
Management of car parks	519	519	519	–	1,557
Specialised consulting services (Panel)	300	300	900	–	1,500
Hard & green waste collection	462	462	462	–	1,386
Other contractual obligations	956	702	736	–	2,394
Total	8,738	4,022	8,948	–	21,708
Capital					
Construction works	11,698	598	1,155	–	13,451
Plant and equipment	227	87	151	–	465
Other capital works	350	131	208	–	689
Total	12,275	816	1,514	–	14,605

NOTE 34

OPERATING LEASE COMMITMENTS

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

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Not later than one year	381	409	381	409
Later than one year and not later than five years	411	635	411	635
Later than five years	–	–	–	–
	792	1,044	792	1,044

NOTE 35

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

Legal Matters

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

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report (30 June 2010, same position).

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount (Refer Note 32).

Public Liability

As a local authority with ownership of numerous parks, reserves, roads, other land and buildings, the City of Stonnington regularly receives claims and demands allegedly arising from incidents which occur on land and buildings belonging to Council. There are a number of outstanding claims against Council in this regard. The City of Stonnington carried a \$400 million public liability insurance policy with Civic Mutual Plus for the 2010/2011 year (2010, \$100 Million with Epsilon Underwriting Agencies P/L), and had an excess of \$50,000 for general claims on this policy (2010, \$50,000). Council is unaware of any claim or instance that would fall outside the terms of this insurance policy.

Professional Indemnity

As a local authority with statutory regulatory responsibilities, including the responsibility for issuing permits and approvals, Council receives claims and demands allegedly arising from actions of Council or its officers. The City of Stonnington carried a \$300 million professional indemnity insurance policy with Civic Mutual Plus, and had an excess of \$50,000 on this policy in 2010/2011 (2010, \$50,000). Council is unaware of any claim or instance that would fall outside the terms of this insurance policy.

Other

The City of Stonnington is not aware of other matters outstanding which may lead to a future liability that is not already allowed for in the financial statements.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 36

FINANCIAL INSTRUMENTS

(a) Accounting Policy, Terms and Conditions

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and cash equivalents	15	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate of 3.00% (3.75% in 2009/2010). The interest rate at balance date was 4.50% (4.50% in 2009/2010).
		Term deposits are held to maximise interest returns of surplus cash.	Funds returned fixed interest rate of between 5.85% (2.75% in 2009/2010) and 6.00% (7.05% in 2009/2010) net of fees.
		Interest is recognised as it accrues.	
Other financial assets	17	Term deposits are held to maximise interest returns of surplus cash.	Funds returned fixed interest rate of between 5.10% (2.75% in 30 June 2010) and 7.05% (7.05% in 30 June 2010) net of fees.
Trade and other receivables:			
Other debtors	16	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and interest free. Credit terms are based on 30 days. Interest charged on the advance to the Prahran Market is based on the Local Government borrowing rate.
Financial Liabilities			
Trade and other payables	21	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	24	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.14% (6.32% in 2009/2010).
		Finance leases are accounted for at their principle amount with the lease payments discounted to present value using the interest rates implicit in the leases.	As at balance date, the Council had finance leases with an average lease term of 5 years. The weighted average rate implicit in the lease is 9.20% (8.47% in 2009/2010).
Bank overdraft	30	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. The overdraft limit of \$250,000 was not utilised in 2010/2011 (Nil in 2009/2010).
Trust funds and deposits	22	Trust funds and deposits are carried at their principal amount.	Terms and conditions depend on the nature of the trust fund and deposit held.

Note 36 Financial Instruments (cont.)

(b) Interest Rate Risk

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

	Fixed interest maturing in:					Total \$'000
	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non- interest bearing \$'000	
2011						
Financial assets						
Cash and cash equivalents	3,000	–	–	–	657	3,657
Other financial assets	–	48,008	3,000	–	3,377	54,385
Trade and other receivables	–	–	–	–	1,142	1,142
Accrued income	–	–	–	–	1,295	1,295
Total financial assets	3,000	48,008	3,000	–	6,471	60,479
Weighted average interest rate	4.50%	6.24%	6.64%	–		
Financial liabilities						
Trade and other payables	–	–	–	–	10,021	10,021
Trust funds and deposits	–	–	–	–	2,900	2,900
Interest-bearing loans and borrowings	–	986	3,430	–	–	4,416
Total financial liabilities	–	986	3,430	–	12,921	17,337
Weighted average interest rate	–	6.14%	6.27%	–		
Net financial assets/(liabilities)	3,000	47,022	(430)	–	(6,450)	43,142
2010						
Financial assets						
Cash and cash equivalents	1,014	–	–	–	1,264	2,278
Other financial assets	–	44,729	3,000	–	3,394	51,123
Trade and other receivables	–	–	–	450	1,027	1,477
Accrued income	–	–	–	–	1,219	1,219
Total financial assets	1,014	44,729	3,000	450	6,904	56,097
Weighted average interest rate	3.50%	6.00%	6.62%	6.50%		
Financial liabilities						
Trade and other payables	–	–	–	–	5,168	5,168
Trust funds and deposits	–	–	–	–	2,515	2,515
Interest-bearing loans and borrowings	–	958	3,335	769	–	5,062
Total financial liabilities	–	958	3,335	769	7,683	12,745
Weighted average interest rate	–	6.14%	6.27%	6.75%		
Net financial assets/(liabilities)	1,014	43,771	(335)	(319)	(779)	43,352

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 36 Financial Instruments (cont.)

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(1) Financial assets				
Cash and cash equivalents	3,657	2,278	3,657	2,278
Other financial assets	54,385	51,123	54,385	51,123
Trade and other receivables	1,142	1,477	1,142	1,477
Accrued income	1,295	1,219	1,295	1,219
Total financial assets	60,479	56,097	60,479	56,097
(2) Financial liabilities				
Trade and other payables	10,021	5,168	10,021	5,168
Trust funds and deposits	2,900	2,515	2,900	2,515
Interest-bearing loans and borrowings	4,416	5,062	4,014	4,601
Total Financial liabilities	17,337	12,745	16,935	12,284

(d) Credit Risk

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

(e) Risks and Mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices.

The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

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. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

Note 36 Financial Instruments (cont.)

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment, and
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

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. We have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Trade and other receivables consist of a large number of customers, spread across the consumer, business, and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is rates and charges which becomes a legally obligated charge on the property. We do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We 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 35.

Movement in Provisions for Doubtful Debts

	2011 \$'000	2010 \$'000
Balance at the beginning of the year	10,500	12,629
New Provisions recognised during the year	240	–
Amounts already provided for and written off as uncollectible	–	–
Amounts provided for but recovered during the year	39	(2,129)
Balance at end of year	10,779	10,500

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

	2011 \$'000	2010 \$'000
Current (not yet due)	1,031	738
Past due by up to 30 days	36	129
Past due between 31 and 60 days	15	46
Past due by more than 61 days	61	114
Total Trade & Other Receivables	1,143	1,027

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 36 Financial Instruments (cont.)

Ageing of individually impaired Trade and Other Receivables

At balance date there were no other debtors representing financial assets that were impaired (2010, Nil).

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial asset at all.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Financial Liabilities

These amounts represent undiscounted gross payments including both principal and interest amounts

	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
2011							
Trade and other payables	15,127	–	–	–	–	15,127	15,127
Trust funds and deposits	2,900	–	–	–	–	2,900	2,900
Interest-bearing loans and borrowings	1,026	415	859	2,116	–	4,416	4,416
Total financial liabilities	19,053	415	859	2,116	–	22,443	22,443
2010							
Trade and other payables	9,461	–	–	–	–	9,461	9,461
Trust funds and deposits	2,515	–	–	–	–	2,515	2,515
Interest-bearing loans and borrowings	1,377	324	677	1,918	765	5,062	5,062
Total financial liabilities	13,353	324	677	1,918	765	17,038	17,038

(f) Sensitivity disclosure analysis

These amounts represent undiscounted gross payments including both principal and interest amounts

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 4.4%.

Note 36 Financial Instruments (cont.)

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

Market risk exposure	Carrying amount subject to interest \$'000	Interest rate risk			
		-1%		2%	
		100 basis points		200 basis points	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2011					
Financial assets:					
Cash and cash equivalents	3,000	(30)	(30)	60	60
Other financial assets	51,008	(510)	(510)	1,020	1,020
Financial liabilities:					
Interest-bearing loans and borrowings	4,416	44	44	(88)	(88)
2010					
Financial assets:					
Cash and cash equivalents	1,014	(10)	(10)	20	20
Other financial assets	47,729	(477)	(477)	955	955
Financial liabilities:					
Interest-bearing loans and borrowings	5,062	51	51	(101)	(101)

NOTE 37

AUDITORS' REMUNERATION

	2011 \$'000	2010 \$'000
Audit fee to conduct external audit – Victorian Auditor-General	62	54
Internal audit fees – Oakton (2010, Oakton)	113	79
	175	133

NOTE 38

EVENTS OCCURRING AFTER BALANCE DATE

Council is not aware of any material financial issues occurring after balance date.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 39

RELATED PARTY TRANSACTIONS

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors	Councillor Anne O'Shea	1 July 2010 to 30 June 2011
	Councillor Claude Ullin	1 July 2010 to 30 June 2011
	Councillor John Chandler	1 July 2010 to 30 June 2011
	Councillor Melina Sehr	1 July 2010 to 30 June 2011
	Councillor Judy Hindle	1 July 2010 to 30 June 2011
	Councillor Tas Athanasopoulos	1 July 2010 to 30 June 2011
	Councillor Greg Hannan	1 July 2010 to 30 June 2011
	Councillor Tim Smith	1 July 2010 to 30 June 2011
	Councillor Angus Nicholls	1 July 2010 to 30 June 2011
Chief Executive Officer	Warren Roberts	1 July 2010 to 30 June 2011

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers whose total remuneration from Council and any related entities fall within the following bands:

	2011 No.	2010 No.
\$1,000 – \$9,999	–	–
\$10,000 – \$19,999	–	–
\$20,000 – \$29,999	7	7
\$30,000 – \$39,999	–	–
\$40,000 – \$49,999	–	–
\$50,000 – \$59,999	1	1
\$60,000 – \$69,999	1	1
\$70,000 – \$79,999	–	–
\$270,000 – \$279,999	–	1
\$310,000 – \$319,999	1	–
	10	10
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	626	580

(iii) No retirement benefits have been made by the Council to a Responsible Person (2009/2010, Nil).

(iv) No loans have been made, guaranteed, or secured by the Council to a Responsible Person during the reporting year (2009/2010 – Nil).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons, during the reporting year (2009/2010 – Nil).

Note 39 Related party transactions (cont.)

(vi) Senior Officers Remuneration

A Senior Officer, other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$124,000 (2009/10 \$120,000).

The number of Senior Officers, other than the Responsible Persons, are shown below in their relevant income bands:

	2011 No.	2010 No.
Income Range:		
\$124,000 – \$129,999	2	5
\$130,000 – \$139,999	6	8
\$140,000 – \$149,999	9	4
\$150,000 – \$159,999	–	3
\$160,000 – \$169,999	2	–
\$170,000 – \$179,999	–	–
\$180,000 – \$189,999	–	–
\$190,000 – \$199,999	–	4
\$200,000 – \$209,999	4	–
	23	24
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	3,575	3,599

NOTE 40

JOINT VENTURE INFORMATION

Streetsahead Cleaning Service

The Cities of Stonnington and Port Phillip participate as partners in a joint venture with the primary objective of providing cleansing services to both Councils. The Joint Venture commenced operating on 1 February 2000 and undertakes work including street sweeping, footpath sweeping, land sweeping, weed control, beach and foreshore cleaning, litter bin clearing, and pit cleaning. The Council has a 50% interest in the assets, liabilities, and operating result of this Joint Venture. The Council's aggregate share of the Joint Venture's revenue and expenses, based upon 2011 unaudited financial statements, are as follows:

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Income	4,160	3,900	4,160	3,900
Expense	4,253	3,836	4,253	3,836
	(93)	64	(93)	64

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2011

Note 40 Joint venture information (cont.)

The Council's aggregate share of the assets and liabilities committed to the Joint Venture are included in the balance sheet under the following classifications:

	Council		Consolidated	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Assets				
Current assets				
Cash and cash equivalents	570	366	570	366
Receivables	294	358	294	358
Other Financial Assets	750	1,002	750	1,002
Total current assets	1,614	1,726	1,614	1,726
Non-current assets				
Property, Plant and Equipment	1,201	1,192	1,201	1,192
Total non-current assets	1,201	1,192	1,201	1,192
Total assets	2,815	2,918	2,815	2,918
Liabilities				
Current liabilities				
Payables	190	175	190	175
Employee benefits	673	681	673	681
Interest Bearing Liabilities	293	311	293	311
Total current liabilities	1,156	1,167	1,156	1,167
Non-current liabilities				
Employee benefits	35	44	35	44
Interest Bearing Liabilities	759	748	759	748
Total non-current liabilities	794	792	794	792
Total liabilities	1,950	1,959	1,950	1,959
Net Assets	865	959	865	959
Equity				
Accumulated Funds	865	959	865	959
Total Equity	865	959	865	959

NOTE 41

WHOLLY OWNED SUBSIDIARY

Prahran Market Pty Ltd

Prahran Market Pty Ltd is a wholly owned subsidiary, incorporated within Australia, of the City of Stonnington. Prahran Market Pty Ltd manages the retail activities of the Prahran Market for the City of Stonnington on terms set out in a management agreement between both parties, dated 30 March 2008. The assets, liabilities, and operating result based upon 2011 unaudited financial statements are included in Council's consolidated financial accounts, as follows:

	2011 \$'000	2010 \$'000
Income	4,679	4,437
Expense	3,850	3,791
	829	646

Council's consolidated accounts includes the following assets and liabilities in the Balance Sheet

	2011 \$'000	2010 \$'000
Assets		
Current assets		
Cash assets	2,304	1,555
Receivables	180	385
Other	8	13
Total current assets	2,492	1,953
Non-current assets		
Property, Plant and Equipment	3,378	3,534
Total non-current assets	3,378	3,534
Total assets	5,870	5,487
Liabilities		
Current liabilities		
Payables	186	168
Employee benefits	55	85
Other Liabilities	38	23
Total current liabilities	279	276
Non-current liabilities		
Employee benefits	-	450
Interest Bearing Liabilities	5	3
Total non-current liabilities	5	453
Total liabilities	284	729
Net Assets	5,586	4,758
Equity		
Accumulated Funds	3,586	2,758
Issued Capital	2,000	2,000
Total Equity	5,586	4,758

NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 42
INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITIES

	Year	Grants Income \$'000	Other Income \$'000	Total Income \$'000	Expenses \$'000	Net Result \$'000	Total Assets (WDV) \$'000
Leisure & Cultural Services	2010	1,023	5,545	6,568	23,680	(17,112)	109,428
	2011	1,001	5,191	6,192	23,942	(17,750)	110,390
Community Services	2010	4,400	3,607	8,007	14,003	(5,996)	27,187
	2011	4,470	3,912	8,382	14,514	(6,132)	27,426
Development	2010	35	4,226	4,261	5,784	(1,523)	–
	2011	–	5,076	5,076	6,351	(1,275)	–
Regulatory & Transport	2010	194	17,819	18,013	12,410	5,603	26,448
	2011	252	17,207	17,459	12,532	4,927	26,681
Infrastructure	2010	689	1,961	2,650	29,065	(26,415)	251,095
	2011	594	2,587	3,181	27,068	(23,887)	293,496
Governance, Administration & Non Attributed	2010	1,942	78,009	79,951	25,908	54,043	971,516
	2011	1,936	83,388	85,324	29,150	56,174	945,547
TOTAL	2010	8,283	111,167	119,450	110,850	8,600	1,385,674
	2011	8,253	117,361	125,614	113,557	12,057	1,403,540

Aggregate value of Assets as disclosed in the Balance Sheet

	2011 \$'000	2010 \$'000
Current Assets	63,196	58,198
Non Current Assets	1,340,344	1,327,476
Total	1,403,540	1,385,674

Leisure & Cultural Services

Aim: To provide, coordinate, and develop a broad range of facilities, programs and services which satisfy the leisure/ recreational and library needs of the community.
Includes: Civic & Community Centres, Recreation & Arts Centres, Sporting facilities, Parks and Gardens, Swimming Pools, Libraries, Business Development, Tourism and Golf Course Management.

Community Services

Aim: To provide, advocate, coordinate, and develop a broad range of programs, services, and facilities within the aged, family, youth, and children's area that are responsive to the social, emotional, and physical needs of the community.
Includes: Family & Children's Services, Aged & Disability Services, Maternal & Child Health, Child Care, and Ethnic Services.

Development

Aim: To implement local and State building and planning regulations within the municipality.
Includes: Building Control, Strategic and Statutory Town Planning.

Regulatory & Transport

Aim: To regulate and reinforce parking safety, parking turnover, food safety, environment controls, animal controls, and local laws.
Includes: Transport Management and Health & Environment Management.

Note 42 Income, expenses and assets by function/activities (cont.)

Infrastructure

Aim: To maintain and renew existing infrastructure to improve traffic and pedestrian safety and amenity through traffic management. Also to provide and develop services and controls to remove waste and maintain clean streets, parks, and gardens. Includes: Engineering and surveying, local area traffic management, the construction and maintenance of local road infrastructure, car park maintenance, waste management, and street cleaning.

Governance, Administration, and Not Attributed

Aim: To establish efficient and effective processes for delivering the community needs.
Includes: Civic Centres - Council Service Centres, Community Relations, Financial Management, Valuation and Rating, Information Technology, Human Resources, Councillor Support, Legal Services, Records Management, Corporate Planning, Halls Management, Asset and Property Management.

NOTE 43
FINANCIAL RATIOS (PERFORMANCE INDICATORS)

	2011 \$'000	2011 (%)	2010 (%)	2009 (%)
(a) Debt servicing ratio (to assess the capacity of Council to service its outstanding debt) Debt servicing costs Total income Debt servicing costs refer to the payment of interest on loan borrowings, finance leases, and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total income.	$\frac{242}{125,614} =$	0.19%	0.23%	0.27%
(b) Debt commitment ratio (to assess Council's capacity to achieve its debt redemption strategy) Debt servicing & redemption costs Rate revenue Council's strategy involves the repayment of loan principal and interest, finance lease principal and interest The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.	$\frac{888}{72,262} =$	1.23%	1.22%	2.25%
(c) Revenue ratio (to quantify Council's dependence on non-rate income) Rate revenue Total income The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.	$\frac{72,262}{125,614} =$	57.53%	56.49%	54.56%

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NOTE 43

FINANCIAL RATIOS (PERFORMANCE INDICATORS)

	2011 \$'000	2011 (%)	2010 (%)	2009 (%)
(d) Debt Exposure Ratio (to identify Council's exposure to debt)				
Total indebtedness	29,990			
Total realisable assets	1,080,487			
	=	2.78%	2.26%	1.02%
For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.				
Any liability represented by a restricted asset (note 31) is excluded from total indebtedness.				
The following assets are excluded from total assets when calculating Council's realisable assets:				
land and buildings (not owned); restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.				
This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses total liabilities as a percentage of each dollar of realisable assets.				
(e) Working Capital Ratio (to assess Council's ability to meet current commitments)				
Current assets	63,196			
Current liabilities	30,657			
	=	206.14%	238.48%	267.04%
The ratio expresses the level of current assets the Council has available to meet its current liabilities.				
(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)				
Current assets	63,196			
Adjusted Current liabilities	23,498			
	=	268.94%	332.79%	339.81%
The ratio expresses the level of current assets the Council has available to meet its current liabilities.				
Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because it is not likely to be utilised within 12 months after the end of the year.				

NOTE 44

CAPITAL EXPENDITURE

	Note	2011 \$'000	2010 \$'000
Capital expenditure areas			
Land		–	1,808
Land Improvements		5,290	4,060
Buildings		8,023	14,594
Heritage Buildings		3,393	4,235
Heritage Indoor Assets		106	144
Motor Vehicles, Plant, and Equipment		2,603	2,349
Furniture and Equipment		536	295
Office Equipment & Information Technology		525	434
Library Stocks		814	801
Roads Extras		1,080	1,328
Drainage, Roads, Footpaths, Kerb & Channels, ROWs, Bridges		7,928	6,133
		30,298	36,181
Intangible Assets		690	590
Total capital works		30,988	36,771
Represented by:			
Renewal	(a)	18,722	21,469
Upgrade	(b)	6,425	8,147
Expansion	(c)	883	2,208
New assets		4,958	4,947
Total capital works		30,988	36,771
Property, infrastructure, plant and equipment movement			
The movement between the previous year and the current year in property, infrastructure, plant and equipment movement as shown in the Balance Sheet links to the net of the following items:			
Total capital works		30,988	36,771
Movement in fair value of investment property		144	940
Asset revaluation movement		–	(20,604)
Depreciation/amortisation	11	(17,051)	(19,637)
Written down value of assets sold		(571)	(716)
Termination of Finance Leases		–	(91)
Fully depreciated assets written back		–	357
Asset write off		(74)	(3,040)
Net movement in property, plant & equipment, intangibles and investment property	19, 20	13,436	(6,020)

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 44 Capital expenditure (cont.)

(a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

(b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base.

(c) Expansion

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

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 (Finance and Reporting) Regulations 2004, Australian Accounting Standards, and other mandatory professional reporting requirements.



Brian Hood CPA

Principal Accounting Officer

29 August 2011

Malvern

In our opinion, the accompanying financial statements present fairly the financial transactions of Stonnington City Council for the year ended 30 June 2011 and the financial position of the Council as at that date.

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

We were authorised by the Council on 29 August 2011 to certify the financial statements in their final form.



Cr Melina Sehr

Mayor

29 August 2011

Malvern



Anne O'Shea

Councillor

29 August 2011

Malvern



Warren Roberts

Chief Executive Officer

29 August 2011

Malvern

PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

Introduction to the Performance Statement

The Government amended the Local Government Act 1989 (Section 153) to ensure that local government developed performance accountability mechanisms which allow for a consistent approach in the collection and reporting of information regarding financial performance, operating cost and community satisfaction.

The use of performance indicators by local government is a significant step towards achieving:

- an improved capacity to objectively measure Council performance to a better set of relationships between state and local government,
- the strategic objectives as articulated in the Council Plan, and
- better informed communities.

The Council has adopted a budget as part of its corporate planning cycle and has separately identified Key Strategic Activities (KSA's) to be undertaken during the financial year and performance targets, and measures in relation to each KSA. The Performance Statement outlines the extent to which these targets have been met during the year.

PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

Key Strategic Activities

Financial Performance

Financial stability driven by strong financial management ensures a sustainable future for the City and enables Council to meet the objectives of the Council Plan. Council objective is to maintain its strong financial position by generating an operating surplus in line with budget expectations and by building a strong Balance Sheet.

Performance Targets and Measures		Actual Result 2011	Budget/Target 2011	Variance	Achieved
FP 1.	Underlying result/Underlying revenue	6.68%	2.86%	3.8%	Yes
FP 2.	Operating expenses/Rateable Assessments	\$2,090	\$2,170	\$80	Yes
FP 3.	Rate revenue/Underlying revenue	59.35%	59.89%	0.5%	Yes
FP 4.	Rate revenue/Rateable Assessments	\$1,331	\$1,336	(\$4)	No
FP 5.	Debt Servicing/Total revenue	0.19%	0.20%	0.01%	Yes
FP 6.	Recurrent Grants/Total Revenue	5.82%	6.07%	(0.2%)	No
FP 7.	Fees and Charges/Total Revenue	26.22%	27.30%	(1.1%)	No

Financial Position

Manage the operations of Council to maintain and improve on the level of Council services while keeping operating cost increases to acceptable levels.

Performance Targets and Measures		Actual Result 2011	Budget/Target 2011	Variance	Achieved
BS 1.	Indebtedness/Rate revenue	6.11%	6.02%	(0.1%)	No
BS 2.	Underlying result/Total assets	0.58%	0.23%	0.3%	Yes
BS 3.	Net realisable assets/Rateable Assessment	\$19,905	\$23,540	(\$3,635)	No
BS 4.	Current assets/Current liabilities	2.06	1.93	0.13	Yes
BS 5.	Total liabilities/Rateable Assessment	\$654	\$601	(\$53)	No

PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

Capital Expenditure

Implement a well structured capital works strategy to maintain existing Council assets and to provide a source of funds for new initiatives

Performance Targets and Measures	Actual Result 2011	Budget/Target 2011	Variance	Achieved
CE 1. Capital Works	\$30,988,000	\$31,954,000	(\$966,000)	No
CE 2. – Asset renewal	\$18,722,000	\$18,862,000	(\$140,000)	No
CE 3. – New assets	\$4,958,000	\$5,666,000	(\$708,000)	No
CE 4. – Asset expansion/upgrade	\$7,308,000	\$7,426,000	(\$118,000)	No
CE 5. Operating Cash/Net capital outlays	100.47%	92.78%	7.7%	Yes
CE 6. Capital Works/Rate revenue	42.88%	44.08%	(1.2%)	No
CE 7. Asset renewal/Total depreciation	109.80%	125.40%	(15.6%)	No

Community Satisfaction

Monitor community feelings on Council's performance and issues influencing community satisfaction to achieve a "Best Value" outcome for the community.

Performance Targets and Measures	Actual Result 2011	Budget/Target 2011	Variance	Achieved
CS 1. Community satisfaction rating for overall performance generally of the Council	72	71	1	Yes
CS 2. Community satisfaction rating for overall performance in key service areas and responsibilities	68	67	1	Yes
CS 3. Community satisfaction rating for Council's interaction and responsiveness in dealing with the public	76	74	2	Yes
CS 4. Community satisfaction rating for Council's advocacy and community representation on key local issues	73	65	8	Yes
CS 5. Community satisfaction rating for Council's engagement in decision making on key local issues	65	61	4	Yes

NOTES TO AND FORMING PART OF THE PERFORMANCE STATEMENT EXPLANATIONS OF MAJOR VARIATIONS TO BUDGET

Financial Performance:

FP 1. Underlying result/Underlying revenue

The percentage of underlying surplus over underlying revenue is greater than budgeted due to higher income from rates and charges, user charges, reimbursements, and finance income. Further details of the operating result are referenced in the Standard Income Statement and the associated explanation of variances.

FP 2. Operating expenses/Rateable Assessments

Operating expenses per rateable assessment were better than budget due to a range of operating efficiencies.

FP 3. Rate revenue/Underlying revenue

The growth in other revenue streams meant that the reliance on rate revenue was slightly lower than budgeted.

FP 4. Rate revenue/Rateable Assessments

There is a minimal variance between budget and actual performance for 2010/11.

FP 5. Debt Servicing/Total revenue

The minimal variance between budget and actual performance for 2010/11 is due to stronger revenue growth.

FP 6. Recurrent Grants/Total Revenue

The proportion of revenue gained from recurring grants was slightly less than budgeted.

FP 7. Fees and Charges/Total Revenue

The ratio of fees and charges to total revenue was close to budget.

Financial Position:

BS 1. Indebtedness/Rate revenue

The level of indebtedness as a proportion of rate revenue slightly exceeded budget.

BS 2. Underlying result/Total assets

The significantly better than budget surplus improved this ratio.

BS 3. Net realisable assets/Rateable Assessment

This ratio was below the target due to lower capital expenditure, the asset revaluation decrement and the increase in restricted assets.

BS 4. Current assets/Current liabilities

The ratio of current assets over current liabilities was better than budget largely due to a stronger cash position.

BS 5. Total liabilities/Rateable Assessment

Total liabilities for 2010/11 are higher than budgeted mainly due to higher actual creditors and accruals.

Capital Expenditure:

CE 1. Capital Works

Actual capital expenditure in 2010/11 was within \$1M or 3% of a large capital works budget due mostly to timing issues.

CE 2. Asset renewal

Expenditure on asset renewal was within 0.7% of budget.

CE 3. New assets

Expenditure on new assets was under budget by 12%, although a number of projects will be carried forward to 2011/12 for completion.

CE 4. Asset expansion/upgrade

Expenditure on expansion assets was within 1.9% of budget.

CE 5. Operating Cash/Net capital outlays

This ratio exceeded budget due to stronger operating cash inflows and lower capital expenditure in comparison to budget.

CE 6. Capital Works/Rate revenue

The proportion of rate revenue expended on capital works was slightly below budget due to timing delays in some capital projects.

CE 7. Asset renewal/Total depreciation

Expenditure on asset renewals was slightly under budget but more importantly exceeded depreciation charges.

Community Satisfaction

Council exceeded targets set for all community satisfaction measures. This is a reflection of Council providing improved and best value services to the community and our ratepayers.

CERTIFICATION OF THE PERFORMANCE STATEMENT

In my opinion, the accompanying Performance Statement of the City of Stonnington in respect of 2010/2011 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of the targets set in respect of that year described in Council's Budget and describes the extent to which the targets were met in that year having regard to those targets and measures.

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

We were authorised by the Council on 29 August 2011 to certify this performance statement on its behalf in its final form.



Cr Melina Sehr

Mayor

29 August 2011

Malvern



Anne O'Shea

Councillor

29 August 2011

Malvern



Warren Roberts

Chief Executive Officer

29 August 2011

Malvern

AUDITOR GENERAL'S REPORT ON THE PERFORMANCE STATEMENT

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Stonnington City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2011 of the Stonnington City Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councilors' Responsibility for the Performance Statement

The Councillors of the Stonnington City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the Local Government Act 1989. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Local Government Act 1989, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with various ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the Constitution Act 1975. The Auditor-General is not subject in relation to the way in which his powers and responsibilities are to be exercised, in conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Level 26, 38 Collins Street, Melbourne VIC 3000

Telephone 61 3 8601 7000. Facsimile 61 3 8601 7010. Email enquiries@vago.vic.gov.au. Website www.audit.vic.gov.au

Auditing in the Public Interest

INDEPENDENT AUDITOR'S REPORT

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

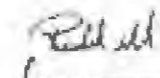
Auditor's Opinion

In my opinion, the performance statement of the Stonnington City Council in respect of the 30 June 2011 financial year presents fairly, in all material respects, in accordance with the Local Government Act 1989.

Matters Relating to the Electronic Publication of the Audited Performance Statements

This auditor's report relates to the performance statements of the Stonnington City Council for the year ended 30 June 2011 included both in the Stonnington City Council's annual report and on the website. The Councilors of the Stonnington City Council are responsible for the integrity of the Stonnington City Council's website. I have not been engaged to report on the integrity of the Stonnington City Council's website. The Auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to from this statement. If users of the performance statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statements to confirm the information contained in the website version of the performance statements.

MELBOURNE
1 September 2011


D. D. H. Pearson
Auditor-General

2

Level 24, 25 Collins Street, Melbourne Vic. 3000
Telephone 03 9399 7000 Facsimile 03 9399 7113 Email comments@vago.vic.gov.au Website www.vago.vic.gov.au

Auditing for the Public Interest

GLOSSARY

Accumulated Surplus

The value of all net assets accumulated over time.

Assets

Future economic benefits controlled by Council as a result of past transactions or other past events.

Benchmarking

Qualitative and quantitative comparisons with similar services/service organisations to devise the best possible service provision.

Best Practice

Highest level of service viable.

Best Value

An innovative approach to Local Government service delivery which includes community input, effective service delivery and cost efficiency as key service outcomes.

Biodiversity

Different plants, animals and microorganisms make a variety of life incorporating their genes and the ecosystems.

Capital Works

Projects undertaken to either renew or upgrade or construct assets owned by Council in the community.

Community Grants

Council funding made available to local community organisations to provide activities and service not available through state, federal and private resources.

Council Plan

Strategic document which provides the framework and direction for all areas of Council activity for four years.

Councillors

Elected representatives of Council.

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.

Equity

The residual interest in the assets of Council after deductions 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.

Governance

How Council operates as a decision-making body, its relationship with the administration and the ways that Council engages with their community in this process.

Infrastructure

The basic facilities needed for the functioning of a community including open space, road networks and drain systems.

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.

Municipal Strategic Statement (MSS)

Outlines the key land use and development objectives and strategies for the municipality. The MSS provides the basis for zones, overlays and particular provisions. Council will review the MSS every three years.

Net Assets

The difference between total assets and total liabilities, which represents Council's net worth. Net assets is also equal to total equity.

Planning Scheme

Sets the direction for the use, development, and protection of land within the municipality.

Rate and Charges Income

Income received from ratepayers in relation to general rates, garbage rates and special rate schemes.

Revenue

Revenue is the amount of money that Council actually received from its activities, mostly from rates and services provided to customers and ratepayers.

Risk Management

A discipline for developing appropriate procedures to reduce the possibility of adverse effects from future events.

Service Centre

Council's offices for direct customer service.

Strategy

A plan of action intended to accomplish specific objectives.

Vision

A description of the future we aim to achieve for our City and community.

Ward

The delineation of a district within a municipality for the purposes of administration and representation.

AWARDS 2010/11

- Stonnington won a Gold Award in the Australasian Reporting Awards 2011 for the Annual Report 2009/10.
- The Subdivision area within the Statutory Planning Department received an award for "Victorian Municipal Excellence (Best Council in Victoria)" from the Association of Consulting Surveyors Victoria at their Biennial Subdivision Seminar in March 2011.
- Cultural Development and Events won a 'Mainstreet' Award for the 'Shine at Christmas' branding and campaign.
- Stonnington was a finalist in the LGPro Awards for Excellence for Innovative Management for the 2009 Engagement Survey – Engaging Stonnington