

Council's 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.

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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.

Environment

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

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 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.

Financials

Stonnington's prudent fiscal management means we will retain a strong financial position.



Community



Environment



Liveability



Prosperity



COUNCIL OPERATIONS



FINANCIALS

BUDGET ACTIVITY

PERCENTAGE ACHIEVED

Community

Establish a Centre-Based Meals program at the Phoenix Park Community Centre.

100%

Implement Council's Access and Inclusion Plan and the Victorian Government MetroAccess program to enhance access for all in Stonnington, in partnership with community agencies and organisations.

100%

Administer and provide a community grants program.

100%

Engage with the community through surveys and other consultation methods to explore opinions across a range of Council services.

100%

Environment

Continue to apply environmentally sustainable principles in the design and development of new and existing Council buildings and facilities.

100%

Incorporate Water Sensitive Urban Design principles into Council's design and construction practices to reduce the environmental impacts of urbanisation in terms of the potential pollution threat to natural waterways.

100%

Implement the Environmental Education Strategy

100%

Maintain Council's current program of conversion of sports grounds to warm season grasses.

100%

Liveability

Develop and implement a new Reconciliation Action Plan, providing increased awareness of indigenous history and increased opportunity for community members of Aboriginal and Torres Strait Islander descent.

100%

Deliver 100 events across the library service that are targeted towards young families and retired residents.

100%

Program a diverse range of art and cultural activities and events at Chapel Off Chapel.

100%

Implement the Vision Zero Road Safety Policy Action Plan via initiatives such as speed trackers in local streets, 40 kilometres per hour speed limited local traffic zones, and working with schools to improve safety for children.

100%

Prosperity

Build on the success of Stonnington Jazz and other events with a focus on visitor markets beyond Stonnington.

100%

Provide and promote business education workshops and seminars on topics relevant to the business community.

100%

Promote and provide training for Stonnington Liquor Accord members and owners of licensed premises.

100%

Implement Chapel Street Evening Taxi Zones and review Toorak Village Taxi Zone.

100%

OTHER

Implement the General Election process in conjunction with the Contractor.

100%

Review and revise local law to incorporate legislative changes and administrative changes in the meeting procedure section.

100%

Proactively continue with internal auditing of OHS of all Divisions in accordance with AS4801 accreditation compliance.

100%

ACTUAL RESULT

BUDGET

FINANCIALS

Average rates and charges per assessment

1,435

1,472

Rates and charges as a percentage of Total Underlying Revenue

58.95%

63.23%

Percentage of rates and charges outstanding at 30 June 2013

2.21%

1.82%

Working capital / Liquidity Ratio (times)

2.09

2.22

2012/13 Capital Expenditure

33.34m

33.99m

COMMENT	PAGE
The Phoenix Park Centre Based Meals program (The Balcony Kitchen) opened in early September 2012.	16
Achievements during the year included a well attended event for International Day for People With a Disability. The development of the Access and Inclusion Plan 2013-2017 progressed.	17
The community grants program supported more than 200 community groups.	19
A total of 17 surveys covering 26 topics were conducted.	20
Environmentally sustainable design principles were incorporated into the design and development of a range of buildings (e.g. documentation for the Phoenix Park Community Centre Redevelopment and Stonnington Animal Pound Extension).	26
Water Sensitive Urban Design is incorporated in streetscape upgrades, as well as being a key focus of the Yarra River Biodiversity project.	28
Education programs were delivered throughout the year, including the Follow Your Recyclables Tour, Detox Your Home, Winter in Your Patch, Worm Farming and Composting.	28
TH King and Rigetti Ovals have been upgraded and have been made available for the winter season of sport.	29
Highlights included a Welcome to Country and flag raising ceremony to mark NAIDOC Week. Activities were also delivered to locally-based schools during NAIDOC week.	35
Over 400 events were held in our libraries which included regular storytimes, school holiday activities, technology sessions and more. Our new [untitled] Festival attracted people from across the community. More than 7000 people attended our events.	35
A total of 75 different productions were performed in The Loft and Chapel Theatres. Over 65,000 people came through Chapel's doors.	35
The speed trailer program continued. The Fit to Drive program was delivered to learner drivers and the Below .05 program was implemented at sporting clubs.	36
Stonnington Jazz and L'Oreal Melbourne Fashion Festival 'Famous for Fashion' events increased visitation and expenditure in the retail precincts.	47
Business education was provided through workshops, seminars, business breakfasts and business lunches.	47
Media training was introduced for the first time. Tailored training was developed for dedicated Responsible Serving of Alcohol officers, and held for conflict resolution and First Aid.	48
Taxi zones were implemented throughout the Chapel Street precinct. An interim review is underway with stakeholders.	48
Council conducted attendance elections in 2012 with six of the nine Councillors elected being first-time Councillors.	53
The review was completed. No changes were required in 2012/13.	53 & 58
The OHS Unit has completed all audits scheduled for 2012-2013.	72
Based on the number of rateable assessments, there is a minimal variance between budget and actual performance for 2012/13.	
Council's reliance on rates and charges to fund operational and capital expenditure was slightly below budget mainly due to a greater amount of open space contributions from developers, favourable traffic and parking income, and also increased usage of Council's services. The level of reliance on rates and charges remains at a relatively high level.	
Council's collection procedures and policy continues to be stronger than expected and evidenced by low level of unpaid rates and charges debt.	
Council's ability to meet short-term financial commitments is strong. For every dollar of current liability, Council has \$2.09 in current assets.	
Council's capital expenditure program was entirely internally funded.	

About this Annual Report

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

This Annual Report is a key reporting tool used to monitor the City of Stonnington's performance in 2012/13 in line with key objectives of the Council Plan 2009–13 and Budget 2012/13. 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:

1. **Snapshot of Our Performance**
2. **Environment**
3. **Community**
4. **Liveability**
5. **Prosperity**
6. **Council Operations**
7. **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 169.

A Snapshot of Our Performance folds out from inside the front cover and includes key achievements and challenges for 2012/13 that have been measured against set objectives.

The main body of the report details achievements and challenges for 2012/13 against Council's four key objectives:

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

The Annual Report also includes information on future projects and accompanying statistical information demonstrating Council's performance over time.

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 93.



Council

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.

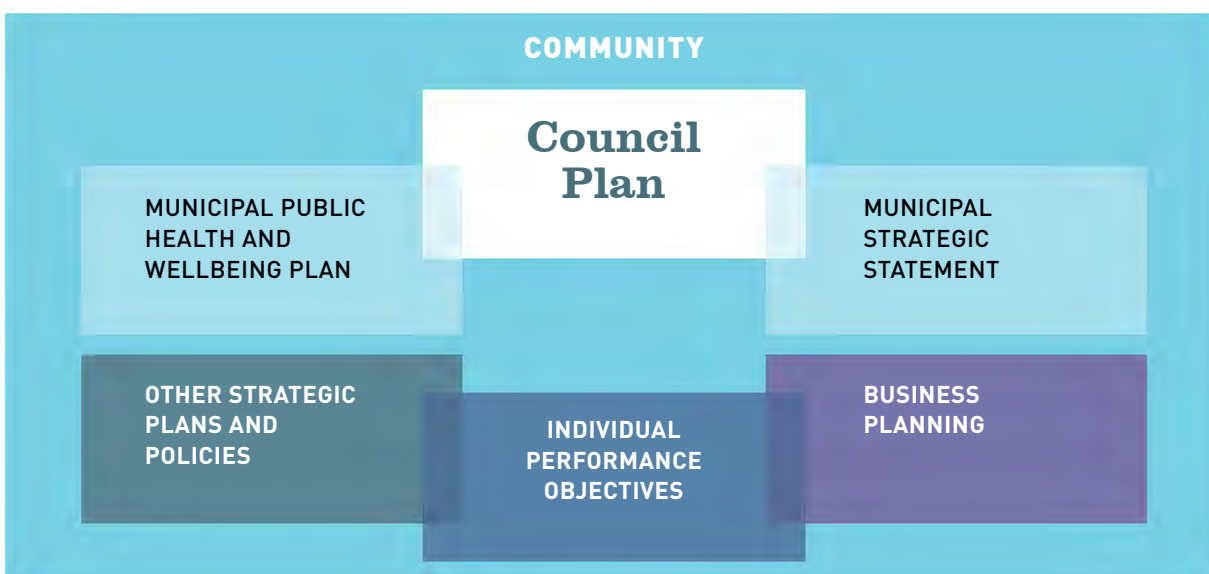
Council is committed to working in partnership with key stakeholders, residents and businesses to continuously review our Local Laws, Council policies and meeting procedures to promote community consultation, advocate community needs to third parties and provide strong democratic leadership. The City 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 51.

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.

FIGURE 1.1 COUNCIL'S STRATEGIC PLANNING FRAMEWORK



Councillors

NORTH WARD



MAYOR, CR MATTHEW KOCE
mkoce@stonnington.vic.gov.au
M: 0419 147 352

First elected 2012.
Mayor 2012/13.
Occupation: Senior manager in government and business.



CR JOHN CHANDLER
jchandler@stonnington.vic.gov.au
M: 0417 771 288

First elected 1996, re-elected 1999, 2002, 2004, 2008 and 2012. Mayor 1996/97, 2006/07 and 2011/12. Served as an elected Councillor and Mayor for the former City of Prahran. Justice of the Peace. Occupation: Architect.



CR JAMI KLISARIS
jklisaris@stonnington.vic.gov.au
M: 0427 333 471

First elected 2012.
Occupation: Student.

SOUTH WARD



CR SAM HIBBINS
shibbins@stonnington.vic.gov.au
M: 0427 323 375

First elected 2012.
Occupation: Human Services.



CR MELINA SEHR
msehr@stonnington.vic.gov.au
M: 0417 773 644

First elected 2002, re-elected 2004, 2008 and 2012. Mayor 2003/04, March–November 2004 and 2010/11. Justice of the Peace. Occupation: Information Technology Consultant.



CR CLAUDE ULLIN
cullin@stonnington.vic.gov.au
M: 0417 773 833

First elected 1999, re-elected 2002, 2004, 2008 and 2012. Mayor 2000/01; 2007/08 and 2008/09. Served as an elected Councillor and Mayor for the City of Malvern. Occupation: Company Director.

EAST WARD



CR ERIN DAVIE
edavie@stonnington.vic.gov.au
M: 0427 315 346

First elected 2012.
Occupation: Professional engineer in the water industry.



CR JOHN MCMORROW
jmcorrow@stonnington.vic.gov.au
M: 0427 352 455

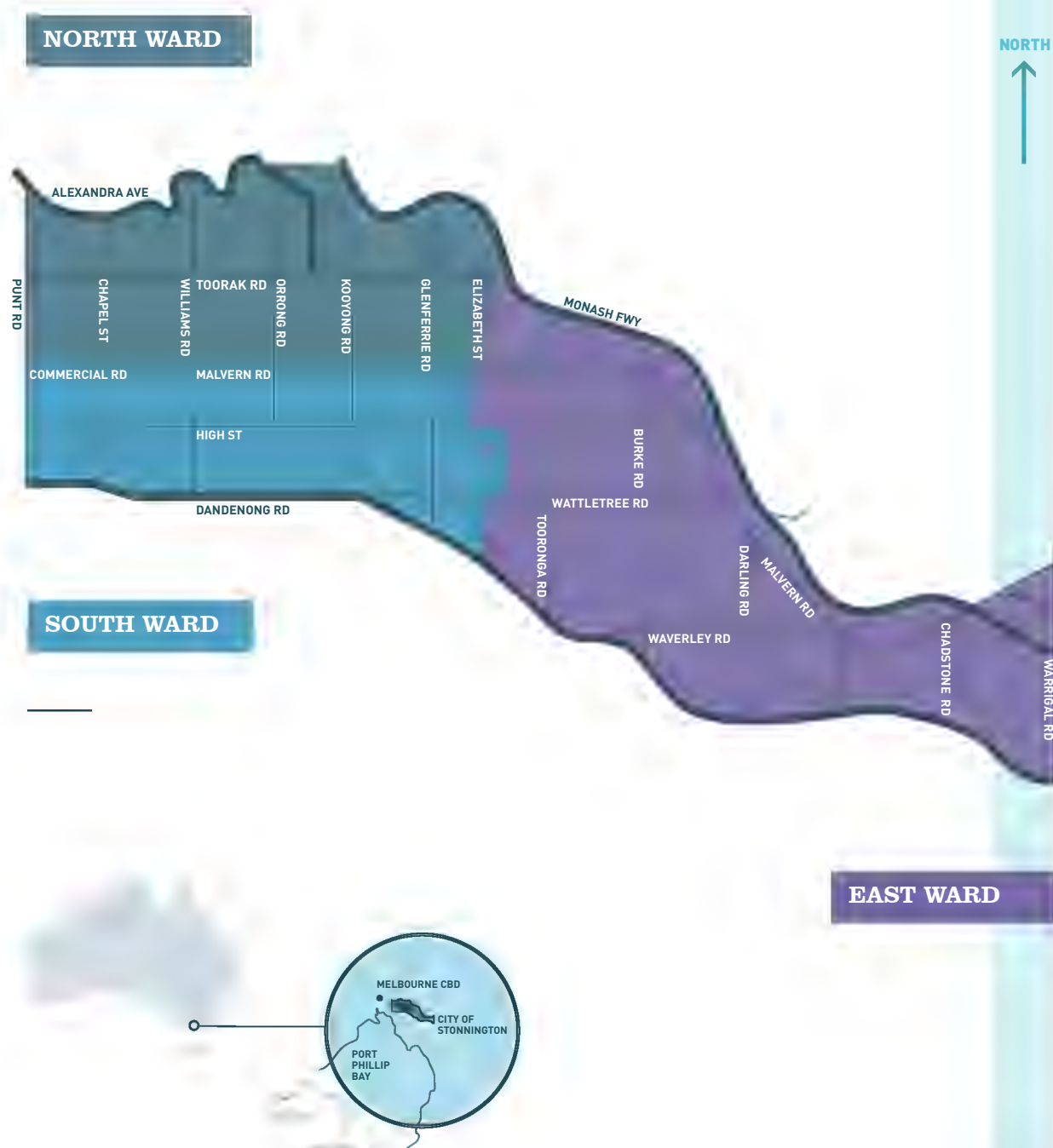
First elected 2012.
Occupation: Small Business Owner.



CR ADRIAN STUBBS
astubbs@stonnington.vic.gov.au
M: 0427 318 257

First elected 2012.
Occupation: Financial Planner.

Stonnington Ward Map



Our City

The City of Stonnington is located in Melbourne's inner south-east, 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.



OUR COMMUNITY

The estimated resident population of the City of Stonnington in 2012/2013 was 100,911. It is anticipated that the municipality will experience a population growth rate of approximately 10% over the next 10 years.

Stonnington has a relatively young population with 31% of the population aged 20 to 34 years and a median age of 35 years.

Of the families in Stonnington 20.6% are couple families with children, 24.2% couple families without children and 5.6% one parent families. Of all households, 31.3% are single person households and 9.2% are group households.

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.

The top five non-English languages are Greek, Mandarin, Cantonese, Italian and Hindi. Almost 27% of the community was born overseas and the top five nations of origin are the United Kingdom, India, China, New Zealand and Greece.

There are numerous culturally and linguistically diverse (CALD) community groups supported by Council, including groups for Greek women and senior citizens, Chinese women and senior citizens, Italian senior citizens, Russian senior citizens, Bosnian people, Polish senior citizens, Korean senior citizens, Arabic-speaking women, Montenegrans, Western Thrace Turkish people and Latin American people.

People with a disability are part of every demographic in our community. It is estimated that there could be up to 18,500 Stonnington residents with a disability of some type. According to the 2011 Census, 3,016 Stonnington residents have a severe disability requiring assistance with core activities and almost one in ten Stonnington residents acts in the role of unpaid carer for a person with a disability.

Almost a third (28.8%) of residents fully own their home, with a further 21.8% paying off a mortgage and 41.2% renting.

The level of vehicle ownership and usage by the Stonnington community is lower than the Melbourne average. This is likely due to the availability of a range of public transport options in the municipality, coupled with high-density housing and limited parking in the inner suburbs.

Stonnington is home to 16,793 businesses, contributing significantly to the City's vibrancy and prosperity.

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 Boon Wurrung and Wurundjeri people. The Boon Wurrung 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.

The foundation stone for Prahran Town Hall was laid in 1888 and in 2013, Prahran Town Hall celebrated 125 years.



Mayor's Message

The last 12 months have been highly productive and successful for Council and I am very pleased to present the Annual Report for 2012/13, which outlines our performance in line with the Council Plan objectives, strategies and targets.

Stonnington delivered a \$29.1 million capital works program, including a number of key projects that will benefit the community:

- Construction commenced on the \$2.8 million TH King Pavilion and Environmental Education Centre in May, which will deliver an exciting sporting, community and environmental education space.
- Works on the Surrey Road Park have progressed, which will see the transformation of the former Depot into a significant area of open space.
- Works continued on the Yarra River Biodiversity Project including detailed design for stage 2. Works aim to increase habitat connectivity, improve water quality and provide educational and recreation opportunities for the community.
- Redevelopment works on Sheridan Pavilion were undertaken, incorporating accessible and environmentally sustainable features, community spaces, a kitchen/kiosk, change rooms and storage facilities.
- The redevelopment of Muir Pavilion was completed in June 2012, including new facilities, and new bathroom and storage areas.

The Chapel Street Masterplan was developed following extensive community consultation during the year. It contains exciting projects that will enhance the precinct through village squares, pedestrian friendly streets, green spaces, landscaping, street furniture and trees and the potential for a ferry service. One of the first projects under the Masterplan will be the \$1.2 million Windsor Plaza project.

Council also reviewed the Chapel Vision Structure Plan and undertook community consultation on the Chapel reVision project. A draft document was prepared, which will guide land use and development including appropriate permanent planning controls for the Prahran, South Yarra and Windsor Activity Centre over the next few years.

We recognise that our parks, gardens and sportsgrounds are important to the liveability of the area and we have been working hard to increase the amount of open space throughout the municipality. Open space is becoming increasingly scarce as

population growth and development density continue to place pressure on all areas of the municipality. At just 20m² of open space per resident, we have the second lowest amount of public open space of any Victorian municipality and we are putting in place the foundations to ensure that figure grows. A comprehensive review of open space needs was undertaken during the year and a strategic approach was developed that will address community needs now and into the future. One of our actions in the coming year will include a feasibility study into the undergrounding of Cato Street carpark, to create open space.

Our commitment to sustainability has been enhanced by development of the draft Sustainable Environment Strategy. This supports the community to live sustainably and improves Council's own environmental performance and practices.

Council has undertaken strong advocacy during the year on behalf of the community. Stonnington worked to improve planning outcomes across the City, promoting mandatory height limits, advocating for appropriate urban design. Council also continued to represent the community on the proposed 590 Orrong Road development, advocating for planning controls and supporting community concerns in the Supreme Court.

Advocacy was also undertaken with a focus on enhancing public transport, addressing level crossings, addressing public education needs and creating open space.

Community safety initiatives continued in partnership with Police, traders, Government agencies and service providers, through the Liquor Accord and with regard to maintenance and plans to install new CCTV cameras. Late night taxi zones were also delivered in Chapel Street.

This has been a very rewarding year working with my fellow Councillors, Council staff and the community. I look forward to continuing the delivery of excellent services, facilities and activities to the community in 2013/14.

Cr Matthew Koce, Mayor

CEO's Message

Stonnington continued to deliver a diverse range of excellent services for the community this year, ranging from programs for families, young people and seniors, to community facility upgrades, economic development initiatives, strategic planning activities, recreation programs and events.



Stonnington led the way in our performance across the industry once again this year. We achieved outstanding overall satisfaction results in the Local Government Community Satisfaction Survey for 2013, with a score of 71 for overall performance. This is significantly higher than the average score of 66 for the Inner Melbourne Metropolitan Group of councils.

Stonnington achieved 76 for Customer Service (higher than the State average of 71), 59 for Consultation (higher than the State average of 57 and Inner Metropolitan average of 58) and 59 for Advocacy (higher than the State average of 55 and Inner Metropolitan average of 56).

Council's financial position remained strong in 2012/13, despite challenges presented by cost pressures such as carbon pricing, tipping fees and utility charge increases.

Council delivered a capital works program exceeding \$29.1 million, which was funded internally, without undertaking any new borrowings. Council also continued to meet its scheduled debt reduction target.

A new Council Plan for 2013–2017 was prepared through extensive planning, vision development with the newly elected Council, and community engagement. This will set the scene for the next four years and outlines service delivery in line with the Budget, to meet community needs and priorities. Planning, research and community engagement was also undertaken for the preparation of the Municipal Public Health and Wellbeing Plan, involving input from over 650 people.

The focus on community consultation and engagement was further strengthened during the year, with a new integrated approach taken to enhance community input into decision-making. There is now a broader variety of communication and engagement tools available, combining the 'Connect with us' online consultation portal (with forums, polls, surveys and forms), with the Stonnington Survey Group surveys, as well as meetings, focus groups, street talks (community marquees out in the community), consultation sessions and displays in Service Centres and Libraries.

A number of major engagement projects were undertaken during the year calling for input, including the Council Plan and Budget, Chapel reVision, Chapel Street Masterplan, the Footpath Trading and Awnings Policy, Municipal Public Health and Wellbeing Plan and State Government Planning reforms.

Council implemented a new Customer Charter during the year, continuing its focus on delivering high quality service standards. An e-services project also commenced including investigation of solutions for e-bookings, e-payments and e-forms, to improve access to services online.

Sustainability continued to be a focus for Stonnington, across all areas of operations, with a number of achievements driven by the development of the Sustainable Environment Strategy and implementing sustainability in all that we do – from environmentally sustainable design of buildings, community education and events, to leading by example through our newly established internal 'Green Team' that aims to make sustainable differences starting with our own workplace.

Council delivered a high profile, well-attended events program to residents and visitors – ranging from Jazz, Pets in the Park and Spring into Gardening, to the Stonnington Spring Fashion Runway, Christmas Carols, Symphony Under the Stars and the Flavours cultural festival.

I would like to take this opportunity to recognise the efforts of staff who work tirelessly to ensure the community can enjoy the many outstanding services, facilities, programs and events that Stonnington provides.

I would also like to thank the Mayor and Councillors for their ongoing support throughout the year.

Warren Roberts, Chief Executive Officer



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.

Service Statistics

- \$2.346 million provided in community grants through cash, in-kind or rental assistance
- 1,029,315 library items loaned
- 607,924 visits to Stonnington Libraries
- 602,521 visitors to aquatic facilities
- 377,941 hours of childcare through five childcare centres
- 71,938 hours of in-home support services (general home, personal and respite services)
- 27,953 hours of planned activity group and Adult Day Activity Support services
- 5,251 hours of assessment services
- 24,396 meals delivered through Meals on Wheels
- 26,134 ethnic meals provided
- 1,369 inspections of food premises
- 173 inspections of beauty industry premises
- 367 investigations under the Public Health and Wellbeing Act
- 176 inspections for Tobacco Act compliance
- 6,500 attended Pets in the Park



Community Strategic Overview 2012/13

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

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

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

Develop strategic alliances to provide coordinated responses to community needs

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



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

Achievements

TH KING PAVILION AND ENVIRONMENTAL EDUCATION CENTRE

Construction of the \$2.8 million TH King Pavilion and Environmental Education Centre commenced in May 2013, setting a new standard through its unique flexibility as a sporting, community and educational space, but also for its green credentials.

Building a new home for sports groups

The new pavilion will cater for the continued growth of sporting clubs in the area, and include:

- An upgrade to sporting facilities with spacious clubrooms, change rooms and separate shower facilities for visiting teams;
- Addition of an umpire's room, a first aid room, equipment storage and space for a gym;
- Better facilities for children, women and people of all abilities, with accessible toilets and ramps.

Landscaping, new public toilets and a new viewing deck will also provide a great place for locals to walk and simply enjoy nature, so close to the Glen Iris wetlands.

Providing more community space

Designed to be highly flexible and functional, the new pavilion will incorporate a huge multi-purpose community space. It will become home to Council's outstanding program of environmental events, programs and sessions. It will also be used by community groups and available for event hire.



Protecting the environment now and into the future

From the materials used, to the building's long-term impact on its surroundings, every part of this building has been a conscious decision to make it a model of environmentally sustainable design. It will set the standard for our future works, and will feature an extensive range of environmental initiatives to reduce the amount of precious resources taken from our environment.

Features include:

- Building materials with a high level of recycled content;
- A photovoltaic electricity generation system and a solar preheated hot water system;
- Rainwater harvesting, double glazed windows and the use of vegetation to provide shade and insulation.

Council was delighted with the State Government's announcement of \$650,000 in funding towards the pavilion.



SURREY ROAD PARK

The construction of Surrey Road Park commenced during the year. This project sees the transformation of part of the former Depot into a significant area of open space parkland that can be enjoyed by the whole community.

Stage One works included the installation of drainage and pits, irrigation main lines and conduits, together with the construction of rain gardens and stone seating, coloured concrete paving, a rock swale and planting of indigenous tree and shrub species.

Stage Two of the park construction program will continue through to early 2014. This work includes additional drainage and irrigation works, a retaining wall, decorative concrete footpaths linking the two stages of the project together, a central grassed oval for informal activities with ornamental trees on its boundary, the continuation of the rock swale with indigenous tree planting and a formal park entrance on Surrey Road.

The park design will include extensive planting of native trees such as River Red Gums along the rock lined 'river bed', Lemon Scented Gums and Snow Gums dotted throughout the park, and a mix of Wattles, red and pink flowering Flame trees and smaller Eucalyptus trees surrounding the grassed oval. Mass plantings of shrubs and ground covers will also contribute to the rich botanical quality within the park. All turf areas will be planted with warm season grasses which are well suited to Melbourne's weather.

The park will incorporate a range of other features including:

- **Sustainable planting:** Australian native and drought tolerant plants have been chosen that best suit the local climate and soil, and attract native birds and insects.
- **Water sensitive urban design elements:** These capture, treat and reuse stormwater onsite to dramatically improve the quality and quantity of water entering our waterways.
- **Rain Gardens:** Designed to capture, filter and reduce the flow rate of stormwater from footpaths.
- **Recreation/play areas:** The entire park has been designed as an attractive environment for play and recreation. The oval will provide a great opportunity for informal play and a range of decorative paving materials will provide an exciting experience as one moves through the varied spaces.
- **Amphitheatre:** A three tiered design using retaining walls that are positioned to take advantage of the natural slope of the park and to frame the oval on its western end. The amphitheatre will provide informal seating for those who wish to relax or view the activities going on in the park.

PHOENIX PARK COMMUNITY CENTRE REDEVELOPMENT

Council completed the \$2.5 million redevelopment of Phoenix Park Community Centre in September 2012. The redevelopment has resulted in a more accessible and flexible community facility which accommodates a wider range of community needs. In addition, permanent users of the centre (Phoenix Park Neighbourhood House, Scope and Inclusion Melbourne) have been provided with functional spaces which are truly reflective of the needs of each organisation.



MUIR PAVILION REDEVELOPMENT

Through collaboration with Glen Iris Junior Football Club and Sport and Recreation Victoria, Council was able to redevelop Muir Pavilion. Works were completed in June 2013 and included new shower/bathroom facilities, designated facilities for umpires and additional storage for Glen Iris Junior Football Club.

SHERIDAN PAVILION

The Sheridan Pavilion was completely reconstructed and now is universally accessible, environmentally sustainable and features elevated viewing for spectators. The facility now includes four team change-rooms with amenities which can function as change facilities or community spaces and operate as one or a combination of rooms, an umpire's change-room, first aid room, kitchen/kiosk, two universally accessible public toilets and storage rooms.

BUILDING UPGRADES

An extensive amount of renewal and improvement work was completed on Council's buildings and facilities in 2012/13 including:

- Reconstruction of the Bleacher Seating Shelter and construction of a new electronic scoreboard at Toorak Park.
- Construction of a new kitchen and upgrade of the facilities at Prahran Adventure Playground.

- Refurbishment of the interior of Lansbury Pavilion.
- Replacement of the roof at Treyvaud Pavilion.
- Strengthening of the roof and drainage improvements at Malvern Library.
- Refurbishment of the offices at Northbrook.
- Reconstruction of the playground at Wattletree Early Learning Centre.
- Construction of safe roof access and fall protection equipment at numerous Council buildings.
- Replacement of floor coverings at Stonnington City Centre, Malvern Library, Hornbrook Child Care Centre, Brookeville Kindergarten and Healey Pavilion.
- Kitchen/bathroom upgrades at Phoenix Park Community Centre, Stonnington Children's Centre, Hornbrook Child Care Centre and Armadale Early Learning Centre.

Design and documentation was advanced for the future upgrade and redevelopment of Prahran RSL Memorial Hall, Sunnyside Kindergarten, Dunlop Pavilion, Central Park Pavilion, Glendearg Tennis Pavilion and floodlighting of Percy Treyvaud Reserve Sportsground. Feasibility planning is also underway to explore the possibility of new accommodation facilities for the services delivered at Princes Gardens Maternal and Child Health and Youth Services Centre.



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

Achievements

SERVICES FOR OLDER PEOPLE

The Aged Services Unit was successfully audited under Gay and Lesbian Health Victoria's Rainbow Tick for the work the Unit is undertaking with the GLBTI community. Stonnington is the first Local Government to receive this accreditation and was one of the first agencies in Victoria to be involved in the pilot for this important accreditation program.

The Phoenix Park Centre based meals program for older people, 'The Balcony Kitchen', opened in September 2012. An average of 25 people per day attend this program which operates three days per week from the Phoenix Park Community Centre. Older residents can enjoy a three course meal in a cafe style setting in the company of others.

GROW WITH US

Council continued to provide a suite of innovative 'Grow With Us' programs, events, services and activities 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 and early years services. Grow with Us initiatives during the year ranged from parent information sessions and workshops; a broad range of free recreational programs for young people; and programs and sessions delivered at libraries.

SCHOOL FOCUSED YOUTH SERVICES (SFYS) FUNDING

In December 2012, Council was advised that funding for this program would cease in June 2013. As a result of continual advocacy by many local councils and community agencies, the SFYS funding was re-instated in June 2013 for a further 2.5 years.

MATERNAL AND CHILD HEALTH SERVICE

The service focused on continuing to meet the needs of the community and promoting social connectedness for new parents – with the continuation of support groups and parenting forums, including the "MAMAS" group and the delivery of education workshops for parents.

CHILDREN'S SERVICES

The Princes Close Child Care Centre's new playground was completed in September 2012. The new playground included new play equipment, re-designed gardens, a sandpit and a new vegetable garden for a sustainability initiative within the centre.

CARER'S RECOGNITION ACT 2012

Council has taken all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012*. Council has promoted the principles of the Act to people in care relationships who receive Council services, to people in care relationships and to the wider community by providing information to organisations represented in council/community networks.

MUNICIPAL PUBLIC HEALTH AND WELLBEING PLAN

Extensive planning, research and community engagement was undertaken to develop the draft Municipal Public Health and Wellbeing Plan for 2013–2017 during May and June 2013. More than 650 residents put forward their feedback during the initial development of this important document, and more than 1000 suggestions and comments were received. Research from the plan indicates that:

- Most residents feel they are in good to excellent health.
- Stonnington residents have lower than average rates for most diseases.
- Physical activity levels have increased since 2008, with 6% more residents getting sufficient exercise for good health.



Developed and implemented the Municipal Public Health and Wellbeing Plan

Target: Annual Review completed, incorporating service provider input.

Results:

- The third Municipal Public Health Plan annual review was completed during the year.
- Quarterly reference group meetings were held.
- Strong partnerships were maintained with primary health care providers.
- Publications were produced for mental health services, alcohol and drug services.

- Most residents engage in arts activities by creating art and crafts or attending events.
- 63.2% visit green space once or more per week.
- Four out of five residents feel safe walking alone after dark.

However, health risk factors including smoking, nutrition levels, stress, and alcohol still remain a concern in Stonnington. Almost 40% of residents are overweight or obese, although this has not increased significantly since 2008, and is considerably better than the Victorian average.

Rates of reported influenza are higher than the Victorian average, and more than a third of residents sit for up to seven hours per day, a risk factor for some health conditions.

The Plan will be placed on formal exhibition in August 2013 and finalised by November 2013.

ACCESS AND INCLUSION PLAN (DISABILITY ACTION PLAN)

The Access and Inclusion Plan 2010–2013 (Disability Action Plan) was reviewed during the year and the final year of the plan was implemented. Some of the actions included the provision of an accessibility newsletter, a successful International Day of People With a Disability event in partnership with local service providers, the development of a 'Missed Business' publication and communication with traders, and regular Access Stonnington Committee meetings with community representatives.

Planning for the new Access and Inclusion Plan 2014–2017 (Disability Action Plan) commenced during 2013 and extensive community engagement will take place in September, with the plan to be finalised by December.

A number of budget activities and initiatives relating to disability action are also included in the Council Plan and the Municipal Public Health and Wellbeing Plan.

CUSTOMER SERVICE

Stonnington implemented a new Customer Service Charter in 2012/13 and continued its focus on enhancing customer service outcomes across the organisation and with the community. The Charter focuses on ensuring high quality, responsive and accessible customer service at the Service Centres, on the phone, via email, out in the community and through services on the website. Training was also undertaken with staff.

Customer service improvements during the year included the commencement of an e-services project which identified a range of e-bookings, e-payments and e-forms to improve customer access to services online. The next stage will involve implementing the new systems online over the coming year.

The Customer Relationship Management System was reviewed by Council during the year and options for the improvement of this system are being explored.

Council's website improvements continued to enhance the usability and accessibility of online information and engagement.

A pool of casual staff was employed to increase responsiveness to customer enquiries.

COUNCIL PLAN 2013–17

Council undertook the development of the new Council Plan for 2013–17 during the year, setting out strategic objectives and budget activities which guide the provision of Council services, in line with community priorities. This involved extensive planning and strategic visioning with the new Council and community engagement.



Strategy: IDENTIFY AND ACTION COMMUNITY SAFETY INITIATIVES THAT ADDRESS REAL AND PERCEIVED SAFETY ISSUES

Achievements

EMERGENCY MANAGEMENT

Stonnington continued to work in close partnership with emergency service agencies (State Emergency Services, Metropolitan Fire Brigade, Department of Human Services, Victoria Police, Ambulance Victoria, Red Cross) and local services (Inner South Community Health Service, New Hope Foundation, Victorian Council of Churches and JEMP) to update and implement the Municipal Emergency Management Plan. The Pandemic Continuity Sub-Plan was also updated during the year.

A number of emergency exercises were run in 2012/13 and Council also prepared submissions and responded to State Government Plans in relation to emergency management.

Throughout the year, Stonnington implemented communications to enhance community preparedness for emergency events, such as severe weather, heat and flood warnings along with advice – linking to relevant agencies.

Council provided relief and recovery for a number of single incidents such as house fires, and for the temporary evacuation of Horace Petty Housing Estate during a gas leak.

Council also worked with the State Emergency Service to develop a Flood Management Plan.

COMMUNITY SAFETY

Preliminary design and negotiations were undertaken for the replacement of Chapel Street CCTV cameras. Maintenance of the existing CCTV cameras in Stonnington is ongoing.

Council continued to work closely with the Liquor Accord (including Police, Traders, Health Agencies, Government and Licensed Premises) to implement community safety initiatives and education.

New Taxi Zones were rolled out in Chapel Street on weekends to enhance community safety and accessibility of taxi services in the evenings.

Social Impact Assessments were undertaken on a range of topics including liquor licence planning permit applications and masterplans to ensure an integrated approach to considering matters.

BUILDING SAFETY

Council's Building and Local Law Services Unit conducted inspections to ensure compliance of rooming houses and group accommodation fire standards in consultation with Council's Environmental Health Unit.

Every complaint relating to alleged illegal building works was investigated and, when required, referred to other agencies as appropriate. 'Show Cause Notices' issued under the Building Act for alleged non-compliance have proven effective in resolving most complaints. Expert evidence is provided by the Building and Local Laws Services Unit to the Building Commission to provide a multi-agency response.

Council is responsible for administering and enforcing regulations for swimming pools and spas. Swimming pool barrier compliance is monitored through contact with private building surveyors and in responding to public concerns. Education is also undertaken via Council's website.



Strategy: DEVELOP STRATEGIC ALLIANCES TO PROVIDE COORDINATED RESPONSES TO COMMUNITY NEEDS

Achievements

COMMUNITY GRANTS

More than 200 community groups in the City of Stonnington benefited from Council's 2012/13 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 2012/13 grants recipients included:

- Malvern Emergency Food Program
- Prahran Mission
- Stonnington Toy Library
- Malvern Historical Society
- U3A Stonnington
- Rotary Club of Chadstone/East Malvern
- Stonnington Citizens for Reconciliation



Strategy: IMPROVE THE EFFECTIVENESS OF COMMUNITY ENGAGEMENT AND PARTICIPATION TO FACILITATE COMMUNITY INVOLVEMENT IN DECISION-MAKING

Achievements

ENGAGING OUR COMMUNITY

Council engaged the community in decision-making through a number of methods during the year including; Stonnington Survey Group surveys; consultative committees for planning matters; community meetings, forums and submissions; social media; and online forms, polls and forum topics through the 'Connect With Us' consultation portal.

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 currently includes around 400 households that represent a cross-section of the community.

A total of two Stonnington Survey Group surveys were undertaken – measuring overall community satisfaction with services, and community engagement, and eight individual department surveys were completed. Consultation took place on the following issues: Council Plan, Budget and Chapel reVision, Chapel Street Masterplan, Recreation Strategy, Municipal Public Health and Wellbeing Plan, Smoking in public places, Communications and Engagement, Footpath Trading and Awnings Policy, Toorak Village Design and Development Overlay, Yarra River Skyline, State Government Planning Zones and Metropolitan Planning Strategy, and the Dandenong and Tooronga Road Amendment.

A total of 51 planning consultative meetings were held throughout the year.

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

Demonstrated Improvement in Community Participation in Council's Decision-Making Process

Target: Range and timeliness of consultation used to elicit feedback and new initiatives.

Results: Consultation was undertaken on a range of topics in 2012/2013 through the Stonnington Survey Group, surveys by Council departments, consultative committees for planning matters, community meetings and forums, street talk sessions and via the online engagement portal 'Connect With Us'.



Challenges

- Lack of clarity from the Commonwealth and State Governments regarding the funding responsibilities of the Home and Community Care program.
- Continuing to support our most vulnerable families across the City of Stonnington.
- Planning for the future of Council's Early years facilities.
- Legislative timelines around development of key strategic documents and activities.
- Installation of CCTV in Chapel Street.
- Accommodating the growth of active and passive recreation within our facilities.
- Managing and supporting the introduction of mandatory qualifications for the Early Years Services sector commencing January 2014.
- State Government Planning changes and short time-frames for community consultation.

Looking Ahead

- Implementation of the Council Plan 2013–17.
 - Implementation of the Municipal Public Health and Wellbeing Plan 2013–17 Year 1.
 - Development of the Access and Inclusion Plan 2014–2017.
 - Implementation of the Arts and Cultural Strategy
 - Implementation of the Reconciliation Action Plan
 - Development of a library strategy and implementation of radio frequency identification within our libraries.
 - Introduction of mobile technology in Aged Services to support assessments and rostering of careworkers in client homes.
 - Continuing to strengthen community engagement.
 - Chapel reVision (review of the Chapel Vision Structure Plan adopted December 2007) – ongoing consultation with the community.
 - Engagement with the community on the next round of Structure Plans for High Street and Glenferrie Road.
 - State Planning Zone reforms.
- Complete the following key projects in 2013/14:
- Prahran RSL Hall.
 - Redevelopment of Sunnyside Kindergarten.
 - Development of a Recreation Strategy.
 - Prahran Aquatic Centre feasibility.



Environment

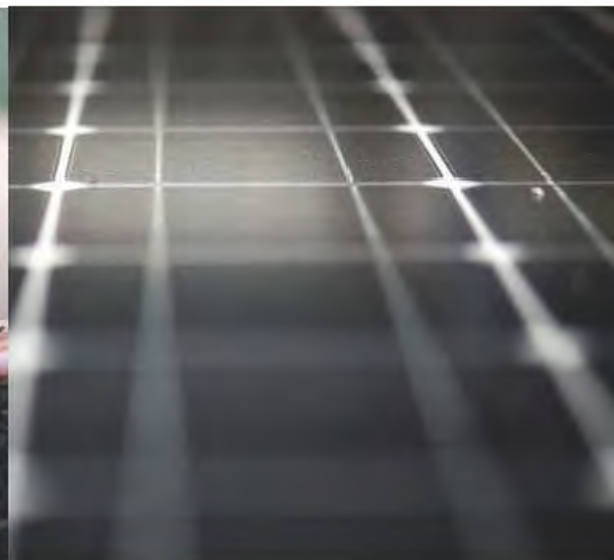
Stonnington will be a responsible environment manager through innovation, leadership, quality delivery and accountability.

Service Statistics

- 2,128,250 garbage bin collections
- 1,004,800 recycling collections
- 273,000 garden waste bin collections
- 41.9% of waste diverted from landfill
- 135 megalitres of water saved by Council, compared to 2000/01
- The Stonnington community's potable water consumption decreased by 30% in 2011/12
- Council's fuel use decreased by approximately 30,377 litres between 2009/10 and 2011/12 due to prioritising the purchase of low/alternative fuel vehicles
- Council's use of electricity for street lighting decreased by 14%, compared to 2005/06 levels
- 35,500 streetscape trees
- As part of Council's Energy Efficiency Street Lighting Project, approximately 380 streetlights were upgraded in the United Energy Zone within Stonnington in 2012/13
- To date, approximately one quarter (1,140) of all streetlights in Stonnington have been upgraded to more energy efficient globes

Environment

Strategic Overview 2012/13



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

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

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

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

Reinforce innovative waste management practices to continue to minimise municipal waste



Strategy: SUPPORT COUNCIL AND THE COMMUNITY TO MOVE TOWARDS SUSTAINABLE ENERGY OPTIONS BY LEADERSHIP AND THE ADOPTION OF ENVIRONMENTAL DESIGN PRACTICES

Achievements

COMMITMENT TO SUSTAINABILITY

Sustainable Environment Strategy

Creating a healthy and sustainable City where natural and urban environments are enjoyed and protected, is a priority for Council. To achieve this and to further enhance the health and sustainability of Stonnington, Council developed the Sustainable Environment Strategy ready for community consultation in September 2013. The main objectives of the Strategy are to:

- Support and inspire the community to consider sustainability in their everyday lives.
 - Improve Council's own environmental performance and practices through a whole of Council commitment.
 - Integrate sustainability into the planning and delivery of Council infrastructure, services, facilities and planning functions.
 - Protect and enhance the local natural environment and biodiversity.
 - Plan for the future pressures of population growth.
- The strategic priorities within the strategy are:
- Environmental commitment and reporting
 - Energy conservation
 - Integrated water management
 - Waste management
 - Sustainable purchasing
 - Biodiversity
 - Environmental education

State of the Environment Report

Council has developed a *State of the Environment Report* that will provide an annual update of the progress being made by Council and the community across key environmental issues identified in Council's Sustainable Environment Strategy. Community consultation will be undertaken in September 2013, prior to the *State of the Environment Report* being considered by Council for adoption.

SUSTAINABLE ENERGY AND DESIGN INITIATIVES

The City of Stonnington has long been committed to energy conservation, however as the population grows it is presented with the challenge of providing expanded facilities and services whilst aiming to reduce its corporate greenhouse gas emissions.

The main focus of Council's energy consumption is around buildings and facilities, lighting streets and running a fleet of vehicles and machinery. For this reason Council is closely monitoring its consumption of electricity, gas and fuel and tailoring its Energy Efficiency Implementation Plan to ensure its greenhouse gas emissions reductions are achieved. Council's Energy Efficiency Implementation Plan, in the 2012/13 financial year has been largely focused on energy efficient infrastructure across Council's buildings and street lighting. Initiatives and achievements included:

- Installation of three solar systems at Grattan Gardens Community Centre, Phoenix Park Community Centre and Prahara Aquatic Centre. This will save Council approximately \$25,000 in electricity bills and 145 tonnes of greenhouse gas emissions annually.
- Installation of innovative turbidity controllers to reduce energy use at Council's aquatic centres.
- Upgrading a further 380 streetlights to energy efficient T5 lighting which provides a 67% reduction in energy consumption for each light. Overall this will reduce Council's greenhouse gas emission by approximately 135 tonnes and save Council approximately \$13,500 in electricity costs.



Environmentally sustainable design principles were incorporated in the design documentation for all of Council's 2012/13 major building improvement projects including Muir Pavilion Redevelopment, Prahran RSL Memorial Hall Redevelopment, Sheridan Pavilion Redevelopment, TH King Pavilion/Environment Centre Redevelopment, Sunnyside Kindergarten Redevelopment, Central Park Pavilion Redevelopment, Dunlop Pavilion Redevelopment, Glendearg Tennis Pavilion Redevelopment and Air-conditioning Plant Replacement Program.

The \$2 million reconstruction of Sheridan Pavilion was completed in July 2013 and features: a 5kw solar panel electricity generation system; 6 star gas-boosted continuous hot water system with a roof mounted solar panel hot water preheat system; double glazed windows; operable windows for natural ventilation; skylights to reduce the need for artificial light; rainwater harvesting for toilet flushing; a projecting roof canopy for shade in Summer; insulation with high thermal resistance; concrete footings, slabs and pavements with high recyclable content; floor coverings with high recyclable content; and appliances, fixtures and fittings that are energy and water efficient.

The \$2.8 million redevelopment of TH King Pavilion as a multi-purpose sports pavilion, community and environmental education facility commenced in March 2013 and is scheduled to be completed in early 2014. It will feature a 5kw solar panel electricity generation

system, 6 star gas-boosted continuous hot water system with a roof mounted solar panel hot water preheat system, low emissivity double glazed windows, operable windows for natural ventilation, skylights to reduce the need for artificial light, extensive use of insulation with high levels of thermal resistance, use of flora and verandahs for shade, rainwater harvesting for toilet flushing, building materials that are recyclable and have high recyclable content, and appliances, fixtures and fittings that are energy and water efficient.

Council has also implemented a number of initiatives to ensure efficiency of vehicles:

- Bulk heavy waste transport vehicles attained NHVAS Mass Management Accreditation to improve the efficiency of hauling waste for disposal.
- Council continued to purchase fleet vehicles that meet the Green Fleet policy.
- Council's fuel use decreased by approximately 30,377 litres between 2009/10 and 2011/12 due to prioritising the purchase of low/alternative fuel vehicles.

Energy Consumed by Council

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

Results:

- 380 streetlights were upgraded to energy efficient T5 lighting which provides a 67% reduction in energy consumption for each light. This reduces Council's greenhouse gas emission by approximately 135 tonnes.
- Council's use of electricity for street lighting decreased by 14%, compared to 2005/06 levels.
- To date, approximately one quarter (1,140) of all streetlights in Stonnington have been upgraded to more energy efficient globes.

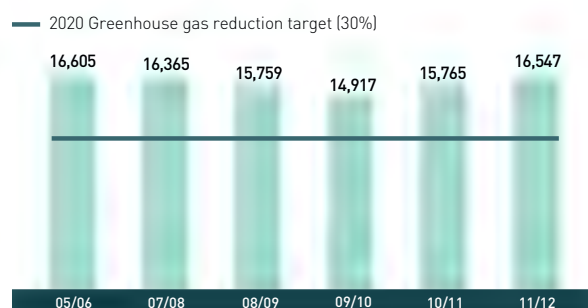
Decreased Energy Consumed by Council and the Community

Total Greenhouse Gas Emissions (GHG) – Council

Due to a recent update of the data management system Council can now track its total greenhouse gas emissions resulting from electricity use, gas use and fuel consumption. Council's GHG emissions reduction target is based on reducing levels in comparison with 2005. Greenhouse gas emissions have increased marginally since 2005/06 and this can be largely attributed to increased electricity and gas use at Council's buildings and facilities. This increase in energy use of Council's buildings and facilities presents an ongoing challenge to Council of balancing the need to expand its facilities for its expanding population whilst reducing its corporate greenhouse gas emissions.

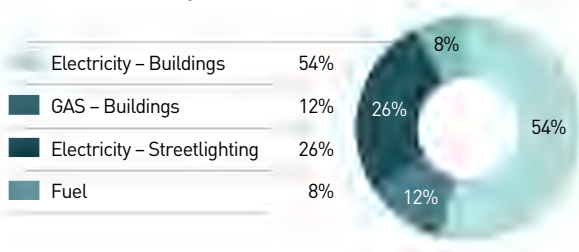
Council needs to reduce its emissions by 2,862 tonnes to reach its 2015 greenhouse gas reductions target.

TOTAL GREENHOUSE GAS EMISSIONS (TONNES)



Buildings contribute almost two thirds of Council's total greenhouse gas emissions (through use of electricity and gas). Another 26% is made up of emissions from electricity consumption of street lighting.

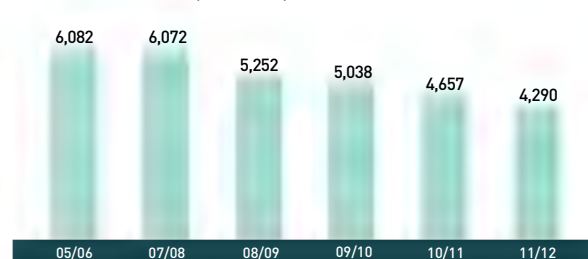
GREENHOUSE GAS EMISSIONS BREAKDOWN 2011/12



Greenhouse Gas Emissions – Street lighting

A positive trend of decreasing use of electricity for street lighting (by 14% on 2005/06 levels) has been achieved through the replacement of 1,160 street lights to energy efficient light bulbs.

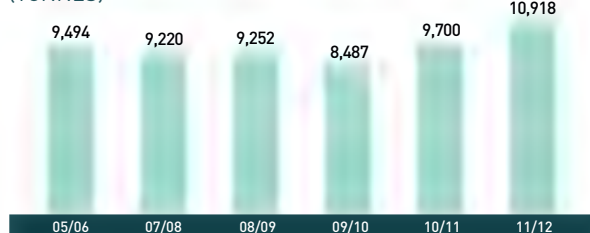
TOTAL ANNUAL GREENHOUSE GAS EMISSIONS FROM STREET LIGHTING (TONNES)



Greenhouse Gas Emissions – Buildings and Facilities

Buildings are the major consumer of energy by Council.

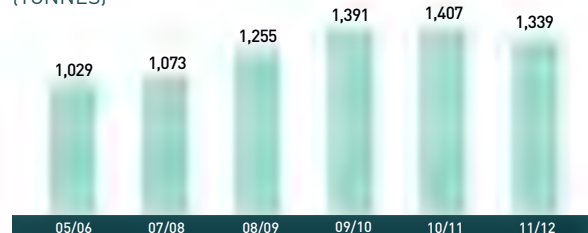
TOTAL GREENHOUSE GAS EMISSIONS OF BUILDINGS (TONNES)



Greenhouse Gas Emissions – Fuel

Council modified its light fleet vehicle purchasing protocols in 2011 to reduce its fuel consumption (through prioritising the purchase of low/alternative fuel consumption vehicles (such as diesel and LPG) where possible. This had a direct impact on fuel consumption, with a decrease of approximately 30,377 litres of fuel between 2009/10 and 2011/12.

TOTAL ANNUAL FLEET GREENHOUSE GAS EMISSIONS (TONNES)





Strategy: MANAGE AND STRENGTHEN THE LOCAL BIODIVERSITY, AND PROTECT AND INCREASE THE FLORA AND FAUNA OF THE NATURAL AND RIPARIAN ENVIRONMENT

Achievements

YARRA RIVER BIODIVERSITY LINKAGES PROJECT

Council continued to undertake improvements as part of the Yarra River Biodiversity Linkages Project, during the year. This project aims to increase habitat connectivity, improve water quality and provide recreational and educational opportunities for the community to interact with Melbourne's landmark river, the Yarra.

Stage 1 of the Project at Grange Road and Punt Road resulted in significant benefits this year, with successful establishment of plants, an increase in bird life, and use of the new viewing platforms and seating areas.

Council completed the detailed design and community consultation for Stage 2 of the Project located along the Yarra River opposite Herring Island in 2012/13.

The detailed plans included indigenous riparian vegetation, a water quality treatment system, pedestrian and cycle path upgrades and increased community access.

PLANTING PROGRAMS

Across Council's parks and reserves Council has contributed to amenity and biodiversity through the planting of 13,000 indigenous plants comprising of 72 species to improve habitat structure.

In the past 12 months Council has planted approximately 650 trees across Stonnington streets and 300 across its parks and gardens contributing to the City's environmental and economic viability and the health and wellbeing of the community.



Strategy: STRENGTHEN THE COMMUNITY'S FOCUS ON THE ENVIRONMENTAL AGENDA BY BUILDING UPON INNOVATIVE AND LEADING PRACTICES THROUGH EDUCATION AND COMMUNICATION FOR ALL AGES

Achievements

ENVIRONMENTAL EDUCATION

Environmental education is integral to achieving the behaviour change required to become a more sustainable and environmentally responsible community. Council supports behaviour change through ongoing targeted environmental education and initiatives.

Educating Residents In Sustainability

Council introduced and delivered a 'Calendar of Environmental Events' throughout 2012/13, providing a series of activities to promote environmental awareness to residents.

The Calendar topics included:

- Home Harvest workshops
- Biodiversity Tour of Glen Iris Wetlands
- Summer/Winter Proof Your Home – energy efficiency
- Preserving Your Home Harvest
- Follow Your Recyclables tours
- Worm Farming and Composting
- Summer, Winter, Autumn and Spring in Your Patch sessions



Spring Into Gardening

Spring into Gardening now has an increased sustainability focus which not only provides the community with opportunities to learn about environmental initiatives, but also provides environmental businesses the opportunity to exhibit their products. This year a total of 12 sustainability stallholders exhibited their products at the event.

Environmental Education In Schools

Council annually facilitates the Stonnington Green Schools Network Program which helps connect and support Stonnington schools and kindergartens to adopt environmentally sustainable practices through excursions, network meetings and teacher resources.

The following information sessions were conducted as part of the Green Schools network program:

Waste and Recycling Education

- 15 primary school waste education sessions including assembly presentations, Materials Recovery Facility (MRF) tours and Nude Food sessions
- 17 kindergarten sessions including Reduce, Reuse, Recycle, worm farming and litter

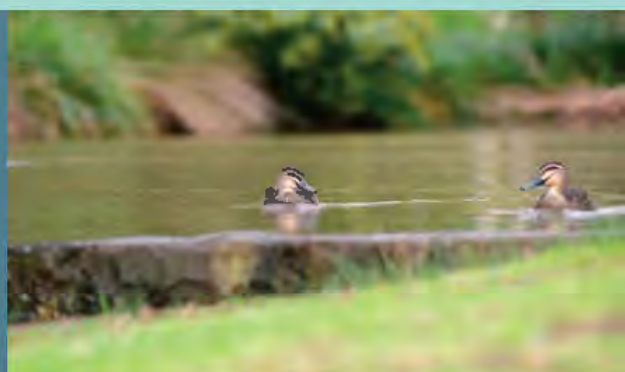
Water Education

- Two in-school sessions on Water Smart Cities
- Six sessions in Glen Iris Wetlands on the Life of Macroinvertebrates

Biodiversity Education

- Six sessions in Glen Iris Wetlands on local flora and fauna

Strategy: USE WATER CONSERVATION AND DROUGHT MANAGEMENT BEST PRACTICE PRINCIPLES TO MANAGE COUNCIL'S NATURAL ASSETS IN THE PUBLIC REALM



Achievements

WATER SAVING INITIATIVES

The City of Stonnington reduced its corporate potable water use by 71% in 2011/12 when compared to 2000/01. This is equivalent of 338 million litres of potable water saved in 2011/12 as compared to consumption levels in 2000/01.

These significant results are due to a number of initiatives undertaken across the city as part of capital works and maintenance programs to reduce potable water use, including water sensitive urban design, rain gardens, drip irrigation, planting warm season grasses, water tanks and bio-retention tree pits.

Council also upgraded TH King Oval and Righetti Oval to drought tolerant sports turf and installed sub-surface irrigation to reduce water consumption and improve the playing surface.

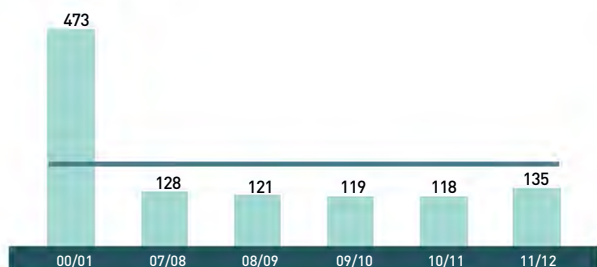
Decrease in Water Consumed by Stonnington Community

The Stonnington community's potable water consumption has decreased by 30% in 2011/12 when compared to water use in 2000/01. Community water consumption has risen from 2010/11 to 2011/12 by 3.5%.

Decrease in Water Consumed by Council

ANNUAL CORPORATE POTABLE WATER CONSUMPTION

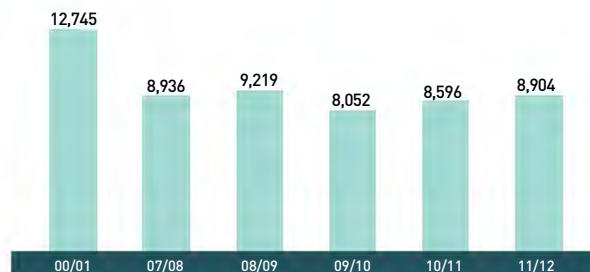
(ML) — Potable water target 60% below 2000/01 levels



Decrease in Water Consumed by Stonnington Community

ANNUAL COMMUNITY POTABLE WATER CONSUMPTION

(ML)



Strategy: REINFORCE INNOVATIVE WASTE MANAGEMENT PRACTICES TO CONTINUE TO MINIMISE MUNICIPAL WASTE



Achievements

WASTE AND RECYCLING

Council continued to implement the Waste Management Strategy in 2012/13, providing waste, recycling, hardwaste and greenwaste collection services. Initiatives included:

- Increased opportunities for the community to recycle niche products including providing an E-waste (electronic) recycling drop-off day, hosting a Detox Your Home chemical drop off day (attended by 550 residents), providing household batteries and mobile phone drop off points and light bulb recycling.
- Waste education sessions delivered to Stonnington's kindergartens and schools covering topics such as Litter; Worm Farming; Reduce, Reuse and Recycle; and Nude Food.
- Workshops and tours provided to residents on 'Worm Farming and Composting' and 'Follow Your Recyclables'.
- Increased participation from residents in garden waste recycling services.

Less waste sent to landfill

Target: Increase diversion away from landfill by 2.5% by 2014 based on 2008 figures.

Results: 2013 figures show a decrease in waste of 16.09%. This exceeds the 2013 target of 2.5%.

Strategic Indicators	Tonnes of Waste
Baseline 2008	23,474
Year 2013	19,697
Percentage variance	-16.09%
Target by 2013	-2.50%
Result	On Target

Increase Recycling Yield

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

Results: 2013 figures show a decrease in recycling of 6.35%. In 2012, by comparison, recycling increased by 4.07%, well above the 2.5% target

Strategic Indicators	Tonnes of Recycling
Baseline 2008	15,048
Year 2013	14,092
Percentage variance	-6.35%
Target by 2013	2.50%
Result	Progressing



Highlight:

An exciting advancement in environmental education will be through the development of an extended range of community education sessions that will be delivered out of the new TH King Environmental Education Centre. The Centre will be a venue for hosting residential and school environmental education programs, including highlighting the biodiversity of the local area and Environmental Sustainable Design features of the Centre.

Challenges

- Taking up new environmental initiatives as they become commercially and economically available and sensitively retro-fitting them into Council's buildings, which often have high heritage significance.
- Managing the volume of waste generated throughout the growing community and its impact on the environment, and supporting the community to minimise the amount of waste generated.
- Improving the quality of recyclables by reducing contaminants in the kerbside recycling stream.
- Improving recycling in apartments and high density housing environments.
- Finding a balance between the upgrading and expanding community facilities and reducing energy consumption and greenhouse gas emissions.
- Educating and engaging the community on sustainability initiatives.

Looking Ahead

- Retrofitting facilities and buildings with more energy efficient infrastructure, improving operational practices and incorporating Environmentally Sustainable Design into all Council buildings.
- Implementing the Energy Efficiency Implementation Plan at Harold Holt Swim Centre including efficient water boilers and hybrid solar photovoltaic system.
- Continuing the upgrade of street lighting to more energy efficient fittings.
- Identifying opportunities for localised energy generation on Council property e.g. solar panels.
- Continuing to educate the community on waste minimisation and recycling.
- Continuing to deliver the waste management service.
- Completing the following key projects:
 - Construction of the TH King Pavilion/ Environment Centre in early 2014.
 - Implementation of Council's air-conditioning plant replacement program in 2013/14, and beyond.
 - Implementation of Council's energy saving initiatives program.
- Implementing the The Yarra River Biodiversity Linkages Project – Stage 2 construction.
- Implementing central irrigation control systems across sportsgrounds and large parks in Stonnington.



Liveability

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

Service Statistics

- Events and performances at Chapel Off Chapel 18 hours per day, 7 days per week
- 66,000 rounds of golf at Malvern Valley Golf Course
- 256 km of roads maintained
- 368 km of drains maintained
- 524 km of footpaths maintained
- 10,855 dog and cat registrations (7,830 dogs, including 5 Guide Dogs and 6 Customs dogs, and 3,025 cats)
- 195 liquor license applications processed
- 1,447 planning permit applications/amendments processed
- 12 'local' planning scheme amendments approved
- 9,654 residential properties protected by Heritage Overlays
12,393 total properties protected by Heritage Overlays
- Spring Into Gardening continues to attract large audiences
- 8,000 attended Carols at Central Park and Ardrie Park (record for Ardrie)
- 8,000 attended Jazz in the Gardens
- Swingin' Saturday continues to book out
- Arts Burst (pop up arts festival) successfully established
- Over 4,500 people (record crowd) enjoyed Musical Melodies
- Over 4,000 people attended Symphony Under the Stars
- Record attendances for Stonnington Jazz 2013 and increase in the number of venues participating
- \$309,000 given through the Arts and Cultural Sponsorship Program
- Increased participation and attendances at Reconciliation Week events
- New Christmas campaign successfully rolled out

Images (collage)

Liveability

Strategic Overview 2012/13



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

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

Balance recreation and sporting use with sustainable environment principles

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



Strategy: RECOGNISE AND ENHANCE STONNINGTON'S DIVERSE CULTURE AND INDIGENOUS HERITAGE THROUGH PROGRAMS AND EVENTS THAT SUPPORT THE ARTS, TRADITIONS AND HERITAGE

Achievements

ARTS AND CULTURE

Council delivered a successful program of high profile community events ranging from Stonnington Spring Fashion Runway and Stonnington Jazz, to Pets in the Park, Flavours cultural diversity festival, Carols and Roola Boola for children. There were record attendances at Musical Melodies in the Park and Symphony Under the Stars. The new Swinging Saturday and Arts Burst pop-up art events were also held.

Implementation of the Arts and Cultural Strategy 2011–2016 continued during the year.

Cathy Temin's Garden Islands art sculpture was successfully completed and installed in Claremont Street, Forrest Hill.

LIBRARIES

Council continued to offer a range of library services, programs, events and activities during the year including school holiday programs, story time sessions, baby time rhymes, author talks and workshops.

There were over 607,924 visits in 2012/13 and loans exceeded one million items.

The '[untitled] Literary Festival' was a first ever for Stonnington and attracted over 300 people over four days. The festival was targeted to celebrate the National Year of Reading and included author and panel talks, a writing competition, collaborative blog and an interactive library display. A total of 165 entries were received in the writing competition.

The festival was launched at the Prahran Library by author Shane Maloney and included a number of events, a panel discussion and competitions.

CHAPEL OFF CHAPEL

Over the past 12 months Chapel's program has been varied and balanced with established producers performing alongside emerging theatre companies.

Over 65,000 people came through Chapel's doors, reflecting the diversity of the Stonnington Community and a total of 75 different productions were performed in The Loft and The Chapel Theatres. This success has been highlighted in an increase in the amount of media interest in the venue – with over 500 non-paid mentions in the press – including TV, radio, print and viral media.

Chapel Off Chapel continues its reputation as one of Melbourne's premier Professional Theatre and Exhibition Venues. Chapel Off Chapel's Box-Office Team sold more than \$900 000 in tickets to their many performances.

Chapel Off Chapel's bi-monthly mailout reaches over 2000 and the email patron list reaches a further 9000 stakeholders. Social media use is highly successful with Chapel's Facebook page attracting over 3000 followers. A Chapel App has also been developed.

Chapel Off Chapel continues to work with, support and offer invaluable opportunities to young and emerging Artists. The Loft Theatre was home to the workshop and presentation of a new Australian work by eminent playwright Louis Nowra.

Chapel Off Chapel's new Business Plan was delivered, adopted and is being used as a measure of achievement.

Chapel had several return seasons of successful shows such as *On The Rocks*, *Bond-A-Rama* and *Genesis to Broadway* – all works which had their beginnings at Chapel Off Chapel.

ABORIGINAL RECONCILIATION

The City of Stonnington's Reconciliation Action Plan 2012–2016 commenced implementation during the year. The Plan advocates for a City in which connections are created and maintained with our Aboriginal community, cultural awareness is raised, history is respected and contributions are honoured.

The City of Stonnington's vision for reconciliation is to create a place of community, individuality and business where an environment is created that encourages and supports the hopes, wellbeing and aspirations of all people.

National Reconciliation Week activities continue to grow in attendances. National Reconciliation Week celebrates the rich culture and history of the First Australians and seeks to recognise the important contributions that Indigenous Australians make to our community. A flag raising ceremony and morning tea were held in May at the Malvern Town Hall. Stonnington secured an exhibition of respected Aboriginal artist, Maree Clarke, which was shown in the Malvern and Prahran Service Centres. Community barbecues were also held during the week.



Strategy: MAINTAIN AND ENHANCE THE PUBLIC REALM TO PROVIDE SAFE, ACCESSIBLE, USEABLE, CLEAN AND ATTRACTIVE SPACES AND STREETSCAPES

Achievements

FOOTPATH TRADING

Council adopted a new Footpath Trading and Awnings Policy during the year following community consultation. A comprehensive education and communication campaign was undertaken. Implementation has commenced and will continue into the 2013/2014 renewal period, with a deadline of 1 October 2013. All footpath trading permit holders (approximately 1200) are proactively inspected bi-monthly to ensure compliance with the Footpath Trading and Awnings Policy requirements.

LOCAL LAWS

Council continued to conduct the Open Footpath Program to ensure that Stonnington streetscapes are safe and accessible to footpath users. An ongoing annual overhanging foliage inspection program occurred progressively throughout the entire municipality over the year. Specific complaints from the public are also investigated and actioned.

Local Laws for building work and activities were monitored during the year. All requests for services and investigation of complaints were responded to within agreed timelines. Verbal directions, notices and infringements were issued to achieve compliance.

GRAFFITI

Council's Graffiti Strategy Reference Group includes representatives from Police, trader groups and the community, working together with Council officers to support implementation of the Council's Graffiti Eradication Strategy.

The implementation of a no cost removal service at graffiti hot spots was provided with assistance from the Department of Justice through a team of people serving correctional orders.

Council continued to provide a prompt service and hotline for graffiti removal.

ANIMAL MANAGEMENT

Implementation of the key actions in the Domestic Animal Management Plan continued.

Community education on responsible pet ownership was undertaken through a Pets in the Park event and regular communications via media, brochures and community engagement.

Community safety was also a focus through patrolling streets and reserves and providing information on responsible pet ownership.

Stonnington completed the \$1.2 million redevelopment of the pound, to cater for an increase in the number of animals requiring shelter over time. The extended facility now accommodates up to 60 dogs and 110 cats (including kittens).

CCTV

Council continued to maintain existing CCTV cameras during the year and progressed plans to extend the CCTV program into Chapel Street. State funding of \$300,000 enables extended coverage of CCTV in the area from five to 10 cameras at key locations determined in consultation with Police. Council has been working with traders, building owners and utilities in relation to the installation of the cameras onto infrastructure.

Extension of the CCTV program will help to ensure the Chapel Street precinct is a safe and well-managed place to visit, work and live. Council's Budget for 2013/14 contains \$50,000 for Chapel Street CCTV and \$50,000 for Toorak Village CCTV.

ROAD SAFETY

Fit to Drive is a community-based program for learner /young drivers, that examines risk related behaviour and its implications for young drivers and passengers. Council funds the Fit to Drive workshop which is offered to secondary colleges and TAFEs in the municipality.



The Fit to Drive workshop was delivered to year 11 students at De La Salle, King David School, Korowa, Melbourne High, Presentation, St Catherine's and St Kevin's. The session was also delivered to VCAL students at Holmesglen TAFE. A total of 1095 young people attended the workshops in 2012.

Council continued to implement the program Below .05 in Sporting Clubs in Stonnington. As part of the program, three wall mounted breathalysers have been placed in local pavilions (Bert Healey, Como and Lansbury) while the fourth unit is shared between Lux and Hickey Pavilions. The aim of the program is to enable people who have been drinking at club activities and functions to use the results of the breathalyser to make informed decisions as to whether or not they should drive away from the premises. As an extension to the program, hand-held breathalysers were provided to East Malvern Tennis Club and Chadstone Recreation Club.

Council facilitated one Responsible Serving of Alcohol (RSA) training session for representatives of sporting clubs that serve alcohol on their premises. The training session was conducted at the depot and the assistance provided by Recreation Services in promoting the session is gratefully acknowledged. A total of 23 people representing seven sporting clubs attended. Participating clubs were Prahran Football, Malvern Bowling, Malvern Baseball, East Malvern Tooronga Cricket, Malvern Cricket, Chadstone Lacrosse, St James Malvern Valley Cricket and the Victorian Blind Cricket Association.

Looking After Our Mates (LAOM) is a VicRoads community road safety program that addresses the road safety issue of drink driving. In the period, LAOM presentations were delivered to year 12 students at De La Salle, Presentation and St Kevin's. A total of 445 young people attended the sessions throughout the year.

Eighteen late-night taxi ranks were established in the Chapel Street entertainment precinct; the program was launched in October 2012.

The City of Stonnington is a member organisation of Road Safety Action Group Inner Melbourne (RSAGIM) that has been formed as part of the Victorian Community Road Safety Partnership Program to deliver locally based road safety programs in the cities of Melbourne, Port Phillip, Yarra and Stonnington. The main focus for RSAGIM was the development of a pedestrian safety "app" that will assist young people to safely leave inner Melbourne entertainment precincts. The app will assist in the promotion of the use of taxi ranks in the Chapel Street precinct.

The L2P program is a VicRoads initiative which aims to provide learner drivers who have limited access to a vehicle and / or supervising driver, with 120 hours driving experience. The L2P program is conducted across Stonnington and Port Phillip and St Kilda Youth Services (SKYS) is the lead authority.

Assessment of Local Amenity

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

Results:

The Local Government Community Satisfaction Survey 2013 reflected outstanding results for Stonnington in comparison to 71 participating councils.

On Council's overall performance, the City of Stonnington recorded an Overall Performance Index Score of 71 which is significantly higher than the State-wide average for this measure and higher than the average Index Score of 66 for the Inner Melbourne Metropolitan Group, which is made up of 15 councils.

On all of the core measures, Stonnington scores higher than the State-wide average and higher or equal to the Inner Metropolitan average including:

- 76 for Customer Service (higher than the State-wide average of 71 and the Inner Metropolitan average of 73)
- 59 for Consultation (higher than the State-wide average of 57 and the Inner Metropolitan average of 58)
- 59 for Advocacy (higher than the State-wide average of 55 and the Inner Metropolitan average of 56)
- 55 for Council Direction (higher than the State-wide average of 53 and equal to the average Index Score of 55 for the Inner Metropolitan group)



Strategy: BALANCE RECREATION AND SPORTING USE WITH SUSTAINABLE ENVIRONMENT PRINCIPLES

Achievements

OPEN SPACE AND SPORTSGROUND IMPROVEMENTS

Council acknowledges that a high quality public realm is critical to ensure social, environmental, economic and cultural wellbeing both now and in the future.

Council continues to manage a variety of public open spaces including parks and gardens which are essential for amenity, liveability and community health and wellbeing.

In particular sportsgrounds are intrinsically linked to health and wellbeing as they provide recreational opportunities for informal use and through sporting activities.

This year Council continued its sportsground improvement program through the upgrade of TH King Oval and Righetti Oval to drought sports turf and installation of sub-surface irrigation which will improve the management of the playing surface and reduce Council's potable water consumption.

Strategy: CELEBRATE THE MUNICIPALITY'S HERITAGE AND DIVERSE BUILDINGS BY BALANCING ITS EXISTING CHARACTER WITH COMPLEMENTARY AND SUSTAINABLE DEVELOPMENTS



Achievements

HERITAGE

Planning Scheme Amendments for heritage precincts were completed in 2012/13 finalising implementation of Council's Heritage Precincts Gap Study. Substantial progression of heritage protection for individual buildings was made during the year. A series of amendments will protect themes of buildings including shops, churches and halls, stables and dairies, residential flats and chimneys. The next step will be the continued progression of the various theme groups including Victorian houses; Interwar houses; Federation houses; Post War houses, and other Heritage Places. Council will continue to review existing heritage citations.

COUNCIL BUILDINGS

The renewal and conservation work completed at Council's significant heritage buildings in 2012/13 included refurbishment of the ground floor of the Prahran RSL Memorial Hall, replacement of the corroded roof at Northbrook, replacement of the worn carpet at Stonnington City Centre's Banquet Hall, installation of a fire suppression system at Prahran Town Hall (former) Fire Station Office and refurbishment of the outdoor change-room at Harold Holt Swim Centre.

Planning, investigation and documentation was advanced for the future reconstruction of the slate roof at Chapel Off Chapel's Hall and future restoration/ redevelopment of the diving tower and pool at Harold Holt Swim Centre.



CREATING MORE OPEN SPACE

Council has identified strategic opportunities to create, secure and increase vibrant public open space across the City of Stonnington over the next 20 years to meet current and future community demands.

Open space has been identified as a key priority for the community in the 2013–2017 Council Plan. Stonnington is committed to creating open space throughout the municipality and a number of opportunities are already being investigated.

Open space is becoming increasingly scarce as population growth and development density in Stonnington continue to place pressure on all areas of the municipality.

A comprehensive review of open space needs and opportunities has been undertaken and a strategic approach developed to address community needs now and into the future.

'Strategies for Creating Open Space' is informed by Council's adopted Public Realm Strategy (2010) and links with the new Recreation Strategy, currently being prepared.

Some of the opportunities to enhance open space include streetscaping, underground parking, creating green walls and roofs, using developer contributions to maximise open space, setbacks and landscaping in new developments, advocating to government for land use, and purchasing land as it becomes available.

STRATEGIC PLANNING

Stonnington's New Municipal Strategic Statement (MSS) provides a planning vision for the whole of the City of Stonnington and revises the Local Planning Policy Framework. This progressed during the year and Council is currently advocating to the Minister for Planning for final approval, and will be monitoring this as part of the next Planning Scheme Review.

Progression of the Neighbourhood Character Strategy took place in 2012/13, including public consultation for Neighbourhood Character Overlays for Baldwin and Clarence Street. The focus for the next year will be introducing a local policy and applying Neighbourhood Character Overlays to additional areas.

Place making initiatives were undertaken during the year within the Forrest Hill Precinct, South Yarra, including facilitating agreements to deliver projects that enhance the liveability and amenity of the area as it undergoes urban renewal. Council will also be developing guidelines and planning policy to ensure protection of Stonnington's valued cultural identity.

Planning controls for the Yarra River Skyline between Punt Road and Grange Road progressed this year. The purpose of the controls is to protect the landscape character and built form on the Yarra River environs.

The Footpath Trading and Awnings Policy was developed and adopted following extensive community engagement.

Work on the Environment Efficient Design (EED) Policy commenced in 2012/13, as a joint initiative with five other councils.

PLANNING UPDATES

Council continued to manage a number of planning applications made by Chadstone Shopping Centre – meeting tight deadlines and ensuring community information and consultation. Under the broader \$500 million expansion, Council approved five of the six planning permits but imposed conditions to reduce the impact on neighbouring residents and traffic. The Chadstone expansion includes a new bus interchange, multi-level basement car park, four new retail and entertainment floor levels, and new cinema facilities. Council refused the application for the construction of a 10-storey office building and an 11-storey hotel development on Dandenong Road.

Another major planning issue during the year was 590 Orrong Road, Armadale. Council had adopted a Planning Scheme Amendment and submitted it to the Minister for Planning in February 2013, seeking approval for stricter height and density controls over the 2.5 hectare site. The Minister advised no decision on the Amendment would be made until Lend Lease's appeal to VCAT on the Amendment is finalised. Separately, Council presented its case at the Supreme Court in April 2013, arguing that an 'error of law' was made by VCAT in its decision to approve Lend Lease's permit application for 590 Orrong Road. The Supreme Court appeal was principally based on VCAT's statement that the number of objections to the proposed development was an irrelevant consideration. Judgment has been reserved.

Council's has achieved greater success in the incorporation of landscaping conditions on development permits. This has been well received and supported by VCAT and is proving to be a powerful tool to enhance liveability of developments. There has also been a greater acceptance of Environmentally Sustainable Design by applicant developers.



Strategy: MAINTAIN AND UPGRADE THE INFRASTRUCTURE AND SERVICES NECESSARY FOR THE SEAMLESS DAY-TODAY OPERATIONS OF THE CITY

Achievements

Council continued to implement Stonnington's Road Management Plan and undertook kerb and channel and footpath renewal, drainage improvements, pavement rehabilitation and asphalt resurfacing across the municipality. These works are identified in the capital works and annual maintenance programs

and ensure a consistent, safe and serviceable infrastructure for the Stonnington community.

Stonnington also provided high levels of waste collection and street cleaning services to the community.



Strategy: CONTINUE TO WORK WITH KEY PARTNERS TO FIND A BALANCE BETWEEN SUSTAINABLE TRANSPORT OPTIONS AND THE LIFESTYLE PREFERENCES OF THE COMMUNITY

Achievements

SUSTAINABLE TRANSPORT

A number of achievements have been made during the year to facilitate sustainable transport, including the following:

- Establishment of Stonnington Cycle Reference Group
- Preparation of Stonnington Cycling Strategy
- Preparation of the draft Integrated Transport Plan
- Implementation of Sustainable Transport Policy
- Delivery of Sustainable Transport Week initiatives
- Development of the Chadstone Road Bicycle Lane Proposal
- Installation of solar powered studs in the realigned capital city bike trail at Yarra Street/ Alexandra Avenue
- Preparation and submission to Council of Draft Car Sharing Policy
- Implementation of 40km/h speed zones in Prahran and South Yarra
- Implementation of \$100,000 bicycle parking facilities in all Council activity centres, with Chapel Street yet to be implemented



Challenges

- Attracting a diverse and accessible program of high quality works at Chapel Off Chapel.
- Identification of suitable sites for public art commissions.
- Funding for the delivery of bicycle projects (from State Government).
- Communicating and applying the State Government Planning Zone changes.

Looking Ahead

- Delivering sustainable transport initiatives.
- Introduction and implementation of a Council-wide Aboriginal cultural awareness program.
- Continuing to offer a broad range of events at Chapel off Chapel.
- Undertaking Community Engagement on the State Government's Residential Planning Zones and applying the new zones.
- Adoption of a new Domestic Animal Management Plan.
- Implementing Open Space initiatives.
- Implementing the CCTV camera upgrades and installations.
- Implementing the new Footpath Trading and Awnings Policy.
- Implementing community safety initiatives
- Delivering high quality urban design and infrastructure projects identified in the capital works program



Prosperity



Prosperity

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

Service Statistics

- \$1,424,429.20 was raised through the special rate and distributed to five trader associations to promote local business precincts
- 16,657 businesses are based in Stonnington
- Revenue generated by Professional, Scientific and Technical Services is in excess of \$1.44 billion
- Total employment for Stonnington is estimated to be 44,869
- Retail employs the largest number of people – 9,207
- 10,367 people live in Stonnington and work locally
- There are 26 retail and activity centres in Stonnington
- 195 liquor license applications were processed
- 1,164 footpath trading permits issued
- 1,460 attended business education events

Prosperity

Strategic Overview 2012/13



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

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

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

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



Strategy: IMPROVE THE QUALITY OF STONNINGTON'S RETAIL PRECINCTS TO MATCH THE ASPIRATIONS OF BEING A PREMIER RETAIL AND TOURISM DESTINATION

Achievements



CHAPEL REVISION

The City of Stonnington reviewed the Chapel Vision Structure Plan 2007 during the year, which guides development in the Prahran, South Yarra and Windsor Activity Centre.

The new Chapel reVision project aims to shape the development and use of the Prahran, South Yarra and Windsor Activity Centre over the next few years.

Council undertook community consultation to develop the new vision and plans for Chapel reVision, gaining input from people who live, work, study in and visit the Activity Centre – through focus group sessions, community forums, online forums and polls, community events, written submissions and workshops.

Community engagement explored a range of factors about the activity centre, including what people enjoyed about the Activity Centre, what worked well, what could be improved, and what was distinct about the Activity Centre, in terms of local character, lifestyle, business, liveability, and attractions.

Chapel reVision guides a range of important aspects of the local area including transport, open space and public realm (shared public spaces), strategic opportunities, economic development and sustainability, and the appearance of neighbourhood precincts.

The outcome of the project to date is a draft document which represents the community's intent and vision for the Activity Centre that Council can use to guide appropriate land use and development, including appropriate permanent planning controls for the Activity Centre.

CHAPEL STREET MASTERPLAN

The draft Chapel Street Masterplan was prepared following many months of consultation with the local community and businesses.

The Masterplan contains exciting projects to enhance the experience of living, visiting and working in the Chapel Street precinct, with work due to commence in August/September 2013.

Responses to the draft Masterplan were overwhelmingly positive, with 3000 visits to the website, 250 individual responses and hundreds attending Street Talk sessions held in Chapel Street in April.

Residents actively commented on issues such as village squares, street furniture and shared streets, as well as green spaces and pedestrian friendly side streets. The plan will also retain the individuality of the areas along Chapel Street.

The final Masterplan will go to Council in August 2013 for endorsement.

Projects under the draft Masterplan included in the 2013/14 Budget are:

- Investigation and design of multi-directional pedestrian crossings at major intersections
- Creative new street furniture and lighting
- Community squares at strategic points, with trees, creative street furniture and lighting.
- The Windsor Plaza Project adjacent to Windsor Station providing a useable and inspirational community square
- Development of 'pause-points' where visitors can take time out
- Installation of bicycle furniture
- Maintenance upgrades
- Introduction of additional street trees, additional planting, improved footpaths and a defined look for the whole street.
- More street art and sculpture.



The development of the Chapel Street Master Plan will help guide and revitalise the precinct. The diversity and vibrancy of Chapel Street is what makes it a unique destination street. Improvements to the public realm will support and promote economic growth and the area as a world class destination.

IMPROVEMENTS

The development and installation of precinct branding and signage was delivered in key retail precincts. The precinct branding of rail bridges at High Street Armadale and Glenferrie Road Malvern has been well received by local trader groups.

Council continued programmed maintenance and services to improve the identity and amenity of business precincts, with activities ranging from repairs to street cleaning and graffiti removal.

The delivery of a number of urban design improvements delivered high quality and robust solutions to complement the urban environment, together with community needs, and expectations – such as the Malvern Station pedestrian link in Glenferrie Road.

The design and development of the seventh and final stage of the Glenferrie Road commercial centre streetscape upgrade was undertaken. This completes the works along Glenferrie Road providing a quality environment for the community in line with the public realm strategy.

Council developed an improved tree grate and installed a prototype at Toorak Village Precinct. The tree grates will greatly improve safety and aesthetic and allow for the incorporation of existing ground lights around the street trees. Following the successful installation, a further 25 tree grates will now be installed between Wallace Avenue and Grange Road improving the safety and aesthetic of the area.

The new Footpath Trading and Awnings Policy was adopted by Council (replacing the Footpath Trading Code in the Local Law) and a new Awnings Policy was included in the Planning Scheme. The Policy will come into effect in October 2013 and will enhance dining and shopping experiences as well as accessibility to businesses.

Toorak Village planning control changes to the Stonnington Planning Scheme were approved. The new planning controls implement the direction and intent expressed in the adopted Toorak Village Structure Plan (2008) and the Toorak Village Design Guidelines (2010).

The Urban Design Framework for the neighbourhood activity area Dandenong Road (Tooronga Road to Bates Street) was completed. Permanent planning controls progressed during the year.

The Activity Areas Study was completed. The Study has an economic focus and expands on Council's Building Prosperity Economic Development Strategy 2012–2016.



Strategy: PROMOTE ACTIVITIES THAT SUPPORT AND DEVELOP LOCAL BUSINESS WITH A FOCUS ON NEIGHBOURHOOD RETAILERS

Achievements

BUSINESS SUPPORT

Two 'Women in Business' lunch events were held for people to hear business success stories and network with other professionals in 2012/13:

- Carolyn Creswell in August 2012, and
- Lisa Barron in March 2013.

The events were well attended.

Stonnington has undertaken considerable work this year, in preparation for the launch of the Stonnington Business Connections Network (SBCN) in January 2014.

Annual membership includes:

- Entry to two Stonnington Business Connection Business Breakfasts.
- A complimentary ticket to bring a guest to one breakfast.
- Six networking evenings.
- Discounted tickets to Women in Business lunches.
- Membership to Stonnington Business Connections Network LinkedIn group.



Strategy: WORK COLLABORATIVELY WITH REGIONAL PARTNERS TO IMPLEMENT AGREED STRATEGIES TO BENEFIT OUR COMBINED COMMUNITIES

Achievements

PARTNERSHIPS

Stonnington continued to work in partnership with the Inner Melbourne Action Plan (IMAP) councils to promote tourism in inner Melbourne and encourage visitors to the local area.

Stonnington Jazz presented its largest program in 2012/13 in partnership with music venues and restaurants across Stonnington.

Stonnington continued its partnership with the L'Oreal Melbourne Fashion Festival, held in March 2013. The key aims were to highlight fashion shopping, and increase visitation and expenditure in the retail precincts. The partnership creates increased opportunities and visibility for Stonnington-based fashion designers and retailers.



Strategy: FURTHER THE EXISTING RELATIONSHIP BETWEEN LATE NIGHT OPERATORS, THE COMMUNITY AND COUNCIL TO WORK TOGETHER TO ACTIVELY IMPROVE LATE NIGHT AMENITY

Achievements

NEW LATE NIGHT TAXI ZONES FOR CHAPEL STREET

After a nine-month trial, the *Getting Home Safer* taxi zones were expanded to 18 key areas along the entertainment precinct and launched in September 2012.

Visitors to Melbourne's most vibrant nightspot now have a safer journey home, with 18 late-night taxi zones lighting up along Chapel Street every weekend.

Patrons can use sign-posted, well-lit zones to catch late night taxis from the popular pubs and clubs in the area.

The zones will provide dedicated pick-up and drop off zones every Friday and Saturday night until 5am the following morning.

When in operation, the zones are easily identified by illuminated taxi signs.

The \$500,000 project was an initiative of the City of Stonnington in partnership with the State Government.

The project is supported by Victoria Police, the Victorian Taxi Directorate and the Victorian Taxi Association. For more information, go to www.stonnington.vic.gov.au

LIQUOR ACCORD

The Stonnington Liquor Accord continued to deliver strong outcomes with increased training provided to Accord members and the delivery of a forum. Accord members reviewed and updated the Liquor Accord Action Plan.



Challenges

- There are serious challenges in the global economy which are providing an uncertain macro environment, impacting on business and consumer confidence.
- The rise in online spending – as consumers change their shopping habits, change in the retail sector will follow with the reorganisation of retail space and the retail mix.
- Commercial rents are amongst the highest in Melbourne.
- Competition for business comes from the CBD as well as neighbouring municipalities.
- Balancing the pressure for residential development with protecting key sites which support Stonnington's business, commercial and remaining manufacturing roles.

Looking Ahead

- Preparation of an Activity Areas Strategy across all Council's Activity Areas.
- Update the Style Guide for economic precincts and provide guidelines for gateway and precinct branding.
- Review land use with a focus on future economic growth and identify future demand for land use.
- Facilitate service skills training for retail, hospitality and accommodation businesses.
- Implementation works within Chapel Street in collaboration with traders and community.
- Adoption of Chapel reVision Structure Plan.
- Development of permanent planning controls for the Chapel Street Activity Centre.
- Prepare and consult on Structure Plans for High Street / Glenferrie Road and Hawksburn.
- Provide guidance on the Greville Village Market trial and evaluate the impact.



Property Info	
Garbage Day	Thursday
Recycling	Thursday - Week 1
Hard / Green Waste	Thursday 17:00-20:00
Garden	Thursday - Week 1

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.

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Key Statistics

Key Statistics	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Average Rates and Charges per Assessment	\$1,435	\$1,369	\$1,331	\$1,253	\$1,200	\$1,139
Average Operating Expenditure per Assessment	\$2,172	\$2,326	\$2,090	\$2,058	\$1,948	\$1,874
Average Capital Expenditure per Assessment	\$589	\$521	\$562	\$683	\$452	\$535
Number of births	1,108	1,059	1,014	1,006	1,078	1,116
Net Cost of childcare per utilised childcare place	\$3,213	\$3,189	\$2,674	\$3,591	\$4,273	\$4,038
Cost of home care per contact hour	45.71	\$44.75	\$43.68	\$49.38	\$35.79	\$34.91
Cost of meals on wheels per meal	13.02	\$14.94	\$19.86	\$18.08	\$14.39	\$12.83
Average number of library visits per capita	6	6.8	9.87	10.06	6.94	7.02
Average cost of library services per loan	\$5.01	\$4.50	\$3.90	\$3.42	\$3.32	\$3.24
Average cost of library services per visit	\$8.48	\$7.15	\$4.87	\$4.20	\$5.77	\$5.73
% of complying inspections, for registered premises subject to environmental health inspections	72%	81.8%	88.3%	91.3%	91.0%	87.0%
Aquatic Centre visits over the year	602,521	561,159	395,818	298,137	476,970	478,356
Cost of animal control per capita	\$6.20	\$6.01	\$5.95	\$4.74	\$4.73	\$5.05
Cost of rapid response per capita	\$1.67	\$1.62	\$2.16	\$1.83	\$1.76	\$2.16
Cost of after-hours field services per capita	\$4.68	\$3.62	\$3.53	\$3.36	\$3.39	\$3.22
Cost of graffiti eradication per capita	\$5.03	\$4.71	\$4.49	\$2.23	\$2.25	\$2.45
Weight of household waste collected and deposited in landfill per tenement	385 kg	400.9kg	473kg	417kg	449kg	468kg
Community satisfaction rating for waste management services	79	75	75	79	76	73
% of household waste recycled	41.9%	41.8%	43.0%	42.1%	40.3%	39.1%
Cost of non-recyclable waste collection and disposal per tenement receiving service	\$97.48	\$94.18	\$87.05	\$72.77	\$74.91	\$69.42
Cost of recyclable waste collection per tenement receiving service	\$25.64	\$23.91	\$36.62	\$39.19	\$38.57	\$37.41
Community satisfaction rating for local streets and footpaths	67	64	65	64	62	62
Ratio of roads per capital expenditure to roads depreciation	1.26	1.22	0.95	0.76	0.61	0.74
Community satisfaction rating for appearance of public areas	78	76	73	71	68	73
Cost of municipal cleaning per assessment	\$54.65	\$58.17	\$60.20	\$50.83	\$49.59	\$46.11
Cost of parks and gardens maintenance per capita	\$39.03	\$37.90	\$35.16	\$35.35	\$37.05	\$37.65
% achievement of 'due date' performance targets for planning applications	69%	72%	70%	71%	70%	61%
Number of planning applications decided during the year	1,330	1,588	1,545	1,400	1,198	1,245
Number of planning applications decided during the year through appeal	152	169	225	184	156	146
Cost per planning application	2,868	\$2,609	\$1,880	\$1,748	\$2,096	\$2,240

Good Governance

Strong leadership and good governance are the key drivers for local government. At the City of Stonnington, Councillors have embraced this and are striving for an open, transparent, engaging and accountable Council capable of making responsible decisions for the current and future needs of our municipality.

THE COUNCIL

A Council must consist of between five and 12 Councillors. Stonnington Council has had nine Councillors since the amalgamation of Councils in the 1990s.

This year the Council General Election was brought forward one month to 27 October 2012 due to legislative changes to enable councils more time to undertake business prior to the end of the year. It also gave councils the opportunity to schedule required training in November and January with the new Council.

Stonnington Council chose to return to attendance voting for the election. The participation rate decreased from 65.10% in 2008 to 56.29% in 2012. The informal votes also increased from 5.06% in 2008 to 10.40% in 2012.

There were 39 candidates contesting the nine Councillor vacancies with five of the out-going Councillors not re-standing. Council had a significant change in Councillors as a result of the election as follows:

North Ward

Cr John Chandler	returned
Cr Jami Klisaris	elected for first term
Cr Matthew Koce	elected for first term

East Ward

Cr Erin Davie	elected for first term
Cr John McMorro	elected for first term
Cr Adrian Stubbs	elected for first term

South Ward

Cr Sam Hibbins	elected for first term
Cr Melina Sehr	returned
Cr Claude Ullin	returned

Further details on each Councillor are featured on page 4.

The Councillors were sworn in at a Special Meeting on 8 November 2012.

MAYOR

The Mayor Cr Matthew Koce was elected by the Councillors at a Special Meeting on 14 November 2012 for a one-year term. The Mayor takes precedence at all municipal proceedings within the municipality and takes the chair at all meetings of the Council at which he is present.

MEETINGS

Ordinary meetings of Council are generally held on the first and third Mondays of the month, excluding January, but will change to the second and fourth Monday in the last quarter of the year due 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 Councillors can choose not to vote on an issue, however this does not occur except if they have declared a Conflict of Interest and have vacated the Chamber.

Councillor Briefings are held on the two alternate Mondays of each month. These are not decision-making meetings but closed informal meetings where Councillors have the opportunity to have lengthy in-depth discussion on strategic policy development, new and ongoing 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 2012/13

Councillor	Council Meetings	Councillor Briefings	Planning Consultative Meetings*
Total Meetings (pre-election)	8	8	16
Tas Athanasopoulos	8	8	0
John Chandler (Mayor)	8	8	1
Greg Hannan	8	8	1
Judy Hindle	8	8	4
Angus Nicholls	7	3	0
Anne O'Shea	5	5	5
Melina Sehr	8	5	7
Tim Smith	6	3	3
Claude Ullin	8	8	10
Total Meetings (post-election)	16	16	35
Including 3 special meetings			
Erin Davie	16	16	11
John Chandler	15	15	7
Sam Hibbins	16	15	5
Jami Klisaris	14	14	8
Matthew Koce (Mayor)	16	16	12
John McMorrow	16	15	11
Melina Sehr	14	14	7
Adrian Stubbs	15	16	9
Claude Ullin	16	15	11

* More than one Councillor may have attended a consultative meeting

FIGURE 1.3
NUMBER OF CONSULTATIVE MEETINGS HELD BY WARD

	East	South	North	Total
Pre Election	5	10	1	16
Post Election	11	11	13	35
	16	21	14	51

ADVISORY COMMITTEE

Prior to the election, Council had three Advisory Committees as follows:

- Finance Advisory Committee – chaired by Cr Greg Hannan
- Economic Development Advisory Committee – chaired by Cr Claude Ullin
- Strategic Masterplanning Advisory Committee – chaired by Cr Angus Nicholls

Following the General Election, the Advisory Committee structure is as follows:

- Finance Advisory Committee – chaired by Cr Adrian Stubbs, member Cr Matthew Koce
- Economic Development Arts and Tourism Advisory Committee – chaired by Cr Claude Ullin, member Cr John McMorrow
- Sustainability Advisory Committee – chaired by Cr Sam Hibbins, member Cr John Chandler
- Social Development Advisory Committee – chaired by Cr Jami Klisaris, member Cr Erin Davie

All Councillors are advised of the Advisory Committee meetings and are able to attend.

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

- Chapel Off Chapel Advisory Board – Cr Claude Ullin – Chairperson
- Ethnic Services Committee

OTHER MEETINGS

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

- Municipal Association of Victoria
- Metropolitan Transport Forum
- Metropolitan Waste Forum
- Victorian Local Governance Association (VLGA)
- Prahran Mission Board
- Glenloch Homes
- Inner South Metropolitan Mayors Forum
- Prahran Mechanics Institute

INNER MELBOURNE ACTION PLAN (IMAP)

This Special Committee is established under section 86 of the *Local Government Act 1989* and is made up of representatives from the Cities of Port Phillip, Yarra, Melbourne and Stonnington. The administration support is provided through the City of Stonnington for this committee. In 2013/14 the City of Maribyrnong will also be a member. See page 57 for details on the achievements of IMAP.

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. In April 2012 Mr Warren Roberts was re-appointed as CEO for a five-year period.

The CEO 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 undertaken by Council, which assesses his performance against set 'key performance indicators'.

SENIOR OFFICERS

The *Local Government Act 1989* outlines the employment requirements of Council's Senior Officers, conduct principles, contractual and performance evaluation and delegated authorities.

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, General Manager

The obligations of employment under the Act also apply to the Managers and certain other staff. In the past 12 months Council saw two of its long-term Managers retire and is in the process of recruiting for these positions. A new Manager was recruited following the retirement of a third Manager at the end of the last financial year.

REMUNERATION

Councillors

The Mayor and Councillors receive an allowance for undertaking the duties of Councillor. Stonnington Council is classified as a Category 3 Council under the *Local Government Act*. 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. This community consultation was undertaken in February–March 2013 with no submissions received. Council resolved on the allowances, as adjusted by the Minister, effective from the date the Councillors were sworn into office. This is the maximum allowance payable under the Act.

The Act provides for annual adjustments for Mayoral and Councillors allowances by the Minister for Local Government in line with movements in the remuneration of Victorian Statutory and Executive Officers.

	30/11/11-26/10/12	8/11/12 – 30/6/13
Mayor	\$83,650	\$85,741
Councillors	\$26,188	\$26,843

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 (9% in 2012/13 increasing to 9.25% at 1 July 2013). Allowances are paid monthly, and a pro-rata adjustment made 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.

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

Independent Audit Committee Members

The independent members of the Audit Committee have been engaged on a three-year term as follows:

- Audit Chair from 1 May 2013 to 30 April 2016 at \$10,300 per annum.
- Deputy Chair from 1 May 2013 to 30 April 2015 at \$7,200 per annum

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

COUNCIL INFORMATION

Council maintains its website at www.stonnington.vic.gov.au which provides information for residents and visitors on key services of Council and provides the opportunity to undertake online services including processing forms, making submissions, making applications, and payments. A number of social media pages, and online consultation portal and a number of e-newsletters and directories are also offered.

Stonnington Council uses The Age newspaper and Stonnington Leader for its Public Advertising and has a bi-monthly community magazine mailed directly to households plus a monthly advertorial featured in the Leader newspaper.

During the General election period Council was required to limit material printed, published and distributed either in written form or electronically on any matters that may have influenced or been perceived to influence the election. This highlighted the changes in the way material is distributed to the community. Legislation has not kept pace with the electronic age and this is a point that all Councils have asked to be addressed for future elections.

All Council's advertised material is placed on its website.

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:

- Food Act 1984
- Residential Tenancies Act 1997
- Planning and Environment Act
- Freedom of Information Act 1982
- Public Health and Wellbeing Act 2008
- Local Government Act 1989
- Valuation of Land Act 1960
- Introduction of the Fire Services Property Levy Act 2012. This contains a range of powers, duties and functions of councils in the role of a collection agency. All provisions affecting councils' responsibilities are now in force and Council will be raising and collecting the levy from all properties within its municipality (except government properties) from 1 July 2013. This Act has also amended councils' responsibilities regarding the valuation of non-rateable properties.

REVIEWS AND SUBMISSIONS

The following reviews and submissions have been undertaken throughout 2012/13:

- Council Delegations – Council must review all delegations in force within 12 months after a general election. This has been undertaken together with authorisations and the delegation to the Chief Executive Officer.
- Car Share Trial
- Footpath Trading and Awnings Policy review
- Community Grants Program
- Councillor Code of Conduct – this review was required to be undertaken within 12 months of a general election and has been completed
- Caretaker Policy – was reviewed prior to and during the lead up to the general election
- Community Safety Camera Program – ongoing
- Domestic Animal Management Plan

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 Mayoral Charity Gala
- Dinner Reception for Inner South Metropolitan Mayors Group
- Inner South Metropolitan Mayors Group meeting and luncheon
- Greek Flag Raising Ceremony
- Historical Poster Competition
- Centenarians Morning Tea

CITIZENSHIP

The Mayor is required by law to receive the Oaths or Affirmations of Allegiance for new Citizens and Stonnington Council is proud to be able to conduct these Citizenship Ceremonies. Citizenship Ceremonies were conducted in July, September, November, January, March and June.

These ceremonies are well attended by friends of the new citizens as well as local Federal and State politicians.

FIGURE 1.3 CITIZENSHIP CEREMONY DETAILS

	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Number of ceremonies held in year	5	6	6	5	4	5
Number of persons naturalised	492	475	610	650	459	504

CITIZEN OF THE YEAR AWARDS

Stonnington Council calls for nominations for Citizen of the Year for a number of categories and a ceremony to present these awards is held with the community. The Awards Ceremony was held in August 2012 and the award winners were:

- Community Service
Sylvia Fahey
- Sport
Graeme Minniece
- Mayor's Outstanding Service Award
Ann Reid
- Young Citizen of the Year
Georgina Davie
- Community Group
Save-A-Dog Scheme Volunteer Group

THE INNER MELBOURNE ACTION PLAN

The Inner Melbourne Action Plan (IMAP) is the successful collaboration between the cities of Melbourne, Port Phillip, Yarra and Stonnington. IMAP seeks to help foster creativity, liveability, prosperity and sustainability across the inner Melbourne region.

The Inner Melbourne Action Plan identified 11 regional strategies and 57 actions for implementation across the inner Melbourne region. The IMAP council partnership has now existed for seven years and around 75% of these actions are being implemented or have been completed.

Looking ahead, from 1 July 2013 the Inner Melbourne Action Plan is extending its partnership to include the Maribyrnong City Council. A review of the Action Plan is also anticipated in response to the expected publication of the Metropolitan Planning Strategy during 2013–14.

Transport and connectedness, housing affordability, environmental sustainability and liveability remain the key strategic directions of IMAP. Some of the key achievements of IMAP during 2012-13 have been:

Transport and connectedness

- Work continued on developing the bicycle network, linking routes across the city's municipal boundaries. In addition, IMAP will reassess the original bicycle priority routes for the ongoing work program and has participated in the current review of the State Government's Bicycle Share Scheme.
- Modelling of through traffic routes across the inner Melbourne region is underway to develop a tool to assess ways of reducing the impact of through traffic on activity centres.
- A review of the consistency of visitor signage, names, symbols and attractions across inner Melbourne is being undertaken in conjunction with the development of a visitor sign Style Guide to provide better linkages across the city and improve the visitor journey and experience.
- Modification to the Inner Melbourne Action Plan Implementation Committee's Terms of Reference has been undertaken to include a "New Member" clause so that the Maribyrnong City Council can become a full member of the Committee, thereby connecting the established IMAP inner city networks with the significant growth areas to the west of the CBD.

Housing affordability

- The Australian Community Land Trust Manual was completed. This is an affordable ownership model for people who are unable to afford conventional home ownership. This landmark research undertaken in conjunction with the University of Western Sydney and a range of other partners, provides the emerging Community Land Trust (CLT) sector in Australia with a useable resource to address the operational, legal and financial issues and decisions facing potential CLTs wanting to establish in Australia.
- A "best practice" collaborative framework proposal was developed in consultation with the Department of Human Services to support the coordinated development of the public housing estates.

Environmental Sustainability

- Substantial work on the Growing Green Guide project (in conjunction with the University of Melbourne, the Victorian Local Sustainability Accord and the policy and technical reference groups) has been undertaken this year to develop the first drafts of:
 - the technical manual for the construction of green roofs and walls, and
 - the policy guidelines for integrating rooftop and vertical greening into regulatory schemes.

In addition, an opportunity assessment was completed of a number of pilot sites across the inner city as a preliminary step for undertaking a feasibility study for future development of green roofs, walls and facades at various locations.

- Data gathering has been undertaken this year from the IMAP Councils and utilities for the Distributed Energy Project. This project, undertaken in conjunction with CSIRO, is the first of its kind in Australia which aims to identify opportunities for distributed generation and energy efficiency initiatives. CSIRO is in the first stage of developing an energy demand model and map for the IMAP region, identifying energy savings potential and impacts on utility networks.

Regional Development

- Showcasing work integrated learning opportunities and promoting student placements in local government has been undertaken as part of Melbourne Knowledge Week. This project aims to increase communication networks between councils and universities. A number of council departments and IMAP project teams have taken on students as a result of the promotion and tools provided.
- Continued regional tourism development has been undertaken through:
 - Ongoing development, review and circulation of the inner Melbourne Tourist Map
 - Promotion of inner Melbourne's attractions through a Skybus campaign.
 - Promoting inner Melbourne as a visitor destination throughout regional Victoria through a familiarisation tour for Ballarat Visitor Centre volunteers.

General Local Law 2008 (No. 1)

Council's General Local Law 2008 (No.1) was adopted after a full review in 2008. Subsequent minor amendments have been conducted since then, with an amendment to the attached Footpath Trading Code adopted by Council following revision in line with the Planning Amendment C128 on Footpath Trading and Awnings Policy, in April 2013.

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.

WHISTLEBLOWERS PROTECTION ACT 2001 – NOW PROTECTED DISCLOSURE ACT 2012

The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct and detrimental action by public officers and public bodies. It does so by providing certain protections for people who make a disclosure, or those who may suffer detrimental action in reprisal for making a disclosure. An essential part of this protection is to ensure that information connected to a protected disclosure, including the identity of a discloser and the contents of that disclosure, are kept strictly confidential.

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

- The Chief Executive Officer of the City of Stonnington 8290 1101
- The Protected Disclosure Coordinator – Fabienne Thewlis, Manager Governance and Corporate Support 8290 1305 or
- The Protected Disclosure Officer – Karen Watson, General Manager Sustainable Future – 8290 1175

All correspondence, telephone calls and e-mails from internal or external disclosers will be referred to the Protected Disclosure Coordinator. Where a person is contemplating making a disclosure and is concerned about approaching the Protected Disclosure Co-ordinator 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:

- Independent Broad-based Anti-Corruption Commission – tel: 1300 735 135; or GPO Box 24234 Melbourne 3000, or personally at Level 1, 459 Collins Street (North Tower) Melbourne or, www.ibac.vic.gov.au/report-corruption
- Ombudsman Victoria, Level 9, 459 Collins Street (North Tower), Melbourne, telephone – 9613 6222, or toll free 1800 806 314; or website: www.ombudsman.vic.gov.au; email: ombudvic@ombudsman.vic.gov.au
- The Victorian Inspectorate tel: 8614 3225, or PO Box 617 Collins Street West Melbourne 8007, or email info@vicinspectorate.vic.gov.au

The Council will take all reasonable steps to protect the identity of the discloser and if it is not possible to do so the discloser 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 Organisational 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.

Council is currently reviewing the procedures having regard to the change in legislation to the Protected Disclosure Act.

FIGURE 1.4 SUMMARY OF WHISTLEBLOWER/PROTECTED DISCLOSURES MADE

	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Disclosures made	1	0	1	1	1	0
Disclosures referred to the Ombudsman for determination	0	0	0	1	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 \$25.10 applies for each application and other fees will apply as the application is processed. The application fee increased to \$25.70 on 1 July 2013. 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 just for a broad range of documents.

Council processed 55 applications during the year, of which 48 were valid and proceeded. To be a valid request the application must be accompanied by the required fee.

FIGURE 1.5 SUMMARY OF FREEDOM OF INFORMATION APPLICATIONS RECEIVED

	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Applications received and processed	48	34	36	29	27	23
Internal Reviews	3	1	1	1	1	2
Appeals to VCAT	0	0	0	0	0	0

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 twelve 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.

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 tel: 8290 1331. Fees may apply.

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 tel: 8290 1333. The complaint will be investigated 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).

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 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 on-going internal contractors.

TRAINING

Four training sessions (3 hours each) were conducted during the year with 64 participants from across Council, with many from the Home and Community Care services area.

The core contents were:

- Introduction to the Charter
- Charter mechanisms: how it works
- Human Rights based approach
- Overview of resources and supports available

The Charter page of the intranet provides a checklist to enable staff to assess the impact of Council report recommendations on Human Rights.

FIGURE 1.6 SUMMARY OF INFORMATION PRIVACY COMPLAINTS RECEIVED

	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Internal Reviews	1	1	1	1	1	1
Review by Privacy Commissioner	0	0	0	1	1	0

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;
- enquires into or investigates 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 *Protected Disclosure Act 2012*, *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, 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 2012/13 COMPARISON

	2012/2013	2011/12	2010/11	2009/10	2008/09	2007/08
No. of Rate Notices Sent	56,130	54,684	54,162	53,290	52,917	52,446
No of Instalment Notices Sent (3 notices)	78,672 (58.36% of total issued)	74,528 (57.67% of total issued)	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)
No of final notices sent	4,759	4,424	4,504	3,899	4,166	3,987
No of Summons issued	217	396	427	520	489	483
Total rates collected for year %	97.81%	98.07%	98.24%	98.24%	98.48%	98.85%
New owner kits	4,047	4,621	4,051	4,044	3,707	5,489
Land Information certificates issued	5,149	4,533	4,075	4,030	4,568	5,844

FIGURE 1.8 VALUATIONS STATISTICS

	2012/2013	2011/2012	2010/2011
Supplementary Valuations	2,842	2,781	4,046
Public Open Space Valuations*	43	56	26
Analysis of property sales	3,542	3,402	3,775
Building permits assessed for valuation	1,122	1,196	1,200
Rateable Assessments Revalued	N/A	55,837	N/A

AUDIT COMMITTEE

The Audit Committee is an Advisory Committee of Council and plays a key role in overseeing Council's audit, governance, accounting control and risk management practices. The Committee comprises two independent members and two Councillors. For the period to 30 April 2013 the Chair was Mr Garry Richardson with Mr Stuart Newey as Independent Member. Mr Richardson retired after 12 years' service as Chair on 30 April 2013.

From 1 May 2013 Mr Stuart Newey assumed the position of Chair with Mr Bruce Potgieter as Independent Member.

The Committee meets quarterly and meetings are also attended by the Chief Executive Officer, General Manager Corporate Services, Manager Finance and Information Technology, Manager Risk Management and Contracts Compliance and other staff 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 2012/2013 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.

- Review of Cash Handling
- Follow-up of Internal Audit Recommendations
- Management Expenses Review
- Events Management Review
- Councillors' Expenses Review
- Payroll Review

Organisation Chart



CEO
WARREN ROBERTS

PLANNING AND DEVELOPMENT	CORPORATE SERVICES
<div>  <div> GENERAL MANAGER Stuart Draffin </div> </div>	<div>  <div> GENERAL MANAGER Geoff Cockram <i>Prahran Market, Property Coordination Audit Committee, Corporate Counsel</i> </div> </div>
<div>  <div> BUILDING AND LOCAL LAW SERVICES Madeleine Grove – Acting <ul style="list-style-type: none"> — Local Laws — Enforcement — Building Control and Investigation — Building and Occupancy Permits and Inspections — Registrations, Information and Road Reserve Program </div> </div>	<div>  <div> FINANCE AND IT Scott Moore <ul style="list-style-type: none"> — Statutory Accounting — Budget Preparation — Financial Accounting Controls — Management Accounting/Reporting — Accounting Systems and Procedures — Purchasing and Accounts — Asset Accounting — Treasury — Streetsahead Joint Venture — IT </div> </div>
<div>  <div> STATUTORY PLANNING Alex Kastaniotis <ul style="list-style-type: none"> — Statutory Planning — Planning Appeals — Amended Plans — Subdivisions — Urban Design — Planning Enforcement </div> </div>	<div>  <div> GOVERNANCE AND CORPORATE SUPPORT Fabienne Thewlis <ul style="list-style-type: none"> — Rates/Valuations — Civic Support — FOI, Privacy and Whistleblowers/Protected Disclosure — Records Management </div> </div>
<div>  <div> MAJOR PROJECTS AND PROPERTY IMPROVEMENTS Steve Morrell <ul style="list-style-type: none"> — Property Development — Project Management — Capital Works </div> </div>	<div>  <div> HR/OD Jan Lawson <ul style="list-style-type: none"> — HR — Payroll — Equal Opportunity — Organisational Development — Training — WorkCover </div> </div>
	<div>  <div> RISK MANAGEMENT AND CONTRACTS COMPLIANCE Bernard Mulholland <ul style="list-style-type: none"> — Risk Management — OH&S — Contracts Compliance </div> </div>

CITY WORKS



GENERAL MANAGER
Simon Thomas



PHYSICAL OPERATIONS
Steve Relf

- Municipal Emergency Management
- Fleet Management
- Waste Management and Disposal
- Street Cleaning Joint Venture
- Roads and Drains Maintenance
- Rapid Response
- Graffiti



PUBLIC SPACES AND CAPITAL WORKS
Rick Kwasek

- Infrastructure Design and Project Management
- Urban Design
- Open Space Master Planning
- Construction



PARKS, ENVIRONMENT AND BUILDINGS
Geoff Owens

- Sustainable Environmental Management
- Parks and Open Space Maintenance
- Arboriculture
- Malvern Valley Golf Course
- Building Maintenance



TRANSPORT AND PARKING
Ian McLauchlan

- Parking Services
- Traffic Engineering
- Sustainable Transport
- Asset Management
- Road Management Plan

SOCIAL DEVELOPMENT



GENERAL MANAGER
Connie Gibbons



LEISURE AND LIBRARIES
Tony Oulton

- Library and History Services
- Recreation Services
- Aquatic Services
- Community Facilities



AGED, DIVERSITY, HEALTH AND ANIMAL MANAGEMENT
Penny Pavlou

- Home and Community Care Services
- Assessment Services
- Cultural and Diversity Planning
- Environmental Health
- Animal Control
- Stonnington Animal Pound



CHILDREN AND FAMILY SERVICES
Cath Harrod – Acting

- Maternal and Child Health Services
- Child Care Services
- Youth Services
- Immunisation
- Service Centres
- After Hours Service

SUSTAINABLE FUTURE



GENERAL MANAGER
Karen Watson

*IMAP
Emergency Municipal Recovery*



CITY STRATEGY
Susan Price

- Land Use Policy
- Municipal Strategies
- Policy Development
- Planning Scheme Amendments



COMMUNICATIONS AND COMMUNITY PLANNING
Beige Pureau

- Marketing and Communications
- Public Relations
- Web Development, Intranet
- GIS
- Social Planning
- Corporate & Community Planning
- Community Safety
- Community Health and Wellbeing
- Disability Services
- Best Value
- Business Reviews



ECONOMIC AND CULTURAL DEVELOPMENT
Jan Jacklin

- Events
- Economic Development
- Arts and Cultural Development
- Tourism
- Halls and Venues



CHAPEL OFF CHAPEL
Rachel Fothergill

- Cultural Events
- Community Activities
- Gallery
- Tennis Courts

Human Resources and Organisational Development



BLUE HORIZON

Stonnington's Cultural Development program, Blue Horizon, has continued to improve workforce engagement. Survey outcomes from the 2011 survey show that Stonnington is still performing above the benchmark of average Australian organisations. The organisation is preparing for another engagement survey in July 2013.

In addition to nearly 50 individual business unit action plans, the organisational projects developed in response to learnings from our Engagement surveys include:

- Partnering with Swinburne University to implement a customised Diploma of Management program;
- Continued delivery of a targeted and dynamic Wellbeing Program to meet the needs of our diverse workforce. This included a special four-week program for our outdoor workers which addressed mental health, healthy food options, manual handling and general fitness;
- Delivering the Manager as Coach program and other Leadership-related developmental opportunities to assist in building facilitative leadership across the organisation;
- Re-invigorating the branding of the Blue Horizon cultural development program;
- Developing a simple, informal process for peer to peer recognition using Electronic Cards (E-Cards);
- Delivering successful managers and coordinators conferences specifically with the theme Excellence in Service Delivery and Collaboration;
- Creation of an organisation-wide Customer Service Charter;
- Implementing processes and resources to better manage Employee Relations (poor performance and conflict in the workplace);
- Implementing a 'Respectful Workplace Relationships' strategy Council-wide; and
- Restructuring part of the organisation to better align service unit delivery and enhance collaboration.

LEARNING AND DEVELOPMENT (DEVELOPING SKILLS AND CAPABILITIES)

Council is committed to helping its staff develop and further enhance their skills, now and into the future. This underpins our Values of:

- Learning;
- Achievement; and
- Change and New Ideas.

As part of this commitment we have a Corporate Training Program to provide relevant and meaningful development across the organisation.

The courses we provide are designed to target all Divisions of the organisation and build on skills important to achieving our goals and objectives.

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.

One of the highlights of 2012/13 was the implementation of the Respectful Workplace Relationships program. This valuable and engaging program was successfully piloted at our Depot and supports our goal of a respectful, positive and proactive culture.

Another initiative designed to support staff in continued learning and development is Council's Educational Assistance Policy. In the 2012/13 financial year 12 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, provides an overview of the services Council provides as well as topics such as Occupational Health and Safety and Equal Opportunity. The highlight of the Induction Program continues to be the Bus Tour around the municipality where participants meet staff from across the



organisation and also learn about the history of where they work. All new staff also meet Council's longest serving employee, Cookie the cockatoo!

Over 60 new staff attended the induction program in 2012/13 and current staff are also welcome to attend.

WELLBEING PROGRAM

The City of Stonnington recognises that the health, safety and wellbeing of employees is integral to the achievement of strategic goals and that healthy workers are productive workers. The Wellbeing Program aims to assist Council employees to manage the competing demands of work and personal health and focuses on physical, emotional and psychological welfare. A strong health, safety and wellbeing culture in our organisation is a vital precursor to reducing injuries and improving general wellbeing. Over the past year Council has remained committed to maintaining a motivated, productive and healthy workforce by delivering our sixth Wellbeing Program. The 2012/13 program offered a variety of events, many of which have not been delivered previously, and has been recognised as a leader in workplace wellbeing by being selected as a VicHealth and WorkSafe Awards finalist.

The key target areas included:

- Health and Wellbeing of mature age workers
- Health and wellbeing of outdoor workers
- Gender specific health
- Manual handling and injury prevention
- Mental health
- Stress and fatigue
- Nutrition and weight management

RECRUITMENT

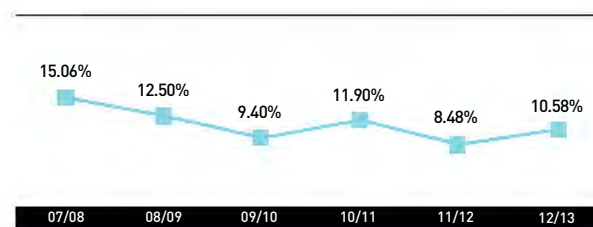
Despite opening our recruitment pool to external as well as internal candidates, internal appointments continue to dominate, highlighting the strength of Council's Learning and Development programs and the calibre of existing staff.

Council's recruitment processes have gone from strength to strength with the implementation of E-Recruit as a way to ensure we deliver excellent candidate care. The use of Social Networking and Online media has kept recruitment costs down and has broadened the pool of interested applicants. Council continues to receive well over 50 applications for most positions.

FIG. 1.9 STAFF PROFILE

	Male	Female	Total
Full-time	258 [58%]	190 [42%]	448
Part-time	50 [26%]	143 [74%]	193
Casual	83 [36%]	150 [64%]	233
Total	391 [45%]	483 [55%]	874
Executive	4	2	6
Managerial	8	10	18
Non-managerial	379	471	850
Total	391	483	874

FIG. 1.10 ANNUAL STAFF TURNOVER (OF FULL AND PART TIME EMPLOYEES)



CARER'S RECOGNITION ACT 2012

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in Council inductions and training programs for staff.

EQUAL OPPORTUNITY

Council has continued to develop and promote its network of Contact Officers. 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. In addition to this network, Council continues to run a rolling program of diversity and equality related training, this year continuing to focus on Respectful Workplace Relationships and conflict management. Council takes very seriously, its

positive duty and our programs aim to eliminate discrimination, harassment, bullying and victimisation from the workplace.

The City of Stonnington 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 1.11 ENSURING EQUAL OPPORTUNITY

EO Statistics	08/09	09/10	10/11	11/12	12/13
Training sessions conducted	9	10	8	20	14
Employees attending training sessions	82	118	122	250	166
No of EO reports	0	0	0	4	2
No of EO investigations	0	0	0	4	2
No of investigations reported to external bodies	0	0	0	0	0
No of complaints resolved internally	NA	NA	NA	NA	2

WORKCOVER

In April 2012 Workcover was transferred from the Risk Department to Human Resources and Organisation Development.

City of Stonnington (Including Streetsahead Joint Venture) has had a decline in Workcover claims and days lost due to work related injuries throughout 2012/2013.

The year 2011/2012 resulted in 55 workcover claims being lodged and 31 of these claims (27 Stonnington, 4 Streetsahead) resulted in days lost and in compensation being paid.

The year 2012/2013 saw a reduction in claims with 23 claims being lodged and only 9 of these claims (6 Stonnington, 3 Streetsahead) resulting in days lost and in compensation being paid.

Lost time is a measured key performance indicator (KPI). The terminology used is Lost Time Frequency Rate (LTFR). This same KPI is measured throughout industry and City of Stonnington is compared to other organisations and councils.

In 2011/2012 City of Stonnington had a LTFR of 8.10 compared to the industry of 9.05. This indicates that City of Stonnington achieved an improved result compared to other public sector organisations in relation to the number of days lost due to workplace injuries.

In 2012/2013 City of Stonnington achieved an LTFR of 3.51 compared to industry 4.57. Again this indicates that City of Stonnington achieved an improved result compared to other public sector organisations.

In direct relation to the LTFR, the City of Stonnington achieved a significant reduction in the number of days lost due to workplace injury, from 432 days lost in 2011/2012 to 127 days lost in 2012/2013.

The effort to reduce workcover claims and the time lost by injured employees is an excellent result as this means that our employees are either not injuring themselves as much or the injuries that are occurring are not as significant as they have been in the past and compared to other organisations within our sector. It should also be noted that effective claims management has contributed to this result with divisions reporting injuries earlier and allowing for management of a claim from the onset.

With the reduction of claims there are also the hidden benefits that are achieved. Such as employees being able to return to their private lives uninjured or if injured, injuries are less severe, which is a benefit to employees and their families that cannot be measured by graphs and figures. The fact that Council has an aggressive active approach to providing an injured employee with alternative or modified duties is another proven method of reducing injury to an injured employee.

With this reduction in reported claims and the decrease to the claim duration, including time lost through injury shortened, the City of Stonnington has achieved a position as an industry leader within the Local Government Sector.

The reduced number and shorter duration of claims has also contributed to a reduction in the cost of our workcover premium of \$127,290, which is approximately 37% less than what industry is paying.

The cost of lost time, replacement of injured employees, diversion or suspension of projects and hours spent managing injured workers is very difficult to place a figure on but can only be categorised as significant.

As we enter 2013/2014 Workcover/HROD priorities are looking at areas that have the highest number of injuries and severity and will be actively working on the prevention of these. To do this there are a number of projects that need to be undertaken including but not limited to:

- Inherent Risk Identification and Control
- Incident Investigation and Root Cause Analysis
- Increase in Specific Reporting to Divisions and Managers
- Information and Training for Divisions and Managers

The challenge Council has is to continue to reduce the incidence and severity of claims, and while doing so focus on prevention of injury through prevention of incidents. This will involve personnel from different departments and/or divisions working in a collaborative manner to actually identify high risk activities assess these activities and effectively control these activities.

There is no reason why this excellent result will not be able to be maintained and for Council to continue to be a leader within the industry in relation to Workcover.

FIGURE 1.13 WORKCOVER CLAIMS LODGED 2012/2013 CITY OF STONNINGTON

	2009/2010	2010/2011	2011/2012	2012/2013
Nil Time Lost	15	17	17	10
Time Lost-Weekly Compensation paid	26	17	27	6
Total Claim Lodged	41	34	44	16
% Inc.Dec.		-17%	29%	-64%

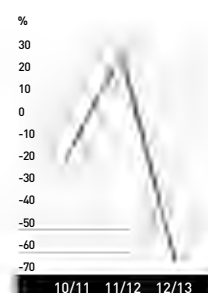


FIGURE 1.14 WORKCOVER CLAIMS LODGED 2012/2013 STREETS AHEAD

	2009/2010	2010/2011	2011/2012	2012/2013
Nil Time Lost	10	5	7	4
Time Lost-Weekly Compensation paid	12	10	4	3
Total Claim Lodged	22	15	11	7
% Inc.Dec.		-32%	-27%	-36%

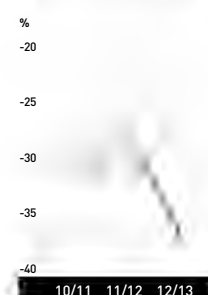
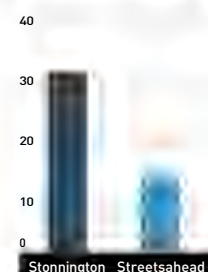


FIGURE 1.15 WORKCOVER CLAIMS CLOSED 2012/2013

	2012/2013	%
Stonnington	33	70.21%
Streetsahead	14	29.79%
Total Claim Closed	47	100.00%





Occupational Health and Safety



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 is committed to delivering a work environment that is safe and without risk to health for its employees and the community. Continuous achievement of Council-wide certification under Australian and New Zealand Standard AS/NZS 4801 (OHS Management System) was delivered. Having achieved this certification, Council recognises that our workplaces are too dynamic to accept that past gains will cope with changing situations, new technologies and added pressures of new and demanding expectations of the law and the community. Council is committed to keeping AS/NZS 4801 certification and this will be achieved by constant review and updating of its entire OHS Management System – *StonningtonSAFE*.

REPORTING

Council's Executive Management Team was provided with a monthly report on OHS including progressive statistics, incidents, longer term trend analysis, strategy, OHS activities, updates on progress of review of OHS Procedures and discussions on emerging issues.

Additionally, regular OHS reports are provided to the Audit Committee quarterly and to Council every six months.

OHS is a standing agenda item on all team meeting agendas and discussions.

Reports were also made to WorkSafe Victoria as, and when required, in relation to reportable incidents.

OBJECTIVES AND TARGETS

Council's first OHS Strategic Plan was developed in 2012-13. This document outlines the vision for the future direction of OHS management within Council. It launches *StonningtonSAFE*, a visual depiction of all of the elements that make up Council's OHS Management System, as well including opportunities for continuous improvement, and achieving the desired culture of safety within the organisation.

Core objectives were explicitly identified and documented targets for each have been established. Fundamentally, Council aims at eliminating preventable and unnecessary injuries as well as driving the OHS Management System to deliver the safest work environment achievable.

The OHS Strategic Plan was approved by the Executive Management Team prior to the AS/NZS 4801 surveillance audit in May 2012.

AS/NZS 4801 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATION

The whole of Council became certified to AS/NZS 4801 standard in June 2012. This certification scheme required an annual surveillance audit and re-certification audits every three years. Surveillance audits were undertaken across all higher risk facilities within Council in May 2013, including random, unannounced site visits to facilities to observe workers performing routine activities. There were no non-conformances issued during the five day audit program. The audit report provided by the externally accredited auditors, identified a number of opportunities for improvement and these are being progressively actioned during the course of 2013-14.

Re-certification of the whole of Council will be due in May 2014.

OHS MANUAL AND SERVICE PLANS

The OHS Manual which contains Council's OHS Policy and accompanying 51 OHS procedures was systematically reviewed during the year. All OHS procedures have been through a simplification and rewriting process. Natural synergies allowed some existing procedures to be blended together and the new OHS Manual will contain 33 OHS procedures.

Consultation with the end-user groups was a critical component in ensuring that the new OHS Procedures accurately reflected the way work is undertaken. One of the main focuses was reducing "red tape" on workgroups, while still ensuring work is done safely to minimise risk of injury to both staff and members of the public. Consultation was achieved through the establishment of 22 working groups to discuss individual procedures.

The redeveloped OHS procedures will be launched in 2013-14, following sign-off by the OHS Committee and the Executive Management Team, and all staff will receive training in the new procedures.

OHS Service Plans within all five Divisions were reviewed during both internal and external audits, with an ongoing refinement process well underway to tailor the documents more specifically towards the work requirements of the end users, ensuring tasks are performed safely.

ELECTRONIC INCIDENT MANAGEMENT SYSTEM

SafetyMax, an electronic incident management system, was purchased in 2012-13. The development process was undertaken, working with the SafetyMax technical team, to tailor the incident notification and incident investigation processes to reflect Stonnington's practices. The system utilises modern technology to send emails advising of incidents once logged, as well as incorporating an electronic workflow to forward "forms" to relevant users for completion and sign-off, mimicking the current paper-based form system. The system will also allow for real-time queries by any level of management on their area of responsibility, thus allowing an easy, hands-on way of overseeing the incidents that are occurring in their area.

A trial of the system was undertaken with three work teams across two divisions. Following the debriefing from the pilot program, a large scale full roll-out across all of Council will be completed towards the end of 2013.

TRAINING

Ongoing induction and training (both initial and refresher) of staff and contractors is important to ensure everyone understands their work responsibilities with regard to safety in their local work environment. Particular emphasis is placed on safe work procedures at the local level to ensure that everyone knows their roles and how to achieve the outcome in accordance with Council's requirements.

During 2012–13 Council delivered training in the following areas:

- OHS induction for 52 new staff
- OHS Refresher course for the elected Health and Safety Representatives
- Manual Handling
- Departmental/Unit specific safety
- Hazardous substances and the Chemwatch System
- First Aid, Cardio-Pulmonary resuscitation
- Automated External Defibrillator
- Fire Warden
- Emergency Response Drills (evacuation drills for individual facilities)
- Working at Heights
- Traffic Management
- SafetyMax – electronic incident management system

INSTALLATION OF DEFIBRILLATORS

Five Automated External Defibrillators were installed in peak usage/risk facilities during 2012–13 including Malvern and Prahran Town Halls, Stonnington Depot and the Will Sampson and Chris Gahan Centres for seniors at Prahran. Thirty-eight operators were trained across these locations to ensure that in the event of a person suffering a heart-related condition that a member of staff would be available to use the defibrillator if needed.

The second phase of the project will occur in 2013–14 with an additional five units to be installed at Malvern Library, Phoenix Park Library, Toorak/South Yarra Library, Northbrook and the Malvern Valley Golf Course.

CHEMWATCH

Work continues within the Chemwatch chemical management system to ensure that the inventory of substances is current. During this year, the system was substantially simplified, allowing operators to more easily find the Material Safety Data Sheets for substances in use at Stonnington.

INTERNAL OHS AUDITS

A planned program of internal audits against AS/NZS 4801 was undertaken for all Service Units, with OHS Unit working with the Service Units to identify opportunities to further develop local systems and processes within the constructs of the Council OHS Management System. This year more strategically focused audits were also conducted with the CEO and General Managers of each Division to confirm that they were fully conversant with the governance and due diligence requirements.

Additionally, prior to the external AS/NZS 4801 Surveillance Audits in May 2013, assistance was provided to all Units to ensure that they were fully prepared for the audit process, reflecting the significant value that the organisation places on safety.

HEALTH AND SAFETY REPRESENTATIVES AND OHS COMMITTEE

The OHS Committee is the primary forum for cross-Council consultation and consists of a mixture of elected employee representatives and nominated management representatives. They meet quarterly to share information and inform others of what is happening in their designated work group. The OHS Unit guides the meetings and provides information on what incidents are occurring and other topical issues. Minutes are distributed and placed on the OHS noticeboards within the various work areas.

In addition to the OHS Committee meetings, this year two half-day Health and Safety Representatives (HSRs) Forums were held within Council. The aim of these forums was to solidify the network of HSRs, provide an opportunity to share common issues/problems, provide some additional up-skilling training in areas such as incident investigation and cultural change, and collectively work on updating forms such as the quarterly workplace inspection checklist.

EMERGENCY AND EVACUATION MANAGEMENT

Warden training was provided for all facilities throughout the year and a program of emergency response exercises was conducted, usually involving a full-scale evacuation of the facility. During the debrief of the emergency response exercise, the emergency procedures for the facility are reviewed.

SAFETY WEEK 2012

A successful program of events was undertaken during Safety Week from 22-26 October. Major events were conducted at the two town halls and the Stonnington Depot where, in all cases, a great turn-out heard stories from legendary marathon runner Steve Moneghetti. Steve focused on issues such as planning and preparation, using the right equipment, and having the right mind-set – all of which can be easily related back to the work environment.

WORKSTATION ASSESSMENTS

Council's continuing and ongoing commitment to providing safe work environments for staff was enhanced with more than 20 work station assessments being undertaken during the period. The assessment often identified the need for new or additional equipment, or a change in work practice.

PROCUREMENT POLICY

The requirement of Section 186A of the Local Government Act 1989 for Council to have an up-to-date Procurement Policy was delivered throughout the reporting period following a complete review of the former Policy and the adoption by Council on 17 December 2012 of the new Policy. The Policy applies to all contracting and procurement activities at Council and is binding on everyone engaged with Council. The Policy requires that the criteria for evaluating tendered Council services must contain an assessment and rating of the submitters OHS credentials. The Policy is to be read in conjunction with the OHS Purchasing Procedure OHS A 4.2.

FIGURE 1.12 WORKSAFE KEY PERFORMANCE INDICATORS

KPI	2011-2012	2012-2013
1 Number and rate of incidents	162 (2.9 per week)	210 reported OHS events (4.03 per week)
2 Evidence of OHS Policy Statement, OHS objectives and regular management reporting	See comments above	See comments above
3 Evidence of OHS criteria in purchasing guidelines	Included in Policy	Included in Policy
4 Evidence of consultation structure	See comments above	See comments above
5 Percentage of Internal Audits/Inspections conducted as planned	100%	100%
6 Percentage of management and staff who received OHS training	30% following on from previous 2 years of heightened OHS training and awareness.	65% covered in training listed above.



Risk Management

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

Council's program of risk management is applied across the entire organisation and encompasses a range of specific functions, tactical projects and operational activities including Occupational Health and Safety, Human Resources, Public Liability, Professional Indemnity, Financial and Information Technology risk, public image, reputation and governance.

Council has established policies and procedures in place to mitigate, eliminate or minimise potential risk that may impact on Council and our community. The principles supporting these policies are found within the International Standard ISO 31000: Risk Management – Principles and Guidelines. In 2012/2013, Council aligned its Risk Policy with the requirements of the Standard.

ORGANISATION REVIEW

Following a review of Council's risk, safety and contracts compliance functions in early 2012, a new Department was formed to strengthen Council's efforts in these areas and to address the ever-changing risk landscape. The new Department has addressed a number of areas for improvement raised by internal and external audits.

During the reporting period, Council adopted new Policies for Procurement, Risk Management and Fraud and Corruption Control and was one of the first councils to adopt a comprehensive and detailed Fraud Control Plan in line with the recommendations of the Victorian Auditor General's Report (June 2012) entitled Fraud Prevention Strategies in Local Government.

The Department has also undertaken a complete rewrite of Council's OHS Procedures Manual which includes 15 workshops with staff to ensure that the new procedures reflect the requirements of OHS legislation/guidelines and the practicality of implementation.

Recognising the importance and critical elements of exposure inherent to contract and procurement management, the Risk Management Department has also embarked on a journey to comprehensively overhaul the contracting process within Council with the express aim of delivering contract compliance with the *Local Government Act 1989*.

Outcomes for the 2012/13 reporting period has included the preparation and introduction of an extensive range of standardised documentation for tendering, including best practice contract conditions (as verified by Legal Counsel).

In 2013/2014, Council will implement a new Contract Management System in addition to a contractor pre-qualification system. This will ensure that the commercial, legal and contractual obligations of contractors (licences, insurances, permits, assurances etc) are continuously monitored and remain current for Council's protection and compliance.

REPORTING

Council's Risk Management Strategy and Action Plan were comprehensively reviewed during 2012/13. The Plan covers the period 2012 – 2014, addressing 28 action items, some of which were completed during this period and others which are still underway.

Key performance criteria have been developed for inclusion in future Council Plans for both Risk and OHS to provide a robust framework and an increased level of transparency to the process.

RISK REGISTER

During 2012/13, Council undertook a comprehensive review and analysis of its Risk Register taking into account the requirements and expectations of the ISO Standard and the risk industry, with special relevance to local councils.

As a result, a new Strategic Risk Register was developed that addresses those risks in detail, deemed to have a significant and organisation-wide impact in relation to the organisation's ability to effectively operate and sustain services into the community it services. To further enhance the governance of the Register, the strategic risks were linked to the Strategic Audit Plan thereby enabling a clear and logical methodology for audit planning against potential high exposure areas.

The Risk Register was verified by Council's Executive and subsequently accepted by the Council's Audit Committee.

In the next reporting period, operational risks that have been identified by individual Departments across Council, will be reviewed and incorporated into a supporting Register to the Strategic Risk Register. It was deemed that the mixing of strategic and operational risks in the one Register had the potential of diverting Council's attention away from addressing the assessments of organisation-wide risks. This separation of strategic and operational risks enables risks from a single Department or Unit to be assessed against the ISO 31000 Risk Matrix in their own right and prioritised for local attention. The separation has proved to be most advantageous to Council in assessing and addressing risks at both levels.

INSURANCE

Council's insurances are brokered through the Municipal Association of Victoria (MAV) who under contract, engage Jardine Lloyd Thompson Pty Ltd, an insurer and reinsurer, to negotiate on behalf of councils across Victoria and Tasmania for their full insurance needs including Public Liability, Professional Indemnity, Commercial Crime and Property insurance.

As reported last year, the insurance industry has been under increased pressure in recent time due to the financial strain of natural and human disasters within Victoria, Australia and globally. Stonnington has in past years, opted to carry a larger excess on its Liability insurance to enable it to more appropriately service these claims in line with its customer service charter. As a consequence, Council manages almost all its claims internally.

Despite the renewal of the MAV Liability Mutual Insurance for many councils across Victoria producing dramatic increases (one metropolitan council increased 46%), the increase for Stonnington was 15%. Council's other main insurances (Motor Vehicle, Councillors Liability, Public Liability, Accident and Property) produced a very competitive result of 1.3% increase in premium whereas Council's Commercial Crime insurance increased 6%.

A significant amount of work was undertaken during the reporting period to reduce Council's liability. During a recent inspection of Council's insurance claim processes by MAV (which is in part used to calculate premiums) Stonnington was nominated as having the second highest increase in performance across the State, delivering a 9% increase in the audit result (from 82% to 91%). This 9% increase in our score placed Stonnington in the top third of councils for overall results.

Stonnington had made a significant advance in reducing its public liability exposure and this achievement was recognised during a public presentation of the results by the insurance auditors to all participating councils.

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

This plan was updated in 2011/12 and tested under exercise conditions during the reporting period. The results of the exercise were provided to the Disaster Plan Committee which enabled further refinement of the Plan.

The City of Stonnington is one of the few councils in Victoria who regularly test, analyse and review their Business Continuity and Disaster Recovery Plan in a simulated emergency environment.

All persons considered to have a role in an emergency situation have been issued with an Emergency Response Kit recently developed by the Risk Management and Contracts Compliance Department which includes a fully documented procedure, telephone contacts, emergency equipment and building floor plans to enable a full and effective response to an event.

TRAINING

To ensure a strong and consistent message is conveyed regarding our ethical and risk aware culture, an introduction to Risk Management is included in Council's Corporate Induction Program for all new employees.

During the year, the Risk Coordinator arranged and co-presented a series of Claims and Litigation workshops for employees involved in Departments where claims emanate. The workshops were well attended and provided both education and the opportunity for open discussion on the management of claims, reducing the levels of exposure and a re-evaluation of Council's processes which may exacerbate claims.

The Risk Management and Contracts Compliance Department is now developing a new series of workshops focussing on professional indemnity and the appropriate method of providing advice to residents and development applicants. This series will be delivered in 2013/14.

Communications and Engagement

Stonnington has strengthened its focus on integrated communications and engagement through the year, with the joining of the Communications and Marketing Unit and Corporate and Community Planning Unit, to make a new Department 'Communications and Community Planning'.

The new Department means more integrated planning and activities, from the planning and strategic stage of projects through to implementing research and community engagement activities, using the full suite of communications channels – ranging from the community engagement online portal "Connect With Us" to social media promotion, publications, direct mail, email/e-newsletters and advertising on consultation

opportunities, to community forums/meetings, on-site 'street talk' marquees out in the community, and Stonnington Survey Group surveys. There has been a significant increase in community participation through the use of a combination of methods.

The implementation of an Integrated Communications and Marketing Strategy was completed during the year, 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 a total of 87 Actions over the three years (2011–2013).

Communications Statistics and Achievements

Communications and Engagement Plans were prepared and implemented for the following:

- Municipal Public Health and Wellbeing Plan
- Chapel Street Masterplan
- Chapel ReVision
- Access and Inclusion Plan
- Council Plan and Budget
- Footpath Trading
- Recreation Strategy
- Planning Zones and planning changes

MEDIA

- 456 media releases and responses were sent to local and metropolitan media in 2012/13

PUBLICATIONS

- Over 170 publications were produced (for a range of programs, events and activities relating to libraries, festivals, recreation, planning activities, strategic documents, family services, youth activities, seniors activities, engagement opportunities, etc)
- 6 editions of the community newsletter *In Stonnington* were produced.
- 11 Advertorials were run in the Leader and over 100 ads appeared in local and metropolitan newspapers, as well as radio.
- Three Ward Newsletters and three Ward Meeting Fliers were produced
- The Council Plan was produced
- Annual Report development (winning the Australasian Reporting Awards 'Gold Award')

WEB, E-SERVICES AND DIGITAL

- There was an increase in the presence and use of the engagement portal, including online forums, polls, surveys and forms.
- The 'Connect with Us' consultation portal had 11,635 unique visitors and 14,894 page views. The highest visited page was Rediscover Chapel Street (Chapel Street Masterplan consultation) and then the Recreation Strategy. Key successes to date include increased website traffic, 50% increase in poll activity and 80% increase in forum participation.
- The main website had 388,415 unique visits and 765,158 measured visits.
- An e-services project progressed during the year identifying key services needed online (including e-payments, e-books and e-forms). The next year will focus on the appropriate technology solutions and implementing these services.
- A Stonnington Facebook page was developed.
- A consultation e-newsletter was developed with 160 subscribers and growing. This e-newsletter provides recipients with information on current engagement opportunities and provides access to and feedback on, recent consultation results. ('What you said').
- Work progressed on the development of a GIS public map system to be incorporated on the website.

Advocacy

Stonnington is committed to representing the community and advocating to other levels of Government and key stakeholders, to address a range of key priorities and issues.

Stonnington has taken a strong advocacy role to improve planning outcomes across the city, promoting mandatory height limits, and advocating for appropriate urban design outcomes. Council continued to defend local areas from inappropriate development at VCAT.

Ongoing advocacy was undertaken in relation to a range of community concerns around the proposal for the \$500m expansion of Chadstone Shopping Centre (such as the curfew, public transport, urban design and parking management).

Council also continued to represent the community on the proposed 590 Orrong Road development, advocating for planning controls and supporting community concerns in the Supreme Court.

A number of State Government Planning Reforms are being introduced and Stonnington has played a key role in liaising with Department of Planning and Community Development to clarify the proposed changes, to inform the community to listen to community feedback and concerns and represent the community in providing feedback to Government.

Council has taken a proactive role in increasing the amount of open space throughout the municipality. Open space is becoming increasingly scarce as population growth and development density continue to place pressure on all areas of the municipality. Stonnington undertook a comprehensive review of open space needs during the year, and a strategic approach was developed that will address community needs now and into the future. Some of the actions in the plan relate advocacy on public land and how it is used.

Council is continuing discussions with the State Government to achieve a positive outcome from the redevelopment of Horace Petty Estate in Prahran. While the Masterplan still needs to be drafted by the Victorian State Government, the Minister has given a strong commitment to consult with the community. Council is advocating for a substantial area of open space to be retained on the site that also integrates and links to Council's open space network. It is hoped that the Masterplan, following extensive consultation with residents at the estate and the broader Stonnington community, will present an excellent design with a significant amount of open space, that enhances community connectedness, wellbeing, safety and neighbourhood amenity.

Advocacy was also undertaken with a focus on:

- Enhancing public transport and cycling initiatives.
- Achieving funding for community facilities (including successfully gaining a State Grant for TH King Pavilion and Environmental Education Centre to the value of \$650,000).
- Addressing level crossings and traffic congestion.
- Achieving funding and partnerships for community safety initiatives such as CCTV and Late Night Taxi Zones.
- Advocating to government on cost shifting and impacts of cost increases.

Stonnington achieved a great result in the Local Government Community Satisfaction Survey in 2012, with a score of 59 for Advocacy, which is higher than the State Average of 55 and higher than the Inner Metropolitan Group of Councils score of 56.

Business Systems and Technology

Council's IT and Business Systems Strategy 2011-2013 aims to support excellence in service delivery by delivering effective and integrated system solutions. The Strategy has guided the progressive upgrade of Council's technology infrastructure and business systems during the year through the use of innovative technology to improve business efficiencies and services.

The achievements during the year were driven by the following principles:

- Consolidating technology platforms to a standard Microsoft environment;
- Optimising systems performance through integration and reduced redundancy; and
- Reducing overhead and operating costs for separate licences, maintenance, administration and support.

Milestones and Achievements for 2012/13:

- Implemented the Property and Rating system major upgrade from TechnologyOne Proclaim Classic Property and Rating Version. 9.09 system to the new. Net platform TechnologyOne Property & Rating Ci Version 10.04.
- Installed a high capacity data storage system at Prahran Town Hall to handle increasing rise in corporate data.
- Engaged a 3rd party security specialist to conduct a full Network and Systems Security Audit. The results of this audit were favourable with only minor remedial actions required.
- Rationalised Lotus Notes Infrastructure to a manageable, streamlined server environment resulting in a reduced overhead and operating cost for licences, maintenance, administration and support.
- Implemented a new Network and Systems QA Environment to streamline the process of system upgrades.
- Implemented the Microsoft SCCM system to enhance efficiencies for Desktop PC Management, PC Image/ Rollout Automation and IT Asset tracking.
- Implemented the Twin Town Hall DR Strategy to strengthen Business Systems Continuity and minimise systems down-time in the event of a disaster.
- Relocated the Stonnington Depot File Server environment to the primary server facility to increase storage capacity to handle the increasing rise in corporate data.
- Implemented a centralised Data Backup Strategy to increase efficiencies in both the backup and restoration of corporate data.
- Completed the upgrade of core network Microsoft AD infrastructure to Active Directory 2008 to support Windows 7 Desktops and improve Network access security and performance.
- Facilitated the major upgrade of Council's HP Trim EDRMS (Electronic Document & Records Management System) to the current version HP TRIM – Ver. 7.3.1.
- Completed the upgrade of the Citrix Xenapp platform to enhance connectivity and usability of corporate applications for our mobile workers.
- Continued the upgrade of obsolete MS Windows XP desktop operating system to MS Windows 7 to enhance desktop functionality standards. The full rollout will be complete by October 2013.
- Continued the upgrade of corporate databases infrastructure upgrades to MS SQL 2008 R2, the new standard for SQL database operating systems and applications.
- Continued the migration of the corporate virtual server environment from VMware to Microsoft Hyper-V V to enable support for Windows 2008 virtual servers and enhance performance of current virtual servers.

Best Value Victoria

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 1989 incorporates 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 1.17) comprising of four steps:

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

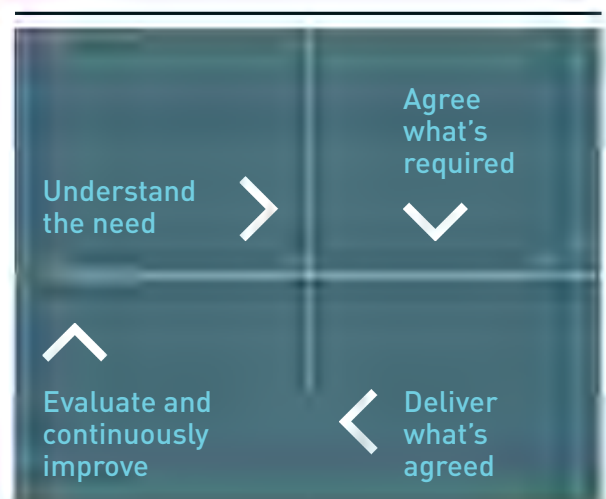
Between 2001 and 2005, Council completed an initial program of service review and has subsequently focused on ensuring that service standards continue to be a reflection of local community needs. In 2010, Council updated its Best Value Program Service Review Guidelines. Implementation of the Best Value reviews according to this timetable commenced in 2010 and continued through 2011 and 2012. Eight Reviews were undertaken and Eight Best Value reviews were undertaken in 2011/12 with the focus on continuous improvement, customer service excellence, responsiveness and enhanced communication and engagement. Actions of these areas has continued during 2012/13, particularly with regard to:

- Internal Customer Service
- External Customer Service
- Community Engagement
- Statutory and Strategic Planning
- Economic Development
- Open Space
- Community Amenity
- Appearance of Public Spaces

FIGURE 1.16
VISION AND STRATEGY



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.

Note: Results for 2010–11 are not strictly comparable to subsequent years, due to a change in calculation methods.

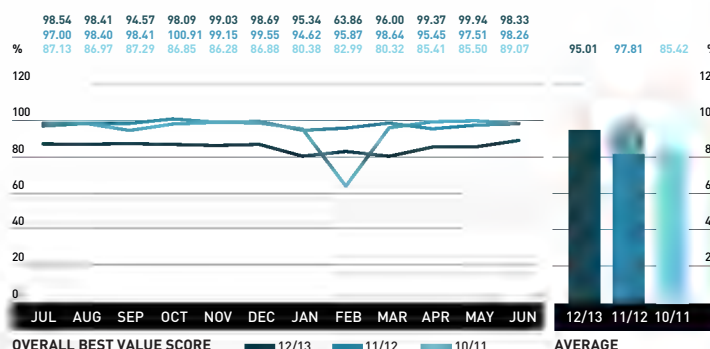
Overall Performance

ORGANISATION

Council's overall performance has remained high this year, with services performing well against targets, as reflected in the individual unit summaries following.

Notable achievements include Best Value Service Reviews, the Chapel reVision structure plan, the draft Sustainable Environment Strategy, and strengthening of leisure and recreation opportunities through the Active Living Program. Council's Aged Services department received Rainbow Tick accreditation as well as developing the Active Service Model of service delivery.

In February, the Compliance Unit had increased unbudgeted income due to footpath trading renewal fees in addition to unspent salaries expenditure due to unfilled positions, causing a temporary dip in performance scores.



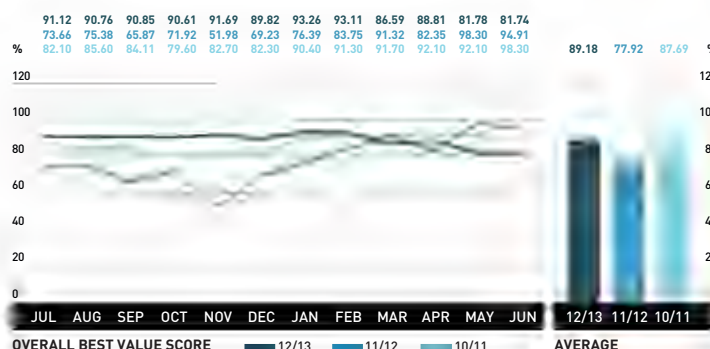
Corporate Services

FINANCE SERVICES

The Finance Unit has continued to deliver effectively.

Key activities included: Annual Financial Report 2011/12 preparation; Annual Budget 2014 preparation; new Enterprise Budget system implementation; timely regulatory reporting; chart of accounts improvement; and finance policy development and review to enhance financial management and controls.

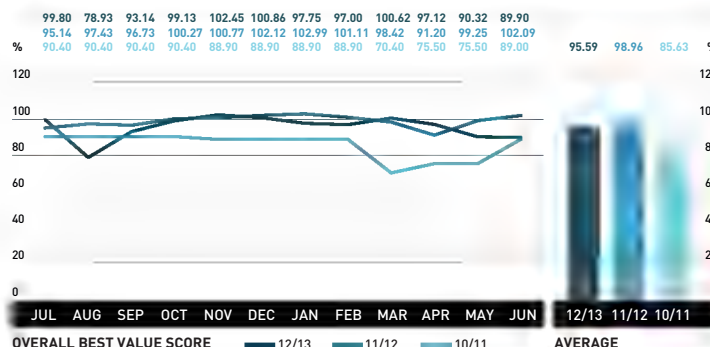
Average Finance service performance improvement compared to last year is attributed to: improved budget process; consistent timely account reconciliation and management reporting; improved resolution rate of finance system helpdesk issues; consistent completion of internal audit actions within agreed timelines; budget underspends largely in employee benefits and fire levy expense, and budget savings achieved to fund defined benefits superannuation.



Corporate Services

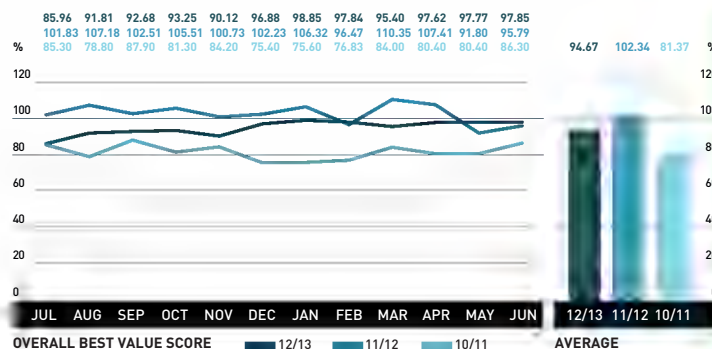
HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

The HROD Department's key activities included the development of a strategic partnership with Swinburne University to deliver a customised Diploma of Management to improve leadership capability across the organisation. Business Units have completed individual improvement plans in response to Engagement Survey outcomes which has helped to build accountability and continuous improvement in service delivery. Internal appointments continue to dominate recruitment highlighting the strength of Council's Learning and Development programs and the calibre of existing staff. A slight dip in June is due to fewer wellbeing program places filled and a slight rise in staff turnover.



INFORMATION TECHNOLOGY

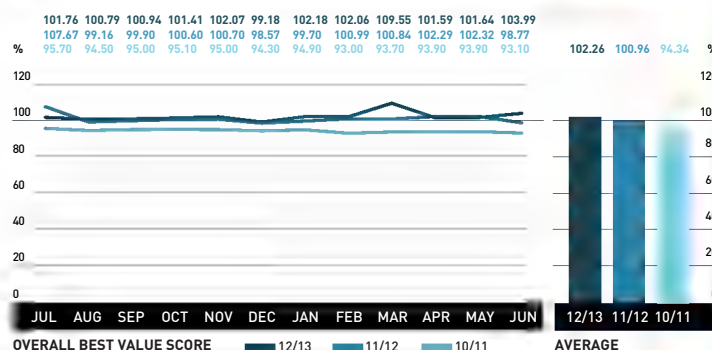
Council has continually improved its technical support services during the year, chiefly through: increased help desk and desktop support resources; rationalisation of Lotus Notes infrastructure to manageable and reduced cost levels; upgrade of a number of core systems; increase in data storage system capacity; implementation of a new more automated desktop PC imaging and roll-out system; continued migration to a virtual server environment; and upgraded mobile connectivity for staff.



Corporate Services

RATES MANAGEMENT

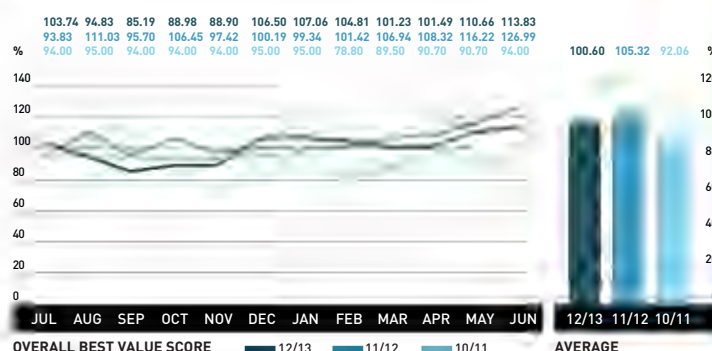
This financial year has been successful in terms of the overall collection rate. However, for the first time in several years the collection rate decreased slightly and this is seen as an indicator of residents' overall concerns with the economy. Similarly, there was a slight decrease in the receipt of land transfers and issuing of land information certificates, often referred to as a litmus test for the property market - a further indicator of concerns about the economy. An increase in Magistrates Court costs resulted in the legal action account balance being increased and, consequently, no action being taken on debts under the approved threshold amount.



Corporate Services

VALUATIONS

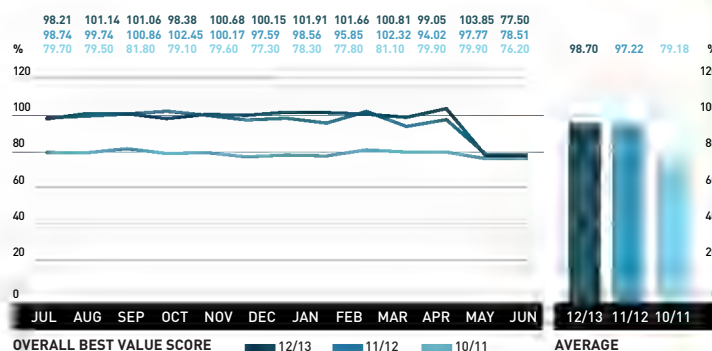
Increased income (above budget) was achieved due to a greater volume of work undertaken by the Valuations Unit, resulting in reimbursement by other authorities using Council valuations. This positively affected the performance measure of income/expenditure compared to budget. It was further affected by extraordinary income items resulting primarily from a remit of legal costs, due to winning a significant valuations court case. In other areas, results were positive, though phasing issues resulted in some minor volatility across the year.



Corporate Services

BUILDING CONTROL

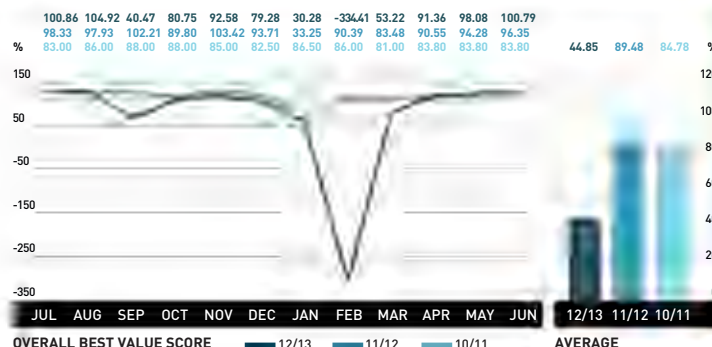
The performance of Building Control has been consistently high against targets. The number of permits reduced in June, in line with the end of financial year impacts on the Building Industry. Administration of Permits, Inspections and Building Surveying performance has been maintained whilst undertaking recruitment for vacant positions and a departmental structural review.



Planning and Development

COMPLIANCE

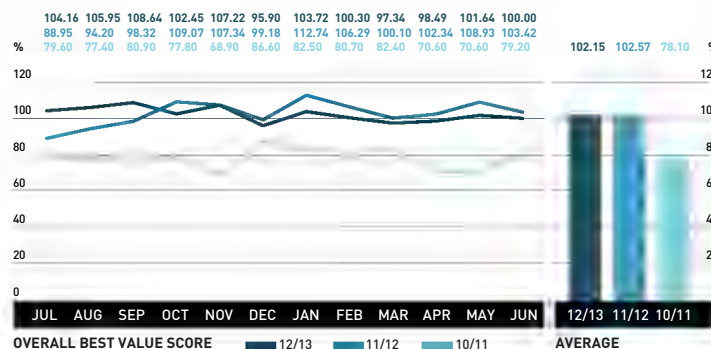
Council has adopted and is implementing the Footpath Trading and Awnings Policy to ensure better access for all footpath users as demand for Footpath Trading Permits increases. The Unit has also amalgamated with Council's Building Control Unit to enable a sharing of resources and expertise to better service the community and provide effective compliance services. During February, income increased markedly due to the phasing of Footpath Trading renewal fees and expenditure dropped due to unfilled positions.



Planning and Development

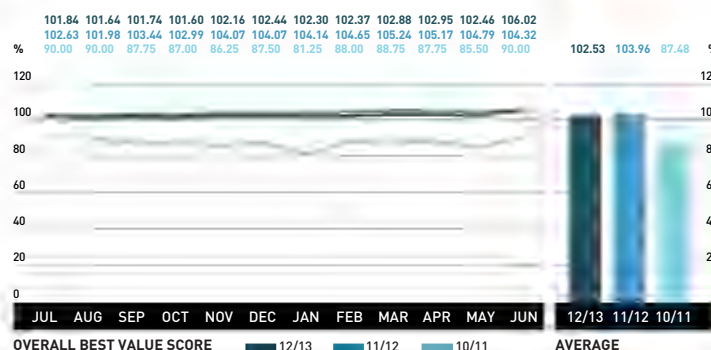
PLANNING SERVICES

Statutory Planning performed well during the year to meet Best Value targets. Quality results exceeded targets as a result of the ratio of decisions made being higher than incoming applications, amendments and enquiries. The Department had a 67% success rate at VCAT this year.



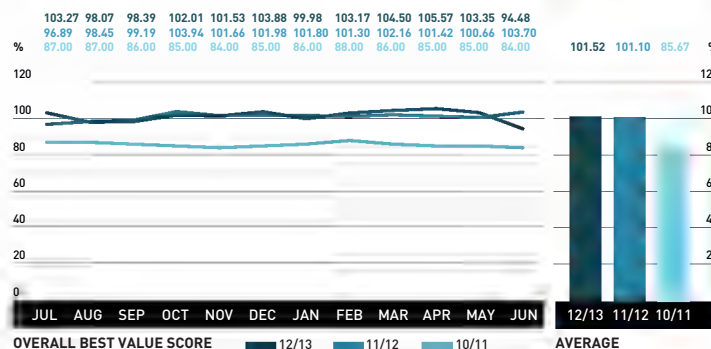
PARKS, ENVIRONMENT AND BUILDINGS

A consistently high performance has been achieved with Council's turf management practices, including the presentation of parks and sports ovals. The reconstruction of TH King Oval proved to be extremely successful, providing a quality sportsground for community use. Extensive tree planting has occurred in streets, parks and reserves across the City.



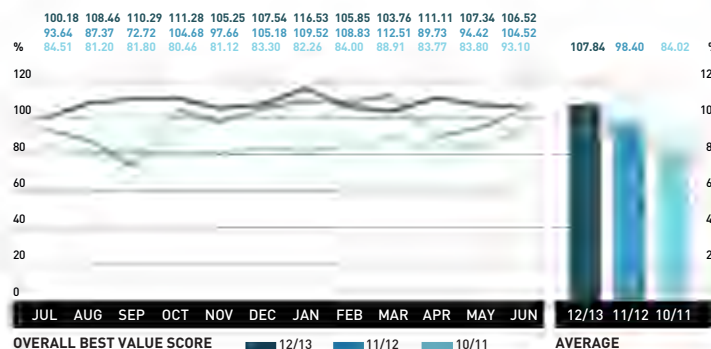
PUBLIC SPACES AND CAPITAL WORKS

Consistently high results have been achieved through sound planning and project management processes including regular capital works meetings to assist in the planning and phasing of projects. Integrated meetings with internal and external stakeholders and a robust design program assisted in the planning and implementation of projects. Regular supervision and monitoring of work sites also ensured quality outcomes. A mentoring and support system allows Council officers to achieve excellent results for the department and a stringent project review process promotes ongoing innovation and improvement. A slight dip in the graph in June is due to the number of street pits cleaned during the year being regularly above target, meaning that by June very few were left to complete.



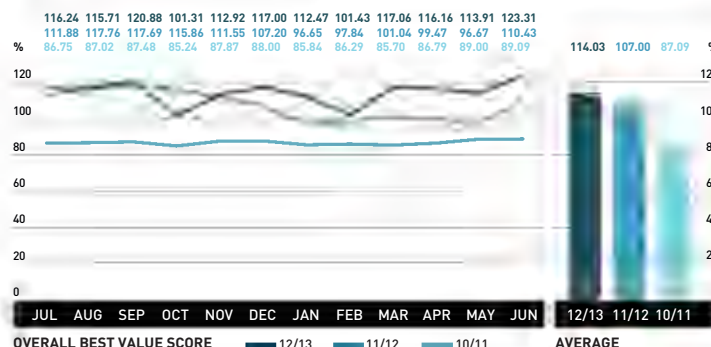
PARKING CONTROL

The payment rate for infringements issued prior to lodgement at the Infringements Court was higher than contract requirements for all months, leading to a performance well above target. Revenue received was above budget requirements, due to the State Government increasing the penalty unit by 15% on 1 July 2012. Infringements issued for the year were slightly below contract requirements due to staff turnover and periods of sick leave and annual leave occurring together.



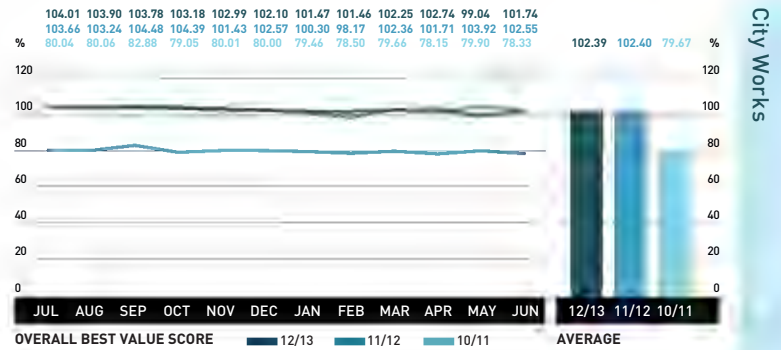
RECYCLING SERVICES

The yield of collected recyclables fell this year due to the global economic downturn and consequent reduction of consumerism. Council's recycling services however maintained a high level of service performance throughout the year. Performance was particularly high for bin repair in August/September and there was an extremely low level of missed collections in December and April. In October and February, three noise complaints caused a temporary dip in the graph but this was quickly remedied.



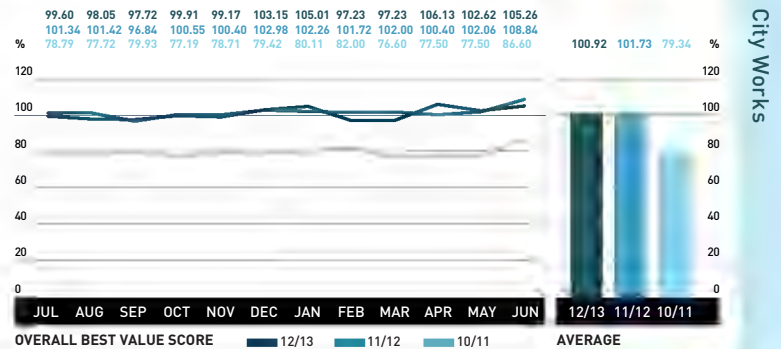
STREET CLEANING SERVICES

Streetsahead street cleaning services maintained a consistent high level of service, completing the programmed schedule of street cleaning for the year despite a heavy and challenging autumn leaf fall season, and numerous storm events.



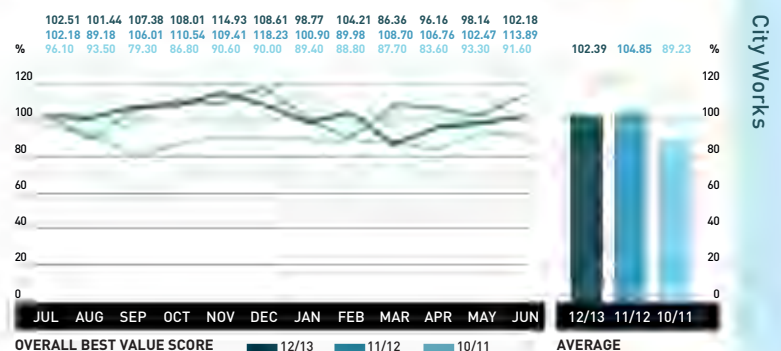
TRANSPORT AND PARKING

Excellent responsiveness and service delivery results have been achieved through regular communication with external and internal stakeholders, including the car park operator and equipment service providers. Road safety objectives have been achieved through implementation of capital works including roundabout and pedestrian crossing improvements. Major road safety initiatives during the year include: roundabout and pedestrian crossing improvements, solar powered road studs, Bicycle Strategy implementation, cycling confidence programs, behavioural road safety programs, Draft Car Sharing Policy, late-night taxi ranks, and 40km speed limits in new locations.



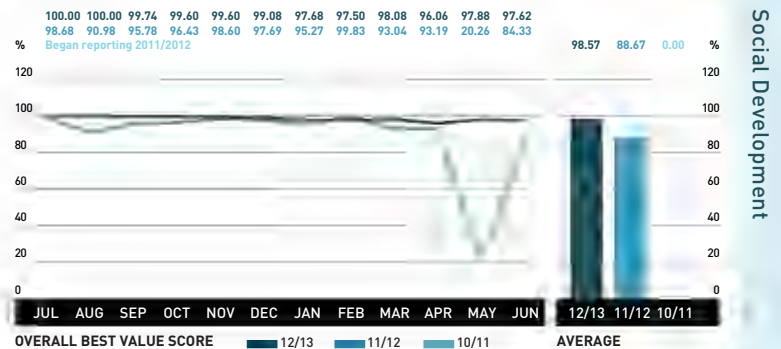
WASTE MANAGEMENT SERVICES

Waste Management services completed 2.13 million garbage bin collections and the biannual hard waste collection service. New garbage collection vehicles, all with improved Occupational Health and Safety features, were introduced into Council's fleet. In April, a collections vehicle was unavailable on occasions, leading to reports of missed collections and a temporary dip in the graph which was quickly remedied. The number of spilt bins and noise complaints was particularly low in November, leading to a strong peak in performance.



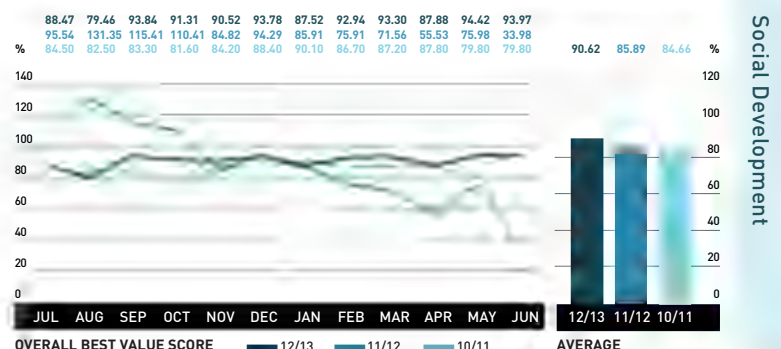
ANIMAL MANAGEMENT

A strong year of consolidation for Animal Management saw a positive scorecard for the unit. Recent reforms have created the opportunity for new processes which have achieved efficiencies for the unit. Council's recent adoption of the 2013-2017 Domestic Animal Management Plan provides a strong platform for achievement for the future.



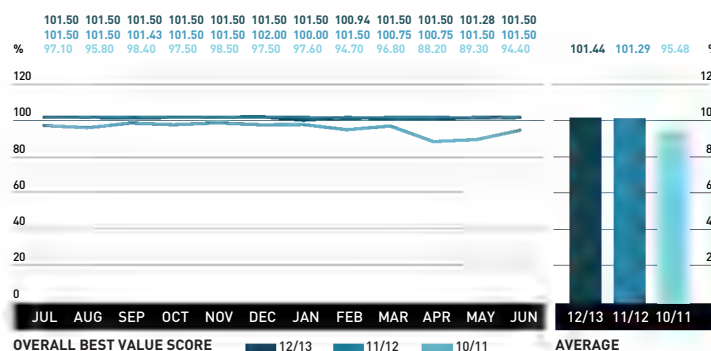
AQUATIC SERVICES

Aquatic Services continued to experience significant growth in utilisation this financial year. This growth was due to the on-going development of programs and services at Harold Holt Swim Centre since the major redevelopment in 2010. Balanced Scorecard Monthly averages were more consistent and on average more favourable than the previous year. This was due to the ongoing refinement of systems and procedures introduced to meet the needs of the growing service.



ASSESSMENT SERVICES

Council's commitment to a high quality Aged Care Assessment Services saw the development of a series of forums to support Carers in 2012. The forums provide an avenue for Carers to seek support and information from both Council services and community based services.



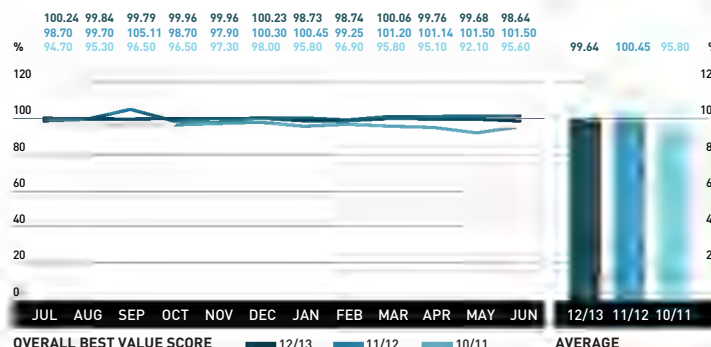
CHILDCARE

The City of Stonnington operates four childcare centres across the municipality and has delivered a consistent service to the community. This year, the service has focused on meeting the new National Quality Frameworks and Standards which is reflected in the quality of service provision provided by Council. The short-term performance dip in November is due to an unusually high number of minor incidents, which was not seen in any other month.



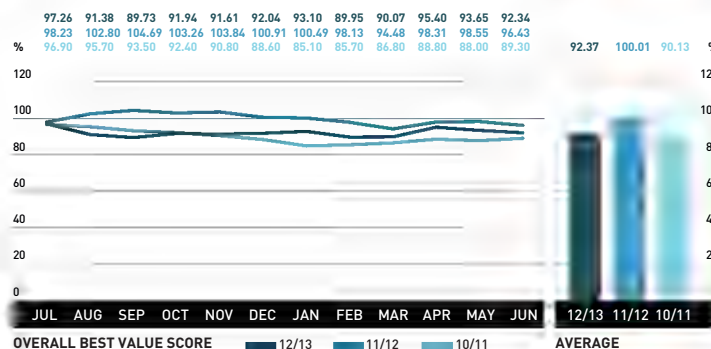
COMMUNITY BASED SUPPORT SERVICES

The Balcony Kitchen Seniors Lunch Service was launched as part of the redevelopment of the Phoenix Park Community Centre in September 2012. This program has achieved a high level of new, first time users to Council's range of community support programs in Aged Services. The kitchen provides a close location for Malvern East residents and meets one of the main objectives set out in Council's Older Persons Strategy.



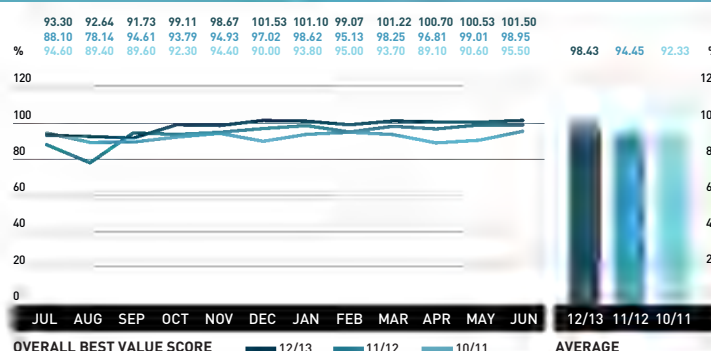
ENVIRONMENTAL HEALTH SERVICES

A strong emphasis on compliance and regulatory improvement continued to be delivered by Environmental Health. The launch of the Foodsafe information on the Stonnington website has proved popular with web visitors and been a great way of promotion for food businesses in Stonnington who have achieved outstanding results in their Annual Food Safety inspections in the past 12 months.



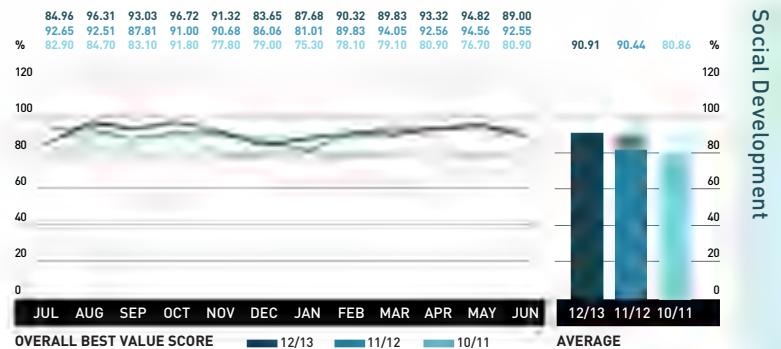
IN-HOME SUPPORT SERVICES

Service development and improvement continued to drive success during the past year. Stonnington became the first service in local government to be awarded the Rainbow Tick accreditation from Gay and Lesbian Victoria, recognising the unit's dedication to service accessibility and professionalism in delivering an inclusive model of care for our In Home Support services.



LIBRARY AND HISTORY SERVICES

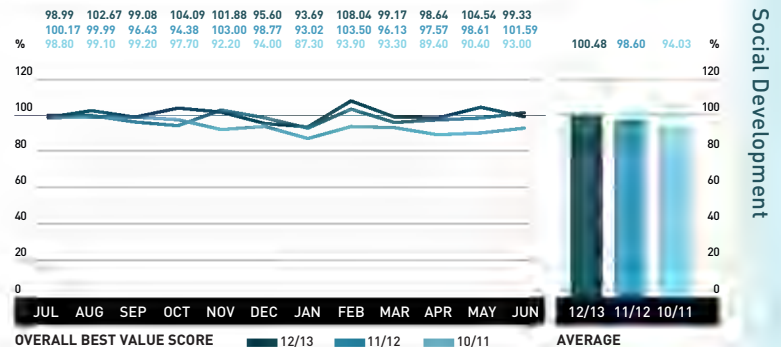
The number of people attending library programs and events continues to exceed targets, indicating the important role libraries play as a community hub. 2012/13 saw Council host our first ever literary festival, *untitled*, from 15-18 November across all libraries and the History Centre. The festival celebrated the National Year of Reading and included author and panel talks, a writing competition, collaborative blog and an interactive library display. In accordance with industry trends, actual library loans and visits continued to trend down as more people begin to access their library service remotely and embrace digital content such as eBooks.



Social Development

MATERNAL CHILD AND HEALTH SERVICES

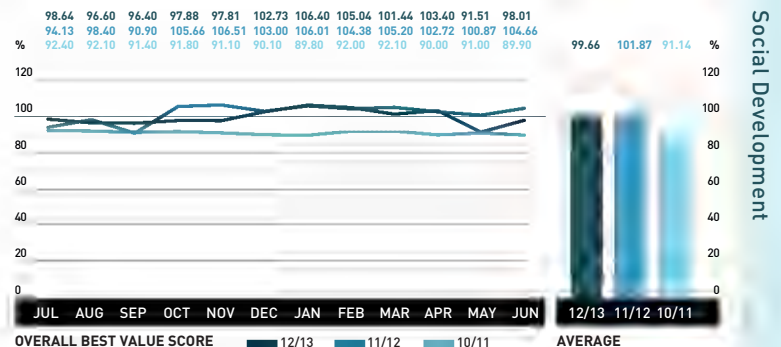
The service focused on continuing to meet the needs of the community and promoting social connectedness for new parents with the introduction of new parenting forums and education workshops for parents.



Social Development

RECREATION SERVICES

Sport and recreation participation continues to grow in Stonnington, with significant increases to facility utilisation levels and increasing demand for a greater range and number of sport and recreation opportunities. A highlight this year included the opening of the redeveloped Phoenix Park Community Centre which has resulted in increased community utilisation of this popular community hub. In May, ten complaints about the proposed Milton Gray Scout Hall Demolition were received, causing a temporary dip in performance figures.



Social Development

SERVICE CENTRES

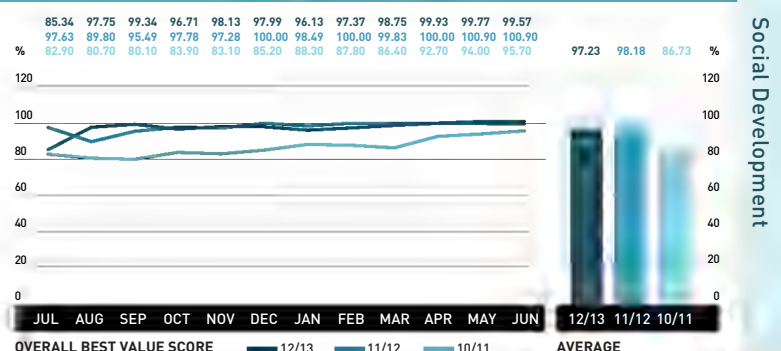
The Service Centre continued to focus on delivering an excellent level of customer service to the community. This year, Council offered 'greet the street' support to the community free of charge for the first time and achieved a high level of community satisfaction. Service Centre officers also continued to support Council's other service units by undertaking various administrative activities.



Social Development

YOUTH SERVICES

Council maintained its commitment to developing and delivering innovative programs and services with a focus on prevention and early intervention practice. The Youth Services unit worked in partnership with young people to offer social events and programs for young people and their families across the municipality.



Social Development

National Competition Policy Compliance

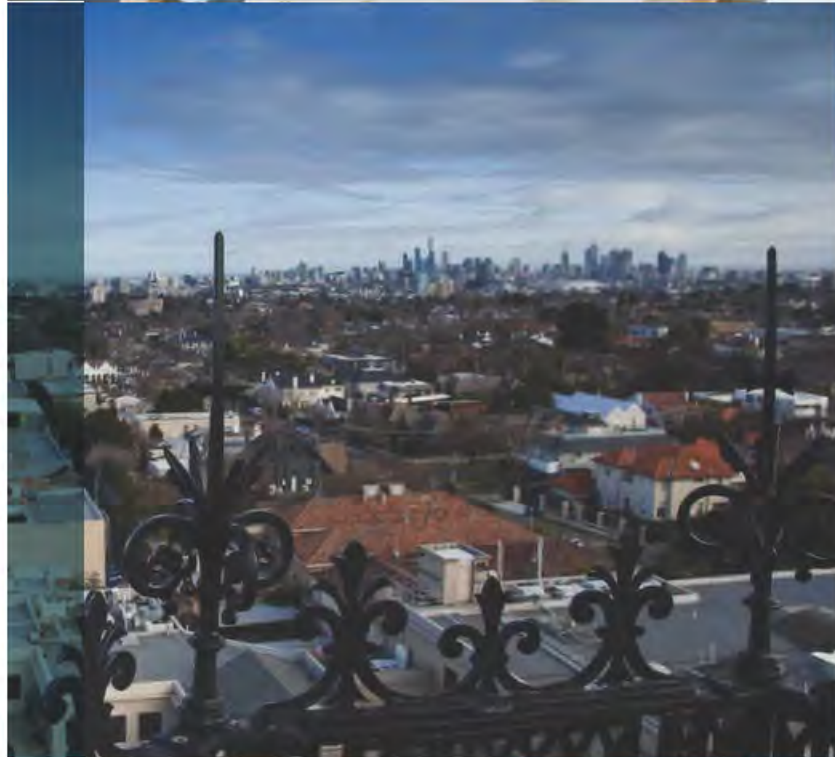
When applying the Best Value Principles, Council is also cognisant of its obligations to comply with National Competition Policy and associated Competitive Neutrality Principles. As part of its approach to Best Value an annual review of Council's Significant Business Activities is undertaken whereby competitive neutrality assessment measures are applied to establish compliance levels and related opportunities for continuous improvement.

Victorian Local Government Indicators

The following Victorian Local Government indicators are provided to assist in the evaluation of Council's performance during the 2012/13 financial year. The indicators were introduced by the State Government to help both the community and Councils 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	2012/13
1	Overall Performance	Community Satisfaction rating for the overall performance generally of the Council	Council result from the Annual Community Satisfaction Survey for Local Governments, coordinated by Local Government Victoria.	71
2	Advocacy	Community satisfaction rating for Council's advocacy and community representation on key local issues.	Council result from the Annual Community Satisfaction Survey for Local Governments, coordinated by Local Government Victoria.	59
3	Engagement	Community satisfaction rating for Council's engagement in decision making on key local issues.	Council result from the Annual Community Satisfaction Survey for Local Governments, coordinated by Local Government Victoria.	59

No	Category	Indicator	Indicator Definition	2012/13
4	All Rates	Average rates and charges per assessment	Rates and charges declared as being receivable, in the calculations for the adopted rates, at the beginning of the year, including: <ul style="list-style-type: none"> – general rates and charges declared under ss.160,161, 161A of the Local/Government Act 1989 (the Act). – municipal charges and service rates and charges (that is, garbage services) levied under ss. 159, 162 of the Act respectively. – supplementary rates declared, divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck). 	\$1,435
5	Residential Rates	Average residential rates and charges per assessment	Rates and charges declared for all residential assessments (including vacant residential assessments) as defined in "All rates", except for residential assessments only divided by the number of residential assessments used in the calculation of the adopted rate (that is, when the rate was struck).	\$1,380
6	Operating Costs	Average operating expenditure per assessment	Total expenses per the Income Statement (previously known as the statement of financial performance) plus net gain (loss) on disposal of property, plant and equipment infrastructure, divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).	\$2,172
7	Capital Expenditure	Average capital expenditure per assessment	Amount of council's expenditure capitalised to the Balance Sheet (previously known as the statement of financial position) and contributions by a local government to major assets not owned by the local government, including expenditure on: <ul style="list-style-type: none"> – capital renewal of existing assets which returns the service potential or the life of the asset up to that which it had originally – capital expansion which extends an existing asset at the same standard as currently enjoyed by residents to a new group of users – capital upgrade 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 divided by the number of assessments used in the calculation of the adopted 	\$589
8	Infrastructure	Renewal	Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset up to that which it had Note: The Average Annual Asset Consumption (AAAC) is the amount of Council's asset base consumed during a year based on current replacement cost.	106.6%
9	Infrastructure	Renewal and Maintenance	Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset up to that which it had originally plus current spending on maintenance: <ul style="list-style-type: none"> – to AAAC plus all anticipated planned and unplanned maintenance (that is, the expected level of maintenance which was used in the calculation of the useful life of the asset) – totalled for each and every infrastructure asset to give one ratio. The Average Annual Asset Consumption (AAAC) is the amount of a local government's asset base consumed during a year. It is based on the current replacement cost 'as new' divided by useful life. 	104.1%
10	Debts	Average liabilities per assessment	Total liabilities as per the Balance Sheet (previously known as the statement of financial position) less items held in trust (reflected in assets also held) divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).	\$593
11	Operating Result	Operating result per assessment	Surplus for the period per the Comprehensive Income Statement (previously known as Surplus (deficit) for the period per the Income Statement, also previously known as the Bottom line per statement of financial performance) divided by the number of assessments used in the calculation of the adopted rate (that is when the rate was struck).	\$428



Financial Report

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Financial Results Overview

FINANCIAL POSITION

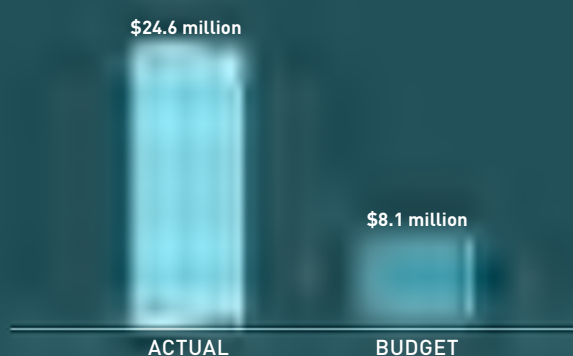
Council's financial position continues to be strong despite external cost pressures such as carbon pricing, tipping fees and waste removal, and utility costs. The balance sheet and working capital ratio of 2.09:1 as at 30 June 2013 indicate that current assets are more than adequate to meet current liabilities, which is an important measure of liquidity. Borrowings have been steadily reduced to \$1.97 million, a modest level of debt compared to Council's total assets of \$1.85 billion. Council achieved a good result for the 2012/13 financial year with a Surplus including income from associates/joint ventures of \$24.56 million. This surplus is important as 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 significant capital works programs through operational surpluses and cash flows has negated the need to undertake borrowings to date.

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

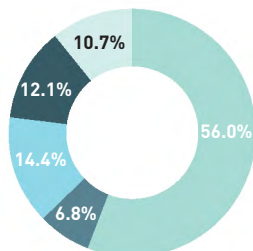
Council achieved a Surplus for the year (including income from associates/joint ventures) of \$24.56 million which exceeded the budgeted surplus of \$8.10 million. The favourable variance of \$16.45 million was primarily due to additional income from open space and development contributions of \$5.40 million, which Council is restricted to expend on purchase of new properties for open space realm enhancement, and traffic infringement income of \$2.26 million from an unexpected average 15% fee increase set by the Victorian State Government.

2012/13 SURPLUS FOR THE YEAR (INCLUDING INCOME FROM ASSOCIATES/JOINT VENTURES)



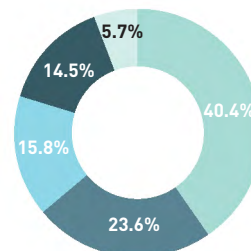
REVENUE

Rates and Charges	\$82.55m	56.0%
Grants and Subsidies	\$10.05m	6.8%
User Charges	\$21.19m	14.4%
Infringements and Parking	\$17.84m	12.1%
Other Income	\$15.78m	10.7%



EXPENSES

Staff Costs	\$49.69m	40.4%
Service Delivery and Materials	\$29.01m	23.6%
Contract Payments	\$19.47m	15.8%
Depreciation	\$17.75m	14.5%
Other Expenditure	\$6.94m	5.7%



REVENUE

Council's total revenue (including income from associates/joint ventures) for 2012/13 of \$147.42 million compared favourably to a budget of \$133.37 million.

The main factors contributing to this favourable variance of \$14.05 million include higher developer contributions (+\$5.40 million), traffic fines and parking (+\$2.26 million), capital and operational grants from State and Federal Government (+\$1.14 million), rates and garbage charges (+\$1.14 million), user fees (+\$1.00 million), and other non-recurrent sundry income and reimbursements (+\$3.11 million).

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 2012/13 of \$122.86 million were lower than the budgeted \$125.27 million. Employee benefits expense was \$3.38 million less than budget due to savings achieved in the delay of recruitment for non-frontline positions without compromising service delivery, and the effective management of employee leave balances.

CAPITAL EXPENDITURE

During the 2012/13 year Council internally funded \$32.14 million of the total \$33.34 million investment in capital works. A \$1.2 million investment in open space realm enhancement was funded from the open space reserve. Total expenditure comprised \$28.81 million to renew, replace, upgrade and expand existing assets to safeguard the sustainable delivery of Council's services to the community, plus \$4.53 million invested in new assets.

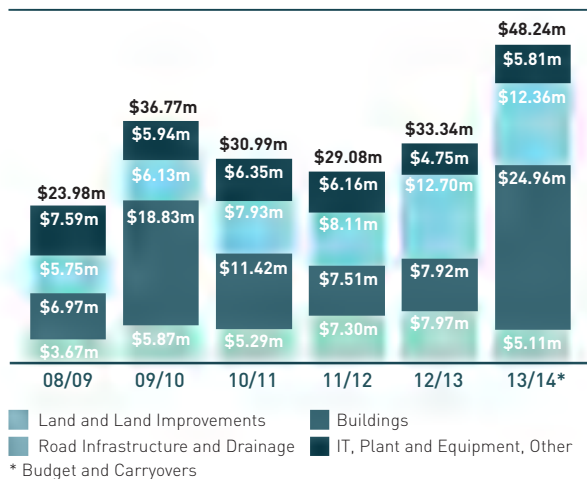
Works already underway to the value of \$6.16 million will be carried over to 2013/14 for completion, including the TH King Environment Education Centre, Sheridan pavilion refurbishment, Sunnyside Kindergarten Extension, Prahran RSL building works, Yarra River Precinct Bio-diversity implementation, and Chapel St Precinct Master plan implementation.

Some of the key capital works in 2012/13 included: Local roads refurbishment and resurfacing, drainage and footpath works \$12.70 million; buildings \$7.92 million; parks and gardens and land works \$7.98 million; motor vehicles, plant and equipment, IT, library books, office equipment and furniture \$4.74 million.

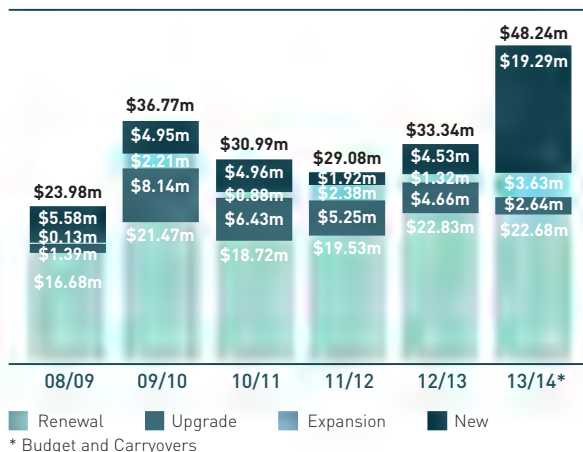
THE 2012/13 CAPITAL WORKS EXPENDITURE IS CLASSIFIED AS:

Renewal of existing assets to restore their useful life or service potential to original condition	\$22.83m
Expansion of existing assets to benefit more users	\$1.32m
Upgrade of existing assets to extend their useful life or provide greater service	\$4.66m
New assets	\$4.53m

CAPITAL EXPENDITURE BY ASSET CLASS (\$ MILLION)



CAPITAL EXPENDITURE BY ASSET TYPE (\$ MILLION)



BORROWINGS

Debt (excluding finance leases) was reduced from \$2.69 million at 30 June 2012 to \$1.97 million at 30 June 2013. As identified in Council's 2013/14 long term financial plan, borrowing is an important funding source for capital works programs. Historically, Council has generated operating surpluses and sold redundant assets to fund major new and upgraded works. Debt funding is used where necessary to manage cash flow and is an option Council plans to utilise for a \$15.0 million strategic property investment in 2013/14.

CASH AND OTHER FINANCIAL ASSETS

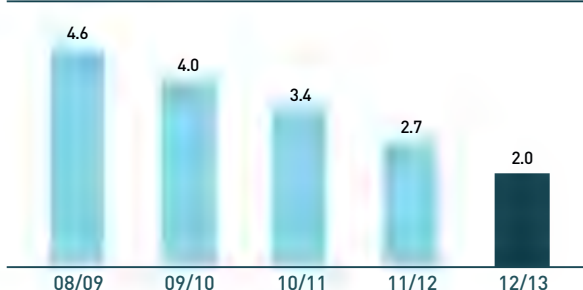
Cash and other financial assets at 30 June 2013 total \$59.84 million.

Council's liquidity position continues to be strong with a ratio of 2.09:1, indicating that Council has \$2.09 of cash and current assets for every \$1.00 of current liabilities.

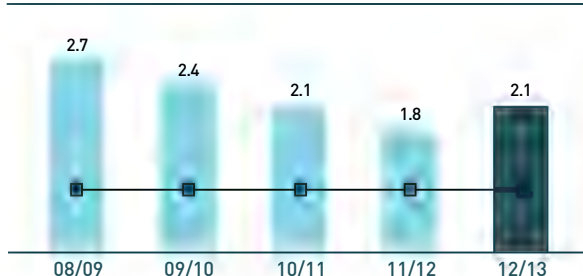
Legislative and policy restrictions on Council's cash at 30 June 2013 total \$49.57 million. This restriction means Council will set aside sufficient cash to fund employee leave entitlements, bonds and deposits held in trust, and its reserves including Open Space, Developer Contributions, Off Street Parking and the Future Fund.

Cash assets will be required to partially fund the 2013/14 capital works program of \$45.53 million as well as projects of \$6.16 million carried over into the 2013/14 year for completion.

BORROWINGS (\$ MILLION)



WORKING CAPITAL RATIO (\$)



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 2013 Council received a clear audit opinion for all financial statements.

FINANCIAL STATEMENTS

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

1. Comprehensive Income Statement
2. Balance Sheet
3. Statement of Changes in Equity
4. 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. Council reported a Surplus for the year ended 30 June 2013 (including income from associates/joint ventures) of \$24.56 million.

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 also 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 \$7.40 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.

In addition to Council reporting a Surplus for the year of \$24.22 million in 2012/13, the Comprehensive Income Statement also includes the net movement in Council's equity in the Clayton South Regional Landfill. For the 2012/13 year Council's equity in that joint initiative increased by \$0.34 million.

2. BALANCE SHEET

The Balance Sheet discloses Council's net worth and clearly defines both Council's assets and liabilities as at 30 June 2013. 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 2013 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 2013. 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.

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 2013. 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 Cash Flow Statement, 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 (Capital Works Statement).

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 Capital Works Statement 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 2013. In some cases the assessment of whether a target has been achieved requires careful interpretation as a project could be delayed due to factors beyond Council's control or cost savings achieved.

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 2013

	Note	2013 Actual \$'000	2013 Budget \$'000	Variance \$'000	Variance %
Revenue					
Rates and charges		82,555	81,420	1,135	1.4%
Traffic fines and parking	1	17,844	15,585	2,259	14.5%
User fees		21,188	20,185	1,003	5.0%
Grants – recurrent		8,279	7,786	493	6.3%
Grants – non recurrent	2	1,771	1,124	647	57.6%
Contributions	3	7,396	2,000	5,396	269.8%
Reimbursements	4	1,525	489	1,036	211.9%
Interest		3,122	3,291	(169)	(5.1%)
Other revenue	5	2,898	1,494	1,404	94.0%
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	6	498	(5)	503	(10060.0%)
Total revenue		147,076	133,369	13,707	10.3%
Expenses					
Employee benefits		49,687	53,063	3,376	6.4%
Materials and services		48,476	48,756	280	0.6%
Bad and doubtful debts	7	2	255	253	99.2%
Community grants		2,697	2,822	125	4.4%
Depreciation and amortisation		17,749	17,770	21	0.1%
Finance costs		159	162	3	1.9%
Other expenses	8	3,985	2,437	(1,548)	(63.5%)
Financial assets available for sale – loss for the period	39	106	–	(106)	100.0%
Total expenses		122,861	125,265	2,404	1.9%
Surplus for the year		24,215	8,104	16,111	198.8%
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	39	340	–	340	100.0%
Comprehensive result		24,555	8,104	16,451	203.0%

The accompanying notes form part of this Standard Statement

Standard Balance Sheet

As at 30 June 2013

	Note	2013 Actual \$'000	2013 Budget \$'000	Variance \$'000	Variance %
Assets					
CURRENT ASSETS					
Cash and cash equivalents	9	39,087	5,659	33,428	590.7%
Trade and other receivables	10	8,124	6,238	1,886	30.2%
Other financial assets	11	20,750	43,000	(22,250)	(51.7%)
Other assets	12	953	1,989	(1,036)	(52.1%)
Total current assets		68,914	56,886	12,028	21.1%
NON-CURRENT ASSETS					
Other financial assets	13	3,316	2,041	1,275	62.5%
Investment in associate accounted for using the equity method	14	2,128	3,209	(1,081)	(33.7%)
Property, infrastructure, plant and equipment	15	1,765,290	1,392,409	372,881	26.8%
Investment property		6,750	6,750	–	0.0%
Intangible assets	16	1,522	2,410	(888)	(36.8%)
Total non-current assets		1,779,006	1,406,819	372,187	26.5%
Total assets		1,847,920	1,463,705	384,215	26.2%
Liabilities					
CURRENT LIABILITIES					
Trade and other payables	17	16,082	10,633	(5,449)	(51.2%)
Trust funds and deposits	18	3,285	2,739	(546)	(19.9%)
Provisions		12,563	11,684	(879)	(7.5%)
Interest-bearing loans and borrowings	19	1,048	580	(468)	(80.7%)
Total current liabilities		32,978	25,636	(7,342)	(28.6%)
NON-CURRENT LIABILITIES					
Provisions	20	1,688	3,122	1,434	45.9%
Interest-bearing loans and borrowings	19	2,137	2,447	310	12.7%
Total non-current liabilities		3,825	5,569	1,744	31.3%
Total liabilities		36,803	31,205	(5,598)	(17.9%)
Net Assets		1,811,117	1,432,500	378,617	26.4%
Equity					
Accumulated surplus	21	915,397	541,667	373,730	69.0%
Reserves		895,720	890,833	4,887	0.5%
Total Equity		1,811,117	1,432,500	378,617	26.4%

The accompanying notes form part of this Standard Statement

Standard Cash Flow Statement

For the year ended 30 June 2013

	Note	2013 Actual \$'000	2013 Budget \$'000	Variance \$'000	Variance %
Cash flows from operating activities					
Rates and charges		82,221	81,220	1,001	1.2%
Traffic fines and parking	22	17,952	15,710	2,242	14.3%
User fees (inclusive of GST)		21,826	20,466	1,360	6.6%
Grants (inclusive of GST)	23	10,745	9,161	1,584	17.3%
Contributions (inclusive of GST)	24	7,396	2,200	5,196	236.2%
Reimbursements (inclusive of GST)	25	1,601	538	1,063	197.6%
Interest		3,570	3,251	319	9.8%
Other receipts (inclusive of GST)	26	3,426	1,645	1,781	108.3%
Net GST refund/payment	27	5,187	6,207	(1,020)	(16.4%)
Payments for materials and services (inclusive of GST)		(56,499)	(57,786)	1,287	2.2%
Payments to employees (including redundancies)	28	(62,430)	(52,470)	(9,960)	(19.0%)
Other payments	29	(3,492)	(2,504)	(988)	(39.5%)
Net cash provided by operating activities		31,503	27,638	3,865	14.0%
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	30	(30,425)	(35,742)	5,317	14.9%
Proceeds from sale of property, infrastructure, plant and equipment	31	879	442	437	98.9%
Finance costs	32	(183)	(162)	(21)	(13.0%)
Receipts for other financial assets	39	12,400	–	12,400	100.0%
Net cash (used) in investing activities		(17,329)	(35,462)	18,133	51.1%
Cash flows from financing activities					
Trust funds and deposits	33	(38)	85	(123)	144.7%
Repayment of interest bearing loans and borrowings	34	(945)	(740)	(205)	(27.7%)
Net cash (used) in financing activities		(983)	(655)	(328)	50.1%
Net increase (decrease) in cash and cash equivalents		13,191	(8,479)	21,670	255.6%
Cash and cash equivalents at the beginning of the financial year	9, 11	25,896	57,138	(31,242)	54.7%
Cash and cash equivalents at the end of the financial year	9, 11	39,087	48,659	(9,572)	(19.7%)

The accompanying notes form part of this Standard Statement

Standard Capital Works Statement

For the year ended 30 June 2013

	Note	2013 Actual \$'000	2013 Budget \$'000	Variance \$'000	Variance %
Capital Expenditure By Asset Class:					
Land	35	3,601	–	(3,601)	100.0%
Land Improvement		4,375	4,075	(300)	(7.4%)
Buildings	36	7,917	13,099	5,182	39.6%
Motor Vehicles, Plant, and Equipment		1,924	2,126	202	9.5%
Other (Library Books, Office Equipment, Furniture)		1,634	1,668	34	2.0%
Road Others	37	2,354	1,560	(794)	(50.9%)
Drainage, Roads, Footpaths. Kerb & Channels, ROW's, Bridges		10,345	9,958	(387)	(3.9%)
		32,150	32,486	336	1.0%
Equity in Joint Venture:					
Leased Plant, Motor Vehicles, and Equipment	39	326	–	(326)	100.0%
Intangible Assets	38	867	1,502	635	42.3%
Total Capital Expenditure By Asset Class		33,343	33,988	645	1.9%
Types of Capital Works					
Renewal/Replace		22,826	22,555	(271)	(1.2%)
Upgrade		4,664	3,640	(1,024)	(28.1%)
Expansion		1,323	3,454	2,131	61.7%
New Assets		4,530	4,339	(191)	(4.4%)
Total Capital Works		33,343	33,988	645	1.9%
Property, Plant, and Equipment movement Reconciliation Worksheet:					
Total capital works		33,343	33,988	645	1.9%
Asset revaluation movement		–	20,000	20,000	100.0%
Depreciation/amortisation		(17,749)	(17,770)	(21)	0.1%
Written down value of assets sold		(380)	(407)	(27)	6.6%
Termination of Finance Leases		(47)	(1,495)	(1,448)	96.9%
Write off/ Adjustment assets		(465)	–	465	100.0%
Net Movement – Property, Plant, and Equipment, Intangibles and Investment Property		14,702	34,316	19,614	57.2%

The accompanying notes form part of this Standard Statement

Notes to the Standard Statements

For the year ended 30 June 2013

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 2012/13 Budget. The results reported in these Statements are consistent with those reported in the 2012/13 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 4 June 2012. 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 TRAFFIC FINES AND PARKING

Council budgeted for the Statutory Parking Infringement Notice prices to increase by 2%. During the year the State Government increased the fees by 15%, therefore income from Parking Infringement Notices was favourable by \$1.48 million. Debt recovered by the PERIN Court related to unpaid Parking Infringement Notices was greater than budgeted by \$0.39 million for the financial year. The increase in utilisation of Council's pay parking (multi-level car-parks and ticket machine car-parks) resulted favourable to budget by \$0.51 million.

NOTE 2 GRANTS – NON RECURRENT

Council received the following unbudgeted grants for capital works: \$0.37 million from Melbourne Water Edgar St Drainage works, \$0.18 million from Victorian Taxi Directorate for Taxi Rank works, \$0.13 million from Department of Planning and Community Development for additional meeting room at Phoenix Park Community Centre Redevelopment, \$0.10 million from Department of Primary Industry for a Fishing platform and \$0.72 million from Department of Environment and Sustainability for Tree Planting at Yarra River.

NOTE 3 CONTRIBUTIONS

Council received materially more Open Space contributions than was budgeted. The majority of the Open Space contributions were in the Prahran/ Windsor, Malvern/Kooyong and South Yarra post codes. The contributions are to be transferred to reserves at year end, set aside with cash holdings and for Open Space property purchases only.

NOTE 4 REIMBURSEMENTS

Reimbursements relate to costs incurred to Council which are recovered from third parties. The larger items for 2012/13 were: \$0.54 million from the State Revenue Office for revaluation works; \$0.18 million of Court awarded costs for legal expenditure on Jam Factory revaluation dispute; \$0.13 million insurance payout for Prahran Town Hall water damage; \$0.11 million from Department Of Community Development Panel Charges Associated With Stonnington Amendment C154 from Colonial First State; and \$0.41 million for Fire Levy Administration costs from the State Government.

NOTE 5 OTHER REVENUE

Other revenue was favourable to budget due to: the take up of Clayton Regional Landfill Joint Venture equity was greater than budget, which was offset by additional operating expenditure; take up of previously written off Parking Infringement Debts as directed by PERIN Court; and greater amount of non-voting fines received from residents.

NOTE 6 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Council received money from VicRoads for Council land compulsorily acquired for Monash Freeway upgrade that was not budgeted.

NOTE 7 BAD AND DOUBTFUL DEBTS

Minimal increase was required to the provision for doubtful debts in 2012/13.

NOTE 8 OTHER EXPENSES

Other expenses were unfavourable due to: a large amount of budgeted capital expenditure was re-classified as operating expenditure; and buildings demolished during the 2012/13 financial year included Bowen St, Harold Holt Kiddicare and Fenwick St to allow for development.

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 2013 are classified as Other Financial Assets. Council's short term deposits at June 2013 was greater than budgeted. Actual cash and cash equivalents do not include term deposits over 90 days as opposed to budgeted cash and cash equivalents.

NOTE 10 TRADE AND OTHER RECEIVABLES

Receivables were greater than budgeted due to: Statutory Parking Infringement Notice prices set by the State Government was increased by 15% during year, which was greater than Council's budgeted increase of 2%; and the take up of previously written off Parking Infringement Debts as directed by PERIN Court.

NOTE 11 OTHER FINANCIAL ASSETS – CURRENT

Council's term deposits of \$58 million comprising of \$37 million with terms less than 90 days at balance date and \$21 million with terms greater than 90 days at balance date. The variance should be read in conjunction with Note 9 above, where approximately \$11 million of Council's cash and cash equivalents and term deposits exceeded the budgeted amount of \$47 million. The variance is a result of favourable cash surplus, additional Open Space Contributions for the purchase of Open Space property, and some delays in capital works.

NOTE 12 OTHER ASSETS

The amount of investment income earned was lower than budget due to the weakening of investment earning rates. Lower prepayments at balance date than was budgeted.

NOTE 13 OTHER FINANCIAL ASSETS – NON CURRENT

Re-classification of treatment for the shares held in Regional Kitchen Pty Ltd (an entity created with other Local Governments to prepare meals for the aged) which was budgeted using equity accounting. This note should be read in conjunction with note 14.

NOTE 14 INVESTMENT IN ASSOCIATE ACCOUNTED FOR USING THE EQUITY METHOD

Re-classification of treatment for the shares held in Regional Kitchen Pty Ltd (an entity created with other Local Governments to prepare meals for the aged) which was budgeted using equity accounting. This note should be read in conjunction with note 13.

NOTE 15 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

First time take up of land under roads of \$381 million in Council's balance sheet was done after the budget was adopted.

NOTE 16 INTANGIBLE ASSETS

A number of budgeted intangible expenditure items were re-classified as office equipment, and reported under property, infrastructure, plant and equipment.

NOTE 17 TRADE AND OTHER PAYABLES

The amount of trade and other payables at balance date was greater than budgeted due to the timing of the creditor payment cycle.

NOTE 18 TRUST FUNDS AND DEPOSITS

Funds and deposits held by Council was higher than budgeted. These amounts are not Council's money and are subjected to performance clauses for release.

NOTE 19 INTEREST-BEARING LOANS AND BORROWINGS

The total of Interest bearing loans and borrowings (current and non-current) was greater than budgeted due to additional finance leases recognised in accordance with Accounting Standards. No new increase to bank loans, which are on set schedule repayment terms.

NOTE 20 PROVISIONS

Provisions for employee entitlements was favourable to budget due to effective management of leave balances.

NOTE 21 ACCUMULATED SURPLUS

Prior year equity adjustment for the take up of land under roads was not budgeted.

Notes to the Standard Statements

For the year ended 30 June 2013

NOTE 22 TRAFFIC FINES AND PARKING

Council budgeted for the Statutory Parking Infringement Notice prices to increase by 2%. During the year the State Government increased the fees by 15%, therefore income from Parking Infringement Notices was favourable by \$0.15 million. Debt recovered by the PERIN Court related to unpaid Parking Infringement Notices was greater than budgeted by \$0.39 million for the financial year. The increase in utilisation of Council's pay parking (multi-level car-parks and ticket machine car-parks) contributed to the favourable variance to budget by \$0.51 million.

NOTE 23 GRANTS (INCLUSIVE OF GST)

Council received unbudgeted operational and capital grants during the year which were mostly offset by additional operational and capital expenditure.

NOTE 24 CONTRIBUTIONS (INCLUSIVE OF GST)

Council received materially more Open Space contributions than was budgeted. The majority of the Open Space contributions were in the Prahran/ Windsor, Malvern/Kooyong and South Yarra post codes. The contributions are to be transferred to reserves at year end, set aside with cash holdings and for Open Space property purchases only.

NOTE 25 REIMBURSEMENTS (INCLUSIVE OF GST)

Reimbursements relate to costs incurred to Council which are recovered from third parties. The larger items for 2012/13 were: \$0.54 million from the State Revenue Office for revaluation works, \$0.18 million of Court awarded costs for legal expenditure on the Jam Factory revaluation dispute, \$0.13 million insurance payout for Prahran Town Hall water damage, \$0.11 million from Department of Community Development Panel Charges associated with Stonnington Amendment C154 from Colonial First State, and \$0.41 million for Fire Levy Administration costs from the State Government.

NOTE 26 OTHER RECEIPTS (INCLUSIVE OF GST)

Other receipts was favourable to budget due to: income from Streetsahead Cleaning Services Joint Venture was greater than budget; and greater amount of non-voting fines received from residents.

NOTE 27 NET GST REFUND/PAYMENT

Lower GST applicable operational and capital expenditure than was budgeted.

NOTE 28 PAYMENTS TO EMPLOYEES (INCLUDING REDUNDANCIES)

Unfunded Defined Superannuation Scheme call of \$10.8 million was paid in 2012/13.

NOTE 29 OTHER PAYMENTS

A large amount of budgeted capital expenditure under payments for property, infrastructure, plant and equipment was re-classified as operational expenditure.

NOTE 30 PAYMENTS FOR PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Lower payments for property, infrastructure, plant and equipment were due to: delays in capital expenditure that was expected to be expended in 2013/14; and a large amount of budgeted capital expenditure was re-classified as operational expenditure.

NOTE 31 PROCEEDS FROM SALE OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Unbudgeted proceeds from VicRoads for Council land compulsorily acquired for Monash Freeway upgrade.

NOTE 32 FINANCE COSTS

Minor cash variance to budget.

NOTE 33 TRUST FUNDS AND DEPOSITS

Refunds during the financial year were unbudgeted.

NOTE 34 REPAYMENT OF INTEREST BEARING LOANS AND BORROWINGS

The budget assumption on movement in Streetsahead Joint Venture finance leases was nil.

NOTE 35 LAND

Council purchased land for open space enhancement during the year.

NOTE 36 BUILDINGS

A number of large building projects in progress are due to be completed in 2013/14, including Sheridan Pavillion Redevelopment, Percy Treyvaud Pavillion upgrade, TH King Environment Education Centre upgrade, Prahran RSL upgrade.

NOTE 37 ROAD OTHERS

A number of related projects were re-classified as road works due to the nature of work. Also a number of 2011/12 projects were completed in 2012/13.

NOTE 38 INTANGIBLE ASSETS

A number of budgeted intangible expenditure items were re-classified as office equipment, and reported under the property, infrastructure, plant and equipment.

NOTE 39 ITEMS WITH VARIANCE OF 100%

These items were not budgeted as such amounts were difficult to reliably predict.

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*.



Scott Moore CPA

Principal Accounting Officer

2 September 2013

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 2 September 2013 to certify the standard statements on its behalf in their final form.



Matthew Koce

Councillor

2 September 2013

Malvern



John McMorow

Councillor

2 September 2013

Malvern



Warren Roberts

Chief Executive Officer

2 September 2013

Malvern

Comprehensive Income Statement

For the year ended 30 June 2013

		COUNCIL		CONSOLIDATED	
	Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Income					
Rates and charges	2	82,555	77,642	82,555	77,642
Traffic fines and parking	3	17,844	16,584	17,844	16,584
User fees	4	21,188	20,158	24,187	23,271
Grants – recurrent	5	8,279	9,425	8,279	9,425
Grants – non recurrent	5	1,771	539	1,771	602
Contributions	6	7,396	4,088	7,396	4,088
Reimbursements	7	1,525	517	1,525	517
Interest		3,122	3,684	3,261	3,987
Other revenue	8	2,898	3,339	2,973	3,339
Net gain on disposal of property, infrastructure, plant and equipment	25	498	78	498	78
Total income		147,076	136,054	150,289	139,533
Expenses					
Employee benefits	9	49,687	60,272	50,328	60,949
Materials and services	10	48,476	46,363	50,407	48,279
Community grants		2,697	2,634	2,697	2,634
Depreciation and amortisation	11	17,749	17,080	17,953	17,279
Finance costs	12	159	201	159	201
Other expenses	13	3,987	3,377	4,066	3,390
Financial assets available for sale – (gain)/loss for the period		106	(45)	106	(45)
Total expenses		122,861	129,882	125,716	132,687
Surplus for the year		24,215	6,172	24,573	6,846
Other comprehensive income					
Share of other comprehensive profit/(loss) of associates accounted for by the equity method	14	340	(72)	340	(72)
Net Asset revaluation increment	26(b)	–	38,665	–	38,665
Comprehensive result		24,555	44,765	24,913	45,439

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

Balance Sheet

As at 30 June 2013

		COUNCIL		CONSOLIDATED	
	Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Assets					
CURRENT ASSETS					
Cash and cash equivalents	15	39,087	25,896	41,658	28,742
Trade and other receivables	16	8,124	7,556	8,677	7,862
Other financial assets	17	20,750	33,150	20,750	33,150
Other assets	18	953	1,685	980	1,748
Total current assets		68,914	68,287	72,065	71,502
NON-CURRENT ASSETS					
Other financial assets	17	3,316	3,422	1,316	1,422
Investments in associate accounted for using the equity method	14	2,128	1,788	2,128	1,788
Property, infrastructure, plant and equipment	19	1,765,290	1,750,948	1,769,725	1,754,280
Investment property	20	6,750	6,750	6,750	6,750
Intangible assets	19	1,522	1,163	1,564	1,208
Total non-current assets		1,779,006	1,764,071	1,781,483	1,765,448
Total assets		1,847,920	1,832,358	1,853,548	1,836,950
Liabilities					
CURRENT LIABILITIES					
Trade and other payables	21	16,082	12,754	17,034	13,041
Trust funds and deposits	22	3,285	3,323	3,285	3,323
Provisions	23	12,563	19,997	12,611	20,033
Interest-bearing loans and borrowings	24	1,048	1,044	1,048	1,044
Total current liabilities		32,978	37,118	33,978	37,441
NON-CURRENT LIABILITIES					
Provisions	23	1,688	5,819	1,696	5,826
Interest-bearing loans and borrowings	24	2,137	2,859	2,137	2,859
Total non-current liabilities		3,825	8,678	3,833	8,685
Total liabilities		36,803	45,796	37,811	46,126
Net Assets		1,811,117	1,786,562	1,815,737	1,790,824
Equity					
Accumulated surplus		915,397	902,698	920,017	906,960
Reserves	26	895,720	883,864	895,720	883,864
Total Equity		1,811,117	1,786,562	1,815,737	1,790,824

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

Statement of Changes in Equity

For the year ended 30 June 2013

COUNCIL	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
2013					
Balance at beginning of the financial year		1,786,562	902,698	863,509	20,355
Surplus for the year		24,215	24,215	-	-
Share of other comprehensive profit of associates accounted for by the equity method	14	340	340	-	-
Transfers from other reserves	26	-	3,600	-	(3,600)
Transfers to other reserves	26	-	(15,456)	-	15,456
Balance at end of the financial year		1,811,117	915,397	863,509	32,211
2012					
Balance at beginning of the financial year		1,748,629	904,141	824,844	19,644
Surplus for the year		6,172	6,172	-	-
Adjustment arising from removing non Council roads	27	(6,832)	(6,832)	-	-
Net asset revaluation increment	26	38,665	-	38,665	-
Share of other comprehensive loss of associates accounted for by the equity method	14	(72)	(72)	-	-
Transfers from other reserves	26	-	5,759	-	(5,759)
Transfers to other reserves	26	-	(6,470)	-	6,470
Balance at end of the financial year		1,786,562	902,698	863,509	20,355

CONSOLIDATED	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
2013					
Balance at beginning of the financial year		1,790,824	906,960	863,509	20,355
Surplus for the year		24,573	24,573	-	-
Share of other comprehensive income of associates accounted for by the equity method		340	340	-	-
Transfers from other reserves		-	3,600	-	(3,600)
Transfers to other reserves		-	(15,456)	-	15,456
Balance at end of the financial year		1,815,737	920,017	863,509	32,211
2012					
Balance at beginning of the financial year		1,752,217	907,729	824,844	19,644
Surplus for the year		6,846	6,846	-	-
Adjustment arising from removing non Council roads	27	(6,832)	(6,832)	-	-
Net asset revaluation increment		38,665	-	38,665	-
Share of other comprehensive income of associates accounted for by the equity method		(72)	(72)	-	-
Transfers from other reserves		-	5,759	-	(5,759)
Transfers to other reserves		-	(6,470)	-	6,470
Balance at end of the financial year		1,790,824	906,960	863,509	20,355

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

Cash Flow Statement

For the year ended 30 June 2013

		COUNCIL		CONSOLIDATED	
		2013 Inflows/ (Outflows) \$'000	2012 Inflows/ (Outflows) \$'000	2013 Inflows/ (Outflows) \$'000	2012 Inflows/ (Outflows) \$'000
	Note				
Cash flows from operating activities					
Rates and charges		82,221	77,994	82,221	77,994
Traffic fines and parking		17,952	16,693	17,952	16,693
User fees (inclusive of GST)		21,826	20,432	25,584	24,915
Grants (inclusive of GST)		10,745	9,818	10,745	9,818
Contributions (inclusive of GST)		7,396	4,076	7,396	4,076
Reimbursements (inclusive of GST)		1,601	543	1,601	543
Interest		3,570	3,437	3,743	3,566
Other receipts (inclusive of GST)		3,426	3,844	3,426	3,844
Net GST refund/(payment)		5,187	5,703	5,195	5,566
Payments for materials and services (inclusive of GST)		(56,499)	(59,358)	(59,925)	(63,093)
Payments to employees (including redundancies)		(62,430)	(47,243)	(62,430)	(47,243)
Other payments		(3,492)	(3,382)	(3,492)	(3,382)
Net cash provided by operating activities	28 (a)	31,503	32,557	32,016	33,297
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment		(30,425)	(28,167)	(31,213)	(28,365)
Proceeds from sale of property, infrastructure, plant and equipment		879	655	879	655
Finance costs		(183)	(207)	(183)	(207)
Receipts from other financial assets	28 (b)	12,400	1,155	12,400	1,155
Net cash (used) in investing activities		(17,329)	(26,564)	(18,117)	(26,762)
Cash flows from financing activities					
Trust funds and deposits		(38)	423	(38)	423
Repayment of interest bearing loans and borrowings		(945)	(677)	(945)	(677)
Net cash (used) in financing activities		(983)	(254)	(983)	(254)
Net increase/(decrease) in cash and cash equivalents		13,191	5,739	12,916	6,281
Cash and cash equivalents at the beginning of the financial year		25,896	20,157	28,742	22,461
Cash and cash equivalents at the end of the financial year	29	39,087	25,896	41,658	28,742
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 2013

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(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 so as 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 unaudited 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 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.

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.

Trees, Land and Land under roads assets are not depreciated on the basis they are assessed as not having a limited useful life and they are self generating assets.

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

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

Property	
Land Improvements	20 years
Buildings	50 years
Heritage Buildings	100 years
Plant, Motor Vehicles & Equipment	
Plant and Equipment	4-10 years
Motor Vehicles	3-5 years
Furniture and Equipment	5-10 years
Office Equipment and 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 and 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

(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 2012).

(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.

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(G) RECOGNITION AND MEASUREMENT OF ASSETS (CONT.)

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 2013 financial year.

Property \$'000	Threshold Limit
Land	all land
Land under roads	10
Land Improvements	5
Buildings (incl. Heritage Buildings)	5
Plant, Motor Vehicles, Furniture and Equipment	
Plant and Equipment	1
Motor Vehicles	all
Furniture and Equipment	1
Office Equipment and 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

Council recognises land under roads it controls at fair value.

(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, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(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.

(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 (\$6,750,000 2012), 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 T rust 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 2013 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% (2012, 15%).

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Council to the relevant superannuation plans in respect to the services of Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Council is required to comply with. 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.

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(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) ROUNDING

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

(Y) CONTINGENT ASSETS AND CONTINGENT LIABILITIES AND COMMITMENTS

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

(Z) 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.

Pronouncement	What's new?	Impact/Action	Transition	Effective date
<i>AASB 9 Financial Instruments</i>	<p>AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas. AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets. The new categories of financial assets are:</p> <ul style="list-style-type: none"> – Amortised cost – those assets with 'basic' loan features'. – Fair value through other comprehensive income – this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). – Fair Value through profit and Loss – everything that does not fall into the above two categories. <p>The following changes also apply:</p> <ul style="list-style-type: none"> – Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. – There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. – Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity. 	<p>The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities. This will also create a requirement to measure some instruments annually that has not previously existed.</p>	<p>Transitional arrangements are extensive – in general retrospective restatement is required, but there are exceptions. Early-adoption of the standard before 1 January 2014 removes the requirement for restatement of comparatives.</p>	<p>Periods beginning on or after 1 January 2015. The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013).</p>
<i>AASB 10 Consolidated Financial Statements</i>	<p>The standard introduces a single model of control, which is used to determine whether an investee must be consolidated. The existence of control is determined based on:</p>	<p>The definition of 'control' is based on various factors, and is wider than just those entities in which an investee holds greater than 50% of the voting rights. While the effects of this standard are not expected to be significant in the local government sector, there may be some increase in the number of entities required to be consolidated as subsidiaries.</p>	<p>Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.</p>	<p>Periods beginning on or after 1 January 2013.</p>
	<ul style="list-style-type: none"> – Power to direct the activities of an investee (irrespective of whether such power is exercised). – Exposure, or rights, to variable returns from its involvement with the investee. – The ability to use its power over the investee to affect the amount of the investor's returns. 			

Notes to the Financial Report

For the year ended 30 June 2013

Pronouncement	What's new?	Impact/Action	Transition	Effective date
<i>AASB 11 Joint Arrangements</i>	AASB 11 classifies all joint arrangements as either joint operations or joint ventures:	The use of proportionate consolidation to account for joint ventures is no longer permitted. This is not likely to impact many councils.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013.
<ul style="list-style-type: none"> – Joint operations exist where the parties have the right to their assets and the obligation for their liabilities under the arrangement. Each party recognises its own assets, liabilities, revenues and expenses resulting from the arrangement. – Joint ventures exist where the parties have the rights to the net assets of the arrangement. Each party accounts for the arrangement under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures (see below). 				
<i>AASB 12 Disclosure of Involvement with Other Entities</i>	AASB 12 requires the disclosure of information to enable users to evaluate the nature of, and risks associated with, its interests in other entities and The effect of those interests on its financial position, financial performance, and cash flows. AASB 12 applies to all entities that have subsidiaries, joint arrangements, associates, or unconsolidated structured entities, and requires disclosures grouped into four categories:	The disclosures required will be both qualitative and quantitative. In particular, management should document and be able to justify its key judgments concerning control and significant influence. In the local government context this is likely to require increased disclosures around the operations of Library Corporations as well as other activities that Council have an interest in.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013.
<ul style="list-style-type: none"> – Significant judgments and assumptions, including how control, joint control, or significant influence has been determined. – Interests in subsidiaries, including details of the composition of the group, the interests held by any non-controlling interest, any changes in control, and the nature of any associated risks. – Interests in joint arrangements and associates, including their nature and extent, the effects on the group, and any associated risks. – Interests in unconsolidated structured entities, including their nature and extent, any changes during the year, and the associated risks. 				
<i>AASB 13 Fair Value Measurement</i>	AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:	The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place. This standards may assist those councils that have equity investments that are no longer able to be held at cost.	Early adoption is permitted.	Periods beginning on or after 1 January 2013.
<ul style="list-style-type: none"> – Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date. – Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. – Level 3 – unobservable inputs for the asset or liability. <p>There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.</p>				

Pronouncement	What's new?	Impact/Action	Transition	Effective date
<i>AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i>	The standards require the recognition of all re-measurements immediately in other comprehensive income (removal of the so-called "corridor" method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.	Council is yet to assess its full impact. Where adequate information is available, the entity will apply the new standard from 1 July 2013 when the new standard applies to Council.		Periods beginning on or after 1 July 2013.
<i>AASB 127 Separate Financial Statements</i>	AASB 127 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements (see above). It now deals only with the preparation of separate company financial statements.	Where separate financial statements are prepared, investments in subsidiaries, associates, and joint ventures must be accounted for either at cost, or in accordance with AASB 9 Financial Instruments. These changes are not expected to impact significantly on Councils	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013.
<i>AASB 128 Investments in Associates and Joint Ventures</i>	AASB 128 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements. The standard sets out how the equity method of accounting is to be applied, defines "significant influence," and how impairment is to be tested for investments in associates or joint ventures.	Some joint ventures which were previously accounted for under the proportionate consolidation method must now be accounted for as associates. These changes are not expected to impact significantly on Councils.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013.

Notes to the Financial Report

For the year ended 30 June 2013

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 2012/2013 was \$55.186 billion (2011/2012 \$55.186 billion). The 2012/2013 rate in the CIV dollar was 0.001148 (2011/2012, 0.001148).

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Residential	55,972	52,687	55,972	52,687
Commercial and Industrial	10,414	10,075	10,414	10,075
Garbage charge	14,813	13,645	14,813	13,645
Special Rates	1,356	1,235	1,356	1,235
	82,555	77,642	82,555	77,642

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation will be first applied in the rating year commencing 1 July 2012.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation will be 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 2014, and the valuation will be first applied to the rating period commencing 1 July 2014.

NOTE 3 TRAFFIC FINES AND PARKING

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Infringements and costs	11,347	10,834	11,347	10,834
PERIN court recoveries	2,519	2,147	2,519	2,147
Fees – ticket machines	1,494	1,379	1,494	1,379
Fees – car parking fees	2,265	2,017	2,265	2,017
Permits	219	207	219	207
	17,844	16,584	17,844	16,584

NOTE 4 USER FEES

	COUNCIL		CONSOLIDATED	
Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Leisure centre fees	4,053	3,608	4,053	3,608
Child care/children's program fees	3,515	3,264	3,515	3,264
Town planning fees	950	862	950	912
Aged services fees	835	814	835	814
Registration fees	1,221	1,193	1,152	1,152
Rental income	5,785	5,589	8,784	8,702
Road occupancy charges	164	186	164	186
Building services fees	628	568	628	568
Green fees	891	953	881	881
Sponsorship	9	13	9	13
Other fees and charges	3,137	3,108	3,216	3,171
	21,188	20,158	24,187	23,271

NOTE 5 GRANTS

	COUNCIL		CONSOLIDATED	
Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000

Grants were received in respect of the following :

Summary of grants

Federally funded grants	481	228	481	228
State funded grants	9,569	9,736	9,569	9,799
Total	10,050	9,964	10,050	10,027

Recurrent

Access Disability	92	97	92	97
Adventure playground and leisure services	129	133	129	133
Assessment services	503	493	503	493
Building inclusive communities	116	107	116	107
Community care – aged	123	161	123	161
Delivered meals	145	141	145	141
Family and children	147	206	147	206
Freeza program	27	24	27	24
Home help – aged	1,385	1,385	1,385	1,385
Home maintenance service	183	156	183	156
Immunisation	69	69	69	69
Library subsidy	560	568	560	568
Maternal and child health services	464	436	464	436
Planned activity group grant	244	218	244	218
Roads to recovery	352	199	352	199
School crossing subsidy	179	158	179	158

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 5 GRANTS (CONT.)

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Specific home care	1,000	952	1,000	952
Victorian Grants Commission – General	1,990	3,063	1,990	3,063
Victorian Grants Commission – Local roads funding	368	564	368	564
Youth participation and access	–	30	–	30
Youth support services	179	173	179	173
Other minor grants	24	92	24	92
Total Recurrent	8,279	9,425	8,279	9,425
Non-recurrent				
Wellbeing Program	10	–	10	–
Como Park North fitness equipment	–	54	–	54
Education Engagement Pathway	9	–	9	–
Creating Better Places	59	34	59	34
Yarra River Fish Platform	100	–	100	–
2 Million Trees Program	72	–	72	–
Sunnyside Kindergarten Extension	300	–	300	–
HACC – minor capital	–	1	–	1
Percy Treyvaud Reserve Lighting	90	–	90	–
Prahran Aquatic Centre Hoist Project	–	23	–	23
Learner to probation L2P	44	26	44	26
Phoenix Park Community Centre Lift	–	100	–	100
Phoenix Park Additional Meeting Room	135	–	135	–
Melbourne Water grants	365	100	365	100
Orrong Romanis Recreation Reserve Upgrade	81	–	81	–
Adventure Playground Upgrade	150	–	150	–
Taxi Rank Safety Program	–	77	–	77
Taste Provincial Victoria – Prahran Market	–	–	–	63
Intersection improvements grant	–	74	–	74
Chapel Street Taxi Zones lighting, signage and linemarking	181	–	181	–
Education Engagement Partnership	28	–	28	–
Municipal Planning for Childhood Education	20	–	20	–
Other minor grants	127	50	127	50
Total Non-Recurrent	1,771	539	1,771	602
	10,050	9,964	10,050	10,027

	COUNCIL		CONSOLIDATED	
Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000

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:

Victorian Grants Commission – General	1,055	1,045	1,055	1,045
Victorian Grants Commission – Local roads funding	195	192	195	192
	1,250	1,237	1,250	1,237

The Victoria Grants Commission has completed the preliminary recommendations for the allocation of general purpose and local roads grants for 2013–14. The Commonwealth Government has made payment to Council the estimated 50% of the 2013–14 allocated grants based on the relativity allocations of 2012–13. This has been recognised as revenue and will be expended in 2013–14.

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	–
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	1,051	1,237	1,051	1,237

NOTE 6 CONTRIBUTIONS

	COUNCIL		CONSOLIDATED	
Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Open space	7,088	4,076	7,088	4,076
Development Contributions	308	12	308	12
	7,396	4,088	7,396	4,088

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	
Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Council works cost recovery	1,249	425	1,249	425
Legal proceedings reimbursement	184	–	184	–
State Revenue Office – valuation recoup	92	92	92	92
	1,525	517	1,525	517

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 8 OTHER REVENUE

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Joint Venture – Streetsahead Cleaning Service	1,603	1,501	1,603	1,501
Transport clearway towing	62	74	62	74
Dividends	3	388	3	388
Other	1,230	1,376	1,305	1,376
	2,898	3,339	2,973	3,339

NOTE 9 EMPLOYEE BENEFITS

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Wages and salaries	39,406	37,958	40,047	38,635
Annual leave and long service leave	5,112	5,515	5,112	5,515
Superannuation	3,234	3,473	3,234	3,473
Defined Benefit Superannuation – additional contributions	–	11,498	–	11,498
Fringe Benefits Tax and Worksafe	1,327	1,169	1,327	1,169
Other employee expenses	608	659	608	659
	49,687	60,272	50,328	60,949

NOTE 10 MATERIALS AND SERVICES

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Contract payments – parks	7,268	7,181	7,268	7,181
Contract payments – parking	5,306	5,010	5,306	5,010
Contract payments – waste	558	539	558	539
Contract payments – physical services	1,297	850	1,297	850
Contract payments – roads & drains	1,401	1,427	1,401	1,427
Contract payments – other	3,640	2,430	3,644	2,430
Legal and consulting fees	3,324	4,186	3,324	4,186
Stamp duty on summons and registration searches	1,573	1,470	1,573	1,470
Maintenance	2,083	2,711	2,446	3,018
Materials, services and vehicle cost	4,359	4,258	5,923	5,867
Utility cost	3,685	3,315	3,685	3,315
Fire services	2,716	2,793	2,716	2,793
Printing, stationery, postage and advertising	1,779	1,931	1,779	1,931
Insurance	984	968	984	968
Tipping fees and waste removal	3,966	3,138	3,966	3,138
Activities and events	2,030	1,997	2,030	1,997
Other	2,507	2,159	2,507	2,159
	48,476	46,363	50,407	48,279

NOTE 11 DEPRECIATION AND AMORTISATION

Note	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Land Improvements (incl. Car Parks)	1,532	1,314	1,532	1,314
Buildings	3,693	3,874	3,784	3,962
Heritage Buildings	766	782	766	782
Heritage Indoor Assets	17	17	17	17
Furniture and Equipment	382	380	382	380
Office Equipment and Information Technology	480	563	480	563
Plant, Motor Vehicles and Equipment	1,110	1,116	1,220	1,224
Library Books	819	825	819	825
Roads, Streets, ROW and Bridges	5,116	4,379	5,116	4,379
Road Extras	1,505	1,408	1,505	1,408
Drainage	1,527	1,370	1,527	1,370
Software – Intangible	517	790	520	793
Leased Assets	285	262	285	262
	17,749	17,080	17,953	17,279

NOTE 12 FINANCE COSTS

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Interest – borrowings	44	96	44	96
Interest – finance leases	115	105	115	105
	159	201	159	201

NOTE 13 OTHER EXPENSES

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Audit – external	58	58	71	70
Audit – internal	125	132	125	132
Catering	353	307	353	307
Debt collection	38	40	38	40
Bad Debts	2	–	2	–
Assets written off	465	1	531	1
Operating works projects	2,759	2,289	2,759	2,289
Sundry other	187	550	187	551
	3,987	3,377	4,066	3,390

Notes to the Financial Report

For the year ended 30 June 2013

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 2013 unaudited accounts, (2012 unaudited accounts).

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Council's share of retained profits				
Council's share of retained profits at start of year	512	584	512	584
Reported profit for year	340	311	340	311
Distributions for the year	–	(383)	–	(383)
Council's share of retained profits / (accumulated losses) at end of year	852	512	852	512
Council's share of reserves				
Council's share of reserves at start of year	79	297	79	297
Share of asset revaluation decrement	–	(218)	–	(218)
Council's share of reserves at end of year	79	79	79	79
Movement in carrying value of specific investment				
Carrying value of investment at start of year	1,788	1,860	1,788	1,860
Share of profit for year	340	311	340	311
Distributions received	–	(383)	–	(383)
Carrying value of investment at end of year	2,128	1,788	2,128	1,788

NOTE 15 CASH AND CASH EQUIVALENTS

	COUNCIL		CONSOLIDATED	
NOTE	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash on hand	11	12	12	12
Cash at bank	1,842	820	1,850	3,666
Term Deposits (90 days or less)	37,234	25,064	39,796	25,064
	39,087	25,896	41,658	28,742

Other financial assets – Term Deposits (greater than 90 days)	20,750	33,150	20,750	33,150
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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:

– Reserve funds allocated for specific future purposes (Note 26)	32,211	20,355	32,211	20,355
– Trust funds and deposits (Note 22)	3,285	3,323	3,285	3,323
– Employee Leave Entitlement Reserves (Note 23)	14,075	25,616	14,131	25,659
Restricted Funds	49,571	49,294	49,627	49,337
Total unrestricted cash and term deposits	10,266	9,752	12,781	12,555

NOTE 16 TRADE AND OTHER RECEIVABLES

	COUNCIL		CONSOLIDATED	
NOTE	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Current				
Rates debtors	2,109	1,766	2,109	1,766
Parking infringement debtors	14,284	13,923	14,284	13,923
Provision for doubtful debts – parking infringements	(10,941)	(10,781)	(10,941)	(10,781)
Other debtors	1,632	1,536	2,185	1,842
Provision for doubtful debts – other debtors	(100)	(100)	(100)	(100)
Special rate assessment	27	24	27	24
Net GST receivable	1,113	1,188	1,113	1,188
	8,124	7,556	8,677	7,862

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 17 OTHER FINANCIAL ASSETS

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Current				
Term Deposits (note 1(l))	20,750	33,150	20,750	33,150
Non-current				
Shares in Prahran Market – At Cost	2,000	2,000	–	–
Shares in Regional Kitchen Pty Ltd – Fair Value	1,301	1,407	1,301	1,407
MAPS Shareholding – At Cost	15	15	15	15
	3,316	3,422	1,316	1,422
Total	24,066	36,572	22,066	34,572

NOTE 18 OTHER ASSETS

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Accrued income	639	1,083	658	1,136
Prepayments	274	564	282	574
Other	40	38	40	38
	953	1,685	980	1,748

NOTE 19 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Summary				
at cost	88,986	65,200	93,625	69,988
at fair value as at 30 June 2012	1,291,942	1,288,315	1,291,942	1,288,315
at fair value as at 30 June 2011	19,476	19,476	19,476	19,476
at fair value as at 30 June 2010	428,481	428,481	428,481	428,481
Less accumulated depreciation	71,983	56,346	73,470	57,802
	1,756,902	1,745,126	1,760,054	1,748,458
Works in progress	8,388	5,822	9,671	5,822
Total	1,765,290	1,750,948	1,769,725	1,754,280
Property				
LAND				
at fair value as at 30 June 2012	863,868	860,267	863,868	860,267
LAND UNDER ROADS				
at fair value as at 30 June 2010	380,590	380,590	380,590	380,590
LAND IMPROVEMENTS				
at cost	8,843	6,399	8,843	6,399
at fair value as at 30 June 2010	47,891	47,891	47,891	47,891
Less accumulated depreciation	14,057	12,525	14,057	12,525
	42,677	41,765	42,677	41,765
BUILDINGS				
at cost	5,496	–	9,197	3,701
at fair value as at 30 June 2012	126,581	126,581	126,581	126,581
Less accumulated depreciation	3,678	–	4,715	947
	128,399	126,581	131,063	129,335
HERITAGE BUILDINGS				
at cost	1,032	–	1,032	–
at fair value as at 30 June 2012	49,360	49,334	49,360	49,334
Less accumulated depreciation	766	–	766	–
	49,626	49,334	49,626	49,334
Total Property	1,465,160	1,458,537	1,467,824	1,461,291

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.

Land under roads is valued at fair value. Fair value is based on Council valuations at 30 June 2010 for land under roads in existence at that date and at the date acquired for subsequent acquisitions using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 19 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT.)

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Plant, motor vehicles, furniture and equipment				
PLANT, MOTOR VEHICLES AND EQUIPMENT				
at cost	16,555	15,881	17,142	16,667
Less accumulated depreciation	9,007	8,767	9,270	9,107
	7,548	7,114	7,872	7,560
LEASED PLANT AND EQUIPMENT				
at cost	1,838	1,650	1,838	1,650
Less accumulated depreciation	668	473	668	473
	1,170	1,177	1,170	1,177
FURNITURE AND EQUIPMENT				
at cost	5,720	5,450	5,918	5,594
Less accumulated depreciation	3,784	3,402	3,894	3,486
	1,936	2,048	2,024	2,108
OFFICE EQUIPMENT AND INFORMATION TECHNOLOGY				
at cost	6,214	6,338	6,367	6,496
Less accumulated depreciation	5,208	5,348	5,285	5,433
	1,006	990	1,082	1,063
HERITAGE INDOOR ASSETS				
at cost	2,237	2,205	2,237	2,204
Less accumulated depreciation	1,022	1,005	1,022	1,005
	1,215	1,200	1,215	1,199
LIBRARY STOCKS				
at cost	16,362	15,530	16,362	15,530
Less accumulated depreciation	13,648	12,829	13,648	12,829
	2,714	2,701	2,714	2,701
Total Plant and Equipment	15,589	15,230	16,077	15,808
Infrastructure				
LEASED, STREETS, RIGHTS OF WAY AND BRIDGES				
at cost	6,878	–	6,878	–
at fair value as at 30 June 2012	190,288	190,288	190,288	190,288
Less accumulated depreciation	5,116	–	5,116	–
	192,050	190,288	192,050	190,288
DRAINAGE				
at cost	3,171	–	3,171	–
at fair value as at 30 June 2012	61,845	61,845	61,845	61,845
Less accumulated depreciation	1,527	–	1,527	–
	63,489	61,845	63,489	61,845

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000

ROAD EXTRAS

at cost	14,640	11,747	14,640	11,747
at fair value as at 30 June 2011	19,476	19,476	19,476	19,476
Less accumulated depreciation	13,502	11,997	13,502	11,997
	20,614	19,226	20,614	19,226
Total Infrastructure	276,153	271,359	276,153	271,359

Valuation of Roads, Streets, Rights of Way, Bridges, Drains, and Road Extras has been determined in accordance with a valuation undertaken by Mr James Edmond, BE (Civil), GradDip (ME&M), MBA (Management).

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Works in progress

Buildings	4,801	3,914	6,084	3,914
Land Improvements	2,900	969	2,900	969
Roads, streets, rights of way and bridges	561	5	561	5
Drainage	–	260	–	260
Road Extras	27	566	27	566
Intangible Assets	99	108	99	108
Total Works in progress	8,388	5,822	9,671	5,822
Total Property, Infrastructure, Plant and Equipment	1,765,290	1,750,948	1,769,725	1,754,280

Intangible Assets

at cost	7,320	6,444	7,365	6,489
Less accumulated depreciation	5,798	5,281	5,801	5,281
	1,522	1,163	1,564	1,208
Total Property, Infrastructure, Plant and Equipment (Incl Intangibles)	1,766,812	1,752,111	1,771,289	1,755,488

Reconciliation of work in progress

Balance at beginning of financial year:	5,822	8,226	5,822	8,226
Acquisition of assets	32,467	28,574	33,849	28,574
Transferred to assets	(29,901)	(30,978)	(30,000)	(30,978)
Balance at end of financial year:	8,388	5,822	9,671	5,822

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 19 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONT.)

MOVEMENT – COUNCIL 2013

	Balance at beginning of financial year \$'000	Acquisition of assets \$'000	Revaluation increments / (decrements) (Note 26) \$'000	Depreciation and amortisation (Note 11) \$'000	WDV of disposals (Note 25) \$'000	WDV of Leased Assets Terminated \$'000	Assets Written Off \$'000	Balance at end of financial year \$'000
Property								
Land	860,267	3,601	–	–	–	–	–	863,868
Land Under Roads	380,590	–	–	–	–	–	–	380,590
Land improvements	41,765	2,444	–	1,532	–	–	–	42,677
Buildings	126,555	5,998	–	3,693	–	–	461	128,399
Heritage Buildings	49,360	1,032	–	766	–	–	–	49,626
Total Property	1,458,537	13,075	–	5,991	–	–	461	1,465,160
Plant and Equipment								
Plant, Motor Vehicles and Equipment	7,114	1,924	–	1,110	379	–	1	7,548
Leased Plant, Motor Vehicles and Equipment	1,177	326	–	285	–	47	–	1,171
Furniture and Equipment	2,048	270	–	382	–	–	–	1,936
Office Equipment and Information Technology	990	500	–	480	1	–	3	1,006
Heritage Indoor Assets	1,200	32	–	17	–	–	–	1,215
Library Stocks	2,701	832	–	819	–	–	–	2,714
Total Plant and Equipment	15,230	3,884	–	3,093	380	47	4	15,590
Infrastructure								
Roads, Streets, Rights of Way, and Bridges	190,288	6,878	–	5,116	–	–	–	192,050
Drainage	61,845	3,171	–	1,527	–	–	–	63,489
Road Extras	19,226	2,893	–	1,505	–	–	–	20,614
Total Infrastructure	271,359	12,942	–	8,148	–	–	–	276,153
Works in progress								
Buildings	3,914	887	–	–	–	–	–	4,801
Land Improvements	969	1,931	–	–	–	–	–	2,900
Roads, streets, rights of way and bridges	5	556	–	–	–	–	–	561
Drainage	260	(260)	–	–	–	–	–	–
Road Extras	566	(539)	–	–	–	–	–	27
Intangibles	108	(9)	–	–	–	–	–	99
Total Works in progress*	5,822	2,566	–	–	–	–	–	8,388
Total Property, Infrastructure, Plant and Equipment	1,750,948	32,467	–	17,232	380	47	465	1,765,291
Intangible Assets	1,163	876	–	517	–	–	–	1,522
Total Property, Infrastructure, Plant and Equipment, and Intangibles	1,752,111	33,343	–	17,749	380	47	465	1,766,813

* Refer to the reconciliation of work in progress in Note 19 on page 127 for further detail.

MOVEMENT – CONSOLIDATED 2013

	Balance at beginning of financial year \$'000	Acquisition of assets \$'000	Revaluation increments / (decrements) (Note 26) \$'000	Depreciation and amortisation (Note 11) \$'000	WDV of disposals (Note 25) \$'000	WDV of Leased Assets Terminated \$'000	Assets Written Off \$'000	Balance at end of financial year \$'000
Property								
Land	860,267	3,601	–	–	–	–	–	863,868
Land Under Roads	380,590	–	–	–	–	–	–	380,590
Land improvements	41,765	2,444	–	1,532	–	–	–	42,677
Buildings	129,309	5,998	–	3,784	–	–	460	131,063
Heritage Buildings	49,360	1,032	–	766	–	–	–	49,626
Total Property	1,461,291	13,075	–	6,082	–	–	460	1,467,824
Plant and Equipment								
Plant, Motor Vehicles and Equipment	7,527	2,023	–	1,220	388	–	71	7,872
Leased Plant, Motor Vehicles and Equipment	1,177	326	–	285	–	47	–	1,171
Furniture and Equipment	2,136	270	–	382	–	–	–	2,024
Office Equipment and Information Technology	1,067	500	–	480	1	–	–	1,086
Heritage Indoor Assets	1,200	32	–	17	–	–	–	1,215
Library Stocks	2,701	832	–	819	–	–	–	2,714
Total Plant and Equipment	15,808	3,983	–	3,203	389	47	71	16,082
Infrastructure								
Roads, Streets, Rights of Way, and Bridges	190,288	6,878	–	5,116	–	–	–	192,050
Drainage	61,845	3,171	–	1,527	–	–	–	63,489
Road Extras	19,226	2,893	–	1,505	–	–	–	20,614
Total Infrastructure	271,359	12,942	–	8,148	–	–	–	276,153
Works in progress								
Buildings	3,914	2,170	–	–	–	–	–	6,084
Land Improvements	969	1,931	–	–	–	–	–	2,900
Roads, streets, rights of way and bridges	5	556	–	–	–	–	–	561
Drainage	260	(260)	–	–	–	–	–	–
Road Extras	566	(539)	–	–	–	–	–	27
Intangibles	108	(9)	–	–	–	–	–	99
Total Works in progress*	5,822	3,849	–	–	–	–	–	9,671
Total Property, Infrastructure, Plant and Equipment	1,754,280	33,849	–	17,433	389	47	531	1,769,730
Intangible Assets	1,208	872	–	520	–	–	–	1,560
Total Property, Infrastructure, Plant and Equipment, and Intangibles	1,755,488	34,721	–	17,953	389	47	531	1,771,290

* Refer to the reconciliation of work in progress in Note 19 on page 127 for further detail.

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 20 INVESTMENT PROPERTY

	COUNCIL		CONSOLIDATED	
Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Balance at end of financial year	6,750	6,750	6,750	6,750

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 (\$6,750,000, 2012), determined annually by Council Valuers.

NOTE 21 TRADE AND OTHER PAYABLES

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade payables	7,320	7,598	8,258	7,857
Accrued expenses	8,596	5,054	8,610	5,082
Other	166	102	166	102
	16,082	12,754	17,034	13,041

NOTE 22 TRUST FUNDS AND DEPOSITS

	COUNCIL		CONSOLIDATED	
Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Refundable building deposits	266	270	266	270
Refundable contract deposits	639	540	639	540
Retention amounts	682	595	682	595
Other refundable deposits	1,698	1,918	1,698	1,918
	3,285	3,323	3,285	3,323

NOTE 23 PROVISIONS

	Annual leave \$ '000	Long service leave \$ '000	Gratuity \$ '000	Other \$ '000	Total \$ '000
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(a) Employee benefits

2013 COUNCIL

Balance at beginning of the financial year	4,203	9,419	139	11,855	25,616
Provision utilised	(2,671)	(467)	–	(11,539)	(14,677)
Additional provisions made	2,466	625	–	45	3,136
Balance at the end of the financial year	3,998	9,577	139	361	14,075

2013 CONSOLIDATED

Balance at beginning of the financial year	4,239	9,426	139	11,855	25,659
Provision utilised	(2,671)	(467)	–	(11,539)	(14,677)
Additional provisions made	2,478	626	–	45	3,149
Balance at the end of the financial year	4,046	9,585	139	361	14,131

	COUNCIL		CONSOLIDATED	
Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000

Current

Annual leave	3,998	4,203	4,046	4,239
Long service leave	8,028	7,963	8,028	7,963
Time in lieu	72	88	72	88
Defined Benefit Superannuation	–	7,274	–	7,274
Other	289	269	289	269
	12,387	19,797	12,435	19,833

Non-current

Long service leave	1,549	1,456	1,557	1,463
Retirement gratuity	139	139	139	139
Defined Benefit Superannuation	–	4,224	–	4,224
	1,688	5,819	1,696	5,826
Aggregate carrying amount of employee benefits:				
Current	12,387	19,797	12,435	19,833
Non-current	1,688	5,819	1,696	5,826
	14,075	25,616	14,131	25,659

The following assumptions were adopted in measuring the present value of long service leave and retiring gratuity:

Weighted average increase in employee costs	3.50%	3.92%	3.50%	3.92%
Weighted average discount rates	2.53%	2.81%	2.53%	2.81%
Weighted average settlement period	12	12	12	12

Current Employee Benefits that:

Expect to be utilised within 12 months	3,103	10,373	3,151	10,409
Expect to be utilised after 12 months	9,284	9,424	9,284	9,424
	12,387	19,797	12,435	19,833

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 23 PROVISIONS (CONT.)

	COUNCIL		CONSOLIDATED	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000

(b) Other Current Provision

Insurance Excess Provision – current	176	200	176	200
--------------------------------------	-----	-----	-----	-----

Aggregate carrying amount of total provision:

Current	12,563	19,997	12,611	20,033
Non-current	1,688	5,819	1,696	5,826
Total	14,251	25,816	14,307	25,859

NOTE 24 INTEREST-BEARING LOANS AND BORROWINGS

	COUNCIL		CONSOLIDATED	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000

Borrowings

CURRENT

Borrowings – secured	580	720	580	720
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NON-CURRENT

Borrowings – secured	1,387	1,967	1,387	1,967
Total	1,967	2,687	1,967	2,687

The maturity profile for Council's borrowings is:

Not later than one year	580	720	580	720
Later than one year and not later than five years	1,387	1,967	1,387	1,967
Later than five years	–	–	–	–
	1,967	2,687	1,967	2,687

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	566	435	566	435
Later than one year and not later than five years	867	1,032	867	1,032
Later than five years	–	–	–	–
Minimum lease payments	1,433	1,466	1,433	1,466
Less: Future finance charges	(215)	(251)	(215)	(251)
Recognised in the balance sheet as:	1,218	1,216	1,218	1,216

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
CURRENT				
Leases	468	324	468	324
NON-CURRENT				
Leases	750	892	750	892
Total	1,218	1,216	1,218	1,216
Aggregate carrying amount of interest-bearing loans and borrowings:				
Current	1,048	1,044	1,048	1,044
Non-current	2,137	2,859	2,137	2,859
	3,185	3,903	3,185	3,903

NOTE 25 GAIN/LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Total				
Proceeds from sales	879	655	886	655
Less carrying amount of assets sold	381	577	389	577
Gain on disposal	498	78	498	78
Council				
Proceeds from sales	858	648	865	650
Less carrying amount of assets sold	372	566	380	566
Gain on disposal	486	82	486	84
Share of equity in joint venture				
Proceeds from sales	21	7	21	7
Less carrying amount of assets sold	9	11	9	11
Gain on disposal	12	(4)	12	(4)

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 26 RESERVES

	Balance at beginning of financial year \$'000	Increment (decrement) \$'000	Balance at end of financial year \$'000
(a) Asset revaluation reserve			
2013			
PROPERTY			
Land	502,392		502,392
Land improvements	5,764	–	5,764
Buildings	187,587	–	187,587
Heritage buildings	19,198	–	19,198
	714,941	–	714,941
INFRASTRUCTURE			
Roads, streets, rights of way and bridges	111,021	–	111,021
Road extras	11,922	–	11,922
Drainage	24,453	–	24,453
	147,396	–	147,396
SHARE OF NET ASSET REVALUATION INCREMENT OF ASSOCIATE	1,172	–	1,172
Total Asset revaluation reserve	863,509	–	863,509
2012			
PROPERTY			
Land	483,729	18,663	502,392
Land improvements	5,764	–	5,764
Buildings	193,403	(5,816)	187,587
Heritage buildings	19,061	137	19,198
	701,957	12,984	714,941
INFRASTRUCTURE			
Roads, streets, rights of way and bridges	90,412	20,609	111,021
Road extras	11,922	–	11,922
Drainage	19,381	5,072	24,453
	121,715	25,681	147,396
SHARE OF NET ASSET REVALUATION INCREMENT OF ASSOCIATE	1,172	–	1,172
Total Asset revaluation reserve	824,844	38,665	863,509

	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

2013

Asset revaluation reserve	863,509	–	–	–	863,509	863,509
Open Space Reserve	15,687	–	13,628	(1,200)	28,115	28,115
Off-Street Parking Reserve	881	–	44	–	925	925
Developer Contributions	182	–	317	–	499	499
Future Fund Reserve	3,605	–	1,467	(2,400)	2,672	2,672
Total Reserves	883,864	–	15,456	(3,600)	895,720	895,720

2012

Asset revaluation reserve	824,844	38,665	–	–	863,509	863,509
Open Space Reserve	16,543	–	4,903	(5,759)	15,687	15,687
Off-Street Parking Reserve	839	–	42	–	881	881
Developer Contributions	162	–	20	–	182	182
Future Fund Reserve	2,100	–	1,505	–	3,605	3,605
Total Other reserves	844,488	38,665	6,470	(5,759)	883,864	883,864

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	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Adjustment arising from removing non Council roads	–	(6,832)	–	(6,832)

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 28 (A) RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS FOR THE YEAR

Note	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Surplus for the year	24,555	6,100	24,913	6,774
Depreciation/amortisation	17,749	17,080	17,953	17,279
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(498)	(78)	(498)	(78)
Assets written off	1	1	1	1
Share of other comprehensive loss of associates and joint ventures accounted for by the equity method	(340)	72	(340)	72
Change in assets and liabilities:				
(Increase)/decrease in trade and other receivables	14	(381)	(60)	(560)
(Increase)/decrease in prepayments	290	(381)	292	(391)
Increase/(decrease) in accrued income	(34)	7	(34)	7
Increase/(decrease) in trade and other payables	748	(2,749)	768	(2,662)
(Decrease)/increase in other liabilities	583	128	574	113
Increase in provisions	(11,565)	12,758	(11,553)	12,742
Net cash provided by operating activities	31,503	32,557	32,016	33,297

NOTE 28 (B) RECEIPTS FROM OTHER FINANCIAL ASSETS

Operating lease payments	225	203	225	203
Movement in investments	12,175	952	12,175	952
	12,400	1,155	12,400	1,155

NOTE 29 RECONCILIATION OF CASH AND CASH EQUIVALENTS

Note	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash and cash equivalents (see note 15)				
Less bank overdraft	39,087	25,896	41,658	28,742
	-	-	-	-
	39,087	25,896	41,658	28,742

NOTE 30 FINANCING ARRANGEMENTS

Note	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Bank overdraft	250	250	250	250
Used facilities	-	-	-	-
Unused facilities	250	250	250	250

NOTE 31 RESTRICTED ASSETS

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
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 reserve funds (Open Space & Car Parking Reserves).				
Trust funds and deposits (note 22)	3,285	3,323	3,285	3,323
Reserve funds (note 26(b))	29,040	16,568	29,040	16,568
	32,325	19,891	32,325	19,891

NOTE 32 SUPERANNUATION

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (Vision Super). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Council and the Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are due.

ACCUMULATION

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 (for the year ended 30 June 2013, this was 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 category is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated to each employer, the Actuary is unable to 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 defined benefit obligations.

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 2011, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of members' salaries (9.25% in 2011/12).

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above. Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

SHORTFALL AMOUNTS

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Council is a contributing employer. Council was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012.

Council has not been advised of any further adjustments.

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 32 SUPERANNUATION (CONT.)

The projected value of Council's contribution to the shortfall at 30 June 2012 (excluding contributions tax) amounted to \$11.498 million which was accounted for in the 2011/12 Comprehensive Operating Statement within Employee Benefits (see Note 9) and in the Balance Sheet in Current Liabilities Provisions (see Note 23).

No further amount has been accounted for in the 2012/13 Comprehensive Operating Statement within Employee Benefits (see Note 9) and in the Balance Sheet in Current Liabilities Provisions (see Note 23).

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 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.

RETRENCHMENT INCREMENTS

During 2012-13, Council was not required to make payments to the Fund in respect of retrenchment increments.

ACCRUED BENEFITS

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	31-Dec-11 \$'000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	4,838,503

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000

Defined benefit funds (Rate: 9.25%)

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	592	897	592	897
Superannuation Fund (Vision Super) at reporting date.	-	11,498	-	11,498
	592	12,395	592	12,395

Accumulated Funds (Rate: 9%)

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,897	3,348	3,109	3,431
Employer contributions to other superannuation funds	125	125	125	42
	3,022	3,473	3,234	3,473
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	138	138	138	134
	138	138	138	134

There was no loan issued from or to the above schemes as at 30 June 2013.

NOTE 33 COMMITMENTS

The Group has entered into the following commitments. Prahran Market has no material 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
2013					
OPERATING					
Production of food services (Aged meals)	390	402	1,279	–	2,071
Municipal turf maintenance and mowing services	1,299	672	–	–	1,971
Provision of WorkCover insurance services	703	703	2,109	–	3,515
Parking enforcement and car parks	–	–	–	–	–
Provision of insurance broking and premium services	696	696	2,089	–	3,481
Central record services	716	740	–	–	1,456
Management of car parks	260	–	–	–	260
Specialised consulting services (Panel)	300	300	–	–	600
Hard & green waste collection	540	270	–	–	810
Cleaning of municipal buildings and aquatics centres	171	171	180	–	522
Recycling Collections	940	980	2,050	–	3,970
Building Maintenance Services	858	858	–	–	1,716
Drainage and Pit Cleaning	258	258	–	–	516
Graffiti and Poster Removal	392	392	–	–	784
Other contractual obligations	1,383	1,242	1,571	–	4,196
Total	8,906	7,684	9,278	–	25,868
CAPITAL					
Construction works	7,547	1,398	1,168	–	10,113
Plant and equipment	–	–	–	–	–
Other capital works	1,163	–	–	–	1,163
Total	8,710	1,398	1,168	–	11,276
2012					
OPERATING					
Production of food services (Aged meals)	780	390	–	–	1,170
Municipal turf maintenance and mowing services	1,255	1,299	672	–	3,226
Provision of WorkCover insurance services	703	703	2,109	–	3,515
Parking enforcement and car parks	4,434	–	–	–	4,434
Provision of insurance broking and premium services	696	696	2,089	–	3,481
Central record services	677	716	740	–	2,133
Management of car parks	519	260	–	–	779
Specialised consulting services (Panel)	300	300	300	–	900
Hard and green waste collection	270	–	–	–	270
Cleaning of municipal buildings and aquatics centres	736	171	351	–	1,258
Recycling Collections	905	940	3,030	–	4,875
Building Maintenance Services	858	858	858	–	2,574
Drainage and Pit Cleaning	258	258	258	–	774
Graffiti and Poster Removal	392	392	392	–	1,176
Other contractual obligations	2,203	1,093	1,594	–	4,890
Total	14,986	8,076	12,393	–	35,455
CAPITAL					
Construction works	6,979	3,802	1,166	–	11,947
Other capital works	2,901	–	–	–	2,901
Total	9,880	3,802	1,166	–	14,848

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 34 OPERATING LEASE COMMITMENTS

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
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):				
Not later than one year	318	299	318	299
Later than one year and not later than five years	850	184	850	184
Later than five years	269	–	269	–
	1,437	483	1,437	483

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 2012, 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 (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 Liability Mutual Insurance Scheme for the 2012/2013 year (2012, Liability Mutual Insurance Scheme). 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 Liability Mutual Insurance Scheme (2012, \$300 million, Liability Mutual Insurance Scheme). 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.

NOTE 36 FINANCIAL INSTRUMENTS

(A) ACCOUNTING POLICY, TERMS AND CONDITIONS – COUNCIL

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and cash equivalents	15	<p>Cash on hand and money market at call are valued at face value.</p> <p>Term deposits are held to maximise interest returns of surplus cash.</p> <p>Interest is recognised as it accrues.</p>	<p>On call deposits returned a floating interest rate of 3.13% (4.33% in 2011/2012). The interest rate at balance date was 3.00% (3.50% in 2011/2012).</p> <p>Funds returned fixed interest rate of between 4.24% (5.30% in 2011/2012) and 6.00% (6.00% in 2011/2012) net of fees.</p>
Other financial assets	17	Term deposits are held to maximise interest returns of surplus cash.	Funds returned fixed interest rate of between 4.10% (5.00% in 30 June 2012) and 7.05% (7.05% in 30 June 2012) net of fees.
Trade and other receivables:			
Other debtors	16	<p>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.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and interest free. Credit terms are based on 30 days.</p> <p>Interest charged on the advance to the Prahran Market is based on the Local Government borrowing rate.</p>
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	<p>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.</p> <p>Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council.</p> <p>The weighted average interest rate on borrowings is 6.44% (6.38% in 2011/2012).</p> <p>As at balance date, the Council had finance leases with an average lease term of 5 years.</p> <p>The weighted average rate implicit in the lease is 8.53% (9.11% in 2011/2012).</p>
Bank overdraft	30	<p>Overdrafts are recognised at the principal amount.</p> <p>Interest is charged as an expense as it accrues.</p>	<p>The overdraft is subject to annual review.</p> <p>It is secured by a mortgage over Council's general rates and is repayable on demand.</p> <p>The overdraft limit of \$250,000 was not utilised in 2012/2013 (Nil in 2011/2012).</p>
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.

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 36 FINANCIAL INSTRUMENTS (CONT.)

(B) INTEREST RATE RISK – COUNCIL

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:				Non-interest bearing \$'000	Total \$'000
	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		

2013 Council

FINANCIAL ASSETS

Cash and cash equivalents	24,234	13,000	–	–	1,853	39,087
Other financial assets	–	20,750	–	–	3,316	24,066
Trade and other receivables	–	–	–	–	1,532	1,532
Accrued income	–	–	–	–	639	639
Total financial assets	24,234	33,750	–	–	7,340	65,324
Weighted average interest rate	3.00%	4.39%	–	–		

FINANCIAL LIABILITIES

Trade and other payables	–	–	–	–	7,486	7,486
Trust funds and deposits	–	–	–	–	3,285	3,285
Interest-bearing loans and borrowings	–	1,048	2,137	–	–	3,185
Total financial liabilities	–	1,048	2,137	–	10,771	13,956
Weighted average interest rate	–	4.43%	8.32%	–		
Net financial assets/(liabilities)	24,234	32,702	(2,137)	–	(3,431)	51,368

2012 Council

FINANCIAL ASSETS

Cash and cash equivalents	25,064	–	–	–	832	25,896
Other financial assets	–	30,150	3,000	–	3,422	36,572
Trade and other receivables	–	–	–	–	1,436	1,436
Accrued income	–	–	–	–	1,083	1,083
Total financial assets	25,064	30,150	3,000	–	6,773	64,987
Weighted average interest rate	5.85%	5.42%	6.36%	–		

FINANCIAL LIABILITIES

Trade and other payables	–	–	–	–	7,700	7,700
Trust funds and deposits	–	–	–	–	3,323	3,323
Interest-bearing loans and borrowings	–	1,044	2,859	–	–	3,903
Total financial liabilities	–	1,044	2,859	–	11,023	14,926
Weighted average interest rate	–	6.10%	6.40%	–		
Net financial assets/(liabilities)	25,064	29,106	141	–	(4,250)	50,061

(B) INTEREST RATE RISK – CONSOLIDATED

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance.

		Fixed interest maturing in:			Non-	
	Floating	1 year	Over 1 to	More than	interest	Total
	interest rate	or less	5 years	5 years	bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

2013 Consolidated**FINANCIAL ASSETS**

Cash and cash equivalents	24,242	15,562	–	–	1,862	41,666
Other financial assets	–	20,750	–	–	1,316	22,066
Trade and other receivables	–	–	–	–	2,085	2,085
Accrued income	–	–	–	–	658	658
Total financial assets	24,242	36,312	–	–	5,921	66,475
Weighted average interest rate	3.00%	4.39%	–	–	–	–

FINANCIAL LIABILITIES

Trade and other payables	–	–	–	–	8,424	8,424
Trust funds and deposits	–	–	–	–	3,285	3,285
Interest-bearing loans and borrowings	–	1,146	2,038	–	–	3,185
Total financial liabilities	–	1,146	2,038	–	11,709	14,894
Weighted average interest rate	–	4.43%	8.32%	–	–	–
Net financial assets/(liabilities)	24,242	35,166	(2,038)	–	(5,788)	51,581

2012 Consolidated**FINANCIAL ASSETS**

Cash and cash equivalents	25,064	–	–	–	3,678	28,742
Other financial assets	–	30,150	3,000	–	1,422	34,572
Trade and other receivables	–	–	–	–	1,742	1,742
Accrued income	–	–	–	–	1,136	1,136
Total financial assets	25,064	30,150	3,000	–	7,978	66,192
Weighted average interest rate	5.85%	5.42%	6.36%	–	–	–

FINANCIAL LIABILITIES

Trade and other payables	–	–	–	–	7,959	7,959
Trust funds and deposits	–	–	–	–	3,323	3,323
Interest-bearing loans and borrowings	–	1,155	2,748	–	–	3,903
Total financial liabilities	–	1,155	2,748	–	11,282	15,185
Weighted average interest rate	–	6.10%	6.40%	–	–	–
Net financial assets/(liabilities)	25,064	28,995	252	–	(3,304)	51,007

Notes to the Financial Report

For the year ended 30 June 2013

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:

	COUNCIL				CONSOLIDATED			
	Total carrying amount as per Balance Sheet		Aggregate net fair value		Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2013	2012	2013	2012	2013	2012	2013	2012
Financial Instruments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

(1) Financial assets

Cash and cash equivalents	39,087	25,896	39,087	25,896	41,666	28,742	41,666	28,742
Other financial assets	24,066	36,572	24,066	36,572	22,066	34,572	22,066	34,572
Trade and other receivables	1,532	1,436	1,532	1,436	2,085	1,742	2,085	1,742
Accrued income	639	1,083	639	1,083	658	1,136	658	1,136
Total financial assets	65,324	64,987	65,324	64,987	66,475	66,192	66,475	66,192

(2) Financial liabilities

Trade and other payables	7,486	7,700	7,486	7,700	8,424	7,959	8,424	7,959
Trust funds and deposits	3,285	3,323	3,285	3,323	3,285	3,323	3,285	3,323
Interest-bearing loans and borrowings	3,185	3,903	2,895	3,548	3,185	3,903	2,894	3,547
Total Financial liabilities	13,956	14,926	13,666	14,571	14,894	15,185	14,603	14,829

(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.

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

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Balance at the beginning of the year	10,881	10,779	10,900	10,794
New Provisions recognised during the year	100	95	100	99
Amounts already provided for and written off as uncollectible	2	–	2	–
Amounts provided for but recovered during the year	58	7	39	7
Balance at end of year	11,041	10,881	11,041	10,900

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 36 FINANCIAL INSTRUMENTS (CONT.)

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:

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Current (not yet due)	765	1,283	1,291	1,567
Past due by up to 30 days	648	77	660	86
Past due between 31 and 60 days	26	11	41	24
Past due by more than 61 days	93	65	93	65
Total Trade & Other Receivables	1,532	1,436	2,085	1,742

AGEING OF INDIVIDUALLY IMPAIRED TRADE AND OTHER RECEIVABLES

At balance date there were no other debtors representing financial assets that were impaired (2012, 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.

NOTE 36 FINANCIAL INSTRUMENTS (CONT.)

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts.

	6 months or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
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2013 Council

Trade and other payables	7,486	–	–	–	–	7,486	7,486
Trust funds and deposits	3,285	–	–	–	–	3,285	3,285
Interest-bearing loans and borrowings	557	492	950	1,187	–	3,185	3,185
Total financial liabilities	11,328	492	950	1,187	–	13,956	13,956

2012 Council

Trade and other payables	7,700	–	–	–	–	7,700	7,700
Trust funds and deposits	3,323	–	–	–	–	3,323	3,323
Interest-bearing loans and borrowings	965	546	748	1,645	–	3,903	3,903
Total financial liabilities	11,988	546	748	1,645	–	14,926	14,926

2013 Consolidated

Trade and other payables	8,424	–	–	–	–	8,424	8,424
Trust funds and deposits	3,285	–	–	–	–	3,285	3,285
Interest-bearing loans and borrowings	557	492	950	1,187	–	3,185	3,185
Total financial liabilities	12,266	492	950	1,187	–	14,894	14,894

2012 Consolidated

Trade and other payables	7,959	–	–	–	–	7,959	7,959
Trust funds and deposits	3,323	–	–	–	–	3,323	3,323
Interest-bearing loans and borrowings	965	546	748	1,645	–	3,903	3,903
Total financial liabilities	12,247	546	748	1,645	–	15,185	15,185

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 36 FINANCIAL INSTRUMENTS (CONT.)

(F) SENSITIVITY DISCLOSURE ANALYSIS

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 4.10%.

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	Interest rate risk – Council					
	Carrying amount subject to interest		-1%		2%	
	Consolidated	Council	100 basis points	200 basis points	Profit	Equity
	\$'000	\$'000	Profit	Equity	Profit	Equity
			\$'000	\$'000	\$'000	\$'000

2013

FINANCIAL ASSETS

Cash and cash equivalents	41,658	39,087	(391)	(391)	782	782
Other financial assets	20,750	20,750	(208)	(208)	415	415

FINANCIAL LIABILITIES

Interest-bearing loans and borrowings	3,185	3,185	32	32	(64)	(64)
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2012

FINANCIAL ASSETS

Cash and cash equivalents	28,742	25,896	(259)	(259)	518	518
Other financial assets	33,150	33,150	(332)	(332)	663	663

FINANCIAL LIABILITIES

Interest-bearing loans and borrowings	3,903	3,903	39	39	(78)	(78)
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NOTE 37 AUDITORS' REMUNERATION

	COUNCIL		CONSOLIDATED	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Audit fee to conduct external audit – Victorian Auditor-General	58	58	71	70
Internal audit fees – Oakton (2012, Oakton)	125	132	125	132
	183	190	196	202

NOTE 38 EVENTS OCCURRING AFTER BALANCE DATE

On 14 May 2013, Council entered into a Put and Call Option agreement in relation to property at 309–313 Glenferrie Road Armadale, Victoria. A deposit of 5% was transferred to the vendor's solicitor trust account on 9 May 2013. A notice of exercise of Call Option was given by Council on 1 July 2013. On 15 July 2013 Council made settlement for the property for total consideration of \$14.025 million including GST.

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 2012 to 26 October 2012
	Councillor Claude Ullin	1 July 2012 to 26 October 2012 and 9 November 2012 to 30 June 2013
	Councillor John Chandler	1 July 2012 to 26 October 2012 and 9 November 2012 to 30 June 2013
	Councillor Melina Sehr	1 July 2012 to 26 October 2012 and 9 November 2012 to 30 June 2013
	Councillor Judy Hindle	1 July 2012 to 26 October 2012
	Councillor Tas Athanasopoulos	1 July 2012 to 26 October 2012
	Councillor Greg Hannan	1 July 2012 to 26 October 2012
	Councillor Tim Smith	1 July 2012 to 26 October 2012
	Councillor Angus Nicholls	1 July 2012 to 26 October 2012
	Councillor Matthew Koce	9 November 2012 to 30 June 2013
	Councillor Adrian Stubbs	9 November 2012 to 30 June 2013
	Councillor Erin Davie	9 November 2012 to 30 June 2013
	Councillor John McMorrow	9 November 2012 to 30 June 2013
	Councillor Jami Klisaris	9 November 2012 to 30 June 2013
	Councillor Sam Hibbins	9 November 2012 to 30 June 2013
Chief Executive Officer	Warren Roberts	1 July 2012 to 30 June 2013

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers whose total remuneration from Council and any related entities fall within the following bands:

	COUNCIL		CONSOLIDATED	
	2013 No.	2012 No.	2013 No.	2012 No.
\$1,000 – \$9,999	6	–	10	2
\$10,000 – \$19,999	5	–	5	3
\$20,000 – \$29,999	2	7	2	8
\$30,000 – \$39,999	–	–	–	–
\$40,000 – \$49,999	1	–	1	–
\$50,000 – \$59,999	1	1	1	1
\$60,000 – \$69,999	–	1	–	1
\$70,000 – \$79,999	–	–	–	–
\$270,000 – \$279,999	–	–	–	–
\$310,000 – \$319,999	1	1	1	1
	16	10	20	16
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	635	642	725	723

(iii) No retirement benefits have been made by the Council to a Responsible Person (2011/2012, Nil).

(iv) No loans have been made, guaranteed, or secured by the Council to a Responsible Person during the reporting year (2011/2012 – 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 (2011/2012 – Nil).

Notes to the Financial Report

For the year ended 30 June 2013

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 \$130,000 (2011/12 \$127,000).

The number of Senior Officers, other than the Responsible Persons, are shown below in their relevant income bands:

	COUNCIL		CONSOLIDATED	
	2013 No.	2012 No.	2013 No.	2012 No.
Less than \$130,000	3	2	3	2
\$130,000 – \$139,999	3	2	3	2
\$140,000 – \$149,999	5	12	5	12
\$150,000 – \$159,999	10	3	10	3
\$160,000 – \$169,999	–	–	–	0
\$170,000 – \$179,999	–	1	0	1
\$180,000 – \$189,999	1	–	1	–
\$190,000 – \$199,999	–	5	0	5
\$200,000 – \$209,999	5	–	5	0
	27	25	27	25
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included	4,320	4,037	4,320	4,118

NOTE 40 JOINT VENTURE INFORMATION

STREETS AHEAD 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 2013 unaudited financial statements, are as follows:

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Income	4,490	4,390	4,490	4,390
Expense	4,524	4,630	4,524	4,630
	(34)	(240)	(34)	(240)

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	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Assets				
CURRENT ASSETS				
Cash and cash equivalents	309	219	309	219
Receivables	456	652	456	652
Other Financial Assets	750	1,000	750	1,000
Total current assets	1,515	1,871	1,515	1,871
NON-CURRENT ASSETS				
Property, Plant and Equipment	1,317	1,326	1,317	1,326
Total non-current assets	1,317	1,326	1,317	1,326
Total assets	2,832	3,197	2,832	3,197
Liabilities				
CURRENT LIABILITIES				
Payables	205	251	205	251
Provisions	768	1,068	768	1,068
Interest Bearing Liabilities	468	323	468	323
Total current liabilities	1,440	1,642	1,440	1,642
NON-CURRENT LIABILITIES				
Provisions	50	38	50	38
Interest Bearing Liabilities	750	893	750	893
Total non-current liabilities	800	930	800	930
Total liabilities	2,240	2,572	2,240	2,572
Net Assets	592	626	592	626
Equity				
Accumulated Funds	592	626	592	626
Total Equity	592	626	592	626

Notes to the Financial Report

For the year ended 30 June 2013

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 2013 audited financial statements are included in Council's consolidated financial accounts, as follows:

	2013 \$'000	2012 \$'000
Income	4,585	4,862
Expense	4,227	4,187
	358	675

Council's consolidated accounts includes the following assets and liabilities in the Balance Sheet

Assets

CURRENT ASSETS

Cash assets	2,571	2,846
Receivables	572	359
Other	8	10
Total current assets	3,151	3,215

NON-CURRENT ASSETS

Property, Plant and Equipment	4,477	3,377
Total non-current assets	4,477	3,377
Total assets	7,628	6,592

Liabilities

CURRENT LIABILITIES

Payables	938	259
Employee benefits	14	28
Other Liabilities	48	36
Total current liabilities	1,000	323

NON-CURRENT LIABILITIES

Employee benefits	-	-
Interest Bearing Liabilities	8	7
Total non-current liabilities	8	7
Total liabilities	1,008	330

Net Assets	6,620	6,262
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Equity

Accumulated Funds	4,620	4,262
Issued Capital	2,000	2,000
Total Equity	6,620	6,262

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	2012	868	6,545	7,413	26,193	(18,780)	109,978
	2013	1,010	7,336	8,346	27,260	(18,914)	109,995
Community Services	2012	4,759	4,214	8,973	15,352	(6,379)	25,390
	2013	5,009	4,515	9,524	16,293	(6,769)	27,414
Development	2012	–	6,069	6,069	7,460	(1,391)	–
	2013	–	9,611	9,611	7,262	2,349	–
Regulatory & Transport	2012	391	18,583	18,974	12,722	6,252	25,312
	2013	437	19,925	20,362	12,739	7,623	24,931
Infrastructure	2012	777	3,773	4,550	28,669	(24,119)	667,905
	2013	1,158	3,625	4,783	29,821	(25,038)	676,938
Governance, Administration & Non Attributed	2012	3,169	87,526	90,695	28,680	62,015	1,003,773
	2013	2,437	92,353	94,790	29,486	65,304	1,008,642
Total	2012	9,964	126,710	136,674	119,076	17,598	1,832,358
	2013	10,051	137,365	147,416	122,861	24,555	1,847,920

Aggregate value of Assets as disclosed in the Balance Sheet

	COUNCIL		CONSOLIDATED	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Current Assets	68,914	68,287	72,065	71,502
Non Current Assets	1,779,006	1,764,071	1,781,483	1,765,448
Total	1,847,920	1,832,358	1,853,548	1,836,950

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.

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 42 INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITIES (CONT.)

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.

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)

	2013 \$'000	2013 [%]	2012 [%]	2011 [%]
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(a) Debt servicing ratio

(to assess the capacity of Council to service its outstanding debt)

Debt servicing costs	159			
Total income	147,076	=	0.11%	0.15%
			0.19%	

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.

(b) Debt commitment ratio

(to assess Council's capacity to achieve its debt redemption strategy)

Debt servicing and redemption costs	877			
Rate revenue	81,199	=	1.08%	0.93%
			1.23%	

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.

(c) Revenue ratio

(to quantify Council's dependence on non-rate income)

Rate revenue	81,199			
Total income	147,076	=	55.21%	56.17%
			57.53%	

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

NOTE 43 FINANCIAL RATIOS (PERFORMANCE INDICATORS) (CONT.)

	2013 \$'000	2012 [%]	2013 [%]	2012 [%]
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(d) Debt Exposure Ratio

(to identify Council's exposure to debt)

Total indebtedness	33,518			
Total realisable assets	1,488,601	=	2.25%	2.85%
				2.78%

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	68,914			
Current liabilities	32,978	=	208.97%	183.97%
				206.14%

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	68,914			
Adjusted Current liabilities	24,950	=	276.21%	234.22%
				268.94%

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.

Notes to the Financial Report

For the year ended 30 June 2013

NOTE 44 CAPITAL EXPENDITURE – COUNCIL AND CONSOLIDATED

	Note	2013 \$'000	2012 \$'000
Capital expenditure areas			
Prahran Market has no material capital expenditure items.			
Land		3,601	3,469
Land Improvements		4,375	3,834
Buildings		6,885	7,163
Heritage Buildings		1,032	351
Heritage Indoor Assets		32	–
Motor Vehicles, Plant, and Equipment		2,250	2,490
Furniture and Equipment		270	393
Office Equipment and Information Technology		500	381
Library Stocks		832	846
Roads Extras		2,354	1,436
Drainage, Roads, Footpaths, Kerb and Channels, ROWs, Bridges		10,345	8,108
		32,476	28,471
Intangible Assets		867	607
Total capital works		33,343	29,078
Represented by:			
Renewal	(a)	22,826	19,530
Upgrade	(b)	4,664	5,252
Expansion	(c)	1,323	2,381
New assets		4,530	1,915
Total capital works		33,343	29,078

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		33,343	29,078
Asset revaluation movement	26	–	38,665
Depreciation/amortisation	11	(17,749)	(17,080)
Written down value of assets sold		(380)	(577)
Termination of Finance Leases		(47)	(89)
Asset write off		(465)	(1)
Net movement in property, plant and equipment, intangibles and investment property	19, 20	14,702	49,996

(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.



Scott Moore CPA

Principal Accounting Officer

2 September 2013

Malvern

In our opinion, the accompanying financial statements present fairly the financial transactions of Stonnington City Council for the year ended 30 June 2013 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 2 September 2013 to certify the financial statements in their final form.



Matthew Koce

Councillor

2 September 2013

Malvern



John McMorow

Councillor

2 September 2013

Malvern



Warren Roberts

Chief Executive Officer

2 September 2013

Malvern

Auditor General's Report on Financial Report and Standard Statements



Victorian Auditor-General's Office

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Melbourne VIC 3000
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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Stonnington City Council

The Standard Statements and Financial Report

The accompanying standard statements for the year ended 30 June 2013 of the Stonnington City Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The accompanying financial report for the year ended 30 June 2013 of the Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The Councillors' Responsibility for the Standard Statements and Financial Report

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

- the standard statements in accordance with the basis of preparation as described in Note A to the statements and the requirements of the *Local Government Act 1989*
- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the standard statements and financial report that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, 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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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 Councillors, as well as evaluating the overall presentation of the standard statements and financial report.

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

Auditing in the Public Interest

Auditor General's Report on Financial Report and Standard Statements

Independent Auditor's Report (continued)

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.

Opinion

In my opinion:

- (a) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note A to the statements and the requirements of the *Local Government Act 1989*
- (b) the financial report presents fairly, in all material respects, the financial position of the Stonnington City Council as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, 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 Note A 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 2013 included both in the Stonnington City Council's annual report and on the website. The Councillors 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 these statements. If users of the standard statements and financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited standard statements and financial report to confirm the information contained in the website version of the standard statements and financial report.

MELBOURNE
3 September 2013



John Doyle
Auditor-General

Performance Statement

For the Year Ended 30 June 2013

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 2013

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 2013	Budget/Target 2013	Variance	Achieved
FP 1. Underlying result/Underlying revenue	11.15%	3.86%	7.3%	Yes
FP 2. Operating expenses/Rateable Assessments	\$2,172	\$1,980	[\$192]	No
FP 3. Rate revenue/Underlying revenue	58.95%	63.23%	4.3%	Yes
FP 4. Rate revenue/Rateable Assessments	\$1,435	\$1,287	\$148	Yes
FP 5. Debt Servicing/Total revenue	0.11%	0.12%	0.01%	Yes
FP 6. Recurrent Grants/Total Revenue	5.63%	5.63%	[0.0%]	Yes
FP 7. Fees and Charges/Total Revenue	26.54%	27.12%	[0.6%]	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 2013	Budget/Target 2013	Variance	Achieved
BS 1. Indebtedness/Rate revenue	3.92%	3.72%	[0.2%]	No
BS 2. Underlying result/Total assets	0.83%	0.34%	0.5%	Yes
BS 3. Net realisable assets/Rateable Assessment	\$26,315	\$19,184	\$7,131	Yes
BS 4. Current assets/Current liabilities	2.09	2.22	[0.13]	No
BS 5. Total liabilities/Rateable Assessment	\$651	\$306	[\$345]	No

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 2013	Budget/Target 2013	Variance	Achieved
CE 1. Capital Works	\$33,343,000	\$33,988,000	[\$645,000]	No
CE 2. – Asset renewal	\$22,826,000	\$22,555,000	\$271,000	Yes
CE 3. – New assets	\$4,530,000	\$4,339,000	\$191,000	Yes
CE 4. – Asset expansion/upgrade	\$5,987,000	\$7,094,000	[\$1,107,000]	No
CE 5. Operating Cash/Net capital outlays	94.48%	81.32%	13.2%	Yes
CE 6. Capital Works/Rate revenue	41.06%	41.74%	[0.7%]	Yes
CE 7. Asset renewal/Total depreciation	128.60%	126.93%	1.7%	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 higher than budgeted due to overall revenue increment as a result of: actual Statutory Parking Infringement Notice prices increased by 15% compared to budgeted increase of 2%; additional income from supplementary rates and garbage bins charges; and savings from operational expenditures contributed to the favourable measurement.

FP 2. OPERATING EXPENSES/RATEABLE ASSESSMENTS

The budgeted rateable assessment was based on garbage bin numbers rather than the number of property assessments. If rateable assessment is based on number of property assessments, the ratio would have been favourable.

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 2012/13.

FP 5. DEBT SERVICING/TOTAL REVENUE

The minimal variance between budget and actual performance for 2012/13 is due to stronger revenue growth.

FP 6. RECURRENT GRANTS/TOTAL REVENUE

The proportion of revenue gained from recurring grants is in line with the expectations per budgeted ratio.

FP 7. FEES AND CHARGES/TOTAL REVENUE

Fees and charges as a proportion of total revenue is lower than budgeted due to the favourable increase of income from other sources, particularly the amount of open space contributions was \$5 million greater than budgeted. Fees and charges was higher than budgeted.

FINANCIAL POSITION:

BS 1. INDEBTEDNESS/RATE REVENUE

The level of indebtedness as a proportion of rate revenue slightly exceeded budget due to payment timing of trade creditors at year end.

BS 2. UNDERLYING RESULT/TOTAL ASSETS

Additional recurrent revenue has resulted in a more financial sustainable position for Council.

BS 3. NET REALISABLE ASSETS/RATEABLE ASSESSMENT

The recognition of Land Under Roads take up after the budget was adopted resulted in the favourable measurement.

BS 4. CURRENT ASSETS/CURRENT LIABILITIES

Council's ratio of current assets over current liabilities is at a strong level despite the payment timing of trade payables at year end.

BS 5. TOTAL LIABILITIES/RATEABLE ASSESSMENT

The timing of trade payable at year end inflated the total liabilities for 2012/13, which Council had budgeted to pay.

CAPITAL EXPENDITURE:

CE 1. CAPITAL WORKS

Actual capital expenditure in 2012/13 was lower than large capital works budget mostly due to timing of completion.

CE 2. ASSET RENEWAL

Expenditure on asset renewal was within budget.

CE 3. NEW ASSETS

Expenditure on asset renewal was within budget.

CE 4. ASSET EXPANSION/UPGRADE

A number of large expansionary capital projects was in progress at year end.

CE 5. OPERATING CASH/NET CAPITAL OUTLAYS

The combination of additional cash revenue and lower operational cash expenditure resulted in the favourable measurement.

CE 6. CAPITAL WORKS/RATE REVENUE

There is less reliance on rate revenue to fund capital works compared to budget.

CE 7. ASSET RENEWAL/TOTAL DEPRECIATION

Council continues to spend a significant amount of capital expenditure on renewal works to ensure Council's assets are maintained.

Certification of the Performance Statement

In my opinion, the accompanying Performance Statement of the City of Stonnington in respect of 2012/2013 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 2 September 2013 to certify this performance statement on its behalf in its final form.

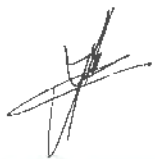


Matthew Koce

Councillor

2 September 2013

Malvern



John McMorrow

Councillor

2 September 2013

Malvern



Warren Roberts

Chief Executive Officer

2 September 2013

Malvern

Auditor General's Report on the Performance Statement



Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Stonnington City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the Stonnington City Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

The Councillors' 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* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from 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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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.

Auditing in the Public Interest

Auditor General's Report on the Performance Statement

Independent Auditor's Report (continued)

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 performance statement of the Stonnington City Council in respect of the 30 June 2013 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 Statement

This auditor's report relates to the performance statement of the Stonnington City Council for the year ended 30 June 2013 included both in the Stonnington City Council's annual report and on the website. The Councillors 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 statement 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 statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
3 September 2013



John Doyle
Auditor-General


Auditing in 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.

Glossary

COMMONLY USED ACRONYMS

AAS Australian Accounting Standards	LASPLAN Local Authorities Superannuation Plan
AASB Australian Accounting Standards Board	LGMA Local Government Managers Australia
ABS Australian Bureau of Statistics	LGPro Local Government Professionals
AMP Asset Management Plan	LLEN Local Learning and Employment Network
CBD Central Business District	MAV Municipal Association of Victoria
CE Capital Expenditure	MBS Municipal Building Surveyor
CEO Chief Executive Officer	MCH Maternal and Child Health
CIV Capital Improved Value	MFB Melbourne Fire Brigade
CPA Certified Practising Accountants	MSS Municipal Strategic Statement
CS Community Satisfaction	MTH Malvern Town Hall
CWMS Capital Works Management System	NCP National Competition Policy
EBA Enterprise Bargaining Agreement	OC Operating Costs
ECT Enforcement Computer Technology	OLG Office of Local Government
EDMS Electronic Document Management System	PAC Prahran Aquatic Centre
EEO Equal Employment Opportunity	PBS Private Building Surveyor
EOC Equal Opportunity Commission	PCP Primary Care Partnership
EPA Environment Protection Authority	PPP Parking Precinct Plan
ESDS Electronic Service Delivery Strategy	PTH Prahran Town Hall
FOI Freedom of Information	RHS Regional Housing Statement
FP Financial Performance	RHWG Regional Housing Working Group
GIS Geographic Information System	RM Rates Management
HACC Home and Community Care	RMIT Royal Melbourne Institute of Technology
HR Human Resources	ROW Right of Way
IBM International Business Machines	SADS Save-A-Dog Scheme
IMAP Inner Melbourne Action Plan	SBO Special Building Overlay
IRMA Information, Records Management and Archives	SERWMG South East Regional Waste Management Group
IT Information Technology	VCAT Victorian Civil Administrative Tribunal
ITDRS Information Technology Disaster Recovery Plan	VIP Volunteer Interchange Program
JV Joint Venture	VLGA Victorian Local Governance Association
KPI Key Performance Indicator	

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LOCAL GOVERNMENT ACT 1989 REQUIREMENTS

The City of Stonnington Annual Report was produced in compliance with the requirements outlined in the Local Government Act 1989.

DISTRIBUTION INFORMATION

The City of Stonnington Annual Report is distributed to our Councillors and staff, the Office of Local Government, the Municipal Association of Victoria and the State Library of Victoria. Hard copies of the Annual Report are available for collection at Council's Service Centres in Malvern and Prahran and all branch libraries.

The Annual Report is also available on Council's website www.stonnington.vic.gov.au

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Awards

Stonnington won a Gold Award in the Australasian Reporting Awards 2012 for the Annual Report 2011/12.