



**City of Stonnington**

**Annual Report  
2013/14**



## Year's highlights

### Open Space

Council commenced implementation of *Strategies for Creating Open Space*.

### New Residential Zones

Approval of Stonnington's New Residential Zones is important to the future liveability and character of Stonnington, providing greater certainty to the community and developers about what type of development is appropriate in our City.

### Yarra Biodiversity Linkages Project

The \$2 million project to restore the natural habitat along the southern banks of the Yarra River was completed.

## About our Community

Population:

**103,187**

as of June 2014

Up 2,000 from previous year

Median weekly household income

**\$1,722**

Public transport to work

**26%**

compared to 14% in Greater Melbourne

**13**

Born overseas

**35 years**  
Median age



**\$2.49m**  
in community  
grants

**22**  
community  
surveys



**1,055** new trees  
in streets  
and parks



**140 tonnes**  
of TV and computer waste  
collected for recycling

**12,573**  
properties protected  
by Heritage Overlays

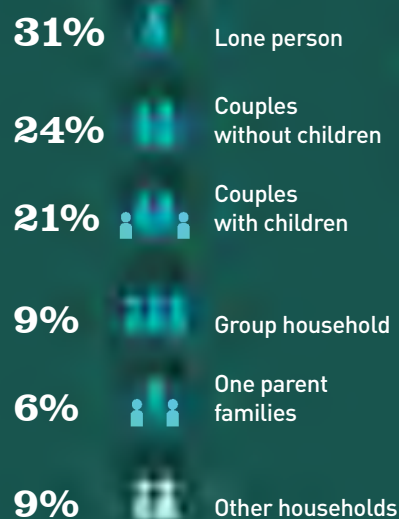


Community  
satisfaction  
with Council's  
overall performance  
2012 – 2014

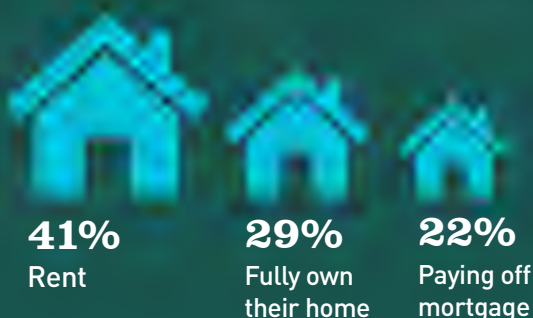
**16,793**  
businesses in  
Stonnington

**44,896 jobs in**  
**Stonnington including**  
**9,203 jobs in retail**

## Households



## Home ownership



(Not stated / other 8%)

Median weekly rent  
**\$360**

## One in Ten

residents is an  
unpaid carer for  
a person with  
a disability



# Council’s Vision

Stonnington will be a connected community 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, safe and feel part of and contribute to the community.**

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# Environment

**Stonnington will have a cleaner, safer and better environment for future generations to enjoy.**

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# Liveability

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

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# Prosperity

**Stonnington will be a prosperous community, recognised as a creative city, a premier visitor and retail destination.**

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# 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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# Financials

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



# About this Annual Report

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The City of Stonnington presents the Annual Report – an in-depth review of Council services, activities and achievements over the 2013–14 financial year.

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This Annual Report is an important communication tool used to report back to the community on the City of Stonnington’s performance in the 2013–14 financial year as compared to the key objectives outlined in the Council Plan and Budget.

### HOW TO USE THIS ANNUAL REPORT

This report is divided into eight sections:

- 1. **Highlights**
- 2. **Our City**
- 3. **Community**
- 4. **Environment**
- 5. **Liveability**
- 6. **Prosperity**
- 7. **Council Operations**
- 8. **Financials**

The sections are colour coded for your easy reference. A Contents page and Index will also help to guide you through the report.

Highlights are illustrated in an infographic on the fold-out, inside cover page, providing a visual snapshot of key achievements.

In Our City, you will find detailed information about the City of Stonnington, including Council’s role in the community, our strategic planning framework, Councillors and a Ward boundary map, latest demographic data and historical information. Also included are messages from the Mayor and Chief Executive Officer, reflecting on the past financial year.

The main body of the report outlines achievements of the past financial year and challenges for the next, against Council’s four guiding pillars:

- 1. **Community**
- 2. **Environment**
- 3. **Liveability**
- 4. **Prosperity**

Operational information can be found in the dedicated section on Council Operations, covering areas such as governance, local laws, human resources, occupational health and safety and risk management, among others.

The Financials section provides the detailed budgetary information that fulfils Council’s reporting requirements. An explanation to assist in interpreting this financial information is also provided in Understanding the Financials, for further guidance.





## 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
- 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 to:

- Promote social, economic and environmental viability and sustainability
- Ensure resources are used efficiently and effectively and that Best Value principles are met
- Improve the overall quality of life of people

- Promote appropriate business and employment opportunities
- Ensure equitable access to services and facilities
- Ensure equitable imposition of rates and charges, and
- Ensure transparent and accountable decision-making.

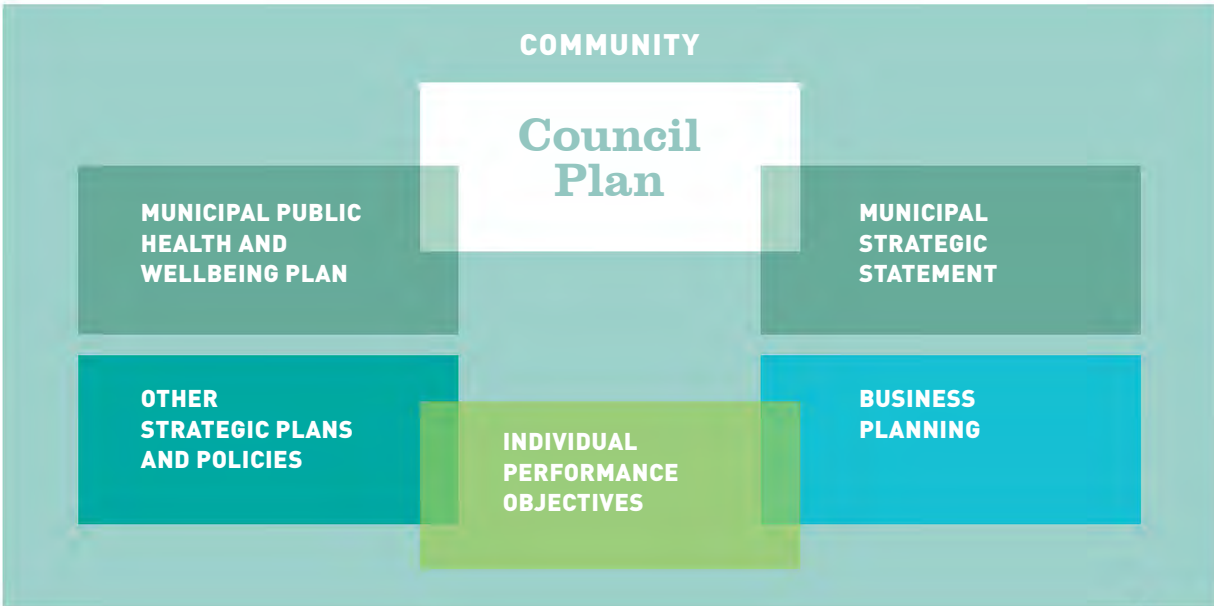
Council is committed to working in partnership with key stakeholders, residents and businesses to continuously review our local laws, policies and meeting procedures to promote community consultation, advocate community needs and provide strong democratic leadership. The City of Stonnington is dedicated 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 57.

### STRATEGIC PLANNING FRAMEWORK

This Annual Report illustrates the City of Stonnington’s capacity to deliver outcomes that meet the community’s needs and aspirations. It 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			
	<b>CR JOHN CHANDLER</b> jchandler@stonnington.vic.gov.au M: 0417 771 288	<b>CR JAMI KLISARIS</b> jklisaris@stonnington.vic.gov.au M: 0427 333 471	<b>CR MATTHEW KOCE</b> mkoce@stonnington.vic.gov.au M: 0419 147 352
	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 of the former City of Prahran. Awarded an Order of Australia on Australia Day 2014 for service to local government. Occupation: Architect and a Justice of the Peace.	First elected 2012. Occupation: Student.	First elected 2012. Served as Mayor 2012/13. Occupation: Chief Executive Officer and Company Director.
SOUTH WARD			
	<b>CR SAM HIBBINS</b> shibbins@stonnington.vic.gov.au M: 0427 323 375	<b>CR MELINA SEHR</b> msehr@stonnington.vic.gov.au M: 0417 773 644	<b>CR CLAUDE ULLIN</b> cullin@stonnington.vic.gov.au M: 0417 773 833
	First elected 2012. Occupation: Human Services.	First elected 2002, re-elected 2004, 2008 and 2012. Served as Mayor 2003/04, March–November 2004 and 2010/11. Occupation: Delivery Executive with IBM and a Justice of the Peace.	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 of the former City of Malvern. Occupation: Stonnington gallery owner.
EAST WARD			
	<b>MAYOR, CR ADRIAN STUBBS</b> astubbs@stonnington.vic.gov.au M: 0427 318 257	<b>CR ERIN DAVIE</b> edavie@stonnington.vic.gov.au M: 0427 315 346	<b>CR JOHN MCMORROW</b> jmcorrow@stonnington.vic.gov.au M: 0427 352 455
	First elected 2012. Mayor 2013/14. Occupation: Financial Planner.	First elected 2012. Occupation: Professional engineer in the water industry.	First elected 2012. Occupation: Small business owner.



# Stonnington Ward Map

NORTH WARD



SOUTH WARD

EAST WARD



# 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 2013/2014 was 103,187. 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, Montenegrins, 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 Woiewurrung, a 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 today.

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





# Mayor's Message

**Council made considerable progress in all areas under the four strategic pillars of Community, Environment, Liveability and Prosperity throughout the 2013–14 period.**

**Our new residential zones were approved by the Minister for Planning, the Hon. Matthew Guy MLC, without change, ensuring our unique neighbourhood character and heritage areas are suitably protected from inappropriate future development, directing growth to our main activity centres where we have adequate transport and access to other amenities, and also providing assurances to our community and developers about what is suitable for Stonnington. We also continued to proactively put in place Heritage Overlays, with some 12,573 properties now protected from unsuitable future development.**

While the City of Stonnington’s population is not ageing at as fast a pace as some other municipalities, our Aged Services continued to experience high demand, with approximately 70,500 hours of in-home care provided to elderly and frail residents across the City, 29,295 hours of planned activity group and Adult Day Activity Support, and 21,976 Meals on Wheels delivered during the reporting period.

Our four Council run childcare centres also continued to experience strong demand, with 273 families on the waiting list in 2013–14 for a long day care place at just one of our centres – Grosvenor Street Childcare Centre, South Yarra. Council is proactively addressing this issue, and in 2013–14, approved the transition from an occasional care model to a long day care model for the Grosvenor Street centre, opening up

extra childcare places. And for families with kindergarten-aged children, we made substantial progress on the redevelopment of Sunnyside Kindergarten, Malvern East, which will provide additional places for children in the three and four year old kinder programs.

After years of active lobbying by Council, we were extremely pleased by the Victorian Government’s announcement of \$20 million in funding to create a State Secondary School in the Prahran area, as part of the 2013–14 Budget. This will provide access to high-quality education for our families with secondary school children, without having to look outside of Stonnington.

Creating open space and providing recreational and sporting opportunities for the whole community has also been an important and ongoing focus for Council.

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The 2013–14 period saw considerable progress with the implementation of Council's *Pavilion Redevelopment Strategy*, which ensures our 16 sports pavilions are upgraded by 2025 and promotes multi-use of pavilions by developing shared facilities that are adaptable and can accommodate a wide range of current and emerging users, including flexible social spaces.

Reconstruction of Sheridan Pavilion in Darling Park/Basil Reserve, Malvern East, was completed in July 2013, with a total project cost of \$2 million. Construction works totalling \$3 million also commenced on the TH King Pavilion and Stonnington Environmental Education Centre in High Street, Glen Iris in April 2013, with funding support from the St Kevin's Old Boys Football Club, AFL Victoria and the Victorian Government. Both of these major redevelopment projects have incorporated extensive environmental initiatives, including implementation of rainwater harvesting systems, solar preheated 6+ Star hot water systems, water efficient fixtures, energy efficient lights, R6+ thermal insulation, energy efficient glazing, natural lighting and ventilation, and 5KW photovoltaic solar panel electricity generating systems.

At Charles Lux Pavilion in Toorak Park, Armadale – the home of *The Stonnington Gift* – energy efficiency upgrades and improvements to the change rooms totalling \$100,000 were completed, as well as the \$260,000 reconstruction of the roof canopy over the bleachers. At Percy Treyvaud Reserve in Chadstone Road, Malvern East, \$300,000 was invested in the installation of floodlights, improvements to car park lighting and upgrades to the pavilion electrical system. The change rooms at Muir Pavilion in Sir Zelman Cowen Reserve, formerly known as Kooyong Park, were also upgraded in July 2013 with a \$300,000 internal refurbishment, funded in partnership with the Glen Iris Junior Football Club and the Victorian Government.

The *Recreation Strategy*, the draft of which was developed during the 2013–14 period, will further guide the development of inclusive and sustainable sport and recreation opportunities and facilities for our community over the next 10 years. The strategy sets a vision for Stonnington to become the healthiest and most active community in Victoria, with key areas of focus including finding a solution for more indoor netball, basketball and soccer courts, upgrading tennis facilities, redeveloping reserves such as Toorak Park, Victory Square and Orrong Romanis

to provide greater opportunities for junior and female sport, and increasing opportunities for sport in reserves where infrastructure is lacking such as Thomas Oval, Central Park and Menzies Reserve.

A major challenge for the development and enhancement of sport and recreation in Stonnington is the lack of public open space we have available. Council's *Strategies for Creating Open Space*, launched in October 2013, outlines our strategic approach to developing existing spaces for community use, as well as the acquisition of identified sites for potential future development. A good example of this strategy in action is Council's initiative to create considerable open space in the high-density Chapel Street, Prahran, precinct, with the prospective undergrounding of the Cato Street car park. During 2013–14, feasibility studies were undertaken exploring opportunities to improve the flow of vehicle and pedestrian traffic, while also increasing much needed car parking spaces. As a result, the potential to open up an additional 9,000 square metres of open space for a city square and/or parkland and increase car park spaces by developing a multi-level underground car park is now being pursued by Council. This is a long-term project, but will provide great benefits to both the Stonnington and wider community.

At just 20 square metres of open space per resident, we have the second lowest amount of public open space of any Victorian municipality. As an example, in Prahran we only have around 7.8 square metres of open space per person. With population growth, this will become even less without us undertaking initiatives to reserve land for open space. Looking ahead, we will continue to pursue opportunities to increase public open space, which is important for a healthy community, as it provides areas for passive and active recreation. We will do this by focusing on purchasing land for open space as it becomes available, promoting and encouraging the establishment of green roofs and walls, negotiating with the Victorian Government and other authorities to expand the off-road bicycle network and shared paths, improving accessibility to the Yarra River, developing new urban and green spaces, and developing streets as forms of open space, such as opening up pedestrian links.

I would like to thank my fellow Councillors, City of Stonnington staff and the community for their support in achieving the many positive outcomes and projects we have delivered over the 2013–14 year.

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**Cr Adrian Stubbs**  
Mayor



# CEO's Message

**The 2013–14 financial year proved to be another busy and productive one for the City of Stonnington. A continued and strong focus on the four pillars of Community, Environment, Liveability and Prosperity guided our financial management, service delivery and sustainable practices. This Annual Report highlights some key achievements under each of the pillars, and is testament to the high standard of service delivery we have continued to provide to our community.**

As we approached the twentieth anniversary of the City of Stonnington, following the amalgamation of the former Cites of Malvern and Prahran in 1994, it was appropriate to reflect on our achievements not only over the past financial year, but also during the previous two decades. Of course, our City has changed immensely since 1994. Significant developments and fundamental changes to our landscape have presented a series of challenges and opportunities, and I have seen many first hand. In the past financial year alone, we delivered significant capital works projects such as redevelopment of Sheridan Pavilion and the Prahran Adventure Playground. We also commenced major works towards the new Windsor Plaza and redevelopment of TH King Pavilion and Environmental Education Centre, and made positive progress with the Yarra

River Biodiversity project – a landmark sustainability project. Stonnington has seen considerable development over the past year, particularly in key activity centres such as Forrest Hill and Chapel Street. We recognise that increasing development is putting pressure on our limited open space. Our *Strategies for Creating Open Space*, which was launched in November 2013, aims to expand open space for community use, through the redevelopment of Council land such as Surrey Park, Prahran – the site of our former Council depot, as well as strategic purchases when properties become available on the open market. As the municipality with the second lowest rate of open space per capita in metropolitan Melbourne, this is an extremely important strategy that aims to address our lack of open space over time.



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Chadstone Shopping Centre has been another area of significant development during the past year, and certainly over the last 20 years. Chadstone is regarded as the largest shopping centre in the Southern Hemisphere, and it supports a vibrant retail and entertainment hub that continues to provide jobs for many thousands of people, along with shopping, dining and recreational experiences for residents and visitors. Of course, the expansion of Chadstone has presented many challenges for Council over the years, and in May 2014, following many years of community consultation and liaison with centre management and its developers, the latest expansion plans were announced and are now underway.

One of our iconic fashion destinations, Chapel Street, has also flourished over the past 20 years, and today is just as well known for its vibrant arts and culture scene and cosmopolitan lifestyle as it is for the designers whose shops line the street and the surrounding precinct.

Chapel Off Chapel, our premier arts and entertainment venue, has continued to attract visitors into the Chapel Street precinct, supporting this lively and industrious activity centre. In 2013–14, Chapel Off Chapel achieved record ticket sales of \$1 million, hosting a number of international acts as well as community events and workshops.

In January 2014, we added Sunset Sounds to our highly regarded City of Stonnington Community Events Calendar. These new concerts proved very popular, catering for different age groups and musical persuasions, with over 5,000 attending the free shows staged in our beautiful Victoria Gardens, Central Park and Malvern Gardens. While our summer staple series - the free outdoor concerts *Musical Melodies*, *Opera in the Park* and *Symphony Under the Stars* – held in February/March 2014, as well as *Stonnington Jazz*, another long-running concert series during May 2014, continued to be as popular as ever.

Sustainability continued to be a high priority for the City of Stonnington. Expansion of our *Sustainability Outreach Program* provided a range of new programs to support sustainable behaviour within our community.

Nine drop-off points for recycling of e-waste such as CDs, mobile phones, floppy disks and batteries resulted in over a tonne of material being diverted from landfill. We also introduced community composting initiatives to support residents with home composting, and offered residents access to impartial expert advice on energy efficiency within their homes to assist in improving energy efficiency across the City. Furthermore, as part of Council's *Energy Efficiency Street Lighting Project*, approximately 380 streetlights were upgraded within Stonnington, reducing Council's greenhouse gas emissions by approximately 130 tonnes annually.

Looking ahead, major achievements that have set the foundation for the future of Stonnington include the adoption of *Plan Melbourne* by the Victorian Government and approval of our new residential zones without change – a monumental strategic planning project that ensures future growth is directed to our main activity centres and transport hubs, while protecting the character of our unique neighbourhoods and heritage areas.

Future projects such as the redevelopment of 311 Glenferrie Road, Malvern, will provide a consolidated precinct for City of Stonnington staff and the community, delivering time and cost efficiencies across our organisation, as well as a raft of environmental benefits with upgrades to the existing building. Furthermore, the consolidation of staff at this site will open up opportunities for the Prahran Town Hall to become a community, cultural and creative hub.

I am immensely proud of what we have achieved for the City during the 2013–14 period, and excited about the future of Stonnington. I thank the Mayor, Cr Adrian Stubbs, and Councillors for their tireless work, commitment to the community and support in delivering the full range of programs and services provided by Council. I also thank our dedicated and hardworking staff, without whom none of this would be possible.

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Warren Roberts  
Chief Executive Officer

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**Ben Armstrong,**  
Adventure Playground  
soccer program coach





## Community

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

**‘Being active, having something to come to after school and on school holidays and being creative – not bored – is great and really important for the kids that live on and around the estate. It’s very good for them, it’s positive.’**

— Ben Armstrong, Adventure Playground soccer program coach and 2006 Stonnington Young Citizen of the Year.

### Adventure Playground Refurbishment

A \$400,000 redevelopment of the Adventure Playground located on the Horace Petty Housing Estate in Prahran provided a new kitchen, toilet block, pathways, a centralised basketball court and range of play zones catering to different age groups for the 5 to 15 year old residents who access programs and services from this vital community facility.

Jointly funded by Council with a \$250,000 contribution, and the Victorian Government with \$150,000, the Prahran Adventure Playground provided support services weekly to some 130 residents of the Horace Petty and Bangs Street housing estates and surrounding areas in the 2013–14 financial year. These services are essential in supporting some of our most vulnerable young people, giving them access to the opportunities others may take for granted that enable young people to create the future of their choice and break the cycle of poverty and disadvantage.

**Due to popular demand and the growing number of children wanting to participate, in Summer 2014, the Adventure Playground Soccer Program will move to the Orrong Romanis Reserve ovals in Prahran.**



# Community

**1,487**  
food premises  
health inspections  
up **30%**  
since 2010/11



**346**  
beauty premises  
health inspections  
up **26%**  
since 2010/11

## Animal registrations



7,608 dogs



2,752  
cats



11 guide dogs,  
1 assistance dog  
and 5 customs dogs

**70,460** hours  
of in-home support services  
provided to frail and elderly residents



**603,056** visits  
to Stonnington Libraries

Malvern Library, Phoenix Park Library, Prahran Library  
and Toorak/South Yarra Library

**606,219** visits  
to aquatic facilities

Harold Holt Swim Centre and Prahran Aquatic Centre





**Strategy: ENHANCE THE HEALTH OF THE COMMUNITY THROUGH THE IDENTIFICATION OF KEY HEALTH ISSUES AND COORDINATE RESPONSES THROUGH SERVICES AND PARTNERSHIPS.**

## Achievements

### MUNICIPAL PUBLIC HEALTH AND WELLBEING PLAN 2013–2017

Adopted in October 2013 after considerable community consultation, the Municipal Public Health and Wellbeing Plan sets out 20 strategies to promote health and wellbeing in Stonnington. It includes a comprehensive survey of the community's health status. It also details the specific effects of climate change on health and wellbeing and ways that Council can respond.

### SECONDARY SCHOOL IMMUNISATION RATES UP

Eleven schools participated in the Council delivered immunisation program for the Human Papillomavirus (HPV) in 2013–14. There was a marked increase of more than 11%, with 403 more injections administered during this period than the previous year. The HPV

immunisation guards against the development of HPV related cancers later in life and is now administered in schools to both males and females aged 12 to 13 years old.

### REDUCING THE INCIDENCE OF GASTROENTERITIS

Gastroenteritis or 'gastro', as it is commonly known, is responsible for many a sleepless night and much illness among young children and their families. To help combat the spread of gastro among children attending Stonnington's Council-run childcare centres, the Environmental Health Unit undertook a series of information sessions during the year, which covered strategies for prevention, how to minimise the spread of infection once it has occurred, and sanitising centres in the case of an outbreak.



**Strategy: PROVIDE COMMUNITY SERVICES ENSURING THEY MEET THE CURRENT AND FUTURE COMMUNITY NEEDS FOR ALL STAGES OF LIFE.**

**Achievements**

**GROSVENOR STREET CHILDCARE CENTRE NOW FULL-TIME**

Like most other municipalities, demand for long day care in Stonnington is high. In 2013–14, 273 families were on the waiting list for a long day care place at Grosvenor Street Childcare Centre in South Yarra, which previously provided a mix of casual, occasional and long day care. To address this issue, Council approved the move to a model of purely long day care at the centre during 2013–14, opening up an additional 12 long day care places within the City of Stonnington.

There are 21 childcare centres within Stonnington. In addition to the four operated by Council, including Grosvenor Street, Hornbrook Childcare Centre in Windsor, Princes Close, Prahran, and Winter Street, Malvern, there are seven community-managed and 10 privately operated centres.

**AGED SERVICES GO MOBILE**

In 2013–14, ten of Council’s Aged Care workers successfully participated in an information technology trial that will see care workers using mobile tablets to access rosters and information on clients’ needs. The introduction of mobile tablets will reduce paperwork, and increase efficiencies and customer service. As a result, this program will be rolled out to Council’s 65 Aged Care workers over the next three years.

**LEARN TO SWIM PROGRAM STROKES AHEAD**

Record Learn to Swim enrolments of more than 2,200 students each week were delivered at Harold Holt Swim Centre during the 2013–14 financial year. This represented an increase of 400 on the previous year and signals the high-quality service provided by Council, and the importance placed on children learning to swim by their parents and guardians.





**Strategy: IMPLEMENT COMMUNITY SAFETY INITIATIVES THAT ADDRESS REAL AND PERCEIVED SAFETY ISSUES.**

**Achievements**

**STONNINGTON DOMESTIC ANIMAL MANAGEMENT PLAN 2013–2017**

The Stonnington *Domestic Animal Management Plan 2013–17* (DAMP) was approved by Council in July 2013. The plan, which is a requirement of the Domestic Animals Act, aims to create an environment that promotes animal welfare and encourages responsible pet ownership, and where people and pets integrate safely and harmoniously within the community.

As a part of the DAMP, Council has developed ‘A’ frame signs informing dog owners of their responsibilities in relation to leashing and picking up after their dogs, which have been placed around the municipality. Council has also continued our close involvement with the *Save-A-Dog Scheme*, which is contracted to operate the Stonnington Pound and also uses this facility as a shelter and re-homing centre for homeless dogs and cats.

Ongoing DAMP initiatives include:

- Educating children and the wider community about caring for pets
- Lobbying the Victorian Government to strengthen laws governing puppy breeding businesses
- Discouraging impulse buying of pets, and
- The introduction of technology to support Animal Management Officers to undertake their work in the field.

**LIQUOR ACCORD**

The City of Stonnington Liquor Accord is a voluntary commitment by licensed premises to best practices in and around licensed premises in the Chapel Street precinct. In 2013/14, Stonnington Liquor Accord members continued to deliver strong outcomes for the precinct and the wider community. In May 2014, the Stonnington Liquor Accord Steering Committee investigated a potential trial of identification scanners in Chapel Street and Toorak Village licensed premises. The scanners are designed to allow participating venues to share information on problem patrons and identify false identification. In association with Scantek Solutions, Council will be conducting a six month trial across six venues, due for completion in November 2014.



**Strategy: CONTINUE TO ENHANCE COMMUNITY ENGAGEMENT AND THE INVOLVEMENT OF THE COMMUNITY IN DECISION-MAKING.**

**Achievements**

**ENGAGING OUR COMMUNITY**

Council engaged the community in decision-making in many different ways during the year, including:

- Stonnington Survey Group surveys
- Consultative committees for planning matters
- Community meetings and forums
- Submissions on planning and other community matters
- Social media
- Online forms, and
- Polls and forum topics through our *Connect With Us* consultation portal.

**CONSULTING ON THE CHAPEL STREET MASTERPLAN**

Community engagement and responses to the draft *Chapel Street Masterplan*, which was adopted by Council in August 2013, were overwhelmingly positive. Some 3,000 people visited the information website, 250 individual formal responses were received by Council and hundreds attended Street Talk sessions held in Chapel Street.

**Strategy: DEVELOP STRATEGIC ALLIANCES TO PROVIDE COORDINATED RESPONSES TO COMMUNITY NEEDS AND SUPPORT LOCAL COMMUNITY ORGANISATIONS.**



**Achievements**

**APPRECIATING OUR CULTURALLY DIVERSE VOLUNTEERS**

In March 2014 the Mayor hosted a special event for the members of 20 culturally diverse volunteer groups who actively support Council’s seniors programs.

**CARING FOR OUR CARERS**

Council recognises and values the role of carers and the importance of care relationships in the community. A carer is someone who provides care to another person, including young people under the age of 18 who provide care for another, and care relationships include situations where a person is being cared for in a foster, kinship or permanent care arrangement.

Stonnington’s Aged Services Unit continues to lead the way in recognising carers’ needs and supporting their role in caring for others who are living at home. In June 2014, Council delivered its annual *Carers Forum*, providing specific information to carers about how to care for their own physical and emotional wellbeing and access support networks.

In 2013–14, Council also provided a range of services and activities to support carers across Stonnington, such as access to respite care, and adult day programs and holidays where carers could attend with those they care for in a supported environment.



**Strategy: ENCOURAGE COMMUNITY CONNECTEDNESS BY SUPPORTING LOCAL COMMUNITY ORGANISATIONS WITH FACILITIES, TRAINING AND RESOURCES.**

**Achievements**

**COMMUNITY GRANTS**

The City of Stonnington continued to deliver a comprehensive community grants program that respects and assists all community groups to be active, supported, healthy and involved in community life. Some 200 community organisations received grants or in-kind support totalling \$2.492 million. Some of the programs supported through our *Community Grants* program included a school nutrition program, a walking group and art classes for people with a disability.

**ARTS AND CULTURE SPONSORSHIPS**

The City of Stonnington’s Arts and Cultural Sponsorship Program supported 15 organisations with a total of \$316,000 in sponsorships to present quality, innovative Stonnington-based arts activities throughout the 2013–14 period, enhancing the cultural, community and economic development of the City.

Some initiatives supported through Council’s Arts and Culture sponsorship program included:

- **Local artist Wayne Tindall** – Artist Lane ongoing street artworks, tours and a marketing program to attract local and broader community audiences to the area
- **Firestation Print Studio** – three printmaking workshops with local community groups including Mecwacare, Prahran Mission, Inclusion Melbourne and the New Hope Foundation

- **Identity Promotions** – Stonnington Youth Jazz Initiative program for local students culminating in performances at Wangaratta Jazz 2013, Stonnington Jazz 2014 and Eltham Blues and Jazz Festival 2014
- **Lyric Opera Melbourne** – presented two productions at Chapel Off Chapel, *Iphigenie en Tauride* in September 2013 and *The Tenderland* in May 2014
- **National Education and Employment Foundation Literature Alive**, a two week program run in conjunction with the City of Stonnington Libraries and Information Services, incorporating exhibitions of original artworks at Malvern and Prahran Service Centres
- **Prahran Mission** – Annual Art Exhibition at Chapel Off Chapel demonstrating that people with a mental illness can contribute to the community
- **Rotary Club of Chadstone / East Malvern** – *Sounds of Stonnington* and *Rotary Fun Day*, run in conjunction with *Pets in the Park*, provided family based entertainment, stalls, rides and games for the whole family.

**STONNINGTON RECREATION STRATEGY**

The draft Recreation Strategy was developed in 2013–14 after extensive consultation with the community and sporting clubs. This strategy will prioritise all future Council support for the development and enhancement of recreation in Stonnington from 2014 to 2024.





**Strategy: CONTINUE TO STRENGTHEN THE QUALITY AND ENHANCE THE USE OF OUR FACILITIES, AMENITIES AND OPEN SPACE.**

## Achievements

### SHERIDAN PAVILION RECONSTRUCTION

Reconstruction of Sheridan Pavilion in Darling Park/ Basil Reserve, Malvern East, was completed in July 2013, with a total project cost of \$2 million. Tenants, including De La Salle Old Collegians Football Club, Prahran Football Club, East Malvern Junior Football Club, Malvern District Auskick, St James Cricket Club and the German Shepherd Dog Club, along with the wider community and visitors to the oval, now enjoy the significant improvements to this facility.

Features include five change-rooms, washrooms, a kiosk, first aid room, accessible public toilets, storage and a viewing terrace.

Environmental initiatives undertaken as part of this project included a rainwater harvesting system, a solar preheated 6+ Star hot water system, water efficient fixtures, energy efficient lights, R6+ thermal insulation, energy efficient glazing, natural lighting and ventilation, and a 5KW photovoltaic solar panel electricity generating system.

### TH KING PAVILION RECONSTRUCTION

Construction works commenced on the TH King Pavilion in High Street, Glen Iris, in April 2013 and despite some unexpected project delays, were completed in August 2014 and accommodated use by local sporting clubs from July. With a total investment of \$3 million, features include a multipurpose/social room, three change rooms, a gym, washrooms, kiosk, bar, first aid room, accessible public toilets, storage and a viewing terrace, which tenants such as the St Kevin's Old Boys Football Club, Glen Iris Junior Football Club and Glen Iris Cricket Club are now able to enjoy.

Environmental initiatives include a rainwater harvesting system, a solar preheated 6+ Star hot water system, water efficient fixtures, energy efficient lights, R6+ thermal insulation, energy efficient glazing, natural lighting and ventilation and a 5KW photovoltaic solar panel electricity generating system.



**PERCY TREYVAUD RESERVE AND PAVILION UPGRADES**

The installation of four, 30 metre tall light poles with eight 2KW floodlights was completed in June 2013 at Percy Treyvaud Reserve in Chadstone Road, Malvern East, along with energy efficiency upgrades to car park lighting and the electricity supply to Percy Treyvaud Pavilion. With an investment of \$315,000, the Chadstone Lacrosse Club now has the capacity to expand on its three senior male, two senior female, four junior male and three junior female sides.

**TOORAK PARK ROOF RECONSTRUCTION**

Reconstruction of the roof canopy over the bleachers at Toorak Park, Armadale commenced in July 2013 and was completed in May 2014, with an investment of \$260,000. Works included alterations to the concrete bleachers, construction of universally accessible ramps, refurbishment and extension of the roof canopy frame and replacement of the metal roof. This facility is used by Prahran Cricket Club, Prahran Assumption Football Club, Prahran Junior Football Club, Old Xaverians Football Club and is home to *the Stonnington Gift*.

**HAROLD HOLT SWIM CENTRE CHANGE ROOM UPGRADES**

Refurbishment of the outdoor change rooms at Harold Holt Swim Centre was undertaken from July to December 2013 at a cost of \$150,000. More than 490,000 people use the facilities at Harold Holt each year, making these improvements extremely beneficial for the Stonnington and wider community.

**CHARLES LUX PAVILION CHANGE ROOM UPGRADES**

Refurbishment of the change rooms at the Charles Lux Pavilion in Toorak Park, Armadale, was completed in April 2014 at a cost of \$100,000. The clubrooms are used extensively by more than 600 registered players to clubs using the facility throughout the cricket and football seasons, making the upgrades an important investment.

**PRAHRAN RSL MEMORIAL HALL REDEVELOPMENT**

Staged redevelopment of the Prahran RSL Memorial Hall, which is used by a range of community groups, commenced in July 2012. In 2013–14, the following works were completed at a cost of \$700,000:

- Upgrade of mechanical and electrical services, including installation of new energy efficient air-conditioning systems, lights and appliances
- Refurbishment of the ground floor interior
- Construction of a new commercial kitchen
- Improvements to the eastern and western facades
- Relocation and upgrade of the first floor emergency exit
- Reconstruction of the off-street car parks.

Installation of a new universally accessible passenger lift was to be finalised in August 2014.

**SUNNYSIDE KINDERGARTEN EXPANSION**

Works to expand Sunnyside Kindergarten in Malvern East and meet the demand for extra programs and places for three and four year old children commenced in February 2014. With a total project cost of \$750,000, features include a new entry, accessible toilet, an extra children’s room, children’s toilets and kitchenette.

Environmental initiatives include a rainwater harvesting system, a solar preheated 6+ Star hot water system, water efficient fixtures, energy efficient lights, R6+ thermal insulation, energy efficient glazing, natural lighting and ventilation.

**PLAYGROUND AND CHILDREN’S CENTRE UPGRADES**

Playgrounds at the Winter Street Occasional Childcare and Wattletree Early Learning Centres were upgraded between January and April 2014, with a combined investment of \$75,000. These two centres accommodate up to 100 children at any one time daily, who now enjoy improved play facilities and access to safe and inviting outdoor areas.

The playground at Malvern Memorial Kindergarten was also reconstructed in January and February 2014, at a cost of \$200,000. Re-painting was also undertaken at this kindergarten, in addition to the Central Park Childcare, Winter Street Occasional Childcare and Stonnington Children’s Centres.





**Strategy: STRENGTHEN COUNCIL'S COMMITMENT TO SOCIAL JUSTICE AND EQUITY WITH THE DELIVERY OF SUPPORT AND SERVICES WHICH ADVANCE A FAIR AND JUST COMMUNITY.**

## Achievements

### STONNINGTON HIGH SCHOOL

The Victorian Government's announcement of a \$20 million allocation for a State Secondary School in the Prahran area as part of its 2014-15 Budget was warmly welcomed by Stonnington Council.

Currently, there is no state secondary school within the City of Stonnington. Council will continue to collaborate and be proactive in discussions and planning as this proposal progresses during the 2014-15 financial year.

### ACCESS AND INCLUSION PLAN 2014-2017

The Access and Inclusion Plan 2014-2017 sets out Council's objectives to improve accessibility and services for people with a disability in the municipality. The social model of disability is based on the understanding that disability is caused by the barriers to participation in community life, rather than by a person's own impairment. When the environment and opportunities are presented differently – made more accessible – people are enabled. This allows for full access and inclusion.





## Challenges

- Recurrent Victorian Government funding for services, such as those under Maternal and Child Health, is not keeping pace with the increasing cost of delivering these essential services.
- Increased demand is being placed on our Aged Care and in-home support services.
- Stonnington has a low proportion of land available for open space, placing greater pressure on demand for recreational space and facilities.
- Facilitating social inclusiveness and community spirit in areas with a high rental turnover and transitory population.

## Looking Ahead

- Development of an integrated *Children, Youth and Family Services Strategy, 0 – 25 years*.
- Revision of Council's *Building Strategy*.
- Review of the *Stonnington FoodSafe* Program will ensure food safety standards remain high.
- Implementation of an *Engagement Strategy* will guide our consultation with the community across all areas.
- Monitor crime statistics and perceptions of safety, and facilitate responses to arising issues.
- Finish implementation of Closed-Circuit Television (CCTV) in the Chapel Street Precinct and implement CCTV in Toorak Village.
- Advocate to State Government for changes that will streamline the processes for developer contributions towards community facilities.

## Budget Activities

- The achievement status of Council's community budget activities is summarised on page 59.
- Visit Council's website for a full report on Council's budget activities [www.stonnington.vic.gov.au/your-council/about-council/council-budget/](http://www.stonnington.vic.gov.au/your-council/about-council/council-budget/)





**Nicholas and Anita Fothergill,**  
Residents and  
*Compost Revolution*  
participants





## Environment

Stonnington will have a cleaner, safer and better environment for future generations to enjoy.

**‘It is definitely important for the council to run programs like this. It is valuable to have the help, the assistance and the expertise.**

— Anita Fothergill, resident

### Compost Revolution

The *Compost Revolution* – a new online, step-by-step guide to composting and worm-farming, was introduced under Council’s *Sustainability Outreach Program* during the 2013–14 period. The Compost Revolution has seen a reduction in food waste across the 59 participating households, preventing valuable organic matter from going to landfill and reducing greenhouse gas emissions. Residents who participated in the *Compost Revolution* received discounted and free delivery of either a compost bin or worm farm to get them started.

**15**

**Environmental education event programs were delivered to the community.**



Environment  
Strategic Overview 2012/13



**39.5%** →

of waste diverted  
from landfill

Average weight  
of waste sent  
to landfill per  
household  
fell by 5kg

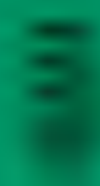


**223** megalitres of  
drinking water saved

*by Council compared to 2000/01*

**1/3**

of Stonnington  
street lights have  
been upgraded  
to more energy  
efficient globes



**SAVING \$70,000** IN ELECTRICITY COSTS PER YEAR



**62,240**  
litres of fuel saved

*due to purchasing low/alternative fuel vehicles  
between 2009/10 and 2012/13*



**Strategy:** SUPPORT THE SHIFT TOWARDS THE USE OF SUSTAINABLE TRANSPORT OPTIONS.

**Achievements**

**CHAPEL STREET BICYCLE LANE TREATMENT**

Carrying an average peak of 200 cyclists per hour, Chapel Street is the most popular road for cyclists in the municipality. In September 2013, works were completed on exclusive bicycle lanes on the Council-managed section of Chapel Street, between Dandenong Road, Windsor, and Toorak Road, South Yarra to improve safety, functionality and capacity. The Streets Ahead Promotions Inc. Chapel Street traders’ association was consulted on timeframes, and the works were planned to coincide with Yarra Trams resurfacing

works, which forced closure of the retail strip in both directions. The new bicycle lanes are 1.3m wide, run in both directions and incorporate green ‘head start’ boxes at each intersection to improve safety. Works were also completed to improve pavement signage. The Victorian Government committed more than \$248,000 to the project, with a further \$1 million to extend the lanes to Alexandra Avenue at a later date. Council has spent more than \$2 million on bicycle improvement projects in the past two financial years.





**Strategy:** INCREASE THE AMOUNT OF OPEN SPACE AND IMPROVE AND BALANCE THE USE OF EXISTING SPACES THROUGH GREENING OF STREETS AND IMPLEMENTATION OF OTHER INITIATIVES INCLUDING GREEN ROOFS AND WALLS.

**Achievements**

**GROWING GREEN GUIDE PROJECT**

The *Growing Green Guide for Melbourne: A how to guide for green roofs, walls and facades* project was the result of a successful partnership between the Inner Melbourne Action Plan (IMAP) Councils, the University of Melbourne and the Department of Environment and Primary Industries. Supported with funding from IMAP and the *Victorian Adaptation and Sustainability Partnership* program, the project identified policy options for encouraging the uptake of green roofs, walls and facades, investigated potential demonstration sites in inner Melbourne, and delivered the manual, *A guide to green roofs, walls and façades*, which was launched on 20 February 2014.

This manual specifically provides information for developers and industry in Melbourne and Victoria, and is available as an e-book and through the website [www.growinggreenguide.org](http://www.growinggreenguide.org)

**TREE PLANTING**

Over the past planting season, Council planted approximately 730 trees across Stonnington streets and 325 across parks and gardens to maintain and improve the green spaces throughout the City and enhance the environment.

**COMO PARK NORTH MASTERPLAN**

Stage three of the Como Park North/Thomas Oval Masterplan implementation was completed at the end of July 2013. Situated in Alexandra Avenue, South Yarra, works included pedestrian and vehicle paving and pathways on Thomas Oval, planting of indigenous shrubs and ground covers to rocky outcrops, irrigation to garden beds and lawn areas and tree planting. The final stage is due for completion in early October 2014.

**Strategy:** DEMONSTRATE WASTE MINIMISATION AND THE EFFICIENT USE OF WATER AND ENERGY, THROUGH THE IMPLEMENTATION OF INNOVATIVE AND BEST PRACTICE INITIATIVES.



**Achievements**

**E-WASTE RECYCLING AT TRANSFER STATION**

Free television and computer recycling commenced at the Transfer Station in January 2014. For the six month period up to 30 June 2014, 3,512 televisions and 2,215 computers were dropped off for recycling.

**WATER CONSERVATION**

The City of Stonnington's water usage in 2012-13 was 52% less than the baseline year of 2000-01. However, Council's water use has increased between 2011-12 and 2012-13 and can be attributed to the lifting of water restrictions and the increase in community expectations

around the irrigation of sports ovals. Council faces a significant increase in the demand on open space resources over the coming decade due to a predicted increase in the Stonnington population. As Council expands to meet this demand and maintain high quality open space, water consumption is expected to grow accordingly.

The installation of a centralised, office-based irrigation system during the 2013-14 year enabled more efficient watering of sports grounds and significant gardens across the City. Additionally, subsurface drainage was installed at Basil Oval and surfaced with Santa Ana couch grass.



**Strategy: INITIATE BEHAVIOURAL CHANGE WITHIN THE COMMUNITY TO ADOPT SUSTAINABLE PRACTICES.**

**Achievements**

**SUSTAINABILITY OUTREACH PROGRAM**

The *Sustainability Outreach Program* commenced in 2013 to promote and support sustainable behaviour and increase the community’s capacity to respond to sustainability issues.

In addition to the highly successful *Compost Revolution* program, nine recycling drop off points have been established throughout the City, enabling residents to recycle niche household products such as computers, mobile phones and televisions, as well as the used batteries previously collected by Council.

Green Collect Ltd, a not-for-profit environmental organisation, collects and sorts items for recycling. As a social enterprise, Green Collect offers new work and training opportunities to people who face barriers to employment. Green Collect sorts the materials and sends each type to a different location for re-use or recycling. If items are in working order, Green Collect resells or distributes them to community groups in their *Reuse* program or to Green PC for on-sale to people with a low income. If items are no longer working, Green Collect sends them to PGM Refiners, who separate and send materials to a partner organisation for processing, with the aim of recycling materials contained in the items, such as lead, cadmium, mercury, lithium, manganese and zinc, as these are non-renewable and can be recycled an indefinite number of times.

Additionally, the *Energy Efficiency Program* continued to offer residents up-to-date and impartial advice on household energy efficiency and renewable energy initiatives.

**ENVIRONMENTAL EDUCATION FOR RESIDENTS**

As part of an ongoing calendar of environmental events, Council provides environmental education and support to assist residents, schools and businesses, community groups and Council staff to adopt sustainable practices. A total of 15 events were delivered in 2013–2014, with an average of 20 to 30 participants per session.

Activities included:

- Home Harvest workshops
- Biodiversity Tour of Glen Iris Wetlands
- Winter Proof Your Home – Energy Efficiency
- Preserving Your Home Harvest
- Follow Your Recyclables tours
- Worm Farming and Composting
- Home Harvest
- Possums and People
- Backyard Beekeeping
- Bicycle Maintenance.

**ENVIRONMENTAL EDUCATION IN SCHOOLS**

Council annually facilitates the Stonnington Green Schools Network Program, which supports Stonnington schools and kindergartens in the delivery of environmental initiatives. The program was implemented across a total of 53 schools and kindergartens and covers waste and recycling; water education; biodiversity education; sustainability leadership training and professional development workshops for staff. Additional sessions on biodiversity and waste education were delivered to a total of 14 schools and kindergartens.





**Strategy: MANAGE, STRENGTHEN AND DEVELOP LOCAL BIODIVERSITY AND PROTECT AND INCREASE FLORA AND FAUNA.**

## Achievements

### YARRA RIVER BIODIVERSITY LINKAGES PROJECT

The Yarra River Biodiversity Linkages 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. To date, Council has invested more than \$2 million into the project to achieve these outcomes.

Stage 2 works, which were close to completion in June 2014, combined with Stage one outcomes have provided:

- Indigenous riparian revegetation – planting of over 49,000 plants comprising 73 different species
- Construction of an ephemeral wetland system, bio-retention garden and installation of a gross pollutant trap for stormwater treatment
- Construction of a 3m wide pedestrian boardwalk comprised of recycled materials

- Construction of two river viewing platforms
- Widening and upgrade of bicycle path and installation of solar bike path markers
- Increased recreational spaces for improved interaction with the Yarra River.

As part of the project, Council has planted an additional 4,000 indigenous plants at Grange Road, Toorak in order to extend indigenous riparian revegetation. An additional 4,500 were also planted along a 300m section at Punt Road, Toorak.

Council has also planted 15,000 indigenous plants from 50 different species across Stonnington parks and reserves to improve biodiversity, habitat structure and green space.



**Strategy: SUPPORT COUNCIL AND THE COMMUNITY TO RESPOND TO, MITIGATE AND ADAPT TO CLIMATE CHANGE.**

**Achievements**

**ENVIRONMENTALLY SUSTAINABLE DESIGN**

Council adopted an Environmentally Sustainable Design Policy through Amendment C177 in June 2014. The overarching objective of this policy is to ensure that development achieves best practice in environmental sustainability from the design stage through to construction and operation. The policy provides for the following efficiencies and benefits:

- Easier compliance with building requirements through passive design
- Reduction of costs over the life of the building
- Improved housing affordability and running costs
- Improved amenity and liveability
- More environmentally sustainable urban form, and
- Integrated water management.

Once approved by the Minister for Planning, the policy will apply throughout the City of Stonnington to residential and non-residential developments that require a planning permit in accordance with defined triggers.

The policy was developed collaboratively and exhibited by six Melbourne Councils – the Cities of Stonnington, Port Phillip, Yarra, Moreland, Banyule and Whitehorse.

**WATER SENSITIVE URBAN DESIGN POLICY**

The Water Sensitive Urban Design Policy was incorporated into the Stonnington Planning Scheme in March 2014. The initiative was the culmination of six years’ work by four Councils from the Inner Melbourne Action Plan (IMAP) – the Cities of Stonnington, Port Phillip, Melbourne and Yarra. Embedding water sensitive urban design into the planning system, the policy will improve the City’s water quality by requiring developments to consider a site’s permeability and implement measures to reduce and/or reuse storm water runoff. Measures range from increasing garden bed areas or using rain gardens, to conserving and reusing water onsite through rainwater tanks and grey water systems. The implementation of these measures will reintegrate urban water into the landscape; reduce the pressures on storm water infrastructure, while ultimately reducing the impact of polluting storm water on bays and catchments.





**Strategy: IMPROVE COUNCIL’S OWN ENVIRONMENTAL PERFORMANCE AND PRACTICES THROUGH A WHOLE OF COUNCIL COMMITMENT.**

**Achievements**

**SUSTAINABLE ENVIRONMENT STRATEGY AND SUSTAINABILITY SNAPSHOT**

In September 2013, Council adopted its *Sustainable Environment Strategy 2013–17*, providing a strategic approach to improving the local environment and our influence on the health and sustainability of the City.

Priority areas have been established to focus Council’s planning in responding to local issues including:

- Environmental commitment and reporting
- Energy conservation
- Integrated water management
- Waste management
- Sustainable purchasing
- Biodiversity
- Environmental education.

The Strategy incorporated community feedback that recommended Council lead by example through the implementation of sustainable practices across the organisation, while also acknowledging the community’s important role in helping to mitigate and adapt to local environmental impacts. Initiatives outlined in the strategy either directly involve the community or provide a community benefit.

Additionally, in September 2013, Council released its first Sustainability Snapshot, an annual report that monitors Council’s progress and performance in addressing the objectives outlined in the Strategy.

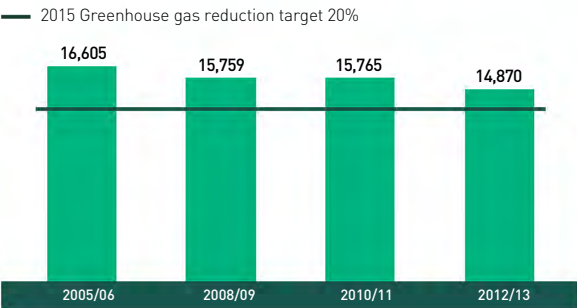


### ENERGY EFFICIENCY INITIATIVES

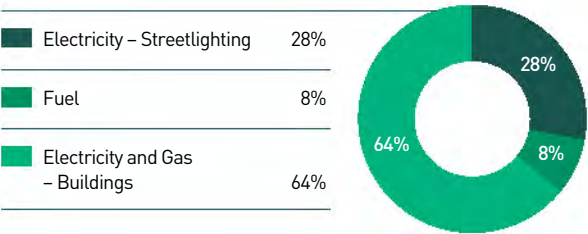
Council remains committed to reducing our corporate energy consumption and resulting greenhouse gas emissions. Our energy reduction measures are aimed at achieving the corporate target of 20% reduction of greenhouse gases below 2005 levels by 2015.

The main focus of Council’s energy consumption is in relation to buildings and facilities, street lighting and the operation of vehicle fleets and machinery. For this reason, we are closely monitoring consumption of electricity, gas and fuel and tailoring our Energy Efficiency Implementation Plan to ensure our greenhouse gas emissions reductions are achieved.

#### TOTAL GREENHOUSE GAS EMISSIONS (TONNES)\*



#### GREENHOUSE GAS EMISSIONS BREAKDOWN 2012/13\*



#### Specific energy efficiency initiatives and achievements across 2013–14 included:

- **Installation of solar systems**  
Two large solar photovoltaic systems were installed at Toorak Library and Malvern Library, equivalent to a 50kW system. This initiative will save Council approximately \$17,000 in electricity bills and 92 tonnes of greenhouse gas emissions annually.
- **Street lighting upgrade**  
A further 380 streetlights were upgraded to energy efficient T5 lighting, providing a 67% reduction in energy consumption for each light. In future, this will save \$16,000 in electricity costs and approximately 120 tonnes of greenhouse gas emissions annually.

#### TOTAL ANNUAL GREENHOUSE GAS EMISSIONS FROM STREET LIGHTING (TONNES)\*



\* Statistics taken from latest available data





— **Greening the fleet**

In 2011, Council modified its light fleet vehicle purchasing protocols to prioritise the purchase of low or alternative fuel consumption vehicles where possible. Six cylinder cars have been replaced with four cylinder models or converted to LPG, and diesel machines have been purchased where possible to reduce the impact of greenhouse gas emissions from fuel consumption. Since 2011, this new protocol has led to a total reduction of 181 tonnes of green house gas emissions.

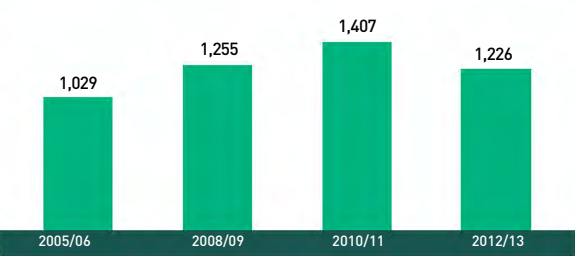
— **Ecodriver Program**

Council has also developed and implemented an Ecodriver Program, a training module for Council’s fleet drivers. This program aims to improve fuel efficiency, reduce fuel expenditure and improve driver safety.

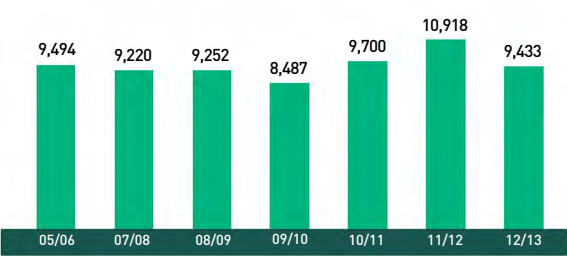
— **Energy efficient green buildings**

Council continues to invest in retrofitting facilities and buildings with more energy efficient infrastructure, improving operational practices and incorporating environmentally sustainable design into all new and renovated buildings, including redevelopment of Prahran RSL Memorial Hall, reconstruction of Sheridan Pavilion in Darling Park, expansion of Sunnyside Kindergarten, Malvern East, and reconstruction of TH King Pavilion, Glen Iris. Furthermore, environmentally sustainable design initiatives have been incorporated into the design documentation for proposed future building projects, including reconstruction of Glendearg Tennis Pavilion in Malvern (currently under construction), redevelopment of Dunlop Pavilion, Malvern East, upgrade of the Elizabeth Street, Prahran, multi-storey car park electrical services and redevelopment of Princes Close Child Care Centre, Prahran.

GREENHOUSE GAS EMISSIONS – FUEL (TONNES)\*



GREENHOUSE GAS EMISSIONS – BUILDINGS (TONNES)\*



\* Statistics taken from latest available data



### Challenges

- Managing community expectations for high quality open space with the challenge of projected increased population.
- Reducing Council’s energy consumption and subsequent greenhouse gas emissions with an increased demand on Council services, facilities and infrastructure.
- Sustaining Council’s potable water reduction targets while managing increased expectations around the irrigation of sports ovals.
- Improving maintenance and programmed replanting of high profile and neighbourhood streetscape garden beds.
- Delivering sustainable biodiversity solutions for the City, as well as protecting and enhancing vegetation and habitat values in highly urbanised environments.
- Reaching and supporting a wider sector of the community to undertake sustainable actions.
- Implementing new environmental initiatives into Council buildings, which often have high heritage significance.

### Looking Ahead

- Delivering Year Two of the *Sustainable Environment Strategy*, which will continue to address key local environmental issues including biodiversity, energy conservation, and waste minimisation.
- Introducing public place recycling to various retail precincts within the municipality.
- Completing the 50 ‘pole vault’ style bicycle racks throughout the Chapel Street precinct, as well as installing directional signage.
- Implementation of the *Cycling Strategy* Year Two will be undertaken, including a focus on connectivity, shared path renewal and wayfinding.
- Implement *Strategies for Creating Open Space* to expand open space across the municipality and enhance connectivity.
- Work with other councils to progress an *Environmentally Sustainable Design Policy*.

### Budget Activities

- The achievement status of Council’s environment budget activities is summarised on page 63.
- Visit Council’s website for a full report on Council’s budget activities [www.stonnington.vic.gov.au/your-council/about-council/council-budget/](http://www.stonnington.vic.gov.au/your-council/about-council/council-budget/)





Liveability

**Anton Delecca,**  
Resident and  
The Meltdown  
saxophone player

---

# 45,000

residents and visitors  
attended Stonnington  
events

## **Liveability Prosperity**

Stonnington will be the most desirable  
A prosperous community, recognised as a creative  
place to live, work and visit.  
city, and a premier visitor and retail destination.

**‘These sorts  
of programs  
are fantastic.  
In Western society  
we have become  
so disconnected  
and these events  
help to bring  
the community  
back together.’**

---

— Anton Delecca, *The Meltdown*  
saxophone player and long term  
resident of Stonnington.

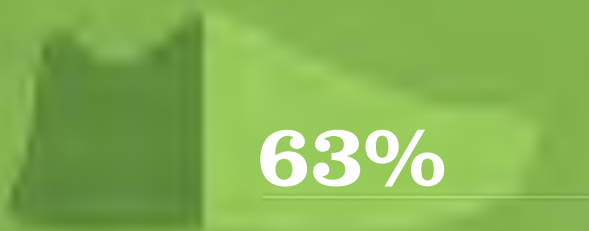
### **Sunset Sounds**

The new *Sunset Sounds* series replaced *Jazz in the Gardens* from January to March 2014, offering a broader range of music to suit different audiences and attracting around 5,500 people across the three free concerts.

The Sunday evening series presented rhythm and blues group The Meltdown at Prahran’s Victoria Gardens to an audience of around 1,800. Bob Sedergreen and Friends, including students from the Stonnington Youth Jazz group and Australian Queen of Blues, Kerri Simpson, performed for a crowd of 1,500 at Central Park in Malvern; and Australian pop icon, Normie Rowe, delighted a record audience of 2,200 on Australia Day in Malvern Gardens.



Liveability



Visit parks and sports grounds every week

ONLY 20m<sup>2</sup>  
of public open space  
per person

Being addressed by Council's  
STRATEGIES FOR CREATING OPEN SPACE



\$316,000



256km of local roads and 524km of footpaths maintained





**Strategy:** BALANCE THE COMPETING DEMANDS OF MAINTAINING RESIDENTIAL AMENITY AND POPULATION GROWTH THROUGH APPROPRIATE PLANNING.

## Achievements

### STRATEGIES FOR CREATING OPEN SPACE

Council's *Strategies for Creating Open Space* was adopted in August and launched in November 2013. This outlines a sustainable model of acquisition and action to deliver increased public and accessible open space across the City of Stonnington and improve the usage of existing open space. Roll out of initial Public Acquisition Overlays to identify Council's future intent to purchase for open space, should a property become available for sale in the future, together with a proposed planning scheme amendment to increase the open space levy for developers to 8%, were commenced. Several properties have been purchased, which Council intends to redevelop for public open space.

Since July 2013, Council has purchased five properties which have the potential to add 2,789m<sup>2</sup> of additional open space in Malvern East, Toorak, South Yarra, Kooyong and Armadale. The purchase of 73 Millewa Avenue enabled us to open up an additional 686m<sup>2</sup> and expand Sydare Reserve, now providing a pedestrian and cyclist thoroughfare.

### NEW PARK FOR SOUTH YARRA

The implementation of the Surrey Park Masterplan was completed at the end of June 2014, following a staged soil and groundwater remediation program and the establishment of a high quality urban park on part of the former Council depot site in Surrey Road, South Yarra.

Opening up more than 5,000m<sup>2</sup> of public open space in this densely populated area of Stonnington, Surrey Park incorporates environmentally sensitive design features, including use of recycled timbers, drought tolerant plantings of an array of native shrubs and trees including River Red Gums, a generous central green, natural amphitheatre and solar powered children's play area. Establishment of the park has also created pedestrian links through to surrounding streets.

### CHAPEL reVISION STRUCTURE PLAN

The Chapel reVision Structure Plan was endorsed for community consultation in August 2013. Chapel reVision reviewed the Chapel Vision Structure Plan – a planning strategy prepared for the Chapel Street and Toorak Road commercial areas in Prahran, South Yarra and Windsor.

Consultation on the draft plan was undertaken in February 2014, with over 1,000 comments received and reviewed.





**Strategy:** CONTINUE TO IMPROVE, MAINTAIN AND PROVIDE SAFE, ACCESSIBLE AND ATTRACTIVE PUBLIC PLACES AND STREETS.

**Achievements**

**GRAFFITI STRATEGY**

A review of Council’s Graffiti Strategy was undertaken during the 2013–14 financial year, revising response times for graffiti removal that resulted in an overall reduction in the amount of visible graffiti at any one time, as well as the number of customer requests.

**LITTER PREVENTION PILOT PROJECT**

In 2013–14, three key areas experiencing high levels of rubbish dumping were identified in South Yarra, and Glen Iris. A targeted information and education campaign was launched, resulting in a reduction in litter in those areas.

**Strategy:** PRESERVE STONNINGTON’S HERITAGE ARCHITECTURE AND BALANCE ITS EXISTING CHARACTER WITH COMPLEMENTARY AND SUSTAINABLE DEVELOPMENT.



**Achievements**

**RESIDENTIAL ZONE REFORMS**

Implementation of the Victorian Government Planning Zone Reforms within the City of Stonnington was achieved, following extensive community consultation and adoption in December 2013. Advocacy to the Victorian Government and Minister for Planning resulted in Council’s preferred zoning being approved without change and gazetted on 19 June 2014.

The new residential zones ensure that future growth is directed to our key activity centres and transport hubs, and that neighbourhood character and our unique heritage areas will be protected from inappropriate and unsympathetic development.

**PROTECTING NEIGHBOURHOOD CHARACTER**

During the 2013–14 financial period, Council received a proposal for a four storey mixed-use development, including a medical centre, carparking and residential

dwellings at the site of 191–193 and 195 Wattletree Road, Malvern. Council successfully refused this application on the grounds that it would negatively impact on the neighbourhood character, off-site amenity, and raised traffic management concerns.

**MUNICIPAL STRATEGIC STATEMENT**

Following a four year review that commenced with the Planning Scheme Review in 2010, the *City of Stonnington Municipal Strategic Statement* (MSS) was adopted by Council in March 2013 and approved by the Minister for Planning following advocacy in December 2013. The updated MSS advances Council’s broader strategic direction for land use, planning and social development priorities, with the aim of achieving a sustainable balance of environment, economic and social outcomes for the community.



**Strategy: DEVELOP PUBLIC SPACES AS DESIRABLE PLACES FOR THE COMMUNITY TO GATHER, CONNECT AND ENJOY.**

**Achievements**

**CATO STREET CAR PARK UNDERGROUNDING**

With the second lowest rate of public open space per capita of metropolitan Melbourne municipalities, the opportunity to underground car parks across the City of Stonnington is one of the many potential strategies identified by Council to create more open space.

During the 2013–14 financial year, Council undertook a feasibility study into the potential undergrounding of the Cato Street car park in Prahran, which could make way for an additional 9,000 square metres of open space for a city square and/or parkland, while also increasing car parking capacity with development of a two or three level underground car park. Council will continue assessment of the feasibility study and consult widely with the community to progress this opportunity during 2014–15.

**MALVERN TOWN HALL PRECINCT IMPROVEMENTS**

Stage One refurbishment of the Malvern Town Hall precinct was carried out over the 2013–14 financial year. Works included the redesign of the Malvern Town Hall forecourt with new, high quality paving, a new ramp for vehicle access to the Town Hall entrance, enlarged garden beds, retention of the London Plane trees and hand crafted street furniture installed. These works were carried through into High Street as part of Stage One, with further works to be undertaken during 2014–15.

**WINDSOR PLAZA – CHAPEL STREET MASTERPLAN IN ACTION**

Stage One works to develop Windsor Plaza – the first of the key projects defined under the Chapel Street Masterplan – commenced in March 2014. A key arrival point for many visitors to Stonnington, and a gateway to our iconic Chapel Street shopping and dining precinct, Windsor Plaza includes Windsor Station, Peel, Albert and Maddock Streets. The Plaza area has been designed with a focus on creating a functional and inspirational space, incorporating landscaping, seating, bike racks and open paved areas.





**Strategy:** ENHANCE THE QUALITY OF INFRASTRUCTURE AND SERVICES NECESSARY FOR THE EFFICIENT AND SUSTAINABLE OPERATION OF THE CITY.

**Achievements**

**ALEXANDRA AVENUE/YARRA STREET INTERSECTION IMPROVEMENTS**

A series of works were undertaken throughout the 2013–14 financial year to improve signalling, safety, flow of traffic and amenity at the intersection of Alexandra Avenue and Yarra Street, South Yarra. Works included:

- Resurfacing of Alexandra Avenue and Yarra Street
- Realignment of western lanes of Alexandra Avenue
- Realignment of the bicycle path
- Installation of a protective guard rail
- Yarra Street kerb and channel realignment
- Construction of a traffic island in Alexandra Avenue
- Relocation of overhead high voltage supply lines
- Installation of traffic light poles and lanterns
- Installation of electrical conduits for the traffic lights and commissioning of traffic signalisation.

**MORE SCHOOL CROSSING SUPERVISORS**

Three school crossing sites with high numbers of student use and traffic counts were identified in Rothesay Avenue, Malvern East, and on Dandenong Road near The Avenue and at Chapel Street, Windsor. Crossing supervisors were put in place during the morning and afternoon school rush, ensuring safety at these crossings.

**KEEPING OUR ROADS UP TO SCRATCH**

Council undertook a major assessment of all Council road infrastructure during the 2013–14

financial year, to ensure that the standards of Council’s *Road Management Plan* were being met and to provide information to be used in analysing the condition of all road infrastructure. This information will be used to plan for future road infrastructure works and model the condition of the network.

**NEAR ME ONLINE MAPPING TOOL**

The Near Me application was developed to allow residents to find information about Council services and facilities near their home. Accessed via the City of Stonnington website, this initiative includes an interactive map for the new Residential Zones that came into effect in June 2014, enabling residents to type in their property address and view the residential zone affecting them.

**CUSTOMER SERVICE GETS SOCIAL**

Implementation of a customer service response system through the use of Council’s social media accounts on Facebook and Twitter, enabled us to respond to requests received online, with positive results and feedback achieved.

**TENDERLINK TENDERING SYSTEM**

Council implemented a series of new and improved tendering processes to further deliver compliance with Section 186 of the Local Government Act 1989, including the adoption of TenderLink, an online system which allows for electronic advertising and submission of tenders and manages all correspondence between Council and submitters during a tender process.



**Strategy: RECOGNISE STONNINGTON'S DIVERSE CULTURE THROUGH PROGRAMS AND ACTIVITIES THAT OBSERVE TRADITIONS AND HERITAGE.**

## Achievements

### SUMMER CONCERTS

In February, three additional, separate concerts attracted record crowds across Stonnington. Michael Lewis OAM presented Opera in the Park at Victoria Gardens; Sylvie Palladino featured in Musical Melodies at Ardie Park, Malvern East, and Dave Graney's Symphony Under the Stars at Malvern Gardens concluded the series.

### STONNINGTON JAZZ

In its ninth year, the Stonnington Jazz Festival again presented a successful 100 percent Australian jazz program with a satisfaction rating amongst audiences of 9.2 out of 10 – up 0.2% from the previous year. The program presented world-renowned talents, including 2013 Bell Award winner Chris McNulty, 2012 ARIA Award winner Sarah McKenzie, the James Morrison Inheritance featuring James Morrison and sons William and Harry, highly respected clarinet player Denis Ball and son, trumpeter Eugene, in the Dennis Ball – Eugene Ball Sextet, and Vince Jones performed with Monash University Jazz, plus many more.

### STONNINGTON FASHION HALL OF FAME

The eleventh Stonnington Fashion Hall of Fame was held in August 2013, with most past inductees attending and formally recognised for their overall contribution to the economic prosperity of the City, through their dedicated work in the fashion and retail industry.

### CHAPEL OFF CHAPEL

Chapel Off Chapel generated over \$1 million in box office sales during the 2013–14 financial year, experiencing some of the most attended performances in the history of its operation, including sell-out seasons of The Tap Pack, Rent – The Musical, and Nina Simone – Black Diva Power.

Chapel Off Chapel hosted a variety of key arts and cultural festivals including the Melbourne Cabaret Festival, Short + Sweet Festival, Midsumma 2014, and the City of Stonnington's own Roola Boola Children's Art Festival and Stonnington Jazz Festival. The program also incorporated a range of shows from the Melbourne Fringe Festival and the Melbourne International Comedy Festival.

Established producers who chose to book at Chapel Off Chapel included Frontier Touring Company, Theatre Tours Australia, Century Entertainment and CDP productions, alongside emerging producers such as Lab Kelpie Productions and Show Pony Music. International artists included renowned LA acting coach, Larry Moss, who presented a 16th Street Actors Studio masterclass, New York based Steven Brinberg, award-winning UK cabaret performer Sarah-Louise Young, and UK comedy headliner Craig Hill.

Chapel Off Chapel also produced a number of free community events, including the continuation of the popular fortnightly series An Afternoon With..., and Show Off at Chapel hosted by cabaret icon Trevor Jones. A series of master classes for emerging artists were also presented by award-winning musical theatre director, Anthony Crowley.





### (UNTITLED) STONNINGTON LITERARY FESTIVAL

Stonnington Libraries hosted the second (Untitled) Stonnington Literary Festival, from 15 to 19 November. Featuring talks by well-known authors including Elliot Perlman, Graeme Simsion and Anna Krien, and a live taping of the popular Doctor Who podcast Splendid Chaps, attendance grew by almost 20 percent, with over 350 writers, readers and literary lovers participating in the 2013 festival. The What’s your story? competition was also run, with 163 submissions received and six budding short story writers and poets awarded prizes.

### MALVERN LIBRARY REFURBISHMENT

Malvern Library handles the most loans of Stonnington’s libraries. The four libraries received a total of 603,056 visits and processed 982,661 loans in the 2013/14 financial year.

Refurbishment of Malvern Library in February 2014, including the installation of new carpets and shelving and the removal of a large circulation desk, has created more open and inviting spaces for visitors.

Council also operates the libraries at Phoenix Park, Toorak/South Yarra and Prahran. The four libraries are open across seven days, including evenings, a total of 196 hours per week, and offer a range of programs for people of all ages and abilities. All libraries have free wireless internet and computer access, colour photocopying facilities, study areas and meeting rooms available for hire.

**Strategy: FACILITATE PROGRAMS AND EVENTS THAT EDUCATE AND CONNECT WITH STONNINGTON’S INDIGENOUS COMMUNITY AND HISTORY.**



## Achievements

### WALKING THE TALK – INDIGENOUS RECOGNITION AND RESPECT

The City of Stonnington continued to acknowledge significant dates on the Indigenous calendar through a variety of events and celebrations, including:

- National Reconciliation Week: 27 May–3 June
- Mabo Day: 3 June
- NAIDOC Week: 6–13 July.

On 30 May 2014, the City of Stonnington held a Wominjeka (Welcome) Ceremony and smoking ceremony outside Malvern Town Hall, as part of National Reconciliation Week. Stonnington

is situated on the traditional land of the people of the Kulin Nation, in particular that of Boon Wurrung and Wurundjeri people. ‘Wominjeka’ is the Boon Wurrung and Wurundjeri word for ‘welcome.’

The ceremony also marked the opening of an exhibition by established Wathaurong Artist, Bindi Cole, which was displayed in the Malvern and Prahran Town Hall foyers until 4 July 2014.

On Mabo Day, 3 June, students from Stonnington primary schools learnt traditional dance with the Dardee Balagamdail Dance Group at the Malvern Town Hall.



## Challenges

- Protecting neighbourhood character and heritage, and providing more public open space while also accommodating population growth and the Victorian Government’s requirements under *Plan Melbourne*.
- Effecting behavioural change in personal travel patterns to maximise sustainable transport solutions and liveability.
- Increased demand for on street parking associated with ongoing population growth.
- Managing the conflict between differing demands and expectations within the municipality.

## Looking Ahead

- Structure plans for key centres in the City of Stonnington, including the Glenferrie Road/High Street shopping precinct and Hawksburn centre, will be progressed.
- Develop Stonnington as a ‘creative city’ through the implementation of the *Arts and Cultural Strategy* and development of *Art in the Public Domain Policy*.
- Stage Two of the Windsor Plaza development will be undertaken.
- Review and strengthen the Heritage Policy in the Planning Scheme.
- Provide development and land use policy for the Chapel Street Activity Centre.

## Budget Activities

- The achievement status of Council’s liveability budget activities is summarised on page 66.
- Visit Council’s website for a full report on Council’s budget activities [www.stonnington.vic.gov.au/your-council/about-council/council-budget/](http://www.stonnington.vic.gov.au/your-council/about-council/council-budget/)



Darren Purchase,  
Chef at Burch & Purchase  
Sweet Studio



Prosperity



‘In terms of convenience for our customers it’s a perfect location. We’re right on the city fringe so it’s a good catchment for people from all over’

— Darren Purchase and Cath Claringbold, Owners of Burch & Purchase Sweet Studio and South Yarra residents

**Forrest Hill precinct boom**  
Throughout 2013–14, implementation of the masterplan for South Yarra’s fast growing Forrest Hill precinct continued, with coordinated infrastructure and streetscape works ensuring a high quality, urban streetscape is established that supports a rapidly expanding population and ongoing economic development within this important activity centre.

Burch & Purchase Sweet Studio opened its doors at 647 Chapel Street, in the heart of the Forrest Hill precinct, just in time for Easter 2011. Since this time, business has boomed. South Yarra residents, celebrity chefs and owners, Darren Purchase and Cath Claringbold, put this down to the prime location, rapid development and population growth in the area.

Prosperity

AVERAGE SPEND BY PEOPLE  
ATTENDING STONNINGTON EVENTS

Stonnington will be a prosperous community, recognised as a creative city, a premier visitor and retail destination.

Cafes, restaurants  
and takeaway  
food services

2011	3,456
2006	2,926



# Prosperity

\$114

Average  
tourist spend  
per day trip to  
Stonnington

\$36

Average  
spend by people  
attending  
Stonnington  
events

\$1,000,000+

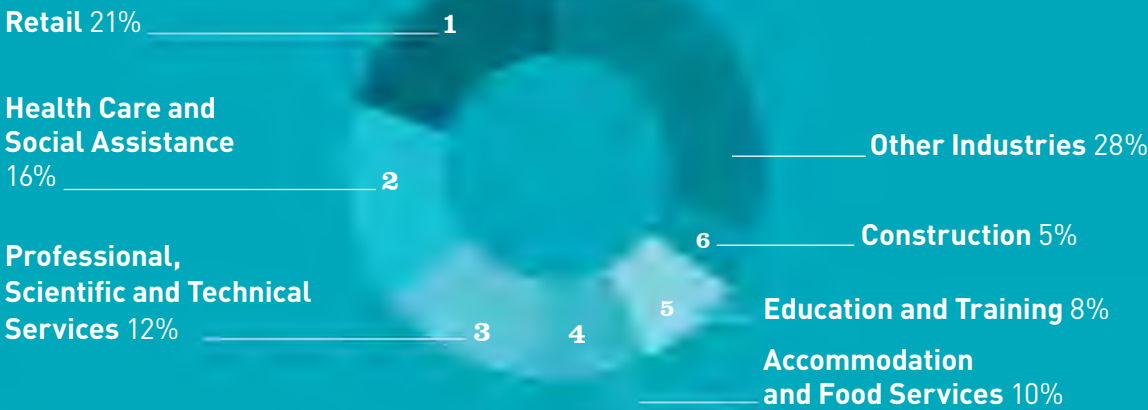
Ticket sales at  
Chapel Off Chapel

Council's premier arts venue

1 in 4 jobs

in Stonnington  
is filled by a resident

## Employment in Stonnington (Top 6)





**Strategy: DEVELOP LONG-TERM PLANS TO ENSURE THE SUSTAINABILITY OF STONNINGTON’S ACTIVITY CENTRES.**

**Achievements**

**FORREST HILL MASTERPLAN**

Throughout 2013–14, implementation of the masterplan for South Yarra’s fast growing Forrest Hill precinct continued, with coordinated infrastructure and streetscape works ensuring a high quality, urban streetscape is established that supports a rapidly expanding population and ongoing economic development within this important activity centre.

**CHAPEL STREET INFORMATION KIOSKS**

In June 2014, information kiosks were implemented in Chapel Street, North of Commercial Road and South of Toorak Road, with a \$50,000 grant from Council to the Chapel Street Precinct Association supporting the project. The new kiosks provide a powerful tool for visitors to easily navigate Chapel Street and improve the quality of the Chapel Street experience for visitors, locals and the business community, assisting in creating a connected environment where all businesses can flourish.





**Strategy: ADVOCATE FOR ACCESS TO INCREASED PUBLIC TRANSPORT AND INFRASTRUCTURE TO MAJOR ACTIVITY CENTRES TO ENHANCE ECONOMIC GROWTH.**

## Achievements

### MELBOURNE METRO PROJECT

Public Transport Victoria’s (PTV) *Metro Rail Capacity Project* (MRCP), formerly known as the Melbourne Metro Project, is the current Government’s centre piece rail project set to replace the Metro Rail Capacity Project. The project has presented various concerns for the City of Stonnington in relation to: the reduction in services to Malvern, Armadale, Toorak and Hawksburn stations; the reduced connectivity linking South Yarra Station with the Dandenong corridor; and the lack of sufficient data informing service levels to these stations.

Council has advocated for a number of changes to the project, appealing to the Minister for Roads and Transport to address key concerns and request that planning be undertaken to include a Chapel Street

precinct station as part of the project. Council also requested that PTV’s *Melbourne Metro Concept of Operations* include Toorak Station as a stop on the new Sunshine-Dandenong line.

The Minister for Public Transport has advised that the City of Stonnington will be closely involved in the planning process for the Melbourne Rail Link, which will include new connecting platforms at South Yarra station, providing a greater choice of access to public users of stations between Malvern and South Yarra and the local South Yarra community, particularly the Chapel Street precinct. The new infrastructure will provide access to three of the new end-to-end lines that will be created by the Melbourne Rail Link, as well as direct travel to Melbourne Airport via the new Airport Rail Link.



**Strategy: PROMOTE STONNINGTON AS A PREMIER RETAIL AND VISITOR DESTINATION.**

## Achievements

### CHADSTONE SHOPPING CENTRE REDEVELOPMENT

Development approvals have now been issued for works to the north and south of the Chadstone Shopping Centre to allow for a \$580 million expansion of the Centre. These projects include:

- Upgrading and expanding the northern retail mall
- Additional retail floor space
- Additional car parking
- New commercial office and hotel tower development (10-storeys) abutting Dandenong Road.

The works also include the following transport and access improvements:

- A new centralised bus interchange
- Major road works
- New bicycle and pedestrian share paths around the Centre.

### CHAPEL STREET MASTERPLAN

The *Chapel Street Masterplan* was adopted by Council in August 2013, following extensive community consultation and overwhelmingly positive feedback from residents, traders and visitors to the popular precinct.

Improvement works include:

- Community squares at strategic points, with trees, creative street furniture and lighting – the first being Windsor Plaza
- Better pedestrian safety, with proposed multi-directional crossings at busy intersections
- New rest stops for shoppers
- More street art and sculptures
- Additional street planting, improved footpaths and a defined look for the whole of Chapel Street
- Increased bicycle parking/stands/hoops.





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

**Achievements**

**GRANT APPLICATIONS TO SUPPORT SMALL BUSINESS**

In September 2013, Council was awarded a \$5000 grant from the State Government as part of a campaign to encourage consumers to support small business. In response to feedback from a Council retail forum, the grant was used to facilitate a series of hands-on workshops in social media. The workshops were designed to assist small businesses in developing a functioning Facebook page to market their business and engage with customers.

**STONNINGTON BUSINESS CONNECTIONS NETWORK**

The Stonnington Business Connections Network was launched in January 2013 as part of Council’s Economic Development Strategy 2012–2016, providing opportunities for local business to develop collaborative networks. Over 2013/14, Council has facilitated six exclusive business evenings and an additional 48 contact points for a free or reduced rate to members. The City of Stonnington also partnered with the City of Port Phillip for the first joint business networking event held with another council, attracting 180 attendees. Since July 2013, a total of 101 members have joined the network, with 155 members on the exclusive LinkedIn group.

**SMALL BUSINESS VICTORIA WORKSHOPS**

Council administered a series of seminars on networking, building online strategy and improving cash flow and profitability. Held in conjunction with the Department of State Development Business and Innovation, each workshop was sold out to 20 businesses per session.

**DIGITAL ENTERPRISE PROGRAM**

In February 2013, the Victorian Employers’ Chamber of Commerce and Industry (VECCI), with funding provided by the Australian Government under the Digital Enterprise Program (DEP), announced a series of free workshops entitled ‘Secrets of Aussie Online Entrepreneurs’ to promote the rollout of high speed broadband in the inner east and south east regions of Melbourne. As part of the Program, Stonnington held a series of workshops on developing e-strategy, social media and the benefits and risks of digital marketing. Workshops were attended by a total of 60 people. Council also held a DEP information session at Functions On Chapel, with over 100 business owners in attendance. The events also showcased a range of the free training and business coaching sessions on offer to business owners, delivered by VECCI with support from local government authorities.

**WOMEN IN BUSINESS**

Women in Business luncheons provide networking and education opportunities that highlight successful women in business. Two events were held in the past year; the *Evolution of Fashion Journalism* featuring veteran journalist and Stonnington Fashion Hall of Fame member, Janice Breen Burns, and the *Importance of Finding a Profitable Market Niche*, featuring former magazine executives and founders of website hardtofind, Eri Stewart and Trudi Jenkins. The events attracted a total of 180 attendees.



**Strategy: DEVELOP RELATIONSHIPS WITH KEY BUSINESS STAKEHOLDERS TO FOSTER OPPORTUNITIES THAT WILL PROVIDE POSITIVE OUTCOMES FOR THE COMMUNITY, INCLUDING SOCIAL JUSTICE AND EQUITY.**

**Achievements**

**STONNINGTON BUSINESS ROUNDTABLE**

The Stonnington Business Roundtable is a high level voluntary group comprised of members drawn from a diverse cross section of the Stonnington business community. The role of the Roundtable is to meet with Council and provide market intelligence and advice on issues, opportunities and emerging business trends. The first event was held in October 2013, with an additional two gatherings held to date.

**FAIR TRADE FORTNIGHT**

In May 2014, the City of Stonnington partnered with Prahman Market in support of Fair Trade Fortnight to promote the benefits of purchasing Fairtrade products. City of Stonnington retailers provided a selection of Fair trade products for sampling and competition prizes to help highlight the range of Fairtrade products available.

**Strategy: IMPROVE THE QUALITY OF STONNINGTON’S RETAIL PRECINCTS TO MATCH THE ASPIRATIONS OF BEING A PREMIER RETAIL AND VISITOR DESTINATION.**



**Achievements**

**CHAPEL STREET STREETScape WORKS**

The *Chapel Street Masterplan* outlines opportunities to improve degraded pedestrian spaces to create consistency and legibility throughout the Chapel Street retail precinct. The public and private space in front of the Colonnade building between Palermo and Oxford Streets was highlighted as an opportunity for such improvements. Council collaborated with the building owners to obtain approval of the design. Works were

undertaken by Council, with the building owners reimbursing Council’s costs for works on their portion of the land. The project included upgrades to the pavement, kerb and channel and street furniture. A key feature of the works also included planting nine new street trees into an in-ground root management system to help prevent root damage in the future. Works were completed with minimal disruption, maintaining operation of the adjacent retail traders.





**Strategy: CONTINUE TO DEVELOP STRATEGIC PARTNERSHIPS TO DELIVER ECONOMIC AND COMMUNITY BENEFIT.**

**Achievements**

**VIRGIN AUSTRALIAN MELBOURNE INTERNATIONAL FASHION FESTIVAL**

In 2014, the City of Stonnington continued its successful partnership with Virgin Australia Melbourne Fashion Festival (VAMFF). The program included four runway shows in both Malvern and Prahran. This year, the *Famous For Fashion* series was expanded to include a Boutique High Tea catered by local patisserie Burch and Purchase, supported by Dilmah and Australian Women’s Weekly. The partnership promotes leading contemporary design, stimulates retail spend, provides a platform to connect local retailers and designers with global industry and celebrates fashion in Stonnington as a major industry and key contributor to the City’s vibrancy and economy.

Key festival statistics:

- 50% of festival attendees purchased clothing and accessories prior to attending a runway show
- 19% of visitors came from interstate or overseas
- 49% of visitors came from outer Melbourne
- 70% of attendees were consumers
- Digital community grew to 650,000 unique users
- Over 20 media partnerships with an estimated \$74 million in publicity value was achieved.

**MELBOURNE POLYTECHNIC**

Council worked successfully with the Northern Melbourne Institute of TAFE to encourage its establishment of a Stonnington campus. The presence of this important educational institution will contribute to local vibrancy and prosperity. We now welcome the development of joint initiatives to ensure long term community benefit.

**Strategy: SUPPORT THE CONTINUED VIABILITY OF THE RETAIL SECTOR AND OTHER BUSINESSES TO ADAPT TO CHANGING MACRO-ECONOMIC TRENDS.**



**Achievements**

**CREATIVE COMMUNITIES**

Place-making is a multi-faceted approach to the planning, design and management of public spaces and retail strips. Place-making capitalises on a local community’s assets, inspiration, and potential, ultimately creating good public spaces that promote people’s financial success, health, happiness and wellbeing. Preliminary work has been undertaken to establish a Creative Communities Pilot Project in three activity centres, which will address key issues faced by the local business community.



### Challenges

- The retail sector has been confronting major challenges over recent times including a subdued trading environment, greater competition and growth of online shopping. Council is working with traders to encourage flexible trading hours and the effective leveraging of local events.
- Managing the impact of increased traffic and congestion on Stonnington residents, workers and visitors.
- Ensuring Council planning decisions are progressed and vigorously defended to represent community interests.
- Providing effective business support in a challenging economic climate.

### Looking Ahead

- Develop and implement a ‘shop top’ strategy to attract and develop creative industries in unused space above retailers/ground floor businesses.
- Support the development of Structure Plans for Hawksburn Village, Glenferrie Road, Malvern and High Street, Armadale, to guide future use and development of these centres.
- Continue to leverage Stonnington events to grow economic benefits for local businesses.
- Application and interpretation of new residential zones and *Plan Melbourne*.
- Delivery and implementation of a new, web-based planning database, and implementation of the VicSmart Planning application stream.
- Collaboration with Precinct Coordinators on the development of mutually beneficial cultural events and audience building programs that further define the City.
- Council has, in consultation with local business, initiated a major research project to improve monitoring in retail centres and present options to boost the retail sector.

### Budget Activities

- The achievement status of Council’s prosperity budget activities is summarised on page 69.
- Visit Council’s website for a full report on Council’s budget activities [www.stonnington.vic.gov.au/your-council/about-council/council-budget/](http://www.stonnington.vic.gov.au/your-council/about-council/council-budget/)







# 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	2013/2014	2012/2013	2011/12	2010/11	2009/10
Average Rates and Charges per Assessment	\$1,490	\$1,453	\$1,369	\$1,331	\$1,253
Average Operating Expenditure per Assessment	\$2,197	\$2,185	\$2,326	\$2,090	\$2,058
Average Capital Expenditure per Assessment	\$875	\$589	\$521	\$562	\$683
Number of births	1,111	1,108	1,059	1,014	1,006
Net cost of childcare per utilised childcare place	\$2,885	\$3,213	\$3,189	\$2,674	\$3,591
Cost of home care per contact hour	\$44.44	\$45.71	\$44.75	\$43.68	\$49.38
Cost of meals on wheels per meal	\$15.18	\$13.02	\$14.94	\$19.86	\$18.08
Average number of library visits per capita	5.9	6	6.8	9.87	10.06
Average cost of library services per loan	\$5.30	\$5.01	\$4.50	\$3.90	\$3.42
Average cost of library services per visit	\$8.70	\$8.48	\$7.15	\$4.87	\$4.20
% of complying inspections, for registered premises subject to environmental health inspections	81.3%	72%	81.8%	88.3%	91.3%
Aquatic Centre visits over the year	606,219	602,521	561,159	395,818	298,137
Cost of animal control per capita	\$6.92	\$6.20	\$6.01	\$5.95	\$4.74
Cost of rapid response per capita	\$1.69	\$1.67	\$1.62	\$2.16	\$1.83
Cost of after-hours field services per capita	\$4.42	\$4.68	\$3.62	\$3.53	\$3.36
Cost of graffiti eradication per capita	\$5.01	\$5.03	\$4.71	\$4.49	\$2.23
Weight of household waste collected and deposited in landfill per tenement	380kg	385kg	400.9kg	473kg	417kg
Community satisfaction rating for waste management services	74	79	75	75	79
% of household waste recycled	39.5%	41.9%	41.8%	43.0%	42.1%
Cost of non-recyclable waste collection and disposal per tenement receiving service	\$108.28	\$97.48	\$94.18	\$87.05	\$72.77
Cost of recyclable waste collection per tenement receiving service	\$25.87	\$25.64	\$23.91	\$36.62	\$39.19
Community satisfaction rating for local streets and footpaths	72	67	64	65	64
Ratio of roads per capital expenditure to roads depreciation	1.11	1.26	1.22	0.95	0.76
Community satisfaction rating for appearance of public areas	77	78	76	73	71
Cost of municipal cleaning per assessment	\$55.82	\$54.65	\$58.17	\$60.20	\$50.83
Cost of parks and gardens maintenance per capita	\$40.82	\$39.03	\$37.90	\$35.16	\$35.35
% achievement of 'due date' performance targets for planning applications	68%	69%	72%	70%	71%
Number of planning applications decided during the year	1,504	1,330	1,588	1,545	1,400
Number of planning applications decided during the year through appeal	108	152	169	225	184
Cost per planning application	\$2,741	\$2,868	\$2,609	\$1,880	\$1,748



## Budget Activities 2013/14

The Council Plan 2013-2017 Year One sets out 245 budget activities to be achieved during the year.

The majority of Council’s 2013/14 budget activities (82%) achieved their 100% completion target. A few activities achieved less than 100%. The reasons for this include: a need for further community consultation, being placed on hold pending changes to State and Federal government funding or policies, and the complexity of negotiations with external agencies.

Of the total 245 activities:

- 225 activities (92%) achieved between 75–100%
- 18 activities (7%) achieved between 10–74%
- 2 activities (1%) achieved between 0–10%.

A selection of the budget activities is shown in the table below. For the full list of activities and results, please visit Council’s website [www.stonnington.vic.gov.au/your-council/about-council/council-budget/](http://www.stonnington.vic.gov.au/your-council/about-council/council-budget/)

ENHANCE THE HEALTH OF THE COMMUNITY THROUGH THE IDENTIFICATION OF KEY HEALTH ISSUES AND COORDINATE RESPONSES THROUGH SERVICES AND PARTNERSHIPS.	
ACHIEVED: 98%	
Budget Activity	Comments
Develop the Municipal Public Health and Wellbeing Plan 2013–17 and commence implementation of Year 1 actions.	The Plan was completed in October 2013 as required by legislation. Key strategies are being implemented through Council’s Budget Activities.
Monitor and minimise risks to public health through the enforcement of legislation and guidelines.	1,192 food and 327 health premises inspected and 354 complaints investigated in 2013/14.
Provide immunisation services to the local community.	Council delivered 76 immunisation sessions over 12 months – providing immunisation to 'under fives' and some parents. Immunisation is also provided to 10 local high schools – immunising more than 3,500 children per year. The Human Papillomavirus Vaccine is offered to all students in Year 7, with a catch up opportunity for Year 9 students.
Conduct audits of tobacco sales to minors including enforcement of legislation and the education of both tobacco sellers and the community.	Tobacco testing and education sessions were completed in September 2013 and April 2014. A very high number of sellers were compliant, however 3 sellers received an infringement from Council for selling tobacco to a minor.
Develop a protocol for addressing hoarding issues.	Twenty agencies, including Council, were involved in the development of the protocol which has been completed and will be presented to Council in August 2014.



Community Budget Activities 2013/14

PROVIDE COMMUNITY SERVICES ENSURING THEY MEET THE CURRENT AND FUTURE NEEDS FOR ALL STAGES OF LIFE.

ACHIEVED: 86%

Budget Activity	Comments
Provide and/or facilitate a range of services, programs and events for young people aged between 10 to 25 years.	Youth Services has delivered a range of programs including the Wellbeing program, Youth Leadership Program, Drumbeat Program at Currajong School, skate event at Phoenix Park and partnered in the delivery of the VIVA Youth Festival during national Youth Week in April 2014.
Deliver the Guys Talk program for first time fathers.	Eleven Sessions of the Guys Talk program were provided over 12 months, averaging 10-12 fathers per session. Positive feedback has been received in the program evaluation. A new Fathers Information Booklet has been produced.
Expand the range of aquatic services and programs at Council aquatic facilities to meet community needs.	Total attendances for Aquatic Services in 2013/2014 were 606,219, consisting of 486,678 total visits to Harold Holt and 119,541 at Prahran Aquatic Centre. At the end of term two, there were 2,088 Learn to Swim enrolments and 1,978 Aquatic Service members.
Assess and provide relevant support services for frail aged, older residents, people with a disability and their carers including in-home and community-based services.	43,026 hours of home care, 18,671 hours of personal care, 8,708 hours of respite care and 21,956 delivered meals were provided to Stonnington's older residents.
Enhance the range of Centre-Based Community Lunch programs for older residents at the Phoenix Park Community Centre, Will Sampson Centre in Windsor and the Chris Gahan Centre in Prahran.	Participation levels have increased at all centres during 2013/14. Marketing of the program will continue in 2014/15.

IMPLEMENT COMMUNITY SAFETY INITIATIVES THAT ADDRESS REAL AND PERCEIVED SAFETY ISSUES.

ACHIEVED: 91%

Budget Activity	Comments
Continue to facilitate the Stonnington Liquor Accord and implement the Action Plan 2012–2014.	Steering Committee and Liquor Accord meetings have been held as scheduled for the entire year. Planning has progressed for a trial of ID scanners in venues, and the Liquor Accord Action Plan is being reviewed.
Facilitate the renewal and expansion of the public place Closed-Circuit Television (CCTV) program in the Chapel Street precinct.	Progress has been made with approval from VicTrack and Department of Human Services (DHS) for permission to install cameras on infrastructure. Engineering assessments have been conducted to satisfy VicTrack and DHS as part of their approval processes. Still awaiting final sign-off before last remaining infrastructure can be installed.
Administer and enforce regulations for swimming pools and spas, and promote awareness of owner responsibilities.	Responsive inspections and enforcement were conducted throughout the year. Media releases provided reminding residents of swimming pool regulations in relation to pool fencing and safety. Pro-active pool inspections were conducted. Further pro-active inspections to be undertaken in 2014/15.
Conduct road safety behavioural change workshops.	All Road Safety workshops for primary schools and Responsible Serving of Alcohol courses conducted as planned.

**CONTINUE TO ENHANCE COMMUNITY ENGAGEMENT AND THE INVOLVEMENT OF THE COMMUNITY IN DECISION-MAKING.**

**ACHIEVED: 89%**

Budget Activity	Comments
Ensure the community has the opportunity to be engaged in decision-making processes through a variety of methods including Council meetings, ward meetings, workshops and forums, surveys, social media, and online consultation forums and polls.	<p>Throughout the year, a significant amount of engagement was conducted to inform project planning. Examples include; Chris Gahan Reserve dog off/on leash arrangements, proposed dog park at Windsor Siding Reserve, review of Street Fundraising and Promotion Guidelines, application of reforms to Residential Zones and Plan Melbourne information sessions. Consultation was undertaken for planning applications and Planning Scheme Amendment applications and to help guide the development of capital works designs.</p> <p>Surveys were held on a broad range of topics including: the Beatty Avenue Streetscape, Glenferrie Rd/High St Activity Centre Structure Plan, the Aged Services Telephone Satisfaction Survey, Arts and Cultural Events, Council's submission to State Government's draft Metropolitan Planning Strategy, and traffic and transport initiatives including Cabrini, Trawalla-Robertson Local Area Traffic Management.</p> <p>Council held six Ward Meetings, two per Ward, with strong community participation at each.</p>
Provide accessible communications through a range of print, digital, audio, visual, multimedia, multilingual, and interpersonal channels.	<p>Audio versions of InStonnington have been prepared and made available in libraries. The Language Aide Program is fully operational and the Community Language Link telephone service has been used. Planning has progressed to implement podcasts of Council news, to commence in July 2014.</p>

**ENCOURAGE COMMUNITY CONNECTEDNESS BY SUPPORTING LOCAL COMMUNITY ORGANISATIONS WITH FACILITIES, TRAINING AND RESOURCES.**

**ACHIEVED: 95%**

Budget Activity	Comments
Provide arts and cultural sponsorships to support organisations which present artistic programs that enhance the cultural, community and economic development of the city.	<p>Council provided \$318,000 to 20 large and small organisations and individuals. Projects included workshops for children, music theatre performances, family fun days, visual art exhibitions and festivals.</p>
Mentor, encourage and assist in the development of Emerging Artists.	<p>Chapel Off Chapel's commitment to providing a creative environment for emerging artists and producers continued throughout the year, with over 12 new works presented and the ShowOff@Chapel series providing a platform for new and emerging performers.</p>
Develop a Recreation Strategy to guide the allocation of resources and the planning, development, maintenance, management and delivery of sport and recreation opportunities and facilities to meet current and future needs of the Stonnington community.	<p>Draft strategy released for public exhibition 7 July 2014. Final strategy to be adopted in 2014/15.</p>



Community Budget Activities 2013/14

DEVELOP STRATEGIC ALLIANCES TO PROVIDE COORDINATED RESPONSES TO COMMUNITY NEEDS AND SUPPORT LOCAL COMMUNITY ORGANISATIONS.

ACHIEVED: 100%

Budget Activity	Comments
Identify key local issues and priorities, and undertake advocacy campaigns on behalf of the community.	<p>Advocacy was undertaken in a range of areas relevant to the community including: to VicRoads on the Burke Road Grade Separation project, to the State Government on its long term development framework for Melbourne (Plan Melbourne), on planning reforms, to the State Government Inquiry into Social Inclusion for People with a Disability, on the Roads Management Act Codes of Practice and into National Heavy Vehicle Regulation. Council advocated for local decision making following a State Government decision to allow a 94 metre tower in Chapel Street, despite Council's refusal. Council advocated strongly against a reduction of Federal Government funding for the Prahlan Adventure Playground and received high profile media coverage. Advocacy for sustainable transport options to Chadstone was also undertaken.</p> <p>The agreement to build a local Public High School in Stonnington followed strong representation by Council to State Government. Council also achieved a positive outcome with the withdrawal from sale of Ewing Memorial Kindergarten following Council's strong advocacy.</p>
Work with emergency services and local agencies to prepare for, respond to and recover from municipal emergencies.	Conducted two Municipal Emergency Recovery Committee meetings. Undertook a practice emergency management exercise in June, in accordance with the Municipal Emergency Management Plan.
Recognise and celebrate the contributions of community groups and persons who have significantly contributed to the wellbeing and support of our community.	A Citizen of the Year ceremony was held in August 2013.

CONTINUE TO STRENGTHEN THE QUALITY AND ENHANCE THE USE OF OUR FACILITIES, AMENITIES AND OPEN SPACE.

ACHIEVED: 97%

Budget Activity	Comments
Upgrade Council's buildings in accordance with the objectives of the Access and Inclusion Plan 2013-17.	In 2013/14, Prahran RSL Memorial Hall, Sheridan Pavilion, Sunnyside Kindergarten, TH King Pavilion / Environment Education Centre and the covered bleachers at Toorak Park were developed as universally accessible public buildings and reconstruction of Glendearg Tennis Pavilion as a universally accessible public building was commenced.
Redevelop Sunnyside Kindergarten to provide additional kindergarten places for Stonnington families.	Construction is nearing completion. Sunnyside Kindergarten is temporarily operational at the Fenwick Street site.
Seek funding to complete the Adventure Playground upgrade to benefit families living on the Horace Petty Estate.	All works were completed by 30 June 2014.

**STRENGTHEN COUNCIL'S COMMITMENT TO SOCIAL JUSTICE AND EQUITY WITH THE DELIVERY OF SUPPORT AND SERVICES WHICH ADVANCE A FAIR AND JUST COMMUNITY.**

**ACHIEVED: 100%**

Budget Activity	Comments
Advocate for a State High School in Stonnington.	The State Government announced in April 2014 that a secondary school for Prahran has been approved with an allocation of \$20 million. Council has been invited to participate in the consultative committee.
Develop and implement the Access and Inclusion Plan 2013–17 and the Victorian Government Metro Access Program to enhance access for all in Stonnington, in partnership with community agencies and organisations.	The Access and Inclusion Plan 2013–2017 has been completed, containing 77 actions for implementation over the next four years.
Continue to provide training, consultation and promotion of services to older gay, lesbian, bisexual, transgender and intersex residents.	Training continued in 2013/14. The Rainbow Tick logo has been developed by Gay Lesbian Health Victoria and will be in place on all Aged Services documents for the community as they are reviewed.

**Environment Budget Activities 2013/2014**

**SUPPORT THE SHIFT TOWARDS THE USE OF SUSTAINABLE TRANSPORT OPTIONS.**

**ACHIEVED: 88%**

Budget Activity	Comments
Reduce car parking and traffic congestion in Forrest Hill.	Public exhibition of Amendment C139 is complete. The next expected stage is the Panel Hearing (expected to proceed to Panel in 2015). Delayed due to other priorities including State Government reforms and Open Space Contribution Amendment.
Develop a Cycling Strategy.	Draft Strategy and Action Plan approved by Council for public consultation. The Report is ready to be presented to Council, however, it has been delayed to further accommodate additional comments received from the Boroondara Bicycle Users Group.
Prepare a policy to support the implementation of car share schemes within the municipality.	Policy prepared and consultation on the draft completed. Plan to be presented to Council in 2014/15.



Environment Budget Activities 2013/2014

INCREASE THE AMOUNT OF OPEN SPACE AND IMPROVE AND BALANCE THE USE OF EXISTING SPACES THROUGH GREENING OF STREETS AND IMPLEMENTATION OF OTHER INITIATIVES INCLUDING GREEN ROOFS AND WALLS.

ACHIEVED: 80%

Budget Activity	Comments
Develop and identify a strategy for the acquisition of land to expand open space across the municipality and enhance connectivity.	Strategy adopted and released. The first round of Public Acquisition Overlay Amendments are progressing and the first Panel Hearing was held in June 2014.
Dedicate and upgrade recreational open space along the Yarra River.	Stage 2 of the Yarra River Biodiversity Linkages Project is completed with 450m of bike path upgraded and new seating nodes installed.
Prepare an Urban Forest Strategy to identify opportunities throughout Stonnington for additional tree planting to increase tree canopy in the public domain and reduce the 'heat island' effect.	Street tree mapping has been undertaken and a discussion paper is being developed to provide guidance on the development of an Urban Forest Strategy / Policy. The balance of the project will continue into the new financial year.

DEMONSTRATE WASTE MINIMISATION AND THE EFFICIENT USE OF WATER AND ENERGY, THROUGH THE IMPLEMENTATION OF INNOVATIVE AND BEST PRACTICE INITIATIVES.

ACHIEVED: 94%

Budget Activity	Comments
Efficiently operate the Stonnington Waste Transfer Station and offer specialised drop off days to support customers to recycle responsibly.	Free television and computer recycling commenced at the Transfer Station in January 2014.
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.	Construction of a bioretention system along the Yarra River is complete as part of Stage 2 of the Yarra River Biodiversity Linkages Project. Council has also engaged consultants to develop an evidence based study which will demonstrate effective methods to integrate WSUD solutions into developments to mitigate quantity (and ultimately quality) issues.
Support the community to move towards sustainable energy options.	Council delivered a Cut Your Energy Bills workshop for residents. Council has also launched its residential Positive Charge service, whereby residents are now able to receive expert, impartial advice on energy efficiency within their homes.

INITIATE BEHAVIOURAL CHANGE WITHIN THE COMMUNITY TO ADOPT SUSTAINABLE PRACTICES.

ACHIEVED: 100%

Budget Activity	Comments
Facilitate the Stonnington Green Schools' Network and deliver the 2013 program including waste, water and biodiversity in school sessions and excursions.	67 schools have taken part in the Stonnington Green Schools Network program for the year. Participation was in biodiversity planting days, water and waste incursions and excursions and a Green Team training day.
Develop a community environmental education program to be delivered from the new TH King Environmental Education Centre.	Environmental Education signage has been designed and is in print. Other educational support equipment and materials have been organised and will be installed when the centre is completed in August 2014.

**MANAGE, STRENGTHEN AND DEVELOP LOCAL BIO-DIVERSITY AND PROTECT AND INCREASE FLORA AND FAUNA.**

**ACHIEVED: 100%**

Budget Activity	Comments
Implement the Lower Yarra River Biodiversity Linkages Project.	The Yarra River Biodiversity Linkages Project Stage 2 is complete. This project includes indigenous riparian revegetation, construction of a series of bioretention ponds with pedestrian walkways, realignment and widening of the cycle path and increased seating and recreational space.

**SUPPORT COUNCIL AND THE COMMUNITY TO RESPOND TO, MITIGATE AND ADAPT TO CLIMATE CHANGE.**

**ACHIEVED: 100%**

Maintain Council's current program of conversion of sportsgrounds to warm season grasses.	Basil Oval has had subsurface drainage installed and it has been surfaced with Santa Ana Couch grass.
Implement and publicise actions to achieve Stonnington's target to reduce greenhouse gas emissions.	Council has implemented its Energy Efficiency Implementation plan for 2013/14 including installation of large scale solar systems (50kW), installation of 380 energy efficient streetlights and implementation of a fuel reduction education program 'Ecodriver'. Council released its first Sustainability Snapshot in December 2013 publicising all of its sustainable environment initiatives and greenhouse gas emissions. This report will be published annually.
Improve the energy efficiency of Council's buildings by incorporating environmentally sustainable design upgrades.	Council has incorporated energy consumption monitoring at its largest consumption sites. In addition, pre and post construction consumption is measured at each building. ESD design guidelines and templates are in design for possible future use.

**IMPROVE COUNCIL'S OWN ENVIRONMENTAL PERFORMANCE AND PRACTICES THROUGH A WHOLE OF COUNCIL COMMITMENT.**

**ACHIEVED: 100%**

Budget Activity	Comments
Increase the proportion of goods, materials and services purchased by Council which have lower environmental impacts than alternatives.	The Procurement Policy has been reviewed and Sustainable Purchasing clauses included and adopted. Council has now introduced (where relevant) 'Environmental Management' scoring criteria for tender assessments. The Green Stationery Guide has been completed and driven out across the organisation by Council's Green Team.
Strengthen the environmental responsibility of Council's vehicle fleet by continuing to make fuel efficient purchases.	Fuel consumption of light vehicles decreased due to the purchase of more efficient cars.



Liveability Budget Activities 2013/14

CONTINUE TO IMPROVE, MAINTAIN AND PROVIDE SAFE, ACCESSIBLE AND ATTRACTIVE PUBLIC PLACES AND STREETS.

ACHIEVED: 95%

Budget Activity	Comments
Continue to monitor community safety and identify opportunities to improve the physical environment.	Four meetings of the Community Safety Committee have been held. The project to install CCTV cameras in Toorak Village is progressing and is planned for completion in 2014. A Federal Government grant application has been made to expand the CCTV in Chapel Street.
Establish a formal process for guiding good design outcomes for higher density development that is responsive and respectful of its local context.	Council has considered a research paper on standards for apartment sizes. Further advocacy to State Government on this issue is taking place due to inclusion in Plan Melbourne and the Planning Panels Victoria review. Council wrote to the Office of the Victorian Government Architect supporting their work on guidelines for residential amenity.
Review the current graffiti strategy to deliver effective, sustainable eradication.	Graffiti removal has become more effective, with more areas being covered. A larger proportion of graffiti was removed proactively.

BALANCE THE COMPETING DEMANDS OF MAINTAINING RESIDENTIAL AMENITY AND POPULATION GROWTH THROUGH APPROPRIATE PLANNING.

ACHIEVED: 92%

Budget Activity	Comments
Provide development and land use policy for the Chapel Street Activity Centre.	Draft Chapel reVision Structure Plan has been finalised and feedback sought. Council will adopt the revised Structure Plan and then progress to permanent controls in 2014/15.
Review and facilitate engagement with the community on the application of new planning zones.	New residential zones have been adopted by Council following extensive consultation with the community. A request for approval has been lodged with the Minister for Planning and was approved in June 2014.
Conduct Victorian Civil and Administrative Tribunal (VCAT) appeals and ensure appropriate representation is arranged.	Council was represented at 81 planning appeals during the year. There were 20 VCAT decisions in quarter 4, with 46.6% of Council decisions upheld by VCAT.

**PRESERVE STONNINGTON'S HERITAGE ARCHITECTURE AND BALANCE ITS EXISTING CHARACTER WITH COMPLEMENTARY AND SUSTAINABLE DEVELOPMENT.**

**ACHIEVED: 85%**

Budget Activity	Comments
Prepare Structure Plans for Activity Centres.	Consultants appointed to prepare the High Street / Glenferrie Road Structure Plan; the first round of consultation is complete. Background analysis / research is currently underway for the Hawksburn Village Structure Plan.
Ensure that development enhances and contributes to the preferred neighbourhood character of an area.	Public exhibition of the C175 Neighbourhood Character Amendment is complete. The Panel Hearing was held in April 2014 but adjourned pending final approval of the zones. Following approval of the zones in June 2014, it has been rescheduled for later in 2014.
Preserve Council's significant heritage buildings through the systematic implementation of conservation work identified in Conservation Management Plans and Building Condition Audits.	In 2013/14, the conservation management plans for Malvern Town Hall and Prahran Town Hall were updated. The roof over the stage at Malvern Town Hall was replaced. The contract to replace the slate and metal roofing at the Chapel Off Chapel Hall was tendered for construction in 2014/15.

**DEVELOP PUBLIC SPACES AS DESIRABLE PLACES FOR THE COMMUNITY TO GATHER, CONNECT AND ENJOY.**

**ACHIEVED: 100%**

Budget Activity	Comments
Deliver Council's events and festivals in local parks and Stonnington venues.	All 30 events held in the last financial year were delivered on time and on budget. Events such as Pets in the Park, Flavours and Viva have the opportunity to expand and we are developing opportunities to do so in our review of the year to date.
Implement infrastructure and public realm improvements works in accordance with the Chapel Street Masterplan.	Works on Windsor Plaza have been commenced and are progressing to schedule. Streetscape improvements were completed in Chapel Street, near Oxford Street.

**ENHANCE THE QUALITY OF INFRASTRUCTURE AND SERVICES NECESSARY FOR THE EFFICIENT AND SUSTAINABLE OPERATION OF THE CITY.**

**ACHIEVED: 91%**

Budget Activity	Comments
Install wayfinding signage and bike racks.	Installed over 100 bike racks (pole vaults) in strip shopping centres.
Undertake a drainage pit modernisation program to improve the performance of the drainage system and provide better accessibility.	The modernisation of stormwater drainage pits throughout the municipality has been successful this year and has included trials of light weight pit lids in several locations.



Liveability Budget Activities 2013/14

RECOGNISE STONNINGTON’S DIVERSE CULTURE THROUGH PROGRAMS AND ACTIVITIES THAT OBSERVE TRADITIONS AND HERITAGE.

ACHIEVED: 94%

Budget Activity	Comments
Deliver an event that provides opportunities for community-based organisations to promote cultural diversity.	Flavours was successfully delivered with a satisfaction rating of 8 out of 10. Council is looking to build on the international history of this event, and integrate the program in the Melbourne Good Food and Wine Festival in the future.
Deliver a comprehensive community grants program that respects and assists all groups within the community to stay active, supported, healthy and involved in the community.	Grant funding has been allocated and in-kind grants accounted for. An internal audit has also been conducted on this area and documentation revised for the new grant period which started March 2014. Assessment documentation and acquittal forms were revised and training of assessors was undertaken.

FACILITATE PROGRAMS AND EVENTS THAT EDUCATE AND CONNECT WITH STONNINGTON’S INDIGENOUS COMMUNITY AND HISTORY.

ACHIEVED: 100%

Budget Activity	Comments
Implement the Reconciliation Action Plan 2012–16 to provide greater awareness of indigenous history and to increase opportunity for community members of Aboriginal and Torres Strait Islander descent.	Council has successfully completed and distributed the printed Reconciliation Action Plan 2012-2016, which also appears online.
Implement activities and events to mark National Aborigines and Islanders Day Observance Committee (NAIDOC) and Reconciliation Week including flag raising ceremony and schools program.	Events were conducted to celebrate NAIDOC week and Reconciliation week including school participation activities and a Wominjeka (Welcome) Ceremony.

Prosperity Budget Activities 2013/14

DEVELOP LONG-TERM PLANS TO ENSURE THE SUSTAINABILITY OF STONNINGTON’S ACTIVITY CENTRES.

ACHIEVED: 100%

Budget Activity	Comments
Review traffic flows and parking controls within precincts.	Continued to liaise with VicRoads on congestion issues. Parking restrictions were adjusted on a needs basis. Review of through traffic completed, in addition to the IMAP project on this issue – due to be reported to Council in July 2014.
Undertake feasibility study on options for the long-term redevelopment of the Cato Street car park.	The feasibility analysis of the Cato Street car park rejuvenation project has been completed. Concepts are almost complete and a survey and financial feasibility has been completed.

ADVOCATE FOR ACCESS TO INCREASED PUBLIC TRANSPORT AND INFRASTRUCTURE TO MAJOR ACTIVITY CENTRES TO ENHANCE ECONOMIC GROWTH.

ACHIEVED: 95%

Budget Activity	Comments
Advocate for increased after-hours public transport including expansion of the Night Rider service, through the Stonnington Liquor Accord.	A Yarra Trams representative on the Stonnington Business Roundtable has engaged with Council and other businesses. At the May meeting, the Yarra Trams Malvern Depot Manager also attended the Roundtable.
Advocate to the State Government for improved and additional public transport links to Chadstone Shopping Centre, including tram and rail links.	Advocacy for sustainable transport options to access Chadstone undertaken via the development approval process, with limited success.

PROMOTE STONNINGTON AS A PREMIER RETAIL AND VISITOR DESTINATION.

ACHIEVED: 100%

Budget Activity	Comments
Increase visitor attendance for Stonnington Jazz with a diverse program and value-added hospitality program.	Market research was conducted at Stonnington Jazz concerts in May 2014. This research indicated that 80% of attendees were visitors to Stonnington, with most visitors living in Richmond, Surrey Hills, St Kilda East, Elwood and Hawthorn. Over 154 visitor postcodes were listed with 2% attending from interstate and overseas. The average spend was \$55 per person.
Ensure Chapel Off Chapel’s three venues (The Chapel, The Loft and The Mezzanine) are consistently well booked and programs well attended.	Chapel Off Chapel’s eclectic mix of performances continued to reflect the diversity of the community and ensure that the venue is well patronised. The Chapel Theatre had an occupancy rate of 80% and the Loft Theatre 60%.
Raise the profile of Stonnington as a tourist destination and promote key attractions and events through the development and implementation of a Communications and Marketing Plan.	Provided promotional support for initiatives such as the Business Roundtable, Virgin Australia Melbourne Fashion Festival, Christmas campaign, and the Stonnington summer events program.



Prosperity Budget Activities 2013/14

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

ACHIEVED: 100%

Budget Activity	Comments
Identify place-making opportunities through activity centre planning.	<p>A planning scheme amendment to ensure setbacks on the Forrest Hill area of Chapel Street has been approved. Further streetscape works in this area are being pursued.</p> <p>Continuing to advocate for appropriate design outcomes in the Burke Road Grade Separation project, to reflect community need and the local context. Work is progressing on incorporating place making initiatives in activity centre Structure Plans.</p>
Increase businesses listed on the Stonnington Business Directory.	Businesses increased by 11% in 2013/14, which is above the target.
Foster relationships with local businesses and promote activities through Council's website, publications, social media and media.	A LinkedIn closed group has been established for the Stonnington Business Connections Network. All Council publications are used to promote business events. We continuously improve our relationship with local businesses, and as our ability to promote their efforts online continues to grow, we have been able to complement their marketing campaigns and support events with greater effect.

DEVELOP RELATIONSHIPS WITH KEY BUSINESS STAKEHOLDERS TO FOSTER OPPORTUNITIES THAT WILL PROVIDE POSITIVE OUTCOMES FOR THE COMMUNITY, INCLUDING SOCIAL JUSTICE AND EQUITY.

ACHIEVED: 98%

Budget Activity	Comments
Establish a Business Networking Group.	The Stonnington Business Connections Network is in its second year. Currently, 84 financial members are participating.
Deliver a comprehensive program of business events, seminars, workshops and networking events.	Two Business Roundtable events have been held, one Women in Business lunch held successfully, a Business Breakfast held to full capacity, three Stonnington Business Connections Network events delivered, 16 mentoring sessions, four VECCI Digital Enterprise Program Workshops and one Small Business Victoria Seminar delivered.
Develop and facilitate the Stonnington Business Roundtable and hold regular meetings between Council and Business Associations.	Two meetings have been held with local business owners, with initial discussions providing a valuable contribution to the Council planning process.

**IMPROVE THE QUALITY OF STONNINGTON'S RETAIL PRECINCTS TO MATCH THE ASPIRATIONS OF BEING A PREMIER RETAIL AND VISITOR DESTINATION.**

**ACHIEVED: 100%**

Budget Activity	Comments
Actively participate in the Inner Melbourne Action Plan (IMAP) Tourism Working Group.	The Tourism Working Group has completed the first year of a three-year strategy. Progress has been made to partner with Destination Melbourne to combine our maps. There has been a collaborative effort to promote local tourism to the AIDS World conference to be held in July 2014.
Program maintenance and services to improve the identity and amenity of strip shopping centres.	Works have been completed in Chapel Street and design and construction completed for Beatty Avenue, as programmed.

**CONTINUE TO DEVELOP STRATEGIC PARTNERSHIPS TO DELIVER ECONOMIC AND COMMUNITY BENEFIT.**

**ACHIEVED: 100%**

Budget Activity	Comments
Continue partnerships with Destination Melbourne, and strategic relationships with Department of State Development, Business and Innovation and MainStreet Australia.	The Destination Melbourne partnership has been completed for one year and renewed for the next. Promotion for our tourism precincts was undertaken in the Official Visitors Guide. The relationship with the Department of State Development and Business Innovation continues to be strong as we partner with them for small business workshops, mentoring services for Business and Tourism Victoria. Have established a new partnership with VECI who are delivering workshops in relation to Digital Enterprise and the roll out of the NBN.
Continue partnership with L'Oreal Melbourne Fashion Festival to promote Stonnington as a fashion and shopping destination.	Event partnership with new partner Virgin Australia (who replaced L'Oreal earlier in the year) completed successfully in March. Meeting with organisers to discuss the strategic development of opportunities for future years.

**SUPPORT THE CONTINUED VIABILITY OF THE RETAIL SECTOR AND OTHER BUSINESSES TO ADAPT TO CHANGING MACRO-ECONOMIC TRENDS.**

**ACHIEVED: 87%**

Budget Activity	Comments
Provide and promote access to Small Business Mentoring through Small Business Victoria.	All mentoring sessions have been delivered on time and to full capacity.
Investigate activation of first floor businesses in retail precincts.	Preliminary data collected for commercial space in all activity centres. The data provides groundwork for the development of the strategy. Closer investigation of available space is being gathered while undertaking structure planning and businesses engagement. Investigation of the activation of first floor businesses scheduled to commence next financial year.
Advocate to other levels of government on macro economic issues and their impact on local businesses.	Council Officers are advocating for a Tourist Bus Service from the CBD. In addition, Council is following up on the activation of the lower Yarra River.

Strategic Resource Plan Budget Activities 2013/14

GOVERNANCE	
ACHIEVED: 100%	
Budget Activity	Comments
Provide opportunities for the community to be involved in decision-making.	<p>Online and 'in person' engagement opportunities included surveys, forums, meetings and requests for submissions on locally relevant issues. Six Ward Meetings were held during the year, with good attendance.</p> <p>Planning Scheme Amendments were publicly exhibited according to statutory timeframes. Substantial consultation was held for the new Residential Zones and the Burke Road Grade Separation project. Statutory planning applications were advertised and objections considered during the decision-making process. The community was also consulted on the repair, renewal, improvement and redevelopment of Council's buildings.</p> <p>A draft Community Engagement Strategy and Toolkit was developed in 2013/14 and will be implemented in 2014/15, following adoption by Council.</p>
Undertake a revaluation of all properties within the municipality.	Revaluation of 58,560 properties was undertaken with an effective date of 1 January 2014, ready for the 2014/15 rating year. This has been signed off by the Valuer General.
Implement and administer the Fire Services Levy across all eligible properties in the City of Stonnington.	First year of the fire services levy was completed with minimal issues due to extensive advertising of the levy by the State Government.

PEOPLE	
ACHIEVED: 100%	
Budget Activity	Comments
Continue to review policies and procedures and deliver staff training to ensure human rights are protected.	HROD Policy reviews are progressing in accordance with the timetable and legislative changes.
Undertake a Mature Age Workers Survey, analyse results and develop programs that support our ageing workforce.	Survey completed and strategy draft prepared for consideration by the Executive Management Team.
Collect Employee Engagement data that provides an objective and comprehensive benchmark on the current health and effectiveness of the organisation.	The Engagement Survey was conducted in July 2013. Departmental action plans were developed using data from the survey and workshops within departments. These action plans are being progressively completed.



**ASSET MANAGEMENT**

**ACHIEVED: 92%**

Budget Activity	Comments
Implement the strategic plan to renew, redevelop and rationalise Council's buildings and property.	In 2013/14, Council's strategic plans for redevelopment were implemented for the Adventure Playground, Glendearg Tennis Pavilion, Malvern Memorial Kindergarten, Percy Treyvaud Memorial Park, Prahran RSL Memorial Hall, Sunnyside Kindergarten, TH King Pavilion / Environment Education Centre and Toorak Park. Plans were prepared to redevelop Dunlop Pavilion and Princes Close Child Care Centre.
Improve Prahran Market's appearance and performance.	The floor was relaid and officially opened by the Mayor on 17 August 2013. Year end actual profit will be less than budget due to rent rebates as a result of re-laying the fruit and vegetable hall floor.

**INFORMATION TECHNOLOGY**

**ACHIEVED: 98%**

Budget Activity	Comments
Investigate network infrastructure enhancements to deliver optimal speed, reliability and monitoring.	The network monitoring system has been fully implemented to enable real time network performance monitoring / auditing. A review of IT network infrastructure been completed and the outcomes are to be implemented in 2014/15.
Continue to refine the twin site disaster recovery strategy that maintains real-time synchronisation of systems and data between Malvern Town Hall and Prahran Town Hall.	Refinement of the replication process for IT systems for Disaster Recovery is complete. Disaster Recovery systems are continually monitored and updated to reflect changes in 'live' systems.

Strategic Resource Plan Budget Activities 2013/14

RISK	
ACHIEVED: 100%	
Budget Activity	Comments
Create a Safety Culture within Council that is positively aimed at delivering outcomes that achieve full compliance with requirements of Occupational Health and Safety legislation, practices and procedures.	The Internal Auditing Schedule has been maintained throughout the reporting period. Audits will now focus on deliverables within the OHS Service Plan for each Department.
Maintain accreditation for all of Council's Divisions under Australian Standard AS/NZS 4801.	AS/NZS 4801 recertification achieved for the whole of Council in May 2014. Monthly, quarterly and half yearly reports delivered to Executive, Audit Committee and Council as scheduled.
Undertake proactive road and footpath inspections in accordance with Stonnington's Road Management Plan.	Bi-annual road and footpath inspections provided conformity with Stonnington's Road Management Plan and the rectification program generated from the results continues.

# Governance

The Good Governance Guide<sup>1</sup> describes governance as the process of making and implementing decisions using the best possible processes. Good decision making processes, and therefore good governance, share several characteristics including:

- Accountability
- Transparency
- Following the rule of law
- Responsiveness
- Equity and inclusion
- Effectiveness and efficiency
- Participation.

The components of Stonnington’s approach to good governance are described below.

## THE COUNCIL

Legally, a Council must consist of not fewer than five and not more than 12 Councillors. Stonnington Council has had nine Councillors since the amalgamation of Councils in the 1990s.

Council elections are held every four years, at the end of October. The last Council election was held on 27 October 2012. The Councillors for each Ward are:

### East Ward

- Cr Erin Davie
- Cr John McMorro
- Cr Adrian Stubbs

### South Ward

- Cr Sam Hibbins
- Cr Melina Sehr
- Cr Claude Ullin

### North Ward

- Cr John Chandler
- Cr Jami Klisaris
- Cr Matthew Koce

Further details on each Councillor are featured on page 4.

## MAYOR

The Mayor Cr Adrian Stubbs was elected by Councillors at a Special Meeting on 14 November 2013 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

Members of the public are welcome to attend Council meetings. Ordinary meetings of Council are generally held on the first and third Mondays of the month, excluding January, with variations due to the timing of public holidays. The meeting schedule is advertised in the local paper and on Council’s website.

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 and Notice Papers of past meetings are also available on 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 while Councillors can choose not to vote on an issue, this only occurs if they have declared a Conflict of Interest and have vacated the Chamber.

Councillor Briefings are held on the two alternative 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 mutual agreement on the proposal before it comes to Council for consideration. Such meetings are held when there are seven or more objectors.

<sup>1</sup> Good Governance Guide [2012] Municipal Association of Victoria, Victorian Local Governance Association, Local Government Victoria and Local Government Professionals.



FIGURE 1.1  
COUNCILLOR MEETING ATTENDANCE 2013/14

Councillor	Council Meetings	Councillor Briefings	Planning Consultative Meetings*
Total Meetings Held	23	22	67
Davie	23	22	23
Chandler	22	20	14
Hibbins	21	16	10
Klisaris	22	17	15
Koce (Mayor to 14/11/13)	21	20	18
McMorrow	22	21	21
Sehr	19	16	9
Stubbs (Mayor from 14/11/13)	20	20	18
Ullin	22	21	12

\* More than one Councillor may have attended a consultative meeting

FIGURE 1.2  
NUMBER OF CONSULTATIVE MEETINGS HELD BY WARD

Ward	2013/14	2012/13	2011/12	2010/11
East	24	16	n/a	n/a
South	21	21	n/a	n/a
North	22	14	n/a	n/a
TOTAL	67	51	76	71

### ADVISORY COMMITTEE

Council has five Advisory Committees, open to all Councillors as follows:

- Finance Advisory Committee – chaired by Cr Stubbs, member Cr Koce
- Economic Development Arts and Tourism Advisory Committee – chaired by Cr Ullin, member Cr McMorrow
- Sustainability Advisory Committee – chaired by Cr Hibbins, member Cr Chandler
- Social Development Advisory Committee – chaired by Cr Davie, member Cr Klisaris
- Strategic Planning Advisory Committee – chaired by Cr Sehr, member Cr Chandler.

In addition, a number of local advisory committees are attended by Councillor representatives:

- Chapel Off Chapel Advisory Board – chaired by Cr Ullin, members Cr Chandler and Cr Koce
- Stonnington Cycling Reference Group – chaired by Cr Hibbins
- Access Stonnington Committee – member Cr Hibbins.

### OTHER MEETINGS

Councillors also represent Council, on the following bodies:

- Municipal Association of Victoria
- Metropolitan Transport Forum
- Metropolitan Waste Forum
- Eastern Alliance for Greenhouse Action Executive Committee
- 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 has delegated powers, duties and functions directly relating or ancillary to overseeing implementation of the Inner Melbourne Action Plan (IMAP). Established under section 86 of the *Local Government Act 1989*, it is made up of representatives from the cities of Maribyrnong, Melbourne, Port Phillip, Stonnington and Yarra.

The Committee meets quarterly, with governance and administrative support provided by the IMAP Executive Officer, based at the City of Stonnington. See page 78 for details on the achievements of IMAP.

### THE CHIEF EXECUTIVE OFFICER (CEO)

The Chief Executive Officer is a member of Council staff but 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 Council’s operations, in accordance with the Council Plan
- The structure of Council and all staff matters, and
- Providing timely advice to 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 for Council’s Senior Officers, principles of conduct, contractual and performance evaluation and delegated authorities. These employment obligations also apply to managers and other nominated staff.

The five Council Divisions and Divisional Heads are:

- 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.

REMUNERATION

Councillors

The Mayor and Councillors receive an allowance for undertaking Councillor duties. The level of allowance payable for the four-year Council term is determined by Council, following consultation with the community after the General Election. Community consultation was undertaken between February and March 2013, with no submissions received.

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

The Mayor and Councillors also receive an amount equivalent to the Superannuation Guarantee levy (9.25% at 1 July 2013 which will increase to 9.5% on 1 July 2014). Allowances are paid monthly, and a pro-rata adjustment is made with the change of Mayor.

	1/7/13 – 23/12/13	24/12/13 – 30/6/14
Mayor	\$85,741 per annum	\$87,884 per annum
Councillors	\$26,843 per annum	\$27,514 per annum

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 Council’s Enterprise Agreement No 8/2013.

Independent Audit Committee Members

The independent members of the Audit Committee have been engaged 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’s website ([www.stonnington.vic.gov.au](http://www.stonnington.vic.gov.au)) provides information for residents and visitors and the opportunity to download forms, applications, policies and make payments.

In addition, the Connect With Us online engagement portal and online feedback forms encourage information sharing, community participation and feedback. Information is also provided in the quarterly home-delivered Council newsletter, *InStonnington*; and through Facebook, Twitter and Instagram.

Council uses *The Age* newspaper and *Stonnington Leader* for its public advertising, with a regular Council section in the *Leader*. 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 twelve months, legislative changes in some of the significant Acts and Regulations include:

- *Local Government Act 1989*
- *Local Government (Planning and Reporting) Regulations 2014*
- *Charter of Human Rights and Responsibilities Act 2006*
- *Environment Protection Act 1970*
- *Public Administration Act 2004*
- *Interpretation of Legislation Act 1984*
- *Subdivision Act 1988*
- *Planning and Environment Act 1987*
- *Road Management Act 2004*
- *Domestic Animals Regulations 2005*
- *Valuation of Land Act 1960.*

REVIEWS AND SUBMISSIONS

Some of the reviews and submissions undertaken throughout 2013/14 include:

- Council Delegations – these are reviewed regularly following legislative changes
- Community Grants Program
- Planning Zones Reforms
- Car Share Policy
- Road Management Plan review
- Domestic Animal Management Plan
- Sustainable Environment Strategy 2013–2017
- Access and Inclusion Plan 2014–2017
- Property Acquisition Policy
- Municipal Public Health and Wellbeing Plan 2013–2017.

CIVIC FUNCTIONS

Council has pleasure in conducting a number of civic functions each year, such as Citizenship Ceremonies, Citizens of the Year and hosting a range of other events including:

- Fundraising Gala for Very Special Kids
- Dinner Reception for Inner South Metropolitan Mayors’ Group
- Inner South Metropolitan Mayors’ Group meeting and luncheon
- Greek Flag Raising Ceremony
- Poster Competition
- Centenarians’ Morning Tea.

CITIZENSHIP

The Mayor is required by law to receive the Oaths or Affirmations of Allegiance for new Citizens. Stonnington Council is proud to have conducted six Citizenship Ceremonies over the past year. These ceremonies are always well attended by friends of the new citizens and local Federal and State politicians.

INNER MELBOURNE ACTION PLAN 2013–14

The Inner Melbourne Action Plan (IMAP), a collaboration between Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong City Councils, aims to foster creativity, liveability, prosperity and sustainability across the inner Melbourne region. IMAP’s eight year partnership identified 11 regional strategies and 57 actions for implementation across the inner Melbourne region, with around 75% of these actions now underway or completed. Maribyrnong City Council became a full committee member of IMAP on 1 July 2013, with the IMAP regional tourism map amended to include Footscray. A Metropolitan Planning Authority representative joined the IMAP Implementation Committee as an associate member in May 2014. This addition recognises the state government’s new *Plan Melbourne* and its central sub-region planning area, which correlates with the IMAP council municipalities.

In 2013/14, the Green Roofs, Walls and Facades project team developed the *Growing Green Guide Manual* and website ([www.growinggreenguide.org](http://www.growinggreenguide.org)) and the *Policy Options and Demonstration Sites* reports. Subsequently, IMAP Councils have partnered with the University of Melbourne and Melbourne Water on a research project, *Mimicking natural ecosystems to improve green roof performance*, which has been awarded a three year Australian Research Council grant.

In May 2014, the *Reduced Through Traffic Study*, led by the City of Stonnington, was completed. The study undertook a spatial analysis of trip-making in the Melbourne metropolitan area.

The *Water Sensitive Urban Design* (WSUD) local planning policy, jointly developed by the IMAP councils, was also approved by the state government.

Additionally, the IMAP councils were awarded a University of Western Sydney Partnership Award for their involvement in research and development for the *Australian Community Land Trust Manual*.

Looking ahead

The IMAP Implementation Committee will review the *Inner Melbourne Action Plan* in 2014. A new draft plan will be developed by the end of the year, with input from all partner councils.

FIGURE 1.3 CITIZENSHIP CEREMONY DETAILS

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
Number of ceremonies held in year	6	5	6	6	5	4
Number of persons naturalised	643	492	475	610	650	459



**DOMESTIC ANIMAL MANAGEMENT PLAN (DAMP)**

The *Domestic Animals Management Act 1994*, requires Council to provide an update on the implementation of the DAMP. During 2013/14, Council:

- Found 230 dogs, with 180 impounded and 50 returned directly to owners
- Registered 10,360 pets
- Offered discounted registration fees for microchipped and desexed animals
- Developed 'A' frame signs to remind dog owners of their responsibilities for leashing and picking up after their dogs.

**CARER SUPPORT**

The *Carer's Recognition Act 2012* requires Council to report on its recognition and support of carers.

Council delivered its annual Carers Forum in June, providing specific information to carers about how to look after their wellbeing and access support networks. Council also provided a range of services and activities to support Stonnington carers, including access to respite care and adult day programs and holidays, which carers could attend with those they care for, in a supported environment.

**General Local Law 2008 (No. 1)**

**Council's General Local Law 2008 (No.1) was adopted after a full review in 2008, with subsequent minor amendments since. There were no reviews undertaken in 2013–2014, although a review of the section on Meeting Procedure has commenced.**

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 Service Centres, Council libraries and Council's website [www.stonnington.vic.gov.au](http://www.stonnington.vic.gov.au)

**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. The Act requires that the request give as much detail of the requested documents as possible and not be just for a broad range of documents.

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 \$26.50 is payable for each application, with other fees applying as the application is processed. General enquiries about lodging an application can be made through the Service Centre on 8290 1333. Details are also on Council's website.

To be a valid request, an application must be accompanied by the required fee. Council processed 41 applications during the year, of which 33 were valid and proceeded.

**FIGURE 1.4 SUMMARY OF FREEDOM OF INFORMATION APPLICATIONS RECEIVED**

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
Valid Applications received and processed	33	48	34	36	29	27
External Reviews	3	3	1	1	1	1
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 an Order in Council made under Section 186(1) of the Act. The current limits are \$200,000 for 'works' and \$150,000 for 'services'. Council has adopted \$150,000 as the upper limit for both works and services.

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

INFORMATION PRIVACY POLICY

The City of Stonnington believes that the responsible handling of personal information is a key aspect of democratic governance and is strongly committed to protecting an individual’s right to privacy. Council is committed to full compliance with its obligations under the *Information Privacy Act 2000* (Vic) and the *Health Records Act 2001*. In particular, the City of Stonnington complies 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 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 the four basic principles of 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 times, such rights may be limited, insofar as to strike a balance between individual rights and the protection of public interest.*

TRAINING

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

Two training sessions were conducted during the year, with participants from across Council. Topics covered included:

- Introduction to the Charter
- Charter mechanisms: how they work
- Using a Human Rights based approach
- Resources and supports available.

In addition, all reports to Council consider the Human Rights implications of report recommendations. This is supported by an assessment checklist on the Intranet.

VICTORIAN OMBUDSMAN

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

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

The Ombudsman’s office also checks compliance by state entities with certain specified Victorian legislation such as the *Protected Disclosure Act 2012*, *Freedom of Information Act 1982* and the *Charter of Human Rights and Responsibilities Act 2006*.

	2013/14
Disclosures referred to Council by the Ombudsman for investigation	16

FIGURE 1.5 SUMMARY OF INFORMATION PRIVACY COMPLAINTS RECEIVED

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
Internal Reviews	2	1	1	1	1	1
Review by Privacy Commissioner	1	0	0	0	1	1



DISCLOSURES

While Council is not required to make continuous disclosure, it is governed by legislation that requires regular reporting to other levels of Government. Council 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.

PROTECTED DISCLOSURES ACT 2012  
– (FORMERLY THE WHISTLEBLOWERS  
PROTECTION ACT 2001)

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 the disclosure, are kept strictly confidential.

Disclosures of corrupt or 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 on 8290 1101;
- The Protected Disclosure Coordinator – Fabienne Thewlis, Manager Governance and Corporate Support on 8290 1305; or
- The Protected Disclosure Officer – Karen Watson, General Manager Sustainable Future on 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 at a discreet location, away from the workplace.

Alternatively, contact may be made directly to:

- Independent Broad-based Anti-Corruption Commission (IBAC) – on 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](http://www.ibac.vic.gov.au/report-corruption)
- Ombudsman Victoria, Level 9, 459 Collins Street (North Tower), Melbourne – on 9613 6222, or toll free 1800 806 314; [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au), or email [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)
- The Victorian Local Government Inspectorate on 8614 3225, or PO Box 617 Collins Street West Melbourne 8007, or email [info@vicinspectorate.vic.gov.au](mailto:info@vicinspectorate.vic.gov.au)

The Council will take all reasonable steps to protect the identity of the discloser. 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 HROD Officer has been appointed as the Welfare Manager responsible for looking after the general welfare of the discloser. An investigator will be responsible for carrying out an internal investigation into a disclosure – and may be an internal or external person.

FIGURE 1.6 RATES UNIT STATISTICS 2013/14 COMPARISON

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
No. of Rate Notices sent	57,432	56,130	54,684	54,162	53,290	52,917
No. of Instalment Notices sent (3 notices)	81,403 (58.63% of total issued)	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)
No. of Final Notices sent	4,714	4,759	4,424	4,504	3,899	4,166
No. of Summons issued	341	217	396	427	520	489
Total rates collected for year %	98.24%	97.81%	98.07%	98.24%	98.24%	98.48%
New owner kits	4,355	4,047	4,621	4,051	4,044	3,707
Land Information certificates issued	6,725	5,149	4,533	4,075	4,030	4,568

FIGURE 1.7 SUMMARY OF PROTECTED DISCLOSURES MADE

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
Disclosures made	1	1	0	1	1	1
Disclosures referred to IBAC	1					
Disclosures accepted by IBAC	0					
Disclosures declined by IBAC	1					
Disclosures referred to the Ombudsman for determination	0	0	0	0	1	0

FIGURE 1.8 VALUATIONS STATISTICS

	2013/14	2012/13	2011/12	2010/11
Supplementary Valuations	3,357	2,842	2,781	4,046
Public Open Space Valuations	33	43	56	26
Analysis of property sales	3,757	3,542	3,402	3,775
Building permits assessed for valuation	1,358	1,122	1,196	1,200
Rateable Assessments Revalued	58,560	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. The Chair of the Committee is Mr Stuart Newey and Deputy Chair is Mr Bruce Potgieter. Council representatives for 2013/14 were Councillors Adrian Stubbs and John McMorrow.

The Committee meets quarterly with meetings also attended by the Chief Executive Officer, General Manager Corporate Services, Manager Finance, Manager Risk Management and Contracts Compliance and other staff as required. Both the Internal Auditors (Oakton) and External Auditors (Victorian Auditor-General) 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 Council
- Providing advice in determining Council’s risk control audit programs and risk minimisation measures.

INTERNAL AUDITS

In 2013/14 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.

- Budget and Long Term Strategic Resource Plan and Financial Sustainability
- Follow up of Audit Recommendations
- Procurement Review
- Community Grants
- Customer Service
- Councillors Expenses
- Business Continuity
- Halls Administration
- Social Media
- Risk Management
- Cash Handling Review.

# Organisation Chart

<div><div><b>CEO</b> WARREN ROBERTS</div></div>	
<div><b>PLANNING AND DEVELOPMENT</b></div> <div><div><div><b>GENERAL MANAGER</b> Stuart Draffin</div></div></div> <div><div><div><b>BUILDING AND LOCAL LAW SERVICES</b> <b>Madeleine Grove</b><ul style="list-style-type: none"><li>— Municipal Building Surveyor</li><li>— Projects and Prosecutions</li><li>— Local Laws</li><li>— Field Services</li><li>— Building Control</li><li>— Building and Local Laws Administration</li></ul></div></div></div> <div><div><div><b>STATUTORY PLANNING</b> <b>Alex Kastaniotis</b><ul style="list-style-type: none"><li>— Statutory Planning</li><li>— Planning Appeals</li><li>— Amended Plans</li><li>— Subdivisions</li><li>— Urban Design</li><li>— Planning Enforcement</li></ul></div></div></div> <div><div><div><b>MAJOR PROJECTS AND PROPERTY IMPROVEMENTS</b> <b>Steve Morrell</b><ul style="list-style-type: none"><li>— Property Development</li><li>— Project Management</li><li>— Capital Works</li></ul></div></div></div>	<div><b>CORPORATE SERVICES</b></div> <div><div><div><b>GENERAL MANAGER</b> <b>Geoff Cockram</b> <i>Prahran Market, Property Coordination, Audit Committee, Corporate Counsel</i></div></div></div> <div><div><div><b>FINANCE</b> <b>Scott Moore</b><ul style="list-style-type: none"><li>— Statutory Accounting</li><li>— Budget Preparation</li><li>— Financial Accounting Controls</li><li>— Management Accounting/Reporting</li><li>— Accounting Systems and Procedures</li><li>— Purchasing and Accounts</li><li>— Asset Accounting</li><li>— Treasury</li></ul></div></div></div> <div><div><div><b>BUSINESS SYSTEMS AND TECHNOLOGY</b> <b>Peter Strods</b><ul style="list-style-type: none"><li>— IT Strategy</li><li>— Software and Hardware Maintenance</li><li>— IT Disaster Recovery Planning</li><li>— Systems Control and Development</li><li>— Business Information Systems</li><li>— Application Development and Systems Implementation</li><li>— Help Desk and IT Desktop Support</li><li>— General Computer and Systems Training</li></ul></div></div></div> <div><div><div><b>GOVERNANCE AND CORPORATE SUPPORT</b> <b>Fabienne Thewlis</b><ul style="list-style-type: none"><li>— Rates</li><li>— Valuations</li><li>— Civic Support</li><li>— FOI, Privacy and Whistleblowers</li><li>— Records Management</li></ul></div></div></div> <div><div><div><b>HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT</b> <b>Jan Lawson</b><ul style="list-style-type: none"><li>— HR, Payroll and WorkCover</li><li>— Equal Opportunity</li><li>— Organisational Development</li><li>— Training</li></ul></div></div></div> <div><div><div><b>RISK MANAGEMENT AND CONTRACTS COMPLIANCE</b> <b>Bernard Mulholland</b><ul style="list-style-type: none"><li>— Risk Management</li><li>— OH&amp;S</li><li>— Contracts Compliance</li></ul></div></div></div>



CITY WORKS	SOCIAL DEVELOPMENT	SUSTAINABLE FUTURE
 <p><b>GENERAL MANAGER</b> <b>Simon Thomas</b></p>	 <p><b>GENERAL MANAGER</b> <b>Connie Gibbons</b></p>	 <p><b>GENERAL MANAGER</b> <b>Karen Watson</b> <i>IMAP</i></p>
 <p><b>PHYSICAL OPERATIONS</b> <b>Steve Relf</b></p> <ul style="list-style-type: none"> <li>— Municipal Emergency Management</li> <li>— Fleet Management</li> <li>— Waste Management and Disposal</li> <li>— Street Cleaning</li> <li>— Roads and Drains Maintenance</li> <li>— Rapid Response</li> <li>— Graffiti</li> </ul>	 <p><b>LEISURE AND LIBRARIES</b> <b>Tony Oulton</b></p> <ul style="list-style-type: none"> <li>— Library and History Services</li> <li>— Recreation Services</li> <li>— Aquatic Services</li> <li>— Community Facilities</li> </ul>	 <p><b>CITY STRATEGY</b> <b>Susan Price</b></p> <ul style="list-style-type: none"> <li>— Land Use Policy</li> <li>— Municipal Strategies</li> <li>— Policy Development</li> <li>— Planning Scheme Amendments</li> </ul>
 <p><b>PUBLIC SPACES AND CAPITAL WORKS</b> <b>Rick Kwasek</b></p> <ul style="list-style-type: none"> <li>— Infrastructure Design and Project Management</li> <li>— Urban Design</li> <li>— Open Space Master Planning</li> <li>— Construction</li> </ul>	 <p><b>AGED, DIVERSITY, HEALTH AND ANIMAL MANAGEMENT</b> <b>Penny Pavlou</b></p> <ul style="list-style-type: none"> <li>— Home and Community Care Services</li> <li>— Assessment Services</li> <li>— Cultural and Diversity Planning</li> <li>— Environmental Health</li> <li>— Animal Control</li> <li>— Stonnington Animal Pound</li> </ul>	 <p><b>COMMUNICATIONS AND COMMUNITY PLANNING</b> <b>Matt Clear</b></p> <ul style="list-style-type: none"> <li>— Municipal Recovery Management</li> <li>— Communications, Public Relations and Marketing</li> <li>— Website and Intranet</li> <li>— GIS</li> <li>— Social, Corporate and Community Planning</li> <li>— Community Safety, Health and Wellbeing</li> <li>— Disability Access</li> <li>— Best Value and Business Reviews</li> </ul>
<p><b>PARKS, ENVIRONMENT AND BUILDINGS</b> <b>Vacant</b></p> <ul style="list-style-type: none"> <li>— Sustainable Environmental Management</li> <li>— Parks and Open Space Maintenance</li> <li>— Arboriculture</li> <li>— Malvern Valley Golf Course</li> <li>— Building Maintenance</li> </ul>	 <p><b>CHILDREN AND FAMILY SERVICES</b> <b>Cath Harrod</b></p> <ul style="list-style-type: none"> <li>— Maternal and Child Health Services</li> <li>— Child Care Services</li> <li>— Youth Services</li> <li>— Immunisation</li> <li>— Service Centres</li> <li>— After Hours Service</li> </ul>	 <p><b>ECONOMIC AND CULTURAL DEVELOPMENT</b> <b>Francesca Valmorbida</b></p> <ul style="list-style-type: none"> <li>— Events</li> <li>— Economic Development</li> <li>— Arts and Cultural Development</li> <li>— Tourism</li> <li>— Halls and Venues</li> </ul>
 <p><b>TRANSPORT AND PARKING</b> <b>Ian McLauchlan</b></p> <ul style="list-style-type: none"> <li>— Parking Services</li> <li>— Traffic Engineering</li> <li>— Sustainable Transport</li> <li>— Asset Management</li> <li>— Road Management Plan</li> </ul>		 <p><b>CHAPEL OFF CHAPEL</b> <b>Gary McMahon – Acting</b></p> <ul style="list-style-type: none"> <li>— Cultural Events</li> <li>— Community Activities</li> <li>— Gallery</li> <li>— Tennis Courts</li> </ul>

# Human Resources and Organisational Development

## LEARNING AND DEVELOPMENT (DEVELOPING SKILLS AND CAPABILITIES)

Council has a strong commitment to helping staff develop and enhance their skills as evidenced by our corporate value of *'We recognise potential and support LEARNING.'*

As part of this commitment, a Corporate Training Program is offered to ensure consistent and meaningful development across the organisation. The annual program is based on a number of factors including:

- Staff Development Program discussions and outcomes
- Consultation with each Division about future needs
- Legislative changes
- Strategic goals
- Business planning
- Technology requirements
- Trends in Local Government and industry.

The courses provided, are designed to target the whole organisation and build on skills important to achieving Council's goals and objectives.

One of the highlights of the 2013/14 program was the successful roll out and completion of the Stonnington Diploma of Management. Delivered in partnership with Swinburne University, this program was tailored specifically for Stonnington to build the key skills essential to effective leaders including:

- Managing projects
- Providing leadership and ensuring team effectiveness
- Managing quality customer service
- Managing people performance
- Developing and using Emotional Intelligence.

The program was delivered over 10 months with a mix of workshops, assessment tasks and projects, all using practical examples and learning that were then directly applied back to the workplace.

## INDUCTION

The City of Stonnington's Corporate Induction Program was attended by 55 new full and part time staff over the year. This program provides an overview of Council services and a bus tour around the municipality. Participants meet staff from across the organisation and learn about the history of where they work and the range of services provided. The program also covers topics such as Occupational Health and Safety, and Equal Opportunity.

## STAFF ENGAGEMENT SURVEY

Stonnington conducted its third Employee Engagement survey in 2013. The survey measures employee feedback on a range of important issues including culture, levels of engagement and service delivery. The results are used to continue developing a culture that maximises staff engagement and commitment, as well as enhancing productivity in the delivery of core business activities. The results show that Stonnington has:

- Maintained a great culture, indicative of a high performing organisation
- Made a sustained and positive improvement on results from 2011 and 2009
- Performed well above the benchmark for the average Australian organisation.

## WELLBEING PROGRAM

Council recognises that the health, safety and wellbeing of employees are 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 wellbeing.

A strong health, safety and wellbeing culture in Stonnington is a precursor to reducing injuries and improving general wellbeing. Over the past year, the City of Stonnington has remained committed to maintaining a motivated, productive and healthy workforce by delivering its seventh Wellbeing Program.



The 2013/14 program offered a variety of events including the delivery of ‘Talking Health, Thinking Safety’; a targeted and holistic 6-week wellbeing program for all Aged, Diversity, Health and Animal Management staff.

Council’s wellbeing program continues to be recognised as a leader in workplace wellbeing and the organisation remains committed to ensuring the program suits the needs of, and engages with, all employees regardless of age, gender, fitness level, employment status and work location. The key target areas in 2013/14 included:

- Manual handling and injury prevention
- Mental health
- Physical activity
- Health and wellbeing of mature age workers
- Stress and fatigue
- Nutrition and weight management
- Enhancing team work and collaboration.

RECRUITMENT

Over the past year, recruitment has been undertaken for most departments within Council. Internal appointments continue to feature prominently, highlighting the strength of Council’s Learning and Development programs, employee engagement and the calibre of existing staff. Noteworthy internal appointments included the:

- Manager Children and Family Services
- Manager City Strategy
- Manager Building and Local Law Services.

A number of new employees joined the City of Stonnington, bringing new skills and fresh ideas to help positively shape the future of the organisation. Significant external appointments included the:

- Manager Communications and Community Planning
- Manager Economic and Cultural Development
- Manager Business Systems and Technology.

The City of Stonnington has continued to place a strong emphasis on candidate care, more efficient and effective recruitment processes and attracting a wider audience of potential talent by expanding its advertising to social media.

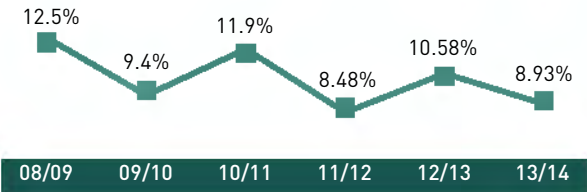
FIGURE 1.9 STAFF PROFILE

	Male	Female	Total
Full-time	265 (58%)	194 (42%)	459
Part-time	49 (24%)	153 (76%)	202
Casual	90 (36%)	158 (64%)	248
Total	404 (44%)	505 (56%)	909

Executive	4	2	6
Managerial	10	8	18
Non-managerial	392	493	885
Total	404	505	909

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





EQUAL OPPORTUNITY

Council takes its Equal Opportunity duties seriously and programs aim to eliminate discrimination, harassment, bullying and victimisation in the workplace.

Council has continued to develop and promote Equal Opportunity in the Workplace through its newly developed Respect @ Work program. Leaders and employees participate in a rolling calendar of Equal Opportunity training to raise awareness of employee rights and responsibilities under this important area of legislation.

Council continues to support and develop its network of Contact Officers, who are available to support staff in the workplace.

The City of Stonnington has a Staff Consultative Committee comprising members of staff, management and union representatives. This committee meets quarterly to discuss matters relating to the Enterprise Agreement and Equal Opportunity.

WORKCOVER

Days lost due to work-related injuries declined in the City of Stonnington (including Streetsahead Joint Venture) throughout 2013/14.

Despite an increase in claims lodged in 2013/14, Council had a decrease in the percentage of days lost due to injury compared to total claims. Of 49 claims lodged, only 10 claims resulted in time lost due to injury (20% of total claims). By comparison, 23 claims were lodged in 2012/13, with 12 of these claims resulting in days lost and in compensation being paid (52% of total claims). This result shows that employees are comfortable reporting injuries, even minor ones. This prevents more severe injuries – as is apparent in the decrease of days lost due to injury.

The increase in lodged claims is positive, as it allows Council’s OHS department to focus on areas where most injury has occurred, and reduce the minor claims that are occurring. Active claims management assists in the reduction of injury severity, as it promotes recovery through early intervention and early return to work.

Council has become an industry leader in the Local Government sector following the pleasing reduction in reported claims and decrease in claim duration.

In 2014/15, Workcover/HROD aims to focus on areas that have the highest number of severe injuries and actively work on prevention. To do this, a number of projects will be undertaken including:

- Inherent position assessment of high risk roles
- Development of a job dictionary tool and database
- Incident investigation and route cause analysis
- Information and training for divisions and managers.

Council aims to continue to reduce the incidence and severity of claims, and to focus on the prevention of injury through the prevention of incidents. This will involve personnel from different departments working together to identify high-risk activities, and effectively manage those risks.

FIGURE 1.11 ENSURING EQUAL OPPORTUNITY

Equal Opportunity Statistics	09/10	10/11	11/12	12/13	13/14
Training sessions conducted	10	8	20	14	7
Employees attending training sessions	118	122	250	166	86
No. of EO reports	0	0	4	2	4
No. of EO investigations	0	0	4	2	4
No. of investigations reported to external bodies	0	0	0	0	0
No. of complaints resolved internally	NA	NA	NA	2	4

FIGURE 1.12 WORKCOVER CLAIMS LODGED 2013/14 CITY OF STONNINGTON

	2009/10	2010/11	2011/12	2012/13	2013/14
Nil Time Lost	15	17	17	10	10
Time Lost-Weekly Compensation paid	26	17	27	6	21
<b>Total Claims Lodged</b>	<b>41</b>	<b>34</b>	<b>44</b>	<b>16</b>	<b>31</b>
% Increase/Decrease		-17%	29%	-64%	94%

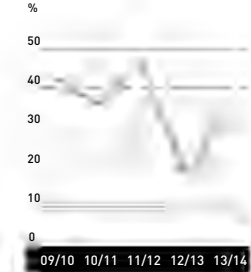
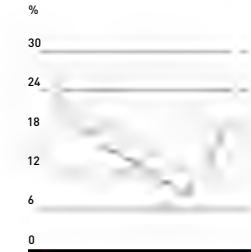


FIGURE 1.13 WORKCOVER CLAIMS LODGED 2013/14 STREETS AHEAD\*

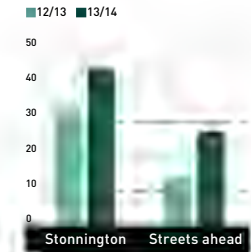
	2009/10	2010/11	2011/12	2012/13	2013/14
Nil Time Lost	10	5	7	4	9
Time Lost-Weekly Compensation paid	12	10	4	3	9
<b>Total Claims Lodged</b>	<b>22</b>	<b>15</b>	<b>11</b>	<b>7</b>	<b>18</b>
% Increase/Decrease		-32%	-27%	-36%	157%



\* Streetsahead discontinued from 30 June 2014.

FIGURE 1.14 WORKCOVER CLAIMS CLOSED 2013/14

	2012/13	2013/14
Stonnington	33	45
Streetsahead	14	27
<b>Total Claims Closed</b>	<b>47</b>	<b>72</b>
		<b>53%</b>





# Occupational Health and Safety



The City of Stonnington is committed to providing and maintaining a safe work environment for its employees, contractors, and community, as far as is reasonably practicable. Council’s commitment to a safe work environment covers all Council operations and functions, including those where staff work off-site, and extends to ensuring Council operations do not place the community at risk of injury or illness. Meeting this commitment requires teamwork, with employees and contractors cooperating to ensure that a culture of safety continues to grow and a safe environment is maintained for everyone.

## AS/NZS 4801 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATION

Auditors were on-site across various Council facilities during May 2014 conducting the AS4801 triennial Re-certification Audit. The outcome of the audit was positive, with no non-conformances with the Standard being issued.

The auditors conducted formal assessments of 19 Service Units and/or unique facilities, together with random, unannounced visits to an additional four facilities. This year, auditors were on-site for only six audit days instead of the previous ten. This was primarily due to Council’s well-developed OHS Management System and the resultant auditors’ view that Stonnington presents a lower level of risk in comparison to similar organisations.

The Auditors recommended re-certification of the City of Stonnington under the Australian/New Zealand Standard 4801: Occupational Health and Safety Management Systems, with the Certificate subsequently received.

Annual surveillance audits by the external auditors will continue as part of the certification maintenance regime, which supports the commitment by Council to continuous improvement. Council recognises that workplaces are dynamic, with ever-changing situations, new technologies and high expectations from legislation and the community. Council has, therefore, committed resources to maintaining the OHS Management System, the training of employees and Health and Safety Representatives and the continual examination of new and improved safety methodology.



## OHS STRATEGIC PLAN

Council's first OHS Strategic Plan was launched in Safety Week in October 2013 and outlines the vision for the future direction of OHS management within Council. It featured *StonningtonSAFE*, a visual depiction of all of the elements that make up Council's OHS Management System, as well as opportunities for continuous improvement and achieving the desired culture of safety within the organisation.

## OHS PROCEDURES

The comprehensive OHS procedural review process required significant involvement from all levels of the organisation and continues into 2014/15. Following organisation-wide consultation, Council's OHS Manual was simplified and rewritten in 2013/14 to produce a 32-procedure draft Manual which was presented to Council's Executive for consideration and approval. The new draft procedures reflect industry best practice and are designed to make it easier for employees to comply with the relevant safety standards and requirements.

Following authorisation and adoption by Council's Executive, the new procedures will be implemented across all Council operations.

## ELECTRONIC INCIDENT MANAGEMENT SYSTEM

SafetyMax, Council's electronic incident management system, was launched in October 2013. This system allows for immediate notification of incidents and allows relevant personnel across Council to be automatically notified of an incident having occurred. Following reporting of the incident, an automatic incident investigation process is activated.

The feedback from users of the electronic incident management system has been extremely positive. In addition, the quality of internal incident investigations and documentation has dramatically improved since the implementation of this system.

In 2014/15, Council will launch a Plant and Equipment Register and an Audits/Inspections Register. These Registers will store all the information concerning the scheduled maintenance of Council assets such as vehicle hoists, truck-mounted cranes, defibrillators etc; as well as providing for the scheduling and storage of information on workplace inspections and other safety events that are performed on a semi-regular basis. Developmental work for these two registers is well underway and will be launched in September 2014.

## TRAINING

Ongoing induction and training of employees and contractors is vital to ensure that everyone is familiar with safe work procedures and their safety responsibilities.

During 2013/14 Council delivered training in the following areas:

- Automated External Defibrillator
- Departmental/Unit-specific safety related issues
- Emergency Response exercises (evacuation drills for individual facilities)
- Fire Warden
- First Aid, Cardio-Pulmonary Resuscitation
- Hazardous substances and the Chemwatch System
- Manual Handling
- OHS induction for more than 55 new, permanent staff
- OHS Refresher course for the elected Health and Safety Representatives
- SafetyMax – electronic incident management system.

## OHS COMMITTEE AND HEALTH AND SAFETY REPRESENTATIVES

The OHS Committee is the primary forum for cross-Council consultation on OHS matters. It consists of a mixture of elected employee representatives and nominated management representatives. During 2013/14 the Committee met quarterly and provided valuable opportunities to share information and inform management of the operations of work groups. Minutes were posted on Council's OHS Noticeboards.

In addition to the OHS Committee meetings, two half-day Health and Safety Representatives Forums were conducted; providing information, up-skilling opportunities, and building networks and relationships. These Forums were beneficial in guiding and strengthening Health and Safety Representatives in their role as safety leaders within their work groups. They will continue to be conducted in 2014/15.

### EMERGENCY MANAGEMENT

Annual emergency response exercises were conducted and observed at all facilities during the reporting period, with efficient evacuation exercises occurring across Council. Newly appointed wardens were provided with relevant training.

This year saw the commencement of a holistic review of the emergency management processes at all Council's facilities, including reviewing and updating the existing emergency procedures manuals. Six facilities or precinct areas (areas where more than one Council facility exists within a small geographic location) have been assessed to date, with the remaining facilities to be completed in 2014/15. A review and update of the First Aid Risk Assessments for all facilities will also be completed in 2014/15.

### INHERENT JOB DEMANDS

In collaboration with Human Resources and Organisational Development, a significant project commenced in 2013/14 to assess the inherent job demands of the highest risk manual roles within Council. The project was designed to actively assess employees performing standard work tasks and to document postures, forces and work activities. This project will have significant benefits in the areas of future recruitment (improved pre-employment medicals can be based on documented processes) and manual handling risk assessments. It will provide assistance with the training of new staff in recommended work practices.

### INSTALLATION OF DEFIBRILLATORS

Five Automated External Defibrillators were installed at Malvern Library, Phoenix Park Library, Toorak/South Yarra Library, Northbrook and the Malvern Valley Golf Course during 2013/14. This completed the planned installation process across Council. All locations now have trained staff, capable of operating the equipment when needed.

### CHEMWATCH

The Chemwatch chemical management system continues to be refined and simplified across Council. Council aims to reduce the scope of its chemical inventory so that employees can improve their familiarity with the relevant Material Safety Data Sheets. Council will continue to look for replacement chemicals that have a reduced hazard rating. The refinement of this system will be the OHS Unit's major project in 2014/15.

### INTERNAL OHS AUDITS

The program of internal audits against AS/NZS 4801 was completed for all Service Units, with the OHS Unit working directly with the Service Units to identify opportunities to improve local systems and processes within the constructs of the Council OHS Management System.

### SAFETY WEEK 2013

A successful program of events was undertaken during Safety Week from 21-25 October 2013. A great turn out of employees heard Steve Pascoe's story of surviving the Black Saturday bushfires in Strathewen. The OHS issues drawn out of this survival experience included the importance of quality communication between parties, planning, preparedness, continual improvement, predictability and foreseeability. This moving, true story had the audience enthralled and delivered timely reminders to the audience of the need for constant safety vigilance.

### REPORTING

Council's Executive Management Team was provided with monthly reports on OHS issues and performance incidents, longer term trend analysis, future strategy options, OHS activities, and discussions were held on emerging issues.

In addition, OHS reports were provided to the Audit Committee every quarter and to Council every six months. OHS is a standing agenda item on all team meeting agendas and discussions.

Reportable incidents were reported to WorkSafe Victoria as required.



# Risk Management

**The management of risk within any organisation is recognised as an integral part of good management practice. Assessment of the known risks to Council and investigation into potential risks (gleaned from a critical examination of the operations of Local Government, State Government and private industry) contributes to Stonnington’s reputation as a high performing Council.**

Effective risk management supports informed and wise decision-making, as well as encouraging the identification of opportunities for continuous improvement through good governance and best practice.

Within Stonnington, risk management principles are applied across the entire organisation. The principles encompass 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, contract management, public image, reputation and governance.

To guide ongoing assessment and management of risks, Council has established policies and procedures to mitigate, eliminate or minimise potential risk. The principles supporting these policies are found within the International Standard ISO 31000: Risk Management – Principles and Guidelines. These policies are available on Council’s website.

## ORGANISATIONAL RESPONSE

Since early 2012, Council’s Risk Management and Contracts Compliance Department has scrutinised each of the existing policies, systems and processes operating within Council. A strategic response has seen a complete re-establishment of these systems and the introduction of new policies and processes that are designed to reduce Council’s risk exposure within an ever-changing landscape.

The existing responsibilities of the Risk Management and Contracts Compliance Department to manage risk and insurance, to oversee Council’s occupational health and safety management system and compliance with Section 186 of the *Local Government Act 1989*, were extended in 2013/14. They now include oversight of Council’s CCTV systems and the administration and control of the process that provides users with access to Council facilities. This expansion provides enhanced security to reduce risk.

Council’s Procurement, Risk Management and Fraud and Corruption Control policies were reviewed during 2013/14. In addition, new, complementary policies were adopted in the areas of Disposal of Assets (linked to the Procurement Policy) and the administration and control of access to Council facilities. A new draft CCTV policy has been prepared for consideration in the new financial year.

In recognition of the importance of proper contract and procurement management, the Risk Management Department overhauled the decentralised contracting process within Council, to ensure that contracting and procurement are being undertaken within Council in direct compliance with Sections 186 and 186A of the *Local Government Act 1989*. A twice-yearly assessment of Council’s cumulative spend (listing expenditure by Council to each of its creditors) has been conducted by the Department as a further cross-check of compliance with the Act.

The Department prepared and introduced an extensive range of standardised documents for tendering (contracts and expressions of interest), including best practice contract conditions and for obtaining written quotations in accordance with Council’s Procurement Policy. The Department also maintains the register of contracts and quotations in preparation for the commencement of the new Contract Compliance Management System.

This new system completes the re-establishment of the centre-led decentralised contracting and procurement processes within Council. It provides Contract Supervisors with a fully integrated system for managing contracts within a corporate database and removes the need for localised systems.



## REPORTING

Continuous reporting is key to maintaining an organisational focus on risk management. Throughout the reporting period, the Risk Management and Contracts Compliance Department has reported respectively on a monthly, quarterly and half yearly basis to the Executive, the Audit Committee and to Council. These reports cover two main areas:

- The performance of the organisation over successive periods (months and years) in achieving its risk management goals,
- An update/advice on risk issues within Council, local government and industry designed to mitigate risk within Stonnington.

Council's 2012–2014 Risk Management Strategy and Action Plan was reviewed throughout the reporting period, with the results reported to Council, the Audit Committee and the Executive Management Team. The Plan's 28 action items were progressively completed or advanced during this period.

## RISK REGISTER

A new Strategic Risk Register was developed following a comprehensive review and analysis of Council's Risk Register, which took into account the requirements of the ISO Standard and the risk industry, with special relevance to local government.

The Register incorporates risks which have the potential for significant and organisational wide impact on Council. The Strategic Risk Register separates risks that have the capacity to negatively affect the ability of Council to operate and sustain its services to the community, from those day-to-day risks that have continuous control mechanisms applied to them by various Council departments.

The Strategic Risk Register is directly linked to the review and establishment of the Strategic Audit Plan (a schedule of internal audits undertaken by externally appointed Auditors) which ensures that audit planning and focus is directed towards potential high risk areas of operation. The Strategic Risk Register was reviewed by the Executive and reported to Council's Audit Committee.

The second element of the Risk Register focuses on day-to-day operational risks. During the reporting period, a comprehensive review of the methodology of recording and reporting on operational risks was undertaken by the Department.

Research across local government and relevant industries was commenced to guide the review and the building of the Operational Risk Register. This element of the Register will be completed in 2014/15. Operational risks within individual Departments across Council will then be transferred into the new Corporate Register. This will provide Council with an organisational-wide, detailed view of both strategic and operational risks and their control measures, including a listing of all actions to be undertaken to improve these controls.

## INSURANCE

Council's insurance portfolio is brokered by Jardine Lloyd Thompson Pty Ltd, a British based insurer and reinsurer, under contract to the Municipal Association of Victoria (MAV). On behalf of Councils across Victoria and Tasmania, this company manages a public tender for insurance needs including public liability, professional indemnity, councillor and officer liability, personal accident/corporate travel, commercial crime, building and contents and motor vehicle.

The insurance available to local government continues to be under pressure due to a number of natural and human disasters within Victoria, Australia and globally. In past years, Stonnington has opted to carry a higher than standard excess on its public liability insurance to enable it to service low level claims in line with its customer service charter. As a consequence, Council manages almost all its public liability claims internally.

Analysis of incoming insurance claims enables discussion and examination of control measures. Stonnington is an active member of MAV Insurance forums which examine claims history and mitigations. Stonnington was the Chair of the Local Government Professionals Special Interest Group for Risk during 2013/14 which provides for a free flow of risk and insurance information and exchange of documentation between Victorian Councils. This collective approach by Councils to risk management and insurance continues to deliver advantages which may not be available to an individual Council.

The renewal of the MAV Liability Mutual Insurance again saw an increase in premiums across Councils in Victoria with Stonnington's increase being +23%. Council's other main insurances: motor vehicle (-10%), councillors and officers liability (+24%), public and products liability (+13%), personal accident (0%), commercial crime (+96%) all reflected the pressure on insurers to provide coverage.

During the reporting period, Stonnington participated in a Risk Analysis and Response Review conducted by the MAV which focused on Claim File processes and management. This review recognised the work undertaken by the Department to streamline this important function.

**BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN**

The Business Continuity and Disaster Recovery Plan (the Plan) is a vital document. It ensures the ongoing delivery of critical services, and the restoration to full services in the event of an incident or serious damage to any of the main Council buildings. The Plan is supported by five Divisional plans, as well as Records and Information Technology plans.

Council updated its Business Continuity and Disaster Recovery Plan in 2013/14 with the engagement of an industry expert to discuss with key staff the elements of the Plan which impact on their services. Following these updates, a simulated emergency exercise was conducted in June to examine the Plan’s performance under test conditions. The results of the exercise were provided to the Disaster Plan Committee to enable the final updating of the Plan.

The Plan was internally audited during the year and all points raised were addressed promptly.

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

An Emergency Response Kit has been issued to employees with an emergency response role and includes a fully documented procedure, telephone contacts, emergency equipment and building floor plans to enable a full and effective response to an event.

**TRAINING**

A Risk and Safety culture has been established within Stonnington and is reinforced with new employees as part of their corporate induction into Council. This ensures that there is a strong and consistent message conveyed to all employees. New employees are then aware of the expectations placed on them to enter into the established culture.

Training is targeted towards those aspects of Council service that have been identified in the Strategic Risk Register as priority areas.

During 2013/14, the Risk Management and Contracts Compliance Department and the appointed Claims Advisor presented a series of workshops focusing on the concepts behind professional indemnity including the provision of appropriate advice to residents and development applicants. In 2014/15, the Department will deliver a new series of workshops to staff dealing with tendering and contract management.

# Communications and Engagement

The Communications and Community Planning Department has been instrumental in coordinating and facilitating information sharing and community input into Council planning and decision-making. The broad range of opportunities provided during the year includes:

## Milestones and Achievements for 2013/14:

### COMMUNITY ENGAGEMENT

- Information sessions, workshops and forums for projects such as a proposed dog park at Windsor Siding Reserve, the review of Street Fundraising and Promotion Guidelines, Residential Zones reforms, Plan Melbourne, and key Council plans and strategies including the Municipal Public Health and Wellbeing Plan and the Access and Inclusion Plan.
- 22 surveys on topics including: Beatty Avenue streetscape, Glenferrie Road/High Street Activity Centre Structure Plan, Aged Services customer satisfaction, arts and cultural events, satisfaction with waste management, environmental health, parking, the State Government's draft Metropolitan Planning Strategy review, and traffic and transport initiatives.
- Advertising of numerous statutory planning applications, with consideration of public submissions during the decision-making process. The community has also been routinely consulted on the improvement and redevelopment of Council's buildings.
- Development of a draft Community Engagement Strategy for implementation in 2014/15.

### MEDIA

- 117 media releases were issued to local and metropolitan media in 2013/14.

### PUBLICATIONS

- Promotional support was provided for initiatives such as the Business Roundtable, Virgin Australia Melbourne Fashion Festival, 'Home for Christmas' campaign, and the Stonnington Jazz program.
- The community was kept informed of key decisions made by Council through newsletters, the Council website, stories covered in the media, brochures, social media, monthly advertorials

and paid advertisements. Some 68,000 letters were distributed to local households during consultation on reforms to Residential Zones.

- Six editions of the community newsletter *InStonnington* were produced. A digital e-reader has also been implemented allowing people to access *InStonnington* easily online. Audio versions of *InStonnington* have been made available in libraries.
- 13 advertorials were run in the *Stonnington Leader* and over 50 advertisements appeared in local and metropolitan newspapers.
- Three Ward Newsletters were produced.
- The Council Plan 2013–2017 was revised and updated for Year Two of implementation.
- The Annual Report for 2012/13 received a 'Gold Award' in the Australasian Reporting Awards.

### WEB, E-SERVICES AND DIGITAL

- Social media has become a popular two-way communication channel for both residents and local businesses. Over 13,000 members, across eight social media channels, actively engage with Council.
- Facebook and Twitter were introduced as alternative customer service channels.
- Council's website received 574,085 unique visits and 2,305,556 page views.
- The *Connect With Us* consultation area of the website provided a number of feedback opportunities for the community.
- Residents are using the new *Near Me* interactive mapping tool to find Council services located near their home – such as community centres, libraries, public art, and hard rubbish collection dates.
- Planning commenced in 2013/14 for a new, responsive and mobile-friendly Council website.



# Advocacy

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

Stonnington has taken a strong advocacy role in improving planning outcomes across the city, promoting mandatory height limits, and advocating for appropriate urban design outcomes. In 2013/14, Council continued to defend local areas from inappropriate development at the Victorian Civil and Administrative Tribunal (VCAT).

The agreement to build a local public high school in Stonnington followed representation by Council to State Government. Council also achieved a positive outcome with the withdrawal from sale of Ewing Memorial Kindergarten, following Council's advocacy. In addition, Council advocated strongly against a reduction of Government funding for the Adventure Playground, receiving good media coverage.

Advocacy was also undertaken to address community concerns about the expansion of Chadstone Shopping Centre (including public transport, urban design and parking management). Council also continued to address community concerns about the 590 Orrong Road development by advocating for planning controls.

A number of State Government Planning Reforms were introduced in 2013/14 and Council has played a key role in liaising with the Department of Transport, Planning and Local Infrastructure to clarify the proposed changes, inform the community, listen to community concerns and provide feedback to Government.

Open space is becoming increasingly scarce as population growth and development density continue to place pressure on all areas of the municipality. Council advocated to State Government about open space, through a Plan Melbourne submission and during consultation for the Burke Road rail undergrounding.

Council continued discussions with the State Government to achieve the best community outcomes from Prahran's Horace Petty Estate redevelopment.

Council's submission on the draft Masterplan advocated for a substantial and useable area of open space to be retained on the site to integrate and link to Council's open space network. Council also called for a design that enhances community connectedness, health and wellbeing, safety and neighbourhood amenity.

Advocacy was also undertaken for:

- Council's position on Melbourne Rail Link (formerly Melbourne Metro)
- Community awareness of family violence, through the White Ribbon campaign
- Enhancement of public transport and cycling initiatives
- Local decision making following a State Government decision to allow a 94 metre tower in Chapel Street, despite Council's refusal
- National Heavy Vehicle Regulation
- Road safety (through the Road Safety Action Group)
- Roads Management Act Codes of Practice
- Council's position on the State Government Inquiry into Social Inclusion for People with a Disability
- Council's position on the State Government's long-term development framework for Melbourne (*Plan Melbourne*)
- Council's position on the State Government's new Residential Zones planning reforms
- Streamlining of processes for developer contributions towards community facilities
- VicRoads business case on the Burke Road Grade Separation process.

# Business Systems and Technology

Council undertook an extensive review of its existing IT and Business Systems Strategy to reinforce the alignment between investment in technology and strategic business requirements. The outcome was the development of a new three-year IT and Business Systems Strategy, to commence in 2014/15. The Strategy will guide the progressive upgrade of Council's technology infrastructure and key business systems, whilst also improving Council's IT governance framework and IT project delivery capability.

In addition, a number of key projects were completed or commenced during the year, driven by the following guiding principles:

- Consolidating technology platforms, where possible, to a standard environment
- Optimising systems performance through integration and reduced redundancy
- Focusing on technology that can improve customer service delivery across the organisation.

## Milestones and Achievements for 2013/14:

- Development and adoption of a new three-year IT and Business Systems Strategy, to commence in 2014/15.
- Redesign and testing of Council's IT Disaster Recovery Plan.
- Completed the upgrade of obsolete MS Windows XP desktop operating system to MS Windows 7 to enhance desktop functionality standards. The full rollout was completed in October 2013.
- Completed a 'Cloud Readiness Assessment' of Council's Information Systems to complement the planning phase of the Stonnington Civic Precinct project.
- Performed a comprehensive network review and data flow analysis to identify key actions to optimise the speed and continuity of Council business systems.
- Completed the planning phase of Council's telephony replacement project in order to facilitate the replacement of Council's Landline Telephony with VOIP / UC (Voice Over Internet Protocol / Unified Communications) technology.
- Implemented BMC Atrium Data Dependency Mapping system to support administration, monitoring and future planning of Council's Information Systems.
- Continued rationalisation of Lotus Notes Infrastructure, with a target of full de-commissioning in 2014/15.
- Implemented the Microsoft SCCM system to enhance efficiencies for Desktop PC Management, PC Image/ Rollout Automation and IT Asset tracking.
- 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.
- Continued the upgrade of corporate databases infrastructure upgrades to MS SQL 2008 R2, the new standard for SQL database operating systems and applications.
- Implemented the Infocouncil Automated Business Paper System to better manage the distribution of agendas, minutes and papers for Council Meetings and Briefings.
- Assisted with the implementation of RFID (Radio Frequency Identification) technology for Library Services.
- Assisted with the implementation of the RITEQ Staff Rostering System to facilitate staff rostering for Aquatic Services.
- Implemented the new 'Service Desk Plus' IT Helpdesk management system to optimise support for Council Information Technology and Business Systems.

# Best Value Victoria

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

The *Local Government Act 1989* incorporates six Best Value Principles, which require Council to ensure that:

- 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 four step Best Value framework (Figure 1.15) to provide Best Value to the community. Between 2001 and 2005, Council completed an initial program of service reviews and has subsequently focused on ensuring that service standards continue to reflect local community needs.

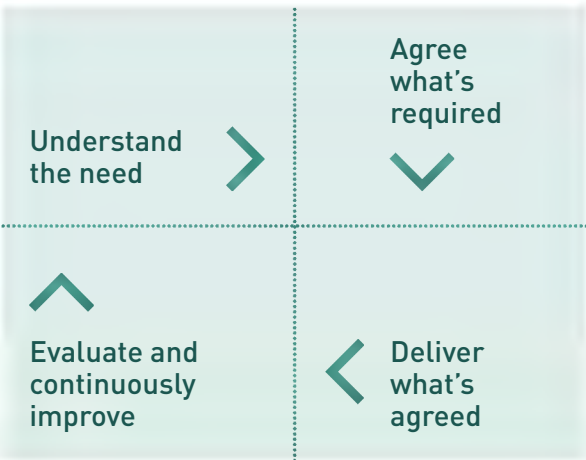
Council updated its Best Value Program Service Review Guidelines in 2010, followed by Best Value reviews of eight service areas in 2011/12, including:

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

The continuous improvement initiatives from these reviews progressed in 2013/14, with the provision of expanded electronic services. In addition, Council continued its focus on Best Value through initiating reviews of specific work functions to ensure ongoing relevance to the community and operational efficiency. In 2013/14, an Infrastructure Maintenance Department review focused on the effective delivery of services to the municipality and is due to be completed by December 2014.

Council is also developing a framework for continuous improvement in service provision, based on the Best Value Principles. Planning for the framework began in 2013/14 and is to be finalised and implemented in 2014/15.

FIGURE 1.15  
THE STONNINGTON BEST VALUE MODEL





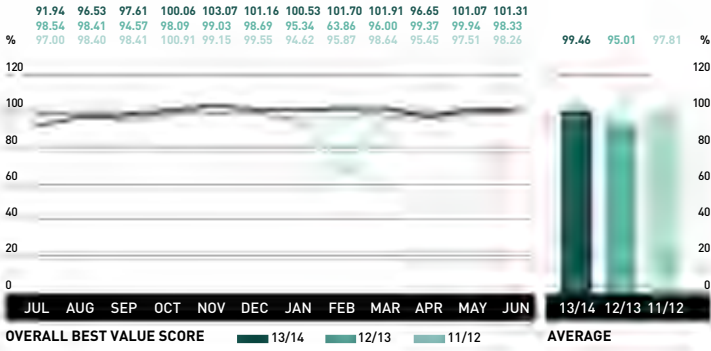
# Balanced Scorecard Reporting

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

Overall Performance

## ORGANISATION

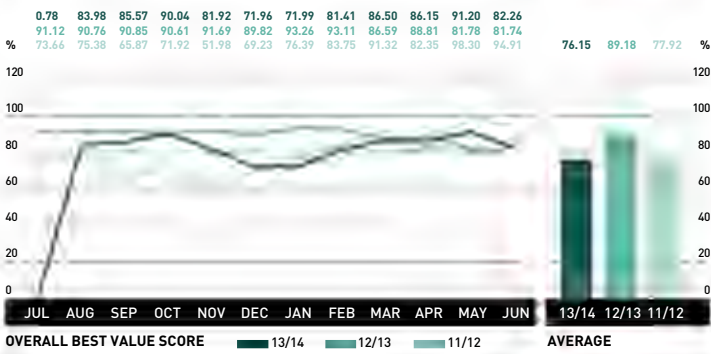
Council services performed well against Best Value targets, as detailed in the individual unit summaries following. Council's high performance is also reflected in high satisfaction results in the Annual Local Government Community Satisfaction Survey, particularly in waste management and arts and cultural activities. Notable achievements during the year include implementation of the Chapel Street masterplan, development of the Chapel reVision structure plan, adoption of the Sustainable Environment Strategy and the continued popularity of Council's Active Living recreation program. In addition, a number of Best Value-providing initiatives were implemented including new technology to improve irrigation in parks and reserves, road safety improvements, and enhanced support for vulnerable families.



Corporate Services

## FINANCE SERVICES

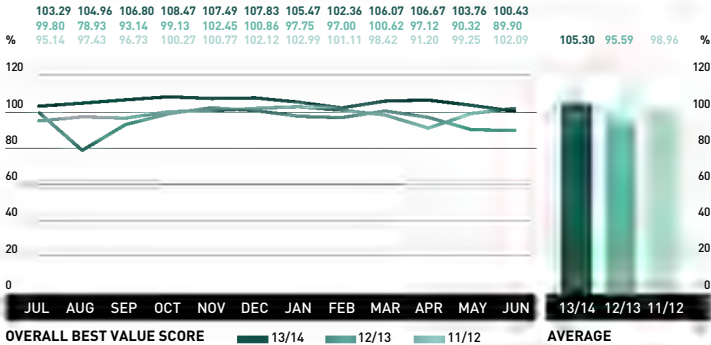
The Finance Services department implemented a Computer Assisted Audit Techniques system, enhanced internal controls, and improved business processes to meet the new Payment Card Industry Data Security Standards. Regulatory reports were delivered, system Help Desk resolution targets maintained, and new internal audit recommendations implemented within timelines. Best Value performance reflected budget performance for the whole organisation including income from interest and the Victorian Grants Commission, and Fire Service Levy expenses, particularly in July 2013. Capital expenditure was under budget in July 2013, but returned to budget from August 2013. Performance from November 2013 to January 2014 was temporarily impacted by account reconciliation work and two high risk internal audit observations – all since resolved.



Corporate Services

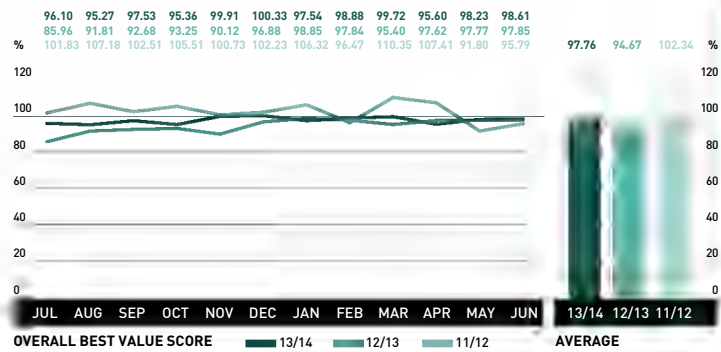
## HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

In 2013, Stonnington conducted the Employee Engagement Survey; measuring feedback on culture, levels of engagement and service delivery. The results are being used to continue developing a productive culture that maximises staff engagement and commitment. Stonnington's results were well above the benchmark of the average Australian organisation and show a sustained and positive improvement over the three surveys since 2009.



## BUSINESS SYSTEMS AND TECHNOLOGY

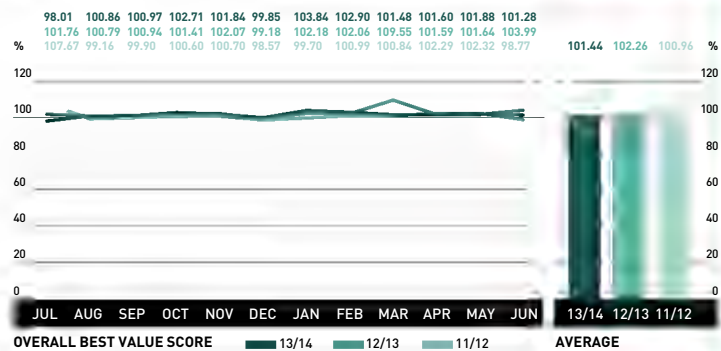
Council has implemented service delivery efficiencies in the development of a new three-year Information Technology Strategy that establishes a framework for the delivery of services across the organisation. Key achievements have included work on server rationalisation and the implementation of a new Help Desk system. Risk mitigation tasks have included the redevelopment and implementation of an improved Information Technology Disaster Recovery Plan.



Corporate Services

## RATES MANAGEMENT

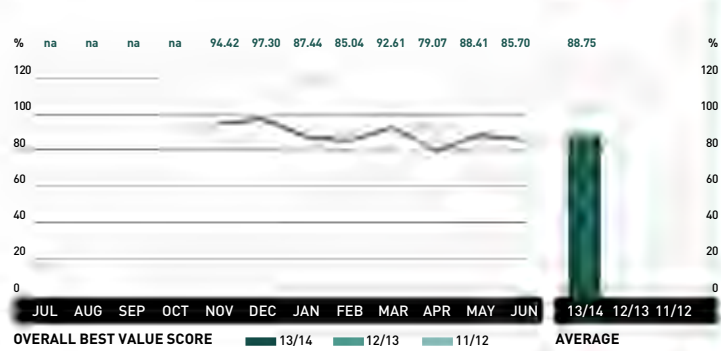
This financial year resulted in the best collection rate in five years, with engagement of a new debt collection agency leading to a more 'hands on' approach to debt collection and comprehensive methods of managing accounts through to full payment. Business re-engineering of internal processes has resulted in most major long term debtors paying in full, and a more consistent cashflow from debtors who are paying by arrangement.



Corporate Services

## RECORDS MANAGEMENT

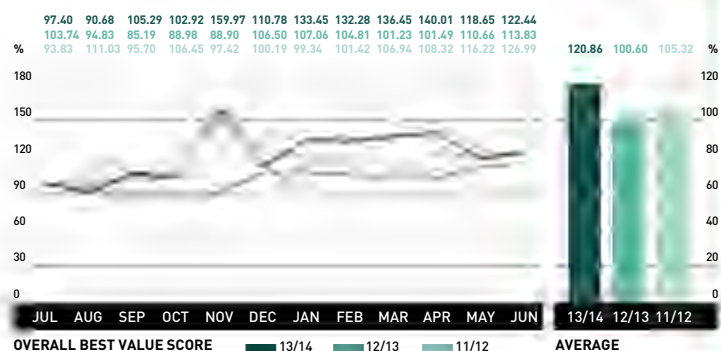
The Records Management Unit provided high quality mail and internal courier management, document and file management, archives management, and specialist records management advice to Council. During 2013/14, record digitisation projects were undertaken with a number of Council business units, leading to improved access to information for Council services. Work is progressing on developing consistent rules regarding the capture of records and flow of information around the organisation. The Unit began reporting in 2013/14.



Corporate Services

## VALUATIONS

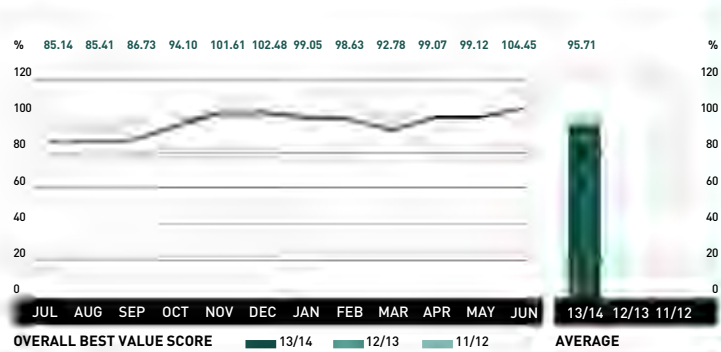
The Valuations unit finished the two year valuation of all rateable property in the City as required on time and within budget. The new valuations are assessed as at 1 January 2014 and are in force for the 2014/15 and 2015/16 financial years. Supplementary valuations as a result of new building activity continue to be strong and are completed in a timely way.



Corporate Services

## BUILDING AND LOCAL LAW

The amalgamation of the Compliance and Building Control units in 2013/14 has led to a high level of synergy and efficiencies across the business unit, with Best Value outcomes improving as a result. Throughout this period, some savings were achieved from unfilled vacant positions in the Department, while an increase in building activity in the municipality contributed to a positive variance in income from permits assessed. The Unit began reporting in 2013/14.

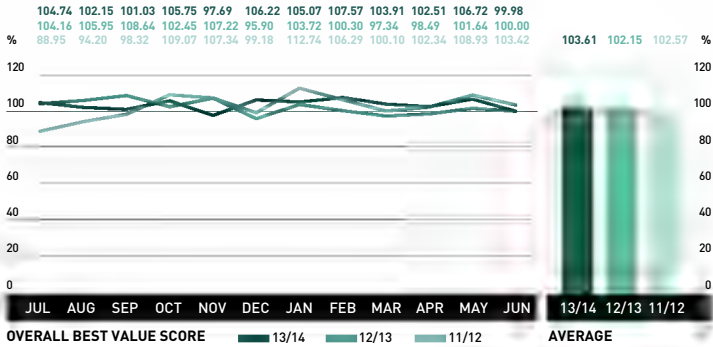


Planning and Development

PLANNING SERVICES

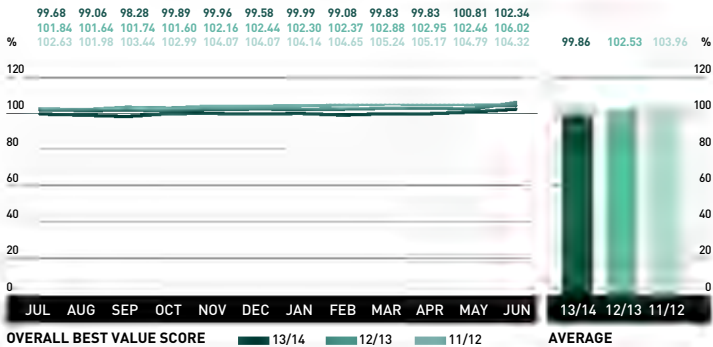
Statutory Planning has continued to improve its delivery of timely planning decisions – with the ratio of incoming Planning Permit and Planning Amendment applications to outgoing decisions increasing to 79% (from the previous year's 70%).

81% of Planning Permit applications were completed within the 60 day statutory timeframe, compared to 66% the previous year. Councillors' support for officer recommendations increased to 67% (from 25% the previous year).



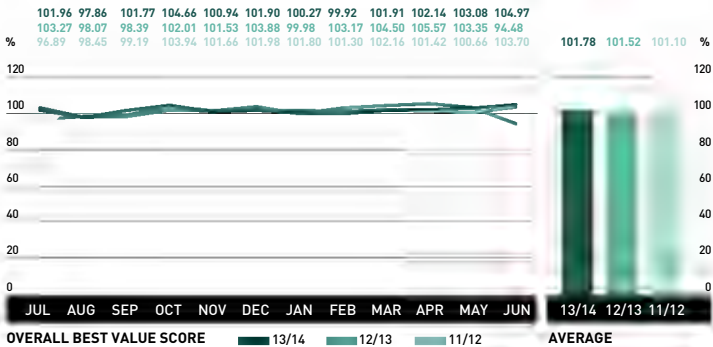
PARKS, ENVIRONMENT AND BUILDINGS

Parks, Environment and Buildings again performed to a very high standard over 2013/14. The introduction of new turf management practices has improved the management of sports field surfaces. New technology is being implemented to improve the management of irrigation across parks and reserves and this will assist in achieving overall water savings. Capital projects were generally delivered on time and on budget. The Environmental Education Program has expanded and participation of schools in the Green Schools Network has doubled. The Community Environmental Outreach program, initiated in 2013/14, is well advanced with a number of initiatives underway.



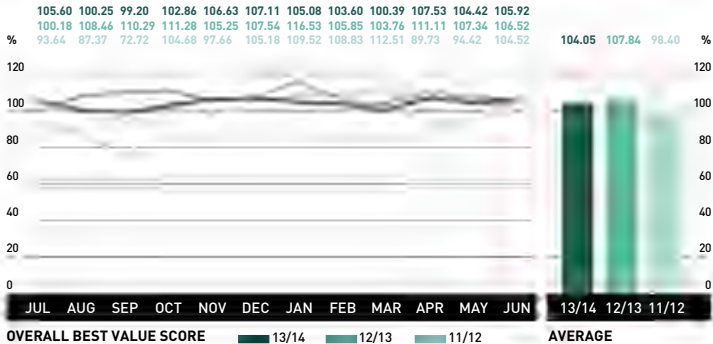
PUBLIC SPACES AND CAPITAL WORKS

Public Spaces and Capital Works has performed extremely well over the year, with more than 95% of capital projects listed delivered on time and on budget. Key projects delivered included: replacement of the Dunlop Street bridge, a number of road reconstruction projects, and commencement of the implementation of the Chapel Street Masterplan. These results were achieved due to sound planning and project management processes, including stakeholder engagement, and regular capital works meetings to assist in the planning and phasing of projects. A project review process has been introduced that promotes ongoing innovation and improvement within the group.



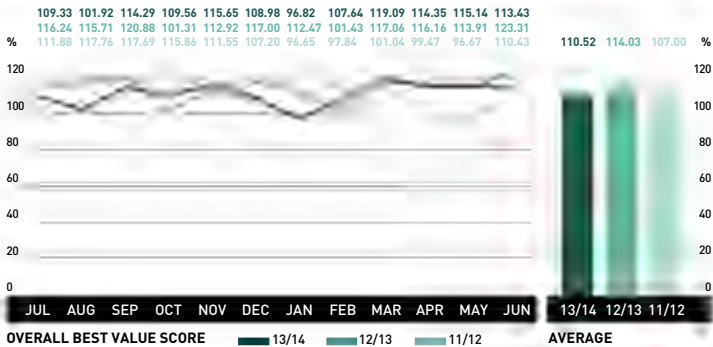
PARKING CONTROL

Overall, the Parking Services area had a very successful year with income exceeding budget expectations. Revenue received from the Infringements Court also exceeded budget expectations, largely due to the Sheriff's introduction of Automatic Number Plate Recognition technology.



RECYCLING SERVICES

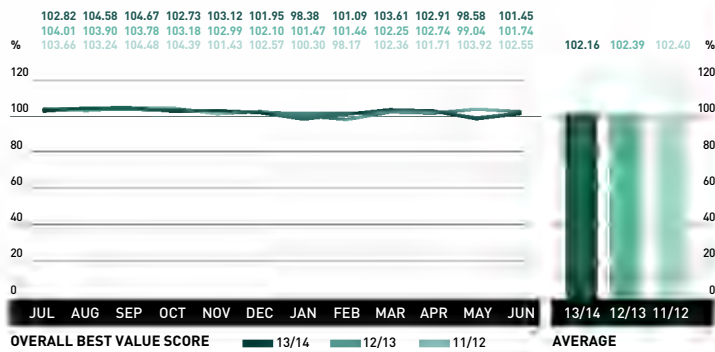
Council's recycling service continued to perform very well, although overall tonnage of recyclable material continued to decline, reflecting the decline in items such as newsprint and heavy-weight glass containers.





STREET CLEANING SERVICES

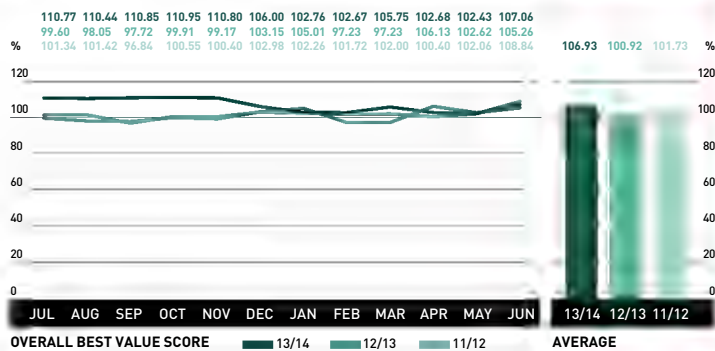
Streetsahead Cleaning Services maintained a consistently high level of service delivery. All programmed schedules were completed. Additional resource effort during the Autumn months ensured that customer requests for additional sweeping runs were kept to a minimum.



City Works

TRANSPORT AND PARKING

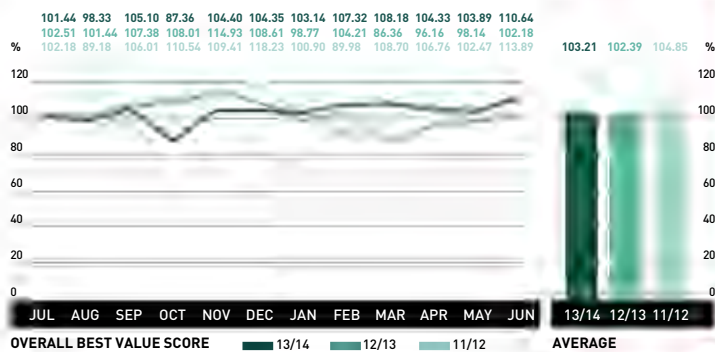
The Transport and Parking Unit has improved service levels through a focus on internal and external stakeholder communication and outcomes. The Capital Works Program delivered safety improvements including road hump treatments, area speed zones, splitter islands on several local streets, and new bicycle lane treatments on Chapel Street. Implementation of local area traffic management recommendations is underway in the area bounded by Orrong, Toorak, Grange and St Georges Roads.



City Works

WASTE MANAGEMENT SERVICES

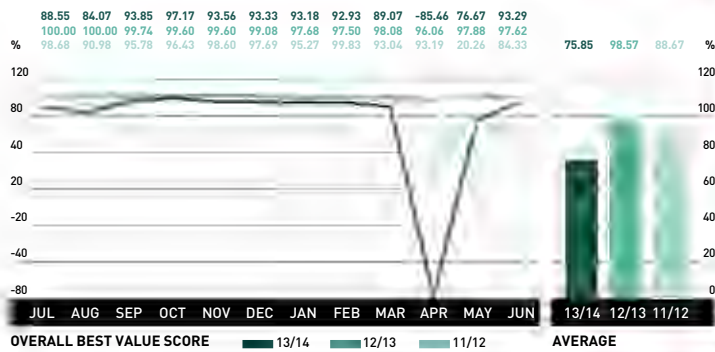
Waste Management Services provided 2.62 million household waste bin collections, along with the biannual hard waste collection service. Waste management is consistently one of Council's strongest performing areas in the annual Local Government Community Satisfaction Survey – where Stonnington outperforms comparable local governments.



City Works

ANIMAL MANAGEMENT

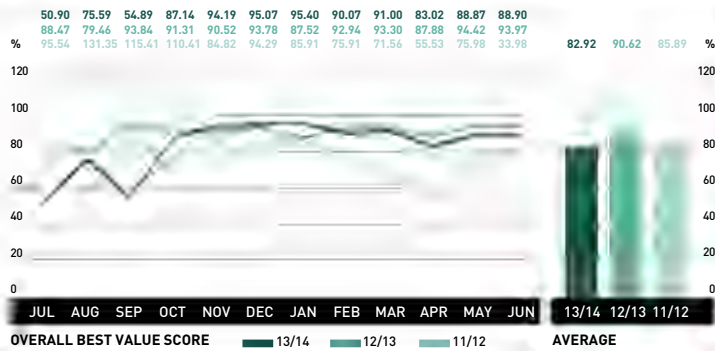
Animal Management has been working to implement the key actions of the Domestic Animal Management Plan. These actions show a commitment to the welfare of animals in Stonnington. They include the placement of A-frame boards promoting keeping dogs on leashes and picking up after animals, and the development of a procedures manual. The negative variance for April reflects an anomaly in the allocation of registration fees income for this year. This has not affected the end of year result.



Social Development

AQUATIC SERVICES

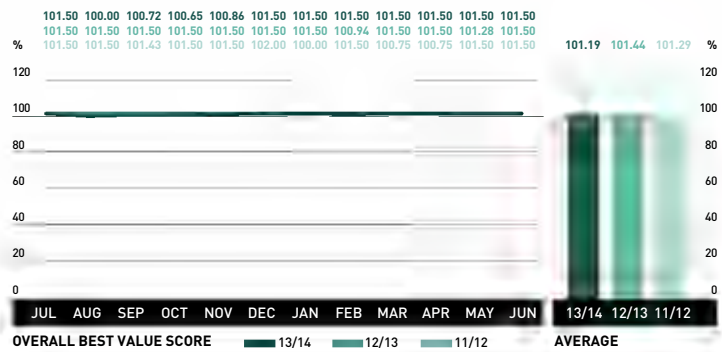
Attendances and enrolments at Harold Holt Swim Centre have grown significantly since its redevelopment in 2010. This growth is largely due to the lure of new facilities as well as program and service expansion. Overall membership/visit pass holder numbers have increased by 300% and the Learn to Swim program has grown by 128%. Total attendances for 2013/14 reached 486,678 visits to Harold Holt and 119,541 visits to the Prahran Aquatic Centre. At the end of term two, there were 2,088 Learn to Swim enrolments and 1,978 Aquatic Service members.



Social Development

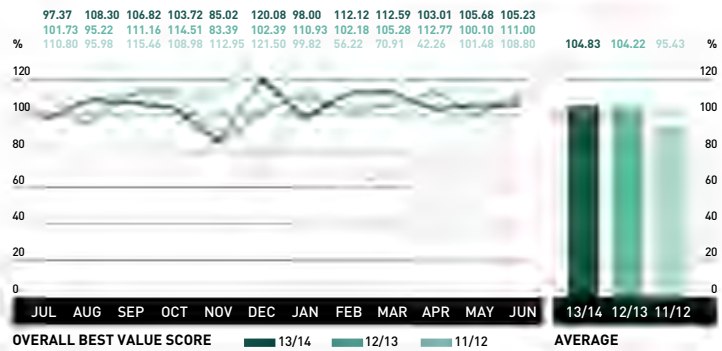
ASSESSMENT SERVICES

Council's Assessment Unit continued to undertake timely, person centred assessments to meet the needs and aspirations of aged residents and people with disabilities and their families and carers. Council provided a range of information services to residents including those who care for other people, and those suffering from dementia.



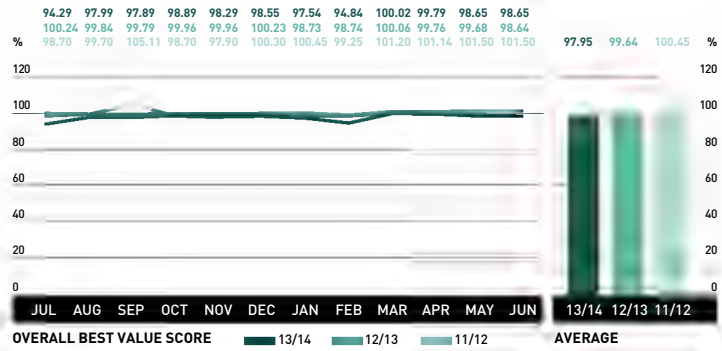
CHILDCARE

Council's four childcare centres have continued to deliver a high quality and consistent service to the community. This year, two of the centres were accredited and each achieved a rating of 'Exceeding National Quality Standards' in the National Quality Standards assessment. This demonstrates the high standard of care and education provided to families in Stonnington.



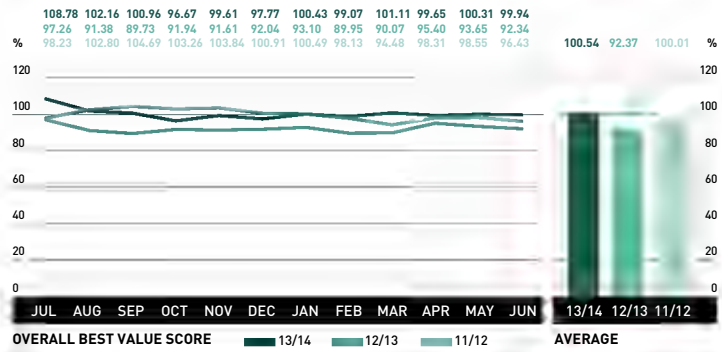
COMMUNITY BASED SUPPORT SERVICES

During the last year, the Social Support Program broadened its scope to promote other community based social support initiatives. These included U3A, Phoenix Park Neighbourhood House, Soroptimists, Probus and other older person groups. This has resulted in greater opportunities for older residents to participate in more activities than offered by Council's direct services.



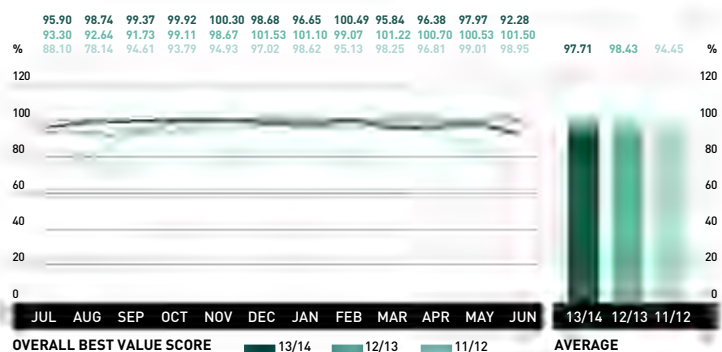
ENVIRONMENTAL HEALTH SERVICES

The Environmental Health Unit has continued its strong emphasis on compliance and regulatory improvements in food and health businesses. The introduction of gastroenteritis information sessions for child care centres was a successful initiative that will be rolled out to aged care facilities in 2014/15. The FoodSafe program continues to provide visitors to Stonnington with information on food businesses that have achieved outstanding results in their Annual Food Safety inspections.



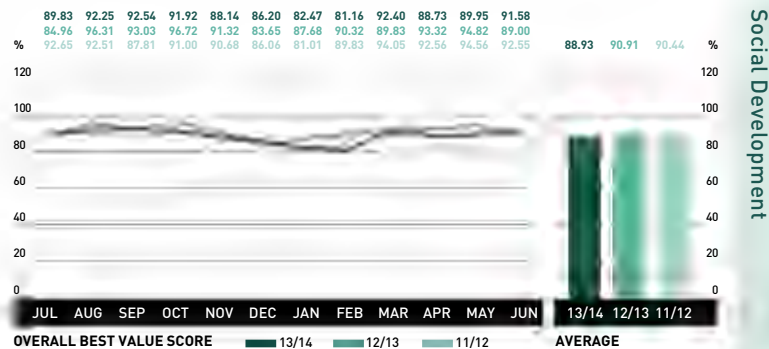
IN-HOME SUPPORT SERVICES

In Home Support Services continued to provide a range of supports to older people, people with disabilities and their carers in the community. The introduction of hand-held tablets for care workers has reduced paperwork, increased levels of customer service and created efficiencies.



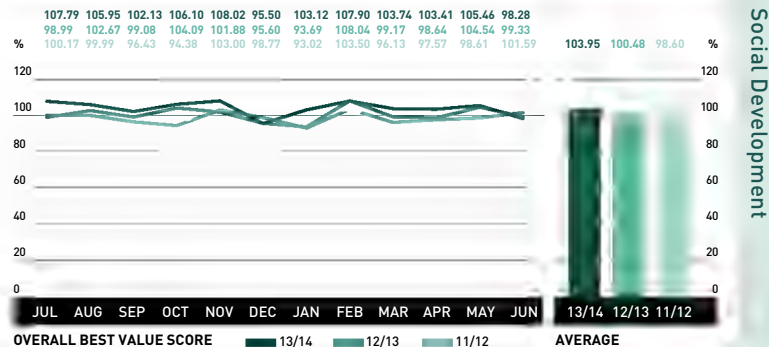
## LIBRARY AND HISTORY SERVICES

The library service continues to change and evolve as the use of new technology becomes an increasing aspect of library services. As on-line visits and downloading of e-resources become more popular, traditional borrowing and library visits remain steady. As a result, a total of 982,661 library loans were made for the year with 603,056 individual visits to libraries. Library Services held 436 events, attended by 8,491 children and 7,584 adults.



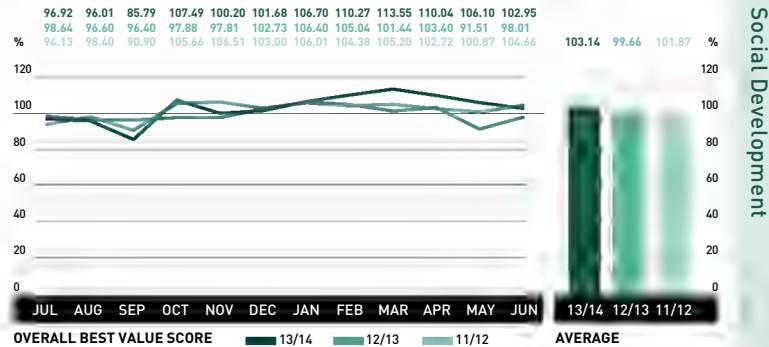
## MATERNAL CHILD AND HEALTH SERVICES

The Maternal and Child Health Services provides a primary care service for Stonnington families with children from birth to school age. The service continued to undertake a comprehensive approach to the early detection, intervention and prevention of physical, emotional and social issues affecting young children and their families. A home visiting Enhanced Maternal and Child Health program provided intensive support for vulnerable families experiencing significant parenting difficulties.



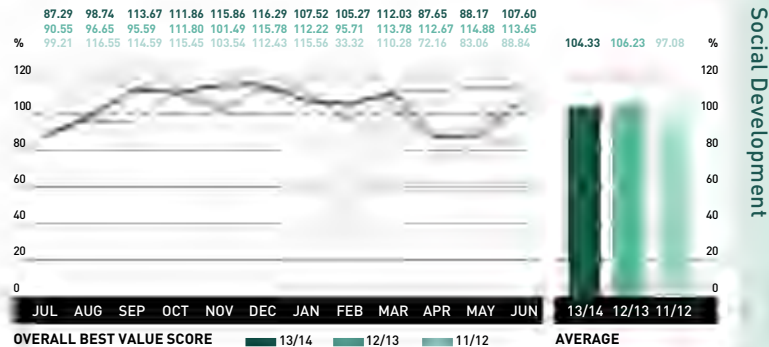
## RECREATION SERVICES

Ten free or affordable Active Living programs, consisting of 528 individual classes, were run during 2013/14. These included: Gentle Yoga, Tai Chi, Qi Gong, Hatha Yoga, Mums and Bubs Fitness, Women's Self Defence, Cycling Education, Rock 'n' Roll, Dance, Zumba Gold and the Teenage Holiday Program. The draft Recreation Strategy has been prepared and is currently under review before being adopted in 2014/15.



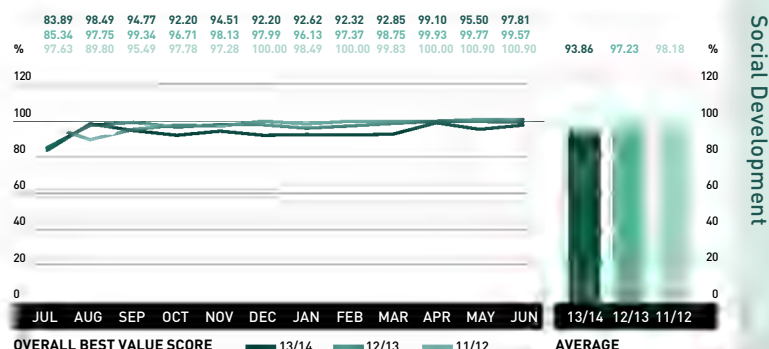
## SERVICE CENTRES

The Service Centre continued to ensure a high level of customer satisfaction by assisting residents to access Council services. In 2013/14, the Centre responded to 136,288 phone calls from the community. This year saw an increase in residents participating in the 'Greet the Street' program with 60 street parties hosted across the municipality.



## YOUTH SERVICES

Youth Services has continued to provide a broad suite of programs, events and support to the local youth population. Working in partnership with both local agencies and young people, Youth Services has delivered on all key performance measures to ensure that children, young people and their families have equity of access to support services, programs and events that enrich their lives, meet their needs and enhance their quality of life.





# National Competition Policy Compliance

When applying the Best Value Principles, Council is 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 2013/14 financial year. The indicators were introduced by the State Government to help the community and Councils judge the health of the local government sector and to benchmark performance improvements.

No	Category	Indicator	Indicator Definition	2013/14
1	Overall Performance	Community Satisfaction rating for the overall performance generally of the Council	Council result from the Annual Local Government Community Satisfaction Survey.	73
2	Community Consultation	Community satisfaction rating for council’s community consultation and engagement	Council result from the Annual Local Government Community Satisfaction Survey.	63
3	Advocacy	Community satisfaction rating for Council’s advocacy and community representation on key local issues	Council result from the Annual Local Government Community Satisfaction Survey.	57
4	Customer Service	Community satisfaction rating for Council’s level of customer service	Council result from the Annual Local Government Community Satisfaction Survey.	77
5	Overall Council Direction	Community satisfaction rating for Council’s overall direction	Council result from the Annual Local Government Community Satisfaction Survey.	57

No	Category	Indicator	Indicator Definition	2013/14
6	All Rates	Average rates and charges per assessment	<p>Rates and charges declared as being receivable, in the calculations for the adopted rates, at the beginning of the year, including:</p> <ul style="list-style-type: none"> <li>– general rates and charges declared under ss.160,161, 161A of the <i>Local Government Act 1989</i> (the Act).</li> <li>– municipal charges and service rates and charges (that is, garbage services) levied under ss. 159, 162 of the Act respectively.</li> <li>– supplementary rates declared, divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).</li> </ul>	\$1,490
7	Residential Rates	Average residential rates and charges per assessment	<p>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).</p>	\$1,430
8	Operating Costs	Average operating expenditure per assessment	<p>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).</p>	\$2,197
9	Capital Expenditure	Average capital expenditure per assessment	<p>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:</p> <ul style="list-style-type: none"> <li>– capital renewal of existing assets which returns the service potential or the life of the asset up to that which it had originally.</li> <li>– capital expansion which extends an existing asset at the same standard as currently enjoyed by residents to a new group of users.</li> <li>– 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 rate.</li> </ul>	\$875
10	Infrastructure	Renewal	<p>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.</p>	159.0%
11	Infrastructure	Renewal and Maintenance	<p>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:</p> <ul style="list-style-type: none"> <li>– 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).</li> <li>– 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.</li> </ul>	130.9%
12	Debts	Average liabilities per assessment	<p>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).</p>	\$845
13	Operating Result	Operating result per assessment	<p>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).</p>	\$389







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# Financial Results Overview

## FINANCIAL POSITION

Council’s financial position continues to be strong, with net assets of \$1.87 billion and cash and cash equivalents of \$32.87 million at 30 June 2014 after servicing a total capital works program of \$50.61 million during the year. The working capital ratio of 2.7:1 at 30 June 2014 indicates current assets are more than adequate to meet current liabilities, which is an important measure of liquidity. Borrowings increased during the year as budgeted to fund capital works, including the acquisition and development of the new Civic Centre building. Total borrowings excluding finance leases are \$14.89 million, a modest level of debt compared to Council’s total assets of \$1.92 billion.

This 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.

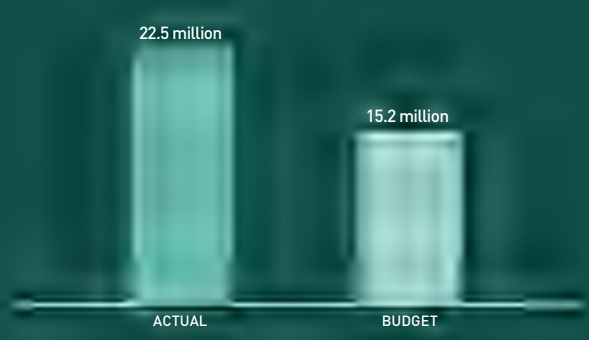
## TOTAL COMPREHENSIVE RESULT

The Standard Income Statement indicates that Council achieved a net surplus for 2013/14 (before net asset revaluation increment) of \$22.49 million, which exceeded the budgeted surplus of \$15.21 million.

The favourable variance of \$7.28 million was primarily due to additional income from open space and development contributions of \$2.22 million, which Council is restricted to expend on the purchase of new properties for open space realm enhancement, user fees of \$1.19 million, traffic fines and parking of \$0.92 million, government grants of \$0.55 million and gains from disposal of property, infrastructure, plant and equipment of \$0.45 million. In addition, employee benefits expense was \$2.13 million less than budget largely due to a budgeted defined benefits superannuation fund call not occurring.

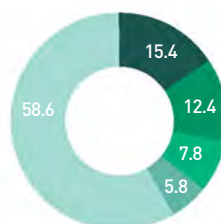
This surplus is important as it enables Council to sustain its day-to-day operations in the longer term and provides an internal source of funding for capital works.

## 2013/14 TOTAL COMPREHENSIVE RESULT (BEFORE NET ASSET REVALUATION INCREMENT)



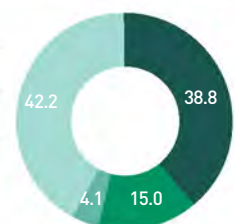
## INCOME (INCL CAPITAL GRANTS)

Rates & Charges	\$87.63m	58.6%
User Fees	\$23.03m	15.4%
Traffic Fines and Parking	\$18.60m	12.4%
Other Income	\$11.60m	7.8%
Grants Operating & Capital	\$8.73m	5.8%



## EXPENSES (INCL LOSS FROM ASSOCIATES)

Employee Costs	\$53.60m	42.2%
Material and Services	\$49.27m	38.8%
Depreciation	\$18.98m	15.0%
Other Expenditure	\$5.25m	4.1%



## INCOME

Council's total income including capital grants for 2013/14 of \$149.59 million compared favourably to a budget of \$143.24 million.

The main factors contributing to this favourable variance of \$6.35 million include higher developer contributions (+\$2.22 million), user fees (+\$1.19 million), other revenue (+\$1.02 million), traffic fines and parking (+\$0.92 million), reimbursements (+\$0.35 million), rates and garbage charges (+\$0.21 million), and capital and operational grants from State and Federal Government (+\$0.55 million).

An analysis of Council's income 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 including loss from associates for 2013/14 of \$127.10 million were lower than the budgeted \$128.02 million. Employee benefits expense was \$2.13 million less than budget due to a budgeted defined benefits superannuation fund call not occurring and to the effective management of employee leave.

## CAPITAL EXPENDITURE

During the 2013/14 year Council internally funded \$28.81 million of the total \$50.61 million investment in capital works. A \$6.80 million investment in open space realm enhancement was funded from the open space reserve and Council's new borrowings of \$15.0 million was utilised to fund the acquisition and development of the new Civic Centre building. Total expenditure comprised \$30.02 million to renew, replace, upgrade and expand existing assets to safeguard the sustainable delivery of Council's services to the community, with a further \$20.59 million invested in new assets.

Works already underway to the value of \$6.53 million will be carried over to 2014/15 for completion, including the Civic Centre refurbishment, Harold Holt Swim Centre dive tower upgrade, Sunnyside kindergarten extension, Harold Holt Swim Centre indoor boilers and filters replacement, Harold Holt pool water treatment system upgrade and energy reduction works to council facilities.

Some of the key capital works in 2013/14 included: open space purchases and parks, gardens and land works \$21.36 million; buildings \$13.29 million; local roads refurbishment and resurfacing, drainage and footpath works \$10.24 million; motor vehicles, plant and equipment, information technology software, library books, office equipment and furniture \$5.71 million.

## THE 2013/14 CAPITAL WORKS EXPENDITURE IS CLASSIFIED AS:

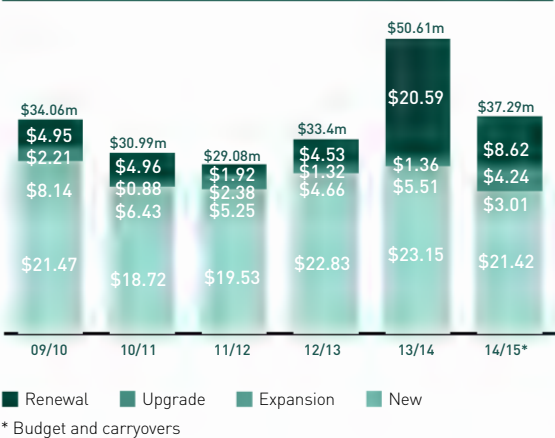
Renewal of existing assets to restore their useful life or service potential to original condition	\$23.15m
Expansion of existing assets to benefit more users	\$1.36m
Upgrade of existing assets to extend their useful life or provide greater service	\$5.51m
New assets	\$20.59m



### CAPITAL EXPENDITURE BY ASSET CLASS (\$ MILLION)



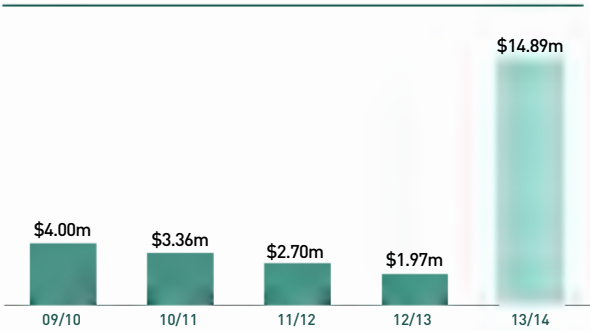
### CAPITAL EXPENDITURE BY ASSET TYPE (\$ MILLION)



### BORROWINGS

Debt (excluding finance leases) was \$14.89 million at 30 June 2014 compared to \$1.97 million at 30 June 2013 after Council borrowed \$15.0 million as budgeted for strategic property investment during 2013/14. Historically, Council has generated operating surpluses and sold redundant assets to fund major new and upgraded works but recognised in its 2013/14 long term financial plan that borrowing is an important fund source for strategic capital works programs. Council’s Strategic Resource Plan for 2014/15 to 2017/18 identifies new borrowings of \$30.0 million to contribute funding for strategic capital expenditure over 2016/17 to 2017/18, an option available to Council due to its relatively low debt levels.

### BORROWINGS (\$ MILLION)



### CASH AND OTHER FINANCIAL ASSETS

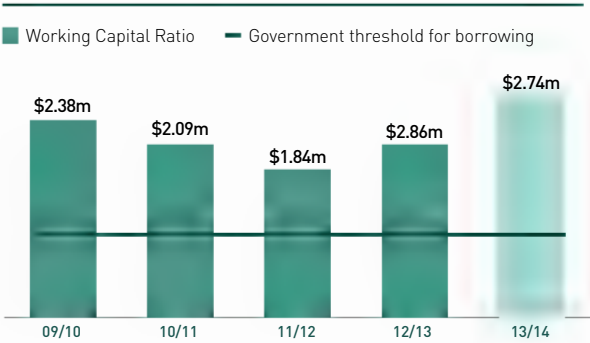
Combined cash and equivalents and other financial assets, including investments over 90 days, at 30 June 2014 total \$67.87 million.

Council’s liquidity position continues to be strong with a ratio of 2.7:1, indicating that Council has \$2.74 of cash and current assets for every \$1.00 of current liabilities.

Legislative and policy restrictions on Council’s cash at 30 June 2014 were \$52.71 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 2014/15 capital works program of \$33.29 million as well as projects of \$6.53 million carried over into the 2014/15 year for completion.

### WORKING CAPITAL RATIO (\$ MILLION)



# Understanding the Financials

## AUDITING PROCESS

Council's Financial Report includes Standard Statements, Financial Statements and Performance Statement for the year ended 30 June 2014 and is prepared to meet the requirements of the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004* (replaced by the *Local Government (Planning and Reporting) Regulations 2014* effective from 1 July 2014), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements are audited by the Auditor-General of Victoria and are approved in principle by both the Council's Audit Committee and Council. The reports are then forwarded to the Victorian Auditor-General's Office for finalisation and provision of the Auditor-General's opinion on the Financial and Standard Statements and 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 Report has been prepared in accordance with relevant legislation and accounting standards and presents a fair view of the financial affairs of Council. For the financial year ended 30 June 2014 Council received a clear audit opinion for all Financial and Standard Statements and the Performance Statement.

## 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 2014 (including income from associates and joint ventures) of \$22.49 million.

The statement includes all sources of revenue and operating expenses that relate to the delivery of Council services. The Comprehensive Income Statement is prepared on an accrual basis, meaning that all revenue and expenses relating to the financial year are included 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 \$5.05 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.

The Council is reporting a comprehensive result of \$60.07 million in 2013/14, which includes the net movement in Council's equity in the Clayton South Regional Landfill and Council asset revaluation. For the 2013/14 year Council's equity in Clayton South Regional Landfill decreased by \$0.89 million and Council's net asset revaluation resulted in an increment of \$37.57 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 2014. 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 2014 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 relatively 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 2014. 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 2014. It excludes non-cash expenses such as depreciation but includes payments in relation to capital projects, proceeds from asset sales and movements in cash that Council may hold as a result of holding trust deposits. Council’s cash arises from, and is used, in three main areas:

### CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:

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

### CASH FLOWS FROM INVESTING ACTIVITIES:

Includes capital works expenditure and any receipts from the sale of assets.

### CASH FLOWS FROM FINANCING ACTIVITIES:

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

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



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## 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 (Standard Income Statement, Standard Balance Sheet and Standard Cash Flow Statement), together with a further statement (Standard 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 2014. 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 2014

	Note	2014 Actual \$'000	2014 Budget \$'000	Variance \$'000	Variance %
<b>Income</b>					
Rates and charges		87,634	87,422	212	0.2%
Traffic fines and parking	1	18,597	17,676	921	5.2%
User fees		23,029	21,837	1,192	5.5%
Grants – operating	2	7,352	7,479	(127)	(1.7%)
Contributions	3	5,246	3,024	2,222	73.5%
Reimbursements	4	1,220	872	348	39.9%
Interest	27	2,420	2,978	(558)	(18.7%)
Other revenue	5	2,255	1,239	1,016	82.0%
Financial assets available for sale – profit for the period	45	8	–	8	100.0%
Net gain on disposal of property, infrastructure, plant and equipment	6	449	–	449	100.0%
<b>Total income</b>		<b>148,210</b>	<b>142,527</b>	<b>5,683</b>	<b>4.0%</b>
<b>Expenses</b>					
Employee benefits		53,597	55,722	2,125	3.8%
Materials and services		49,266	47,414	(1,852)	(3.9%)
Bad and doubtful debts	7	54	282	228	80.9%
Community grants		2,745	2,934	189	6.4%
Depreciation and amortisation		18,983	18,619	(364)	(2.0%)
Finance costs	8	531	974	443	45.5%
Other expenses	9	1,008	2,153	1,145	53.2%
Net loss on disposal of property, infrastructure, plant and equipment	6	–	5	5	100.0%
Fair value adjustments for investment property	6	100	–	(100)	100.0%
<b>Total expenses</b>		<b>126,284</b>	<b>128,103</b>	<b>1,819</b>	<b>1.4%</b>
<b>Operating surplus</b>		<b>21,926</b>	<b>14,424</b>	<b>7,502</b>	<b>52.0%</b>
Grants – non recurrent capital	2	1,304	340	964	283.5%
Grants – recurrent capital	2	77	369	(292)	(79.1%)
<b>Surplus for the year</b>		<b>23,307</b>	<b>15,133</b>	<b>8,174</b>	<b>54.0%</b>
<b>Other comprehensive income</b>					
Share of net (loss)/profit of associates accounted for by using the equity method	45	(815)	80	(895)	(1118.8%)
<b>Total Comprehensive result</b>		<b>22,492</b>	<b>15,213</b>	<b>7,279</b>	<b>47.8%</b>

The accompanying notes form part of this Standard Statement

# Notes to the Standard Statements

For the year ended 30 June 2014

## VARIANCE EXPLANATION REPORT

### NOTE 1 TRAFFIC FINES AND PARKING

Council budgeted for the Statutory Parking Infringement Notice prices to increase by 2%. During the year the collection rate was above target by 2.75%, therefore income from Parking Infringement Notices was favourable by \$0.61 million. Debt recovered by the PERIN Court related to unpaid Parking Infringement Notices was greater than budgeted by \$0.19 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 \$0.13 million.

### NOTE 2 GRANTS

Council received the following unbudgeted grants during the year: \$0.13 million from HACC Delivered Meals State Government; \$0.25 million from Youth Services DEECD; \$0.05 million from Vicroads Grant School Crossing. Otherwise Council received all budgeted and unbudgeted operational and capital grants during the year which were mostly offset by additional operational and capital expenditure.

### NOTE 3 CONTRIBUTIONS

Council received more Open Space contributions than 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 2013/14 were: \$0.11 million for Fire Levy Administration costs from the State Government; \$0.05 million from Council's insurance provider JLT in relation to insurance claims for Council losses; and \$0.06 million from Simmonds Home against Council losses.

### NOTE 5 OTHER REVENUE

Other revenue was favourable to budget mainly due to unbudgeted income received of \$0.23 million from dissolution of Streetsahead Cleaning Services joint venture, \$0.29 million previously written off parking infringement debts as directed by PERIN Court.

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

Unbudgeted proceeds from sale of plant and equipment, motor vehicle and land sale of Lot 2 at Surrey Road.

### NOTE 7 BAD AND DOUBTFUL DEBTS

Bad and doubtful debts include yearly write offs, which were less than budgeted due to effective debt recovery throughout the year.

### NOTE 8 FINANCE COSTS

Actual interests on loans are lower than budgeted, resulting in a favourable variance.

### NOTE 9 OTHER EXPENSES

This favourable budget variance is due to the reclassification of property, infrastructure, plant and equipment related expenditure budgeted as Other expenses to Materials and services in the actual results.



# Standard Balance Sheet

As at 30 June 2014

	Note	2014 Actual \$'000	2014 Budget \$'000	Variance \$'000	Variance %
<b>Current assets</b>					
Cash and cash equivalents	10	32,865	6,161	26,704	433.4%
Trade and other receivables	11	7,975	6,238	1,737	27.8%
Other financial assets	12	35,000	46,000	(11,000)	(23.9%)
Accrued income	13	–	1,828	(1,828)	(100.0%)
Prepayments	13	–	111	(111)	(100.0%)
Other assets	13	1,276	50	1,226	2452.0%
<b>Total current assets</b>		<b>77,116</b>	<b>60,388</b>	<b>16,728</b>	<b>27.7%</b>
<b>Non-current assets</b>					
Other financial assets	14	3,324	2,041	1,283	62.9%
Investment in associate accounted for using the equity method	15	1,234	3,275	(2,041)	(62.3%)
Property, infrastructure, plant and equipment	16	1,832,722	1,843,955	(11,233)	(0.6%)
Investment property		6,650	6,750	(100)	(1.5%)
Intangible assets	17	1,815	2,561	(746)	(29.1%)
<b>Total non-current assets</b>		<b>1,845,745</b>	<b>1,858,582</b>	<b>(12,837)</b>	<b>(0.7%)</b>
<b>Total assets</b>		<b>1,922,861</b>	<b>1,918,970</b>	<b>3,891</b>	<b>0.2%</b>
<b>Current Liabilities</b>					
Trade and other payables	18	18,252	13,382	(4,870)	(36.4%)
Trust funds and deposits	19	2,843	2,739	(104)	(3.8%)
Interest-bearing loans and borrowings	20	2,386	1,830	(556)	(30.4%)
Provisions	21	13,164	13,506	342	2.5%
<b>Total current liabilities</b>		<b>36,645</b>	<b>31,457</b>	<b>(5,188)</b>	<b>(16.5%)</b>
<b>Non-current liabilities</b>					
Interest-bearing loans and borrowings	20	13,235	14,473	1,238	8.6%
Provisions	21	1,799	3,122	1,323	42.4%
<b>Total non-current liabilities</b>		<b>15,034</b>	<b>17,595</b>	<b>2,561</b>	<b>14.6%</b>
<b>Total liabilities</b>		<b>51,679</b>	<b>49,052</b>	<b>(2,627)</b>	<b>(5.4%)</b>
<b>Net Assets</b>		<b>1,871,182</b>	<b>1,869,918</b>	<b>1,264</b>	<b>0.1%</b>
<b>Equity</b>					
Accumulated surplus		934,994	933,054	1,940	0.2%
Asset revaluation reserve	22	–	903,509	(903,509)	100.0%
Other reserves	22	936,188	33,355	902,833	2706.7%
<b>Total Equity</b>		<b>1,871,182</b>	<b>1,869,918</b>	<b>1,264</b>	<b>0.1%</b>

The accompanying notes form part of this Standard Statement

# Notes to the Standard Statements

For the year ended 30 June 2014

## VARIANCE EXPLANATION REPORT

### NOTE 10 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 2014 are classified as Other Financial Assets. Council's short term deposits at June 2014 was greater than budgeted due to better than budgeted revenue. Actual cash and cash equivalents do not include term deposits over 90 days as opposed to budgeted cash and cash equivalents.

### NOTE 11 TRADE AND OTHER RECEIVABLES

Receivables were greater than budgeted mainly due to higher provision in budget for doubtful debts – parking and also rates debtors are slightly higher than budgeted.

### NOTE 12 OTHER FINANCIAL ASSETS – CURRENT

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 2014 are classified as Other Financial Assets. Council's short term deposits at June 2014 was greater than budgeted due to better than budgeted revenue. Actual cash and cash equivalents do not include term deposits over 90 days as opposed to budgeted cash and cash equivalents. This note should be read in conjunction with Note 10.

### NOTE 13 ACCRUED INCOME, PREPAYMENTS AND OTHER ASSETS

Accrued income amount on investment and on user charges are below budget resulting in this variance. Total accrued income, prepayments and other assets are classified as other assets in actuals.

### NOTE 14 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 15.

### NOTE 15 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 14.

### NOTE 16 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Revaluation of assets based on fair value assessments was undertaken and resulted in unfavourable position compared to budget.

### NOTE 17 INTANGIBLE ASSETS

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

### NOTE 18 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 19 TRUST FUNDS AND DEPOSITS

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

### NOTE 20 INTEREST-BEARING LOANS AND BORROWINGS

The total of Interest bearing loans and borrowings (current and non-current) was less than budget due to lower than budgeted finance lease liability. Lower than budgeted interest on bank loans also contributes to this variance.

### NOTE 21 PROVISIONS

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

### NOTE 22 ASSET REVALUATION RESERVE

Asset revaluation reserve are classified as Other reserves in actuals. Total reserves including Asset revaluation reserve levels are in line with the budget.

# Standard Cash Flow Statement

For the year ended 30 June 2014

	Note	2014 Actual \$'000	2014 Budget \$'000	Variance \$'000	Variance %
<b>Cash flows from operating activities</b>					
<b>RECEIPTS</b>					
Rates and charges		87,749	87,642	107	0.1%
Traffic fines and parking	23	18,575	17,312	1,263	7.3%
User fees (inclusive of GST)		24,336	22,223	2,113	9.5%
Grants (inclusive of GST)	24	9,282	8,035	1,247	15.5%
Contributions (inclusive of GST)	25	5,246	3,326	1,920	57.7%
Reimbursements (inclusive of GST)	26	1,281	959	322	33.6%
Interest	27	2,109	2,779	(670)	(24.1%)
Other receipts (inclusive of GST)	28	2,222	1,424	798	56.0%
Net GST refund/payment	29	7,448	7,265	183	2.5%
<b>PAYMENTS</b>					
Payments for materials and services (inclusive of GST)		(63,191)	(59,995)	(3,196)	(5.3%)
Payments to employees	30	(52,513)	(53,042)	529	1.0%
Other payments	31	(177)	(2,194)	2,017	91.9%
<b>Net cash provided by operating activities</b>		<b>42,367</b>	<b>35,734</b>	<b>6,633</b>	<b>18.6%</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	32	(47,079)	(48,242)	1,163	2.4%
Proceeds from sale of property, infrastructure, plant and equipment	33	1,018	442	576	130.3%
Receipts for other financial assets	45	(14,250)	-	(14,250)	100.0%
<b>Net cash (used) in investing activities</b>		<b>(60,311)</b>	<b>(47,800)</b>	<b>(12,511)</b>	<b>(26.2%)</b>
<b>Cash flows from financing activities</b>					
Finance costs	34	(531)	(974)	443	45.5%
Trust funds and deposits	35	(442)	(178)	(264)	(148.3%)
Proceeds from interest bearing loans and borrowings		15,766	15,000	766	5.1%
Repayment of interest bearing loans and borrowings	36	(3,071)	(1,744)	(1,327)	(76.1%)
<b>Net cash (used) in financing activities</b>		<b>11,722</b>	<b>12,104</b>	<b>(382)</b>	<b>(3.2%)</b>
Net increase (decrease) in cash and cash equivalents		(6,222)	38	(6,260)	16473.7%
Cash and cash equivalents at the beginning of the financial year	10, 12	39,087	52,123	(13,036)	25.0%
<b>Cash and cash equivalents at the end of the financial year*</b>	10, 12	<b>32,865</b>	<b>52,161</b>	<b>(19,296)</b>	<b>(37.0%)</b>

\* The budgeted cash and cash equivalents included term deposits over 90 days whereas these term deposits are classified as other financial assets in the actuals.

The accompanying notes form part of this Standard Statement



# Notes to the Standard Statements

For the year ended 30 June 2014

## VARIANCE EXPLANATION REPORT

### NOTE 23 TRAFFIC FINES AND PARKING

Council budgeted for the Statutory Parking Infringement Notice prices to increase by 2%. During the year the collection rate was above target by 2.75%, therefore income from Parking Infringement Notices was favourable by \$0.61 million. Debt recovered by the PERIN Court related to unpaid Parking Infringement Notices was greater than budgeted by \$0.19 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 \$0.13 million.

### NOTE 24 GRANTS (INCLUSIVE OF GST)

Council received the following unbudgeted grants during the year: \$0.13 million from HACC Delivered Meals State Government; \$0.25 million from Youth Services DEECD; \$0.05 million from Vicroads Grant School Crossing. Otherwise Council received all budgeted and unbudgeted operational and capital grants during the year which were mostly offset by additional operational and capital expenditure.

### NOTE 25 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 26 REIMBURSEMENTS (INCLUSIVE OF GST)

Reimbursements relate to costs incurred to Council which are recovered from third parties. The larger items for 2013/14 were: \$0.11 million for Fire Levy Administration costs from the State Government; \$0.05 million from Council's insurance provider JLT in relation to insurance claims for Council losses; and \$0.06 million from Simmonds Home against Council losses.

### NOTE 27 INTEREST

Interest rates on investments are less favourable compared to rates expected in budget.

### NOTE 28 OTHER RECEIPTS (INCLUSIVE OF GST)

Other revenue was favourable to budget mainly due to unbudgeted cash received of \$1.46 million from dissolution of Streetsahead Cleaning Services joint venture.

### NOTE 29 NET GST REFUND/PAYMENT

Higher GST applicable on operational and capital expenditure than was budgeted.

### NOTE 30 PAYMENTS TO EMPLOYEES (INCLUDING REDUNDANCIES)

Overall savings under employee benefits in year 2013/14 against budget primarily due to periods of position vacancies.

### NOTE 31 OTHER PAYMENTS

A large amount of property, infrastructure, plant and equipment expenditure budgeted as Other expenses was re-classified to Payments for materials & services in the actual results.

### NOTE 32 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 33 PROCEEDS FROM SALE OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Unbudgeted proceeds from sale of plant and equipment, motor vehicles and land sale of Lot 2 at Surrey Road.

### NOTE 34 FINANCE COSTS

Finance cost is lower than budget in year 2013/14 due to lower interest rate than budgeted.

### NOTE 35 TRUST FUNDS AND DEPOSITS

Refunds during the financial year exceeded budget.

### NOTE 36 REPAYMENT OF INTEREST BEARING LOANS AND BORROWINGS

Unbudgeted repayments associated with interest-bearing loans and borrowings.

# Standard Capital Works Statement

For the year ended 30 June 2014

	Note	2014 Actual \$'000	2014 Budget \$'000	Variance \$'000	Variance %
<b>Asset Class:</b>					
Land	37	13,072	–	(13,072)	100.0%
Land Improvement	38	8,292	5,105	(3,187)	(62.4%)
Buildings	39	13,294	22,250	8,956	40.3%
Motor Vehicles, Plant, and Equipment		2,376	2,428	52	2.1%
Other (Library Books, Office Equipment, Furniture)	40	1,647	1,985	338	17.0%
Road Extras	41	903	2,897	1,994	68.8%
Drainage	42	3,292	1,986	(1,306)	(65.8%)
Roads, Footpaths, Kerb & Channels, ROW's & Bridges	43	6,047	7,479	1,432	19.1%
Intangible Assets	44	914	1,398	484	34.6%
Carryover	45	–	2,714	2,714	100.0%
		<b>49,837</b>	<b>48,242</b>	<b>(1,595)</b>	<b>(3.3%)</b>
Leased Plant, Motor Vehicles, and Equipment	45	776	–	(776)	100.0%
<b>Total Capital Works</b>		<b>50,613</b>	<b>48,242</b>	<b>(2,371)</b>	<b>(4.9%)</b>
<b>Capital works represented by:</b>					
Renewal – existing asset		23,154	22,685	(469)	(2.1%)
Expansion – existing asset		1,360	3,629	2,269	62.5%
Upgrade – existing asset		5,507	2,639	(2,868)	(108.7%)
New – New assets development		20,592	19,289	(1,303)	(6.8%)
<b>Total Capital Works</b>		<b>50,613</b>	<b>48,242</b>	<b>(2,371)</b>	<b>(4.9%)</b>

The accompanying notes form part of this Standard Statement

# Notes to the Standard Statements

For the year ended 30 June 2014

## VARIANCE EXPLANATION REPORT

### NOTE 37 LAND

Council purchased land for open space enhancement during the year. This purchase was unbudgeted and sourced from open space contributions. The land for Civic Centre building was budgeted in buildings class, resulting in \$6.2 million variance on land budget.

### NOTE 38 LAND IMPROVEMENTS

A number of carried over projects from 2012/13 were completed in 2013/14, mainly Surrey Road Park Development and Yarra River Biodiversity project resulting in an unfavourable variance.

### NOTE 39 BUILDINGS

Building upgrades on TH King Environment Education Centre and Prahran RSL are anticipated to be completed in 2014/15. The upgrade work on a new Civic Centre situated at 311-313 Glenferrie Road was budgeted for in buildings. The actual expenditure has been classified into buildings \$6.50 million and land \$6.20 million compared to total budget of land for \$15 million. These resulted in an unfavourable variance. The unexpended budget is anticipated to be utilised for further upgrades.

### NOTE 40 OTHER (LIBRARY BOOKS, OFFICE EQUIPMENT, FURNITURE)

A number of office equipment and furniture expenditures were transferred to operating maintenance within materials and services resulting in a favourable variance.

### NOTE 41 ROAD EXTRAS

A number of related projects were re-classified as drainage and land improvements due to the nature of work. The projects were incorrectly recognised at budget stage.

### NOTE 42 DRAINAGE

A number of projects were re-classified from roads to drainage due to the nature of works. The combined variance for roads and drainage is slightly under the budget.

### NOTE 43 ROADS, FOOTPATHS. KERB & CHANNELS, ROW'S & BRIDGES

A number of projects were re-classified from roads to drainage due to the nature of works. The combined variance for roads and drainage is slightly under the budget.

### NOTE 44 INTANGIBLE ASSETS

A number of budgeted intangible expenditure items were re-classified as office equipment, and some of the projects were unfinished in this financial year.

### NOTE 45 ITEMS WITH VARIANCE OF 100%

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



# Notes to the Standard Statements

For the year ended 30 June 2014

## 1. 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*, which have been replaced by the *Local Government (Planning and Reporting) Regulations 2014* effective from 1 July 2014.

The Standard Statements have been prepared on accounting bases consistent with those used for General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative 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. Council has adopted a materiality threshold of ten 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 3 June 2013. 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.

# Certification of the Standard Statements

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



**Scott Moore CPA**  
Principal Accounting Officer  
1 September 2014  
Malvern

In our opinion, the accompanying standard statements have been prepared on accounting bases consistent with the financial statements 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 1 September 2014 to certify the standard statements in their final form.



**Adrian Stubbs**  
Councillor  
1 September 2014  
Malvern



**John McMorrow**  
Councillor  
1 September 2014  
Malvern



**Warren Roberts**  
Chief Executive Officer  
1 September 2014  
Malvern

# Comprehensive Income Statement

For the year ended 30 June 2014

		COUNCIL		CONSOLIDATED	
	Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Income</b>					
Rates and charges	2	87,634	82,555	87,634	82,555
Traffic fines and parking	3	18,597	17,844	18,597	17,844
User fees	4	23,029	21,188	26,022	24,187
Contributions – cash	5	5,246	7,556	5,246	7,556
Grants – Operating (recurrent)	6	7,147	8,279	7,147	8,279
Grants – Operating (non recurrent)	6	205	–	205	–
Grants – Capital (recurrent)	6	77	–	77	–
Grants – Capital (non recurrent)	6	1,304	1,771	1,304	1,771
Reimbursements	7	1,220	1,525	1,220	1,525
Interest		2,420	3,122	2,454	3,261
Other revenue	8	2,255	2,738	2,352	2,813
Net gain on disposal of property, infrastructure, plant and equipment	26	449	498	449	498
Other financial assets available for sale – gain/(loss) for the period		8	(106)	8	(106)
<b>Total income</b>		<b>149,591</b>	<b>146,970</b>	<b>152,715</b>	<b>150,183</b>
<b>Expenses</b>					
Employee costs	9	53,597	49,687	54,289	50,328
Materials and services	10	49,266	50,923	51,375	52,854
Community grants		2,745	2,697	2,745	2,697
Depreciation and amortisation	11	18,983	17,749	19,243	17,953
Borrowing costs	12	531	159	531	159
Other expenses	13	1,062	1,542	1,091	1,619
Share of (profit)/loss of associates accounted for by the equity method	14	815	(340)	815	(340)
Fair value adjustments for investment property	21	100	–	100	–
<b>Total expenses</b>		<b>127,099</b>	<b>122,415</b>	<b>130,189</b>	<b>125,270</b>
<b>Surplus for the year</b>		<b>22,492</b>	<b>24,555</b>	<b>22,526</b>	<b>24,913</b>
<b>Other comprehensive income</b>					
Net Asset revaluation increment	27(b)	37,573	–	37,573	–
<b>Total comprehensive result</b>		<b>60,065</b>	<b>24,555</b>	<b>60,099</b>	<b>24,913</b>

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



# Balance Sheet

As at 30 June 2014

		COUNCIL		CONSOLIDATED	
	Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Assets					
CURRENT ASSETS					
Cash and cash equivalents	15	32,865	39,087	33,380	41,658
Trade and other receivables	16	7,975	8,124	8,807	8,677
Other financial assets	17	35,000	20,750	35,000	20,750
Other assets	18	1,276	953	1,278	980
Total current assets		77,116	68,914	78,465	72,065
NON-CURRENT ASSETS					
Other financial assets	17	3,324	3,316	1,324	1,316
Investments in associate accounted for using the equity method	14	1,234	2,128	1,234	2,128
Property, infrastructure, plant and equipment	19	1,832,722	1,765,290	1,838,227	1,769,725
Intangible assets	20	1,815	1,522	1,861	1,564
Investment property	21	6,650	6,750	6,650	6,750
Total non-current assets		1,845,745	1,779,006	1,849,296	1,781,483
Total assets		1,922,861	1,847,920	1,927,762	1,853,548
Liabilities					
CURRENT LIABILITIES					
Trade and other payables	22	18,252	16,082	18,404	17,034
Trust funds and deposits	23	2,843	3,285	2,843	3,285
Provisions	24	13,164	12,563	13,247	12,611
Interest-bearing loans and borrowings	25	2,386	1,048	2,386	1,048
Total current liabilities		36,645	32,978	36,880	33,978
NON-CURRENT LIABILITIES					
Provisions	24	1,799	1,688	1,810	1,696
Interest-bearing loans and borrowings	25	13,235	2,137	13,235	2,137
Total non-current liabilities		15,034	3,825	15,045	3,833
Total liabilities		51,679	36,803	51,925	37,811
Net Assets		1,871,182	1,811,117	1,875,836	1,815,737
Equity					
Accumulated surplus		934,994	915,397	939,648	920,017
Reserves	27	936,188	895,720	936,188	895,720
Total Equity		1,871,182	1,811,117	1,875,836	1,815,737

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

# Statement of Changes in Equity

For the year ended 30 June 2014

COUNCIL	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
<b>2014</b>					
Balance at beginning of the financial year		1,811,117	915,397	863,509	32,211
Surplus for the year		22,492	22,492	-	-
Net asset revaluation increment	27	37,573	-	37,573	-
Transfers from other reserves	27	-	6,823	-	(6,823)
Transfers to other reserves	27	-	(9,718)	-	9,718
Balance at end of the financial year		1,871,182	934,994	901,082	35,106
<b>2013</b>					
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 income of associates accounted for by the equity method	14	340	340	-	-
Transfers from other reserves	27	-	3,600	-	(3,600)
Transfers to other reserves	27	-	(15,456)	-	15,456
Balance at end of the financial year		1,811,117	915,397	863,509	32,211

CONSOLIDATED	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
<b>2014</b>					
Balance at beginning of the financial year		1,815,737	920,017	863,509	32,211
Surplus for the year		22,526	22,526	-	-
Net asset revaluation increment		37,573	-	37,573	-
Transfers from other reserves		-	6,823	-	(6,823)
Transfers to other reserves		-	(9,718)	-	9,718
Balance at end of the financial year		1,875,836	939,648	901,082	35,106
<b>2013</b>					
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

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 2014

		COUNCIL		CONSOLIDATED	
	Note	2014 Inflows/ (Outflows) \$'000	2013 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000	2013 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>					
Rates and charges		87,749	82,221	87,749	82,221
Traffic fines and parking		18,575	17,952	18,575	17,952
User fees (inclusive of GST)		24,336	21,826	30,104	25,584
Contributions (inclusive of GST)		5,246	7,396	5,246	7,396
Grants – operating (inclusive of GST)		9,282	10,745	9,282	10,745
Reimbursements (inclusive of GST)		1,281	1,601	1,281	1,601
Interest		2,109	3,570	2,160	3,743
Other receipts (inclusive of GST)		2,222	3,426	2,222	3,426
Net GST refund/(payment)		7,448	5,187	7,503	5,195
Payments for materials and services (inclusive of GST)		(63,191)	(56,499)	(69,787)	(59,925)
Payments for employees costs		(52,513)	(62,430)	(52,513)	(62,430)
Other payments		(177)	(3,492)	(177)	(3,492)
<b>Net cash provided by operating activities</b>	28 (a)	<b>42,367</b>	<b>31,503</b>	<b>41,645</b>	<b>32,016</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment		(47,079)	(30,425)	(48,414)	(31,213)
Proceeds from sale of property, infrastructure, plant and equipment		1,018	879	1,018	879
Receipts from other financial assets	28 (b)	–	12,400	–	12,400
Payments for other financial assets	28 (b)	(14,250)	–	(14,250)	–
<b>Net cash (used) in investing activities</b>		<b>(60,311)</b>	<b>(17,146)</b>	<b>(61,646)</b>	<b>(17,934)</b>
<b>Cash flows from financing activities</b>					
Trust funds and deposits		(442)	(38)	(441)	(38)
Borrowing costs		(531)	(183)	(531)	(183)
Proceeds from interest bearing loans and borrowings		15,766	–	15,766	–
Repayment of interest bearing loans and borrowings		(3,071)	(945)	(3,071)	(945)
<b>Net cash (used) in financing activities</b>		<b>11,722</b>	<b>(1,166)</b>	<b>11,723</b>	<b>(1,166)</b>
Net increase/(decrease) in cash and cash equivalents		(6,222)	13,191	(8,278)	12,916
Cash and cash equivalents at the beginning of the financial year		39,087	25,896	41,658	28,742
<b>Cash and cash equivalents at the end of the financial year</b>	29	<b>32,865</b>	<b>39,087</b>	<b>33,380</b>	<b>41,658</b>
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 2014

## 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.

External Auditor – Auditor– General of Victoria

Internal Auditors – Oakton Services Pty Ltd (1 July 2014; Pitcher Partners)

Principal Solicitors – Maddocks Lawyers and Russell Kennedy

Bankers – Commonwealth Bank Australia Limited

Website address – [www.stonnington.vic.gov.au](http://www.stonnington.vic.gov.au)

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*, which have been replaced by the *Local Government (Planning and Reporting) Regulations 2014* effective from 1 July 2014.

## 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(l), 1(m) and 1(v).

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.

### 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.

### (B) CHANGE IN ACCOUNTING POLICIES

#### AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly

observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period (please see note 19 and related disclosures).

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### *AASB 119 Employee benefits*

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a

change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Councils measurement of the annual leave provision.

## **(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 6. 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.

### **RENTAL**

Rents are recognised as revenue when a payment is due or is received, whichever occurs first. Rental payments received in advance are recognised as a prepayment until they are due.

# Notes to the Financial Report

For the year ended 30 June 2014

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)  
(C) REVENUE RECOGNITION (CONT.)

INTEREST

Interest is recognised as it is earned.

DIVIDENDS

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

(D) DEPRECIATION AND AMORTISATION OF NON-CURRENT ASSETS

Building, land improvements, 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:

<b>Property</b>	
Land Improvements	20 years
Buildings	50 years
Heritage Buildings	100 years

<b>Plant, Motor Vehicles &amp; Equipment</b>	
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

<b>Infrastructure</b>	
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 2013). Finance costs include interest on borrowings and finance lease charges.

(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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, 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 2014 financial year.

Property	Threshold Limit \$'000
Land	all land
Land under roads	10
Land Improvements	5
Buildings (incl. Heritage Buildings)	5

<b>Plant, Motor Vehicles, Furniture and Equipment</b>	
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

<b>Infrastructure</b>	
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.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 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) 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 \$6,650,000 (\$6,750,000 2013), determined annually by Council's valuers. Changes to fair value are recorded in the Comprehensive Income Statement (refer note 21).

## (J) 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.

## (K) 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).

## (L) 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.

## (M) 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).

## (N) JOINT VENTURE OPERATIONS

The cities of Stonnington and Port Phillip formed a joint venture known as Streetsahead Cleaning Service which commenced operations on 1 February 2000 to provide street, drain and beach cleaning services. Both Councils have decided that from 30 June 2014 they will separately operate their own services. The dissolution will result in annual cost savings and the return of joint venture equity to Council. This financial report has been prepared on this basis.

## (O) CONTRACT DEPOSITS AND RETENTION AMOUNTS

Amounts received as contract deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 23).

# Notes to the Financial Report

For the year ended 30 June 2014

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### (P) EMPLOYEE BENEFITS

The calculation of employee benefits includes all relevant on-costs and are calculated as follows at reporting date.

#### WAGES AND SALARIES, AND ANNUAL LEAVE

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

#### LONG SERVICE LEAVE

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability – unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at

- present value – component that is not expected to be settled within 12 months.
- nominal value – component that is expected to be settled within 12 months.

Non-current liability – conditional LSL representing less than 7 years is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in Commonwealth bond interest rates is recognised as an other economic flow.

### TERMINATION BENEFITS

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The council recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

### SUPERANNUATION

The amount charged to the Comprehensive Income 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.

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.

### EMPLOYEE BENEFITS ON-COSTS

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

## **(Q) 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. Some of the Leased assets that were formerly held by Streetsahead Cleaning Service and transferred to Council on 1 May 2014 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).

## **(R) 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.

## **(S) 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.

## **(T) WEB SITE COSTS**

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

## **(U) 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.

## **(V) 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.

## **(W) ROUNDING**

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

## **(X) 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.

## **(Y) 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.



# Notes to the Financial Report

For the year ended 30 June 2014

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONT.)  
(Y) PENDING ACCOUNTING STANDARDS (CONT.)

Pronouncement	Summary	Application Date	Impact on Council
AASB 9 Financial Instruments	<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 was to 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.</p> <p>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.</p> <p>The new categories of financial assets are:</p> <ul style="list-style-type: none"><li>– Amortised cost – those assets with ‘basic’ loan features.</li><li>– 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).</li><li>– Fair Value through profit and Loss - everything that does not fall into the above two categories.</li></ul> <p>The following changes also apply:</p> <ul style="list-style-type: none"><li>– 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.</li><li>– 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.</li></ul> <p>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>	1 July 2014	There is no impact to Council’s financial statements. The movements in fair value of investments in associates have been accounted for through the income statement annually.
AASB 10 Consolidated Financial Statements	<p>This Standard forms the basis for determining which entities should be consolidated into an entity’s financial statements. AASB 10 defines ‘control’ as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p> <p>This Standard forms the basis for determining which entities should be consolidated into an entity’s financial statements.</p>	1 July 2014	The impact on Council’s financial statements is nil. Council fully owns one subsidiary entity Prahran Market as at 30 June 2014.

Pronouncement	Summary	Application Date	Impact on Council
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1 July 2014	There is no impact to Council.
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.  The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.	1 July 2014	There is no impact to Council as investments in associates have been accounted for using the equity method and at fair values. Share of interests have been disclosed as part of the notes to the accounts.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 July 2014	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 July 2014	There is no impact to Council as investments in associates have been accounted for using the equity method and at fair values. Share of interests have been disclosed as part of the notes to the accounts.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	1 July 2014	Council has yet to determine the impact of this standard,

# Notes to the Financial Report

For the year ended 30 June 2014

## 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 2013/2014 was \$59.107 billion (2012/2013 \$58.294 billion). The 2013/2014 rate in the CIV dollar was 0.001191 (2012/2013, 0.001142).

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Residential	59,317	55,972	59,317	55,972
Commercial & Industrial	10,864	10,414	10,864	10,414
Garbage charge	15,989	14,813	15,989	14,813
Special Rates	1,464	1,356	1,464	1,356
	87,634	82,555	87,634	82,555

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation will be first applied in the rating year commencing 1 July 2014.

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

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2016, and the valuation will first apply to the rating period commencing 1 July 2016.

## NOTE 3 TRAFFIC FINES AND PARKING

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Infringements and costs	12,058	11,347	12,058	11,347
PERIN court recoveries	2,495	2,519	2,495	2,519
Fees – ticket machines	1,527	1,494	1,527	1,494
Fees – car parking fees	2,287	2,265	2,287	2,265
Permits	230	219	230	219
	18,597	17,844	18,597	17,844



**NOTE 4 USER FEES**

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Leisure centre fees	4,349	4,053	4,349	4,053
Child care/children's program fees	3,773	3,515	3,773	3,515
Town planning fees	1,104	950	1,104	950
Aged services fees	788	835	788	835
Registration fees	815	1,221	815	1,152
Rental income	6,167	5,785	9,160	8,784
Road occupancy charges	243	164	243	164
Building services fees	797	628	797	628
Green fees	834	891	834	881
Sponsorship	13	9	13	9
Other fees and charges	4,146	3,137	4,146	3,216
	<b>23,029</b>	21,188	<b>26,022</b>	24,187

**NOTE 5 CONTRIBUTIONS**

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Open space	4,988	7,088	4,988	7,088
Development Contributions	61	308	61	308
Capital works contributions	197	160	197	160
	<b>5,246</b>	7,556	<b>5,246</b>	7,556

Open space contributions and developers' contributions are transferred to Other reserves pursuant to the *Planning and Environment Act 1987*, and the *Subdivisions Act*. (refer notes 27 and 31).

**NOTE 6 GRANTS**

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Grants were received in respect of the following:				
<b>Summary of grants</b>				
Federally funded grants	89	481	89	481
State funded grants	8,510	9,569	8,510	9,569
Others	134	–	134	–
<b>Total</b>	<b>8,733</b>	10,050	<b>8,733</b>	10,050

# Notes to the Financial Report

For the year ended 30 June 2014

NOTE 6 GRANTS (CONT.)

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Recurrent</b>				
Commonwealth Government – Roads to recovery	27	352	27	352
Commonwealth Government – Adventure Playground	62	–	62	–
Victorian Grants Commission – General	1,042	1,990	1,042	1,990
Victorian Grants Commission – Local roads funding	205	368	205	368
Access Disability	4	92	4	92
Adventure playground & leisure services	64	129	64	129
Assessment services	517	503	517	503
Building inclusive communities	107	116	107	116
Community care – aged	136	123	136	123
Delivered meals	291	145	291	145
Family and children	167	147	167	147
Freeza program	24	27	24	27
Home help – aged	1,441	1,385	1,441	1,385
Home maintenance service	187	183	187	183
Immunisation	84	69	84	69
Library subsidy	625	560	625	560
Maternal & child health services	490	464	490	464
Planned activity group grant	275	244	275	244
School crossing subsidy	265	179	265	179
Specific home care	980	1,000	980	1,000
Youth support services	169	179	169	179
Other minor grants	62	24	62	24
<b>Total Recurrent</b>	<b>7,224</b>	<b>8,279</b>	<b>7,224</b>	<b>8,279</b>
<b>Non-recurrent</b>				
TH King Pavilion Redevelopment	585	–	585	–
Wellbeing Program	–	10	–	10
Education Engagement Pathway	–	9	–	9
Creating Better Places	–	59	–	59
Yarra River Fish Platform	–	100	–	100
Biodiversity Implementation Yarra River Precinct Project	96	–	96	–
Living Victoria Fund	30	–	30	–
2 Million Trees Program	–	72	–	72
Sunnyside Kindergarten Extension	–	300	–	300
Percy Treyvaud Reserve Lighting	–	90	–	90
Learner to probation L2P	–	44	–	44
Phoenix Park Additional Meeting Room	–	135	–	135
Melbourne Water grants	34	365	34	365
Orrong Romanis Recreation Reserve Upgrade	–	81	–	81
Adventure Playground Upgrade	–	150	–	150

NOTE 6 GRANTS (CONT.)

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Non-recurrent continued</b>				
Phoenix Park Community Redevelopment	15	–	15	–
Windsor Siding Reserve Dog Park	18	–	18	–
Toorak Park Floodlighting Project	72	–	72	–
Chapel Street Taxi Zones lighting, signage and linemarking	–	181	–	181
Chapel Street CCTV cameras program	264	–	264	–
Chapel Street Precinct Redevelopment	150	–	150	–
Education Engagement Partnership	–	28	–	28
Municipal Planning for Childhood Education	–	20	–	20
Other minor grants	245	127	245	127
<b>Total Non-recurrent</b>	<b>1,509</b>	<b>1,771</b>	<b>1,509</b>	<b>1,771</b>
	<b>8,733</b>	<b>10,050</b>	<b>8,733</b>	<b>10,050</b>

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'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	–	1,055
Victorian Grants Commission – Local roads funding	–	195	–	195
Living Victoria Fund– Distributed Systems for Water Quantity Management in established Urban Environment	40	–	40	–
Chapel Street CCTV cameras program	124	–	124	–
Biodiversity Implementation Yarra River Precinct	80	–	80	–
Lower Yarra Litter Strategy	24	–	24	–
Distributed Systems for Water Quantity Management in Established Urban Environments	70	–	70	–
Windsor Plaza Redevelopment	150	–	150	–
Windsor Siding Dog Park Fencing	18	–	18	–
Sportsfield Lighting Toorak Park	35	–	35	–
Walk to School	11	–	11	–
	<b>552</b>	<b>1,250</b>	<b>552</b>	<b>1,250</b>

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:	<b>552</b>	<b>1,051</b>	<b>552</b>	<b>1,051</b>



# Notes to the Financial Report

For the year ended 30 June 2014

## NOTE 7 REIMBURSEMENTS

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Council works cost recovery	1,003	1,249	1,003	1,249
Fire service property levy administration	111	184	111	184
State Revenue Office – valuation recoup	106	92	106	92
	1,220	1,525	1,220	1,525

## NOTE 8 OTHER REVENUE

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Joint Venture – Streetsahead Cleaning Service	673	1,603	673	1,603
Transport clearway towing	72	62	72	62
Dividends	3	3	3	3
Other	1,507	1,070	1,604	1,145
	2,255	2,738	2,352	2,813

## NOTE 9 EMPLOYEE COSTS

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Wages and salaries	42,034	39,406	42,726	40,047
Annual leave and long service leave	5,822	5,112	5,822	5,112
Superannuation	4,005	3,234	4,005	3,234
Fringe benefits tax and work cover	993	1,327	993	1,327
Other employee expenses	743	608	743	608
	53,597	49,687	54,289	50,328

## NOTE 10 MATERIALS AND SERVICES

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Contract payments – parks	8,578	7,268	8,578	7,268
Contract payments – parking	5,433	5,306	5,433	5,306
Contract payments – waste	661	558	661	558
Contract payments – physical services	1,312	1,297	1,312	1,297
Contract payments – roads & drains	1,345	1,401	1,345	1,401
Contract payments – other	1,106	3,640	1,106	3,644
Legal and consulting fees	3,292	3,324	3,292	3,324
Stamp duty on summons and registration searches	1,589	1,573	1,589	1,573
Maintenance	2,273	2,083	2,672	2,446
Operating initiatives projects*	4,222	2,759	4,222	2,759
Materials, services and vehicle cost	3,961	4,359	5,671	5,923
Utility cost	4,080	3,685	4,080	3,685
Fire services	190	2,716	190	2,716
Printing, stationery, postage & advertising	1,586	1,779	1,586	1,779
Insurance	1,111	984	1,111	984
Tipping fees & waste removal	3,779	3,966	3,779	3,966
Activities & events	2,122	2,030	2,122	2,030
Other	2,626	2,195	2,626	2,195
	<b>49,266</b>	<b>50,923</b>	<b>51,375</b>	<b>52,854</b>

\* The amount for Operating initiatives projects have been reclassified from Other expenses to Materials and services (see Note 13)

# Notes to the Financial Report

For the year ended 30 June 2014

## NOTE 11 DEPRECIATION AND AMORTISATION

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Property				
Land Improvements	1,556	1,532	1,556	1,532
Buildings				
Buildings	3,581	3,693	3,729	3,784
Heritage Buildings	1,293	766	1,293	766
Heritage Indoor Assets	17	17	17	17
Plant and Equipment				
Furniture & Equipment	368	382	368	382
Office Equipment & Information Technology	453	480	453	480
Plant, Motor Vehicles & Equipment	1,228	1,110	1,338	1,220
Leased Plant, Motor Vehicle and Equipment	315	285	315	285
Library Books	821	819	821	819
Infrastructure				
Roads, Streets, ROW and Bridges	5,443	5,116	5,443	5,116
Road Extras	1,766	1,505	1,766	1,505
Drainage	1,559	1,527	1,559	1,527
Intangible assets	583	517	585	520
	18,983	17,749	19,243	17,953

## NOTE 12 BORROWING COSTS

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Interest – borrowings	529	44	529	44
Interest – finance leases	2	115	2	115
	531	159	531	159

## NOTE 13 OTHER EXPENSES

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Audit – external	60	58	74	71
Audit – internal	125	125	125	125
Councillors' allowances	333	314	333	312
Catering	202	353	202	353
Debt collection	15	38	15	38
Bad Debts	54	2	54	2
Assets written off	–	465	–	531
Sundry other	273	187	288	187
	1,062	1,542	1,091	1,619

\* The amount for Operating initiatives projects have been reclassified from Other expenses to Materials and services (see Note 10)

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 2014 unaudited accounts, (2013 unaudited accounts).

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Council's share of retained profits</b>				
Council's share of accumulated surplus/(deficit) at start of year	852	512	852	512
Reported deficit for year	(815)	340	(815)	340
Transfers (to)/from reserves	-	-	-	-
Distributions for the year	-	-	-	-
<b>Council's share of accumulated surplus (deficit) at end of year</b>	<b>37</b>	<b>852</b>	<b>37</b>	<b>852</b>
<b>Council's share of reserves</b>				
Council's share of reserves at start of year	79	79	79	79
Share of asset revaluation decrement*	(79)	-	(79)	-
<b>Council's share of reserves at end of year</b>	<b>-</b>	<b>79</b>	<b>-</b>	<b>79</b>
<b>Movement in carrying value of specific investment</b>				
Carrying value of investment at start of year	2,128	1,788	2,128	1,788
Share of surplus (deficit) for year	(815)	340	(815)	340
Share of asset revaluation decrement	(79)	-	(79)	-
<b>Carrying value of investment at end of year</b>	<b>1,234</b>	<b>2,128</b>	<b>1,234</b>	<b>2,128</b>

Since Council holds less than 20% equity, it does not have significant influence over the operations of the associate.

\* A fair value assessment on the Clayton Tip facility was conducted by C.J. Ham & Murray Pty Ltd (Ham & Murray). The estimated life of the remaining airspace for valuation purposes in 2012 was four years and the assumption is currently valid.

Post closure and environmental impact costs are not part of the assessment. The fair values of land, land improvements and EPA license at 30 June 2014 is \$2.30 million (2012/13, \$5.48 million) and infrastructure assets as at 30 June 2014 is valued at \$600,000 (2012/13, \$2.506 million).



# Notes to the Financial Report

For the year ended 30 June 2014

## NOTE 15 CASH AND CASH EQUIVALENTS

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash on hand	11	11	12	12
Cash at bank	6,624	1,842	7,138	1,850
Term Deposits (90 days or less)	26,230	37,234	26,230	39,796
	<b>32,865</b>	39,087	<b>33,380</b>	41,658
Other financial assets – Term Deposits (greater than 90 days)	35,000	20,750	35,000	20,750
Council's 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 27)	35,106	32,211	35,106	32,211
– Trust funds and deposits (Note 23)	2,843	3,285	2,843	3,285
– Employee Leave Entitlement Reserves (Note 24)	14,763	14,075	14,857	14,131
Restricted Funds	52,712	49,571	52,806	49,627
<b>Total unrestricted cash and term deposits</b>	<b>15,153</b>	10,266	<b>15,573</b>	12,781

## NOTE 16 TRADE AND OTHER RECEIVABLES

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Rates debtors	2,120	2,109	2,122	2,109
Parking infringement debtors	14,867	14,284	14,867	14,284
Provision for doubtful debts – parking infringements	(11,247)	(10,941)	(11,247)	(10,941)
Other debtors	972	1,632	1,802	2,185
Provision for doubtful debts – other debtors	(100)	(100)	(100)	(100)
Special rate assessment	46	27	46	27
Net GST receivable	1,317	1,113	1,317	1,113
	<b>7,975</b>	8,124	<b>8,807</b>	8,677

**NOTE 17 OTHER FINANCIAL ASSETS**

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Current</b>				
Term Deposits (note 1(l))	35,000	20,750	35,000	20,750
<b>Non-current</b>				
Shares in Prahran Market – At Cost	2,000	2,000	–	–
Shares in Regional Kitchen Pty Ltd – Fair Value	1,309	1,301	1,309	1,301
MAPS Shareholding – At Cost	15	15	15	15
	<b>3,324</b>	3,316	<b>1,324</b>	1,316
<b>Total</b>	<b>38,324</b>	24,066	<b>36,324</b>	22,066

**NOTE 18 OTHER ASSETS**

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Accrued income	950	639	952	658
Prepayments	201	274	201	282
Other	125	40	125	40
	<b>1,276</b>	953	<b>1,278</b>	980

# Notes to the Financial Report

For the year ended 30 June 2014

## NOTE 19 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Summary</b>				
at cost	78,671	88,986	80,133	93,625
at fair value as at 30 June 2014	1,738,858	1,676,690	1,743,758	1,676,690
at fair value as at 30 June 2012	19,476	19,476	19,476	19,476
at fair value as at 30 June 2011	47,891	43,733	47,891	43,733
Less accumulated depreciation	63,340	71,983	64,197	73,470
	<b>1,821,556</b>	<b>1,756,902</b>	<b>1,827,061</b>	<b>1,760,054</b>
Works in progress	11,166	8,388	11,166	9,671
<b>Total</b>	<b>1,832,722</b>	<b>1,765,290</b>	<b>1,838,227</b>	<b>1,769,725</b>
<b>Property</b>				
<b>LAND – SPECIALISED</b>				
at fair value as at 30 June 2014	<b>820,585</b>	782,244	<b>820,585</b>	782,244
<b>LAND – NON SPECIALISED</b>				
at fair value as at 30 June 2014	<b>94,545</b>	81,624	<b>94,545</b>	81,624
<b>LAND UNDER ROADS</b>				
at fair value as at 30 June 2014	<b>399,100</b>	380,590	<b>399,100</b>	380,590
<b>LAND IMPROVEMENTS</b>				
at cost	12,483	8,843	12,483	8,843
at fair value as at 30 June 2011	47,891	43,733	47,891	43,733
Less accumulated depreciation	13,766	14,057	13,766	14,057
	<b>46,608</b>	<b>38,519</b>	<b>46,608</b>	<b>38,519</b>
<b>BUILDINGS – SPECIALISED (INCLUDING HERITAGE)</b>				
at cost	–	1,032	–	1,032
at fair value as at 30 June 2014	157,116	167,430	162,271	170,095
Less accumulated depreciation	–	766	–	766
	<b>157,116</b>	<b>167,696</b>	<b>162,271</b>	<b>170,361</b>
<b>BUILDINGS – NON SPECIALISED</b>				
at cost	–	5,496	–	9,197
at fair value as at 30 June 2014	15,490	8,511	15,235	5,847
Less accumulated depreciation	–	3,678	–	4,715
	<b>15,490</b>	<b>10,329</b>	<b>15,235</b>	<b>10,329</b>
<b>Total Property</b>	<b>1,533,444</b>	<b>1,461,002</b>	<b>1,538,344</b>	<b>1,463,667</b>

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land – non specialised	–	94,545	–
Land – specialised	–	–	820,585
Land under roads	–	–	399,100
Land Improvements	–	–	46,608
Buildings – non specialised	–	15,490	–
Buildings – specialised	–	–	157,116
<b>Total</b>	<b>–</b>	<b>110,035</b>	<b>1,423,409</b>

No transfers between levels occurred during the year.

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000

#### Plant, motor vehicles, furniture and equipment

##### PLANT, MOTOR VEHICLES AND EQUIPMENT

at cost	17,235	16,555	18,345	17,142
Less accumulated depreciation	9,106	9,007	9,727	9,270
	<b>8,129</b>	<b>7,548</b>	<b>8,618</b>	<b>7,872</b>

##### LEASED PLANT AND EQUIPMENT

at cost	776	1,838	776	1,838
Less accumulated depreciation	53	668	53	668
	<b>723</b>	<b>1,170</b>	<b>723</b>	<b>1,170</b>

##### FURNITURE AND EQUIPMENT

at cost	6,252	5,720	6,397	5,918
Less accumulated depreciation	4,152	3,784	4,288	3,894
	<b>2,100</b>	<b>1,936</b>	<b>2,109</b>	<b>2,024</b>

##### OFFICE EQUIPMENT AND INFORMATION TECHNOLOGY

at cost	6,193	6,214	6,400	6,367
Less accumulated depreciation	5,337	5,208	5,437	5,285
	<b>856</b>	<b>1,006</b>	<b>963</b>	<b>1,082</b>

##### HERITAGE INDOOR ASSETS

at cost	2,242	2,237	2,242	2,237
Less accumulated depreciation	1,039	1,022	1,039	1,022
	<b>1,203</b>	<b>1,215</b>	<b>1,203</b>	<b>1,215</b>

##### LIBRARY STOCKS

at cost	17,166	16,362	17,166	16,362
Less accumulated depreciation	14,469	13,648	14,469	13,648
	<b>2,697</b>	<b>2,714</b>	<b>2,697</b>	<b>2,714</b>

<b>Total Plant and Equipment</b>	<b>15,708</b>	<b>15,589</b>	<b>16,313</b>	<b>16,077</b>
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# Notes to the Financial Report

For the year ended 30 June 2014

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

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Infrastructure</b>				
<b>ROADS, STREETS, RIGHTS OF WAY AND BRIDGES</b>				
at cost	754	6,878	754	6,878
at fair value as at 30 June 2014	186,800	194,446	186,800	194,445
Less accumulated depreciation	150	5,116	150	5,116
	<b>187,404</b>	196,208	<b>187,404</b>	196,207
<b>DRAINAGE</b>				
at cost	–	3,171	–	3,171
at fair value as at 30 June 2014	65,222	61,845	65,222	61,845
Less accumulated depreciation	–	1,527	–	1,527
	<b>65,222</b>	63,489	<b>65,222</b>	63,489
<b>ROAD EXTRAS</b>				
at cost	15,570	14,640	15,570	14,640
at fair value as at 30 June 2012	19,476	19,476	19,476	19,476
Less accumulated depreciation	15,268	13,502	15,268	13,502
	<b>19,778</b>	20,614	<b>19,778</b>	20,614
<b>Total Infrastructure</b>	<b>272,404</b>	280,311	<b>272,404</b>	280,310

Fair value full assessments have been performed at 30 June 2014 for Infrastructure.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	–	–	143,099
Bridges	–	–	2,393
Footpaths and cycleways	–	–	41,912
Drainage	–	–	65,222
Road Extras	–	–	19,778
<b>Total</b>	<b>–</b>	<b>–</b>	<b>272,404</b>

No transfers between levels occurred during the year.

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

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Works in progress</b>				
Buildings	5,750	4,801	5,750	6,084
Land	3,486	–	3,486	–
Land Improvements	1,547	2,900	1,547	2,900
Roads, streets, rights of way and bridges	246	561	246	561
Drainage	–	–	–	–
Road Extras	–	27	–	27
Intangible Assets	137	99	137	99
<b>Total Works in progress</b>	<b>11,166</b>	<b>8,388</b>	<b>11,166</b>	<b>9,671</b>
<b>Total Property, Infrastructure, Plant and Equipment</b>	<b>1,832,722</b>	<b>1,765,290</b>	<b>1,838,227</b>	<b>1,769,725</b>

Land under roads is valued at fair value using site values adjusted for englobo (undeveloped and/or unserved) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

**Reconciliation of work in progress**

Balance at beginning of financial year:	8,388	5,822	9,671	5,822
Acquisition of assets	50,613	32,467	50,613	33,849
Transferred to assets	(47,835)	(29,901)	(49,118)	(30,000)
<b>Balance at end of financial year</b>	<b>11,166</b>	<b>8,388</b>	<b>11,166</b>	<b>9,671</b>

**VALUATION BASIS**

**NON-SPECIALISED LAND, NON-SPECIALISED BUILDINGS**

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by qualified valuer Mr P. Fitzgerald AAPI CPV to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

**SPECIALISED LAND AND SPECIALISED BUILDINGS**

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

# Notes to the Financial Report

For the year ended 30 June 2014

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

An independent valuation of Council’s specialised land and specialised buildings was performed by qualified valuer Mr P. Fitzgerald AAPI CPV. The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

### LAND UNDER ROADS

Land under roads is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

### INFRASTRUCTURE

Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an “as new” standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

A valuation of Council’s infrastructure assets was verified by Mr. Simon Thomas, BEng. (Civil), MIE CP Eng. The valuation was performed based on condition assessments of the assets and applying the relevant current unit rates to determine the total depreciated replacement cost of the asset. The effective date of the valuation is 30 June 2014.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

### RECONCILIATION OF LEVEL 3 FAIR VALUE

	Specialised Land and Land Improvements	Specialised Buildings (including heritage)	Land Under Roads	Infrastructure
2014	\$'000	\$'000	\$'000	\$'000
Opening balance	820,763	167,696	380,590	280,311
Depreciation	(1,556)	(4,345)	–	(8,768)
Revaluation	38,341	(11,203)	18,510	(9,723)
Acquisitions	9,645	4,968	–	10,584
Closing Balance	867,193	157,116	399,100	272,404

DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS INTO LEVEL 3 VALUATIONS

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Land	Market based direct comparison approach (refer above) Land Value Method	Community Service Obligation (CSO) adjustment Extent and impact of restriction of use.	5 – 60%	Increase or decrease in the extent of restriction and CSO adjustment would result in higher or lower than fair value.
Land Improvement	Depreciated Replacement Cost	Extent and impact of restriction of use  Useful life of assets.	20 to 40 years	Increase or decrease in the extent of restriction would result in higher or lower than fair value. Increase or decrease in the estimated useful life of the asset would result in higher or lower than fair value.
Specialised buildings (including heritage)	Depreciated Replacement Cost	Direct Cost Per Square metre  Useful life of specialised buildings	\$950 – \$8,250 / m <sup>2</sup>  50 to 100 years	Increase or decrease in the direct cost per square metre adjustment would result in a higher or lower than fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher than fair value.
Land Under Roads	Market based direct comparison approach (refer above)	Extent and impact of restriction of use	\$97 m <sup>2</sup>	Increase or decrease in the extent of restriction would result in higher or lower than fair value.
Infrastructure Road Footpaths	Depreciated Replacement Cost	Cost per unit \$per LM  Useful life of infrastructure	\$49 – \$500  20 to 40 years	Increase or decrease in the cost per unit would result in higher or lower than fair value. Increase or decrease in the estimated useful life would result in higher or lower than fair value.
Infrastructure Road Kerb and Channel	Depreciated Replacement Cost	Cost per unit \$per LM  Useful life of infrastructure	\$72 – \$382  60 to 80 years	Increase or decrease in the cost per unit would result in higher or lower than fair value. Increase or decrease in the estimated useful life would result in higher or lower than fair value.
Infrastructure Road Base	Depreciated Replacement Cost	Cost per unit \$per LM  Useful life of infrastructure	\$25 – \$77  150 to 200 years	Increase or decrease in the cost per unit would result in higher or lower than fair value. Increase or decrease in the estimated useful life would result in higher or lower than fair value.
Infrastructure Road Surface	Depreciated Replacement Cost	Cost per unit \$per LM  Useful life of infrastructure	\$18 – \$260  15 to 25 years	Increase or decrease in the cost per unit would result in higher or lower than fair value. Increase or decrease in the estimated useful life would result in higher or lower than fair value.



# Notes to the Financial Report

For the year ended 30 June 2014

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

MOVEMENT – COUNCIL 2014								
	Balance at beginning of financial year \$'000	Acquisition of assets (Note 44) \$'000	Revaluation increments/ (decrements) (Note 27) \$'000	Depreciation and amortisation (Note 11) \$'000	WDV of disposals (Note 26) \$'000	WDV of Leased Assets Terminated \$'000	Assets Written Off \$'000	Balance at end of financial year \$'000
<b>Property</b>								
Specialised land	782,244	–	38,341		–	–	–	820,585
Non specialised land	81,624	9,586	3,335	–	–	–	–	94,545
Land under roads	380,590	–	18,510	–	–	–	–	399,100
Land improvements**	38,519	9,645	–	1,556	–	–	–	46,608
<b>Total land</b>	<b>1,282,977</b>	<b>19,231</b>	<b>60,186</b>	<b>1,556</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,360,838</b>
Specialised buildings-heritage*	65,713	806	4,114	1,293	–	–	–	69,340
Specialised buildings	101,983	4,162	(15,317)	3,052	–	–	–	87,776
Non specialised buildings	10,329	7,377	(1,687)	529	–	–	–	15,490
<b>Total buildings</b>	<b>178,025</b>	<b>12,345</b>	<b>(12,890)</b>	<b>4,874</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>172,606</b>
<b>Total property</b>	<b>1,461,002</b>	<b>31,576</b>	<b>47,296</b>	<b>6,430</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,533,444</b>
<b>Plant &amp; Equipment</b>								
Plant, Motor Vehicles & Equipment	7,548	2,376	–	1,228	566	–	–	8,130
Leased Plant, Motor Vehicles & Equipment	1,171	776	–	315	–	909	–	723
Furniture and Equipment	1,936	531	–	368	–	–	–	2,099
Office Equipment & Information Technology	1,006	307	–	453	3	–	1	856
Heritage Indoor Assets	1,215	5	–	17	–	–	–	1,203
Library Stocks	2,714	804	–	821	–	–	–	2,697
<b>Total plant &amp; equipment</b>	<b>15,590</b>	<b>4,799</b>	<b>–</b>	<b>3,202</b>	<b>569</b>	<b>909</b>	<b>1</b>	<b>15,708</b>
<b>Infrastructure</b>								
Roads, Streets, Rights of Way, and Bridges**	196,208	6,362	(9,723)	5,443	–	–	–	187,404
Drainage	63,489	3,292	–	1,559	–	–	–	65,222
Road Extras	20,614	930	–	1,766	–	–	–	19,778
<b>Total infrastructure</b>	<b>280,311</b>	<b>10,584</b>	<b>(9,723)</b>	<b>8,768</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>272,404</b>
<b>Works in progress</b>								
Buildings	4,801	949	–	–	–	–	–	5,750
Land	–	3,486	–	–	–	–	–	3,486
Land Improvements	2,900	(1,353)	–	–	–	–	–	1,547
Roads, streets, rights of way and bridges	561	(315)	–	–	–	–	–	246
Road Extras	27	(27)	–	–	–	–	–	–
Intangibles	99	38	–	–	–	–	–	137
<b>Total works in progress#</b>	<b>8,388</b>	<b>2,778</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11,166</b>
<b>Total Property, Infrastructure, Plant and Equipment</b>	<b>1,765,291</b>	<b>49,737</b>	<b>37,573</b>	<b>18,400</b>	<b>569</b>	<b>909</b>	<b>1</b>	<b>1,832,722</b>
<b>Intangible Assets</b>	<b>1,522</b>	<b>876</b>	<b>–</b>	<b>583</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,815</b>
<b>Total Property, Infrastructure, Plant and Equipment, and Intangibles</b>	<b>1,766,813</b>	<b>50,613</b>	<b>37,573</b>	<b>18,983</b>	<b>569</b>	<b>909</b>	<b>1</b>	<b>1,834,537</b>

\* The Harold Holt Memorial Swim Centre was classified by the National Trust and listed on the Heritage List Register in 2012. The opening balances of this asset class have been re-instated.

\*\* Council's At-Grade Car Parks have been reclassified from Roads, Streets, Right of Way, and Bridges to Land Improvements. The opening balances of these assets class have been re-instated as a result of this. The useful life of At-Grade Car Parks remain the same.

# Refer to the reconciliation of work in progress in Note 19 on page 151 for further detail.

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

**MOVEMENT – CONSOLIDATED 2014**

	Balance at beginning of financial year \$'000	Acquisition of assets (Note 44) \$'000	Revaluation increments/ (decrements) (Note 27) \$'000	Depreciation and amortisation (Note 11) \$'000	WDV of disposals (Note 26) \$'000	WDV of Leased Assets Terminated \$'000	Assets Written Off \$'000	Balance at end of financial year \$'000
<b>Property</b>								
Specialised land	782,244	–	38,341	–	–	–	–	820,585
Non specialised land	81,624	9,586	3,335	–	–	–	–	94,545
Land under roads	380,590	–	18,510	–	–	–	–	399,100
Land improvements**	38,519	9,645	–	1,556	–	–	–	46,608
<b>Total land</b>	<b>1,282,977</b>	<b>19,231</b>	<b>60,186</b>	<b>1,556</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,360,838</b>
Specialised buildings- heritage*	65,713	806	4,114	1,264	–	–	–	69,369
Specialised buildings	104,648	6,545	(15,317)	2,974	–	–	–	92,902
Non specialised building	10,329	7,377	(1,687)	784	–	–	–	15,235
<b>Total buildings</b>	<b>180,690</b>	<b>14,728</b>	<b>(12,890)</b>	<b>5,022</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>177,505</b>
<b>Total property</b>	<b>1,463,667</b>	<b>33,959</b>	<b>47,296</b>	<b>6,578</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,538,343</b>
<b>Plant &amp; Equipment</b>								
Plant, Motor Vehicles & Equipment	7,872	2,603	–	1,338	566	–	–	8,571
Leased Plant, Motor Vehicles & Equipment	1,171	776	–	315	–	909	–	723
Furniture and Equipment	2,024	531	–	368	–	–	–	2,187
Office Equipment & Information Technology	1,086	307	–	453	3	–	1	936
Heritage Indoor Assets	1,215	5	–	17	–	–	–	1,203
Library Stocks	2,714	804	–	821	–	–	–	2,697
<b>Total plant &amp; equipment</b>	<b>16,082</b>	<b>5,026</b>	<b>–</b>	<b>3,312</b>	<b>569</b>	<b>909</b>	<b>1</b>	<b>16,316</b>
<b>Infrastructure</b>								
Roads, Streets, Rights of Way, and Bridges**	196,207	6,362	(9,723)	5,443	–	–	–	187,403
Drainage	63,489	3,292	–	1,559	–	–	–	65,222
Road Extras	20,614	930	–	1,766	–	–	–	19,778
<b>Total infrastructure</b>	<b>280,310</b>	<b>10,584</b>	<b>(9,723)</b>	<b>8,768</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>272,402</b>
<b>Works in progress</b>								
Buildings	6,084	( 334)	–	–	–	–	–	5,750
Land	–	3,486	–	–	–	–	–	3,486
Land Improvements	2,900	(1,353)	–	–	–	–	–	1,547
Roads, streets, rights of way and bridges	561	(315)	–	–	–	–	–	246
Drainage	–	–	–	–	–	–	–	–
Road Extras	27	(27)	–	–	–	–	–	–
Intangibles	99	38	–	–	–	–	–	137
<b>Total works in progress#</b>	<b>9,671</b>	<b>1,495</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11,166</b>
<b>Total Property, Infrastructure, Plant and Equipment</b>	<b>1,769,730</b>	<b>51,064</b>	<b>37,573</b>	<b>18,658</b>	<b>569</b>	<b>909</b>	<b>1</b>	<b>1,838,227</b>
<b>Intangible Assets</b>	<b>1,563</b>	<b>883</b>	<b>–</b>	<b>585</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,861</b>
<b>Total Property, Infrastructure, Plant and Equipment, and Intangibles</b>	<b>1,771,293</b>	<b>51,947</b>	<b>37,573</b>	<b>19,243</b>	<b>569</b>	<b>909</b>	<b>1</b>	<b>1,840,088</b>

\* The Harold Holt Memorial Swim Centre was classified by the National Trust and listed on the Heritage List Register in 2012. The opening balances of this asset class have been re-instated.

\*\* Council's At-Grade Car Parks have been reclassified from Roads, Streets, Right of Way, and Bridges to Land Improvements. The opening balances of these assets class have been re-instated as a result of this. The useful life of At-Grade Car Parks remain the same.

# Refer to the reconciliation of work in progress in Note 19 on page 151 for further detail.

# Notes to the Financial Report

For the year ended 30 June 2014

## NOTE 20 INTANGIBLE ASSETS

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
At cost	8,196	7,320	8,244	7,365
Less accumulated depreciation	(6,381)	5,798	(6,383)	5,801
	1,815	1,522	1,861	1,564

## NOTE 21 INVESTMENT PROPERTY

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of the financial year	6,750	6,750	6,750	6,750
Movement in fair value from revaluation	( 100)	–	( 100)	–
Balance at end of financial year	6,650	6,750	6,650	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 \$6,650,000 (\$6,750,000, 2013), determined annually by Council Valuers. The valuation is a level two valuation, meaning it is based on quoted prices for similar assets in an active market. There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2014. For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

### Fair Value Hierarchy:

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period:		
	\$'000	\$'000 Level 1	\$'000 Level 2	\$'000 Level 3
Investment property	6,650	–	6,650	–

## NOTE 22 TRADE AND OTHER PAYABLES

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Trade payables	8,579	7,320	8,697	8,258
Accrued expenses	8,550	8,596	8,584	8,610
Fire Service Property Levy	504	–	504	–
Other	619	166	619	166
	18,252	16,082	18,404	17,034

## NOTE 23 TRUST FUNDS AND DEPOSITS

Refundable building deposits	28	266	28	266
Refundable contract deposits	641	639	641	639
Retention amounts	768	682	768	682
Other refundable deposits	1,406	1,698	1,406	1,698
	2,843	3,285	2,843	3,285

NOTE 24 PROVISIONS

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

2014 COUNCIL

Balance at beginning of the financial year	3,998	9,577	139	361	14,075
Additional provisions made	2,760	971	14	878	4,623
Amounts used	(2,688)	(397)	(7)	(843)	(3,935)
Balance at the end of the financial year	4,070	10,151	146	396	14,763

2014 CONSOLIDATED

Balance at beginning of the financial year	4,046	9,585	139	361	14,131
Additional provisions made	2,780	989	14	878	4,661
Amounts used	(2,688)	(397)	(7)	(843)	(3,935)
Balance at the end of the financial year	4,138	10,177	146	396	14,857

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000

Current

CURRENT PROVISIONS EXPECTED TO BE SETTLED  
WITHIN 12 MONTHS

Annual leave	3,128	3,189	3,166	3,237
Long service leave	130	328	131	328
Time in lieu	68	72	68	72
Other	328	289	328	289
	3,654	3,878	3,693	3,926

CURRENT PROVISIONS EXPECTED TO BE SETTLED  
AFTER 12 MONTHS

Annual leave	942	809	972	809
Long service leave	8,368	7,700	8,382	7,700
	9,310	8,509	9,354	8,509

Non-current

Long service leave	1,653	1,549	1,664	1,557
Retirement gratuity	146	139	146	139
	1,799	1,688	1,810	1,696

Aggregate carrying amount of employee benefits:

Current	12,964	12,387	13,047	12,435
Non-current	1,799	1,688	1,810	1,696
	14,763	14,075	14,857	14,131



# Notes to the Financial Report

For the year ended 30 June 2014

NOTE 24 PROVISIONS (CONT.)  
(A) EMPLOYEE BENEFITS (CONT.)

	COUNCIL		CONSOLIDATED	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
The following assumptions were adopted in measuring the present value of long service leave and retiring gratuity:				
Weighted average increase in employee costs	3.72%	3.50%	3.72%	3.92%
Weighted average discount rates	2.53%	2.53%	2.53%	2.81%
Weighted average settlement period	12 mths	12 mths	12 mths	12 mths

(b) Other Current Provision

Insurance Excess Provision – current	200	176	200	176
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Aggregate carrying amount of total provision:

Current	13,164	12,563	13,247	12,611
Non-current	1,799	1,688	1,810	1,696
Total	14,963	14,251	15,057	14,307

NOTE 25 INTEREST-BEARING LOANS AND BORROWINGS

	COUNCIL		CONSOLIDATED	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000

Borrowings

CURRENT

Borrowings – secured	2,118	580	2,118	580
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NON-CURRENT

Borrowings – secured	12,769	1,387	12,769	1,387
Total	14,887	1,967	14,887	1,967

The maturity profile for Council's borrowings is:

Not later than one year	2,118	580	2,118	580
Later than one year and not later than five years	12,769	1,387	12,769	1,387
Later than five years	–	–	–	–
	14,887	1,967	14,887	1,967

Council's loans are secured by mortgage deeds over rates and income of the Council.

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), was recognised in 2012/13.

Following the dissolution of the joint venture as at 30 June 2014, Council has taken over a number of obligations under the 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).

NOTE 25 INTEREST-BEARING LOANS AND BORROWINGS (CONT.)

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Not later than one year	267	566	267	566
Later than one year and not later than five years	539	867	539	867
Minimum lease payments	806	1,433	806	1,433
Less: Future finance charges	(72)	(215)	(72)	(215)
<b>Recognised in the balance sheet as:</b>	<b>734</b>	<b>1,218</b>	<b>734</b>	<b>1,218</b>

Represented by:

**CURRENT**

Leases	268	468	268	468
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**NON-CURRENT**

Leases	466	750	466	750
<b>Total</b>	<b>734</b>	<b>1,218</b>	<b>734</b>	<b>1,218</b>

**Aggregate carrying amount of Interest-bearing loans and borrowings:**

Current	2,386	1,048	2,386	1,048
Non-current	13,235	2,137	13,235	2,137
	<b>15,621</b>	<b>3,185</b>	<b>15,621</b>	<b>3,185</b>

NOTE 26 GAIN/LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Proceeds from sales	1,018	879	1,025	879
Less carrying amount of assets sold	569	381	569	381
<b>Gain on disposal</b>	<b>449</b>	<b>498</b>	<b>456</b>	<b>498</b>

# Notes to the Financial Report

For the year ended 30 June 2014

## NOTE 27 RESERVES

	Balance at beginning of financial year \$'000	Increment (decrement) \$'000	Balance at end of financial year \$'000
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### (a) Asset revaluation reserve

#### 2014

##### PROPERTY

Land	502,392	41,676	544,068
Land under roads	–	18,510	18,510
Land improvements	4,821	–	4,821
Buildings	187,587	(12,890)	174,697
Heritage buildings	19,198	–	19,198
	<b>713,998</b>	<b>47,296</b>	<b>761,294</b>

##### INFRASTRUCTURE

Roads, streets, rights of way & bridges	111,964	(9,723)	102,241
Road extras	11,922	–	11,922
Drainage	24,453	–	24,453
	<b>148,339</b>	<b>(9,723)</b>	<b>138,616</b>

##### SHARE OF NET ASSET REVALUATION INCREMENT OF ASSOCIATE

	<b>1,172</b>	<b>–</b>	<b>1,172</b>
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<b>Total Asset revaluation reserve</b>	<b>863,509</b>	<b>37,573</b>	<b>901,082</b>
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#### 2013

##### PROPERTY

Land	502,392	–	502,392
Land improvements*	4,821	–	4,821
Buildings	187,587	–	187,587
Heritage buildings	19,198	–	19,198
	<b>713,998</b>	<b>–</b>	<b>713,998</b>

##### INFRASTRUCTURE

Roads, streets, rights of way & bridges*	111,964	–	111,964
Road extras	11,922	–	11,922
Drainage	24,453	–	24,453
	<b>148,339</b>	<b>–</b>	<b>148,339</b>

##### SHARE OF NET ASSET REVALUATION INCREMENT OF ASSOCIATE

	<b>1,172</b>	<b>–</b>	<b>1,172</b>
--	--------------	----------	--------------

<b>Total Asset revaluation reserve</b>	<b>863,509</b>	<b>–</b>	<b>863,509</b>
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\* Council's At-Grade Car Parks have been reclassified from Infrastructure to Land Improvements, the opening balances of these assets class have been re-instated as a result of this.

	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
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## (b) Reserves

### 2014

Asset revaluation reserve	863,509	37,573	–	–	901,082	901,082
Open Space Reserve	28,115	–	6,267	(6,801)	27,581	27,581
Off-Street Parking Reserve	925	–	42	–	967	967
Developer Contributions	499	–	84	(22)	561	561
Future Fund Reserve	2,672	–	3,055	–	5,727	5,727
Infrastructure – Roads Damaged Reserve	–	–	270	–	270	270
<b>Total Reserves</b>	<b>895,720</b>	<b>37,573</b>	<b>9,718</b>	<b>(6,823)</b>	<b>936,188</b>	<b>936,188</b>

### 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
<b>Total Other reserves</b>	<b>883,864</b>	<b>–</b>	<b>15,456</b>	<b>(3,600)</b>	<b>895,720</b>	<b>895,720</b>

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.

The Infrastructure – Roads Damaged Reserve is created to enable Council to utilise forfeited road asset protection and work zones maintenance bonds on road and signage maintenance.



# Notes to the Financial Report

For the year ended 30 June 2014

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

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Surplus for the year	22,492	24,555	22,526	24,913
Depreciation/amortisation	18,983	17,749	19,243	17,953
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(449)	(498)	(449)	(498)
Assets written off	1	1	1	1
Share of other comprehensive loss of associates and joint ventures accounted for by the equity method	894	(340)	894	(340)
<b>Change in assets and liabilities:</b>				
(Increase)/decrease in trade and other receivables	(258)	14	(535)	(60)
(Increase)/decrease in prepayments	73	290	98	292
Increase/(decrease) in accrued income	3	(34)	3	(34)
Increase/(decrease) in trade and other payables	(617)	748	(1,437)	768
(Decrease)/increase in other liabilities	433	583	451	574
Increase in provisions	712	(11,565)	750	(11,553)
<b>Net cash provided by operating activities</b>	<b>42,367</b>	<b>31,503</b>	<b>41,645</b>	<b>32,016</b>

## NOTE 28 (B) (PAYMENTS FOR)/RECEIPTS FROM OTHER FINANCIAL ASSETS

Operating lease payments	263	225	263	225
Movement in investments	(14,513)	12,175	(14,513)	12,175
	<b>(14,250)</b>	<b>12,400</b>	<b>(14,250)</b>	<b>12,400</b>

## NOTE 29 RECONCILIATION OF CASH AND CASH EQUIVALENTS

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash and cash equivalents (see note 15)	32,865	39,087	33,380	41,658
	<b>32,865</b>	<b>39,087</b>	<b>33,380</b>	<b>41,658</b>

## NOTE 30 FINANCING ARRANGEMENTS

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Bank overdraft	250	250	250	250
Used facilities	-	-	-	-
<b>Unused facilities</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>

**NOTE 31 RESTRICTED ASSETS**

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'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 23)	2,843	3,285	2,843	3,285
Reserve funds (note 27(b))	28,548	29,040	28,548	29,040
	<b>31,391</b>	<b>32,325</b>	<b>31,391</b>	<b>32,325</b>

**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 2014, this was 9.25% 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 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 Vested Benefits Index 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 makes 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 2014

## NOTE 32 SUPERANNUATION (CONT.)

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in 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 2013-14, Council was not required to make payments to the Fund in respect of retrenchment increments. The next full actuarial investigation of the Fund’s liability for accrued benefits will be based on the Fund’s position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

### SUPERANNUATION CONTRIBUTIONS

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2014 are detailed below:

	COUNCIL		CONSOLIDATED	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000

#### Defined benefit funds (Rate: 9.25%)

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	667	592	667	592
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date.	-	-	-	-
	667	592	667	592

#### Accumulated Funds (Rate: 9.25%)

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,876	2,897	3,931	3,109
Employer contributions to other superannuation funds	-	125	-	125
	3,876	3,022	3,931	3,234

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2015 is \$683,000.

There was no loan issued from or to the above schemes as at 30 June 2014.

## 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
<b>2014</b>					
<b>OPERATING</b>					
Production of food services (Aged meals)	-	-	-	-	-
Municipal turf maintenance and mowing services	3,798	3,760	3,156	-	10,713
Provision of Worksafe insurance services	-	-	-	-	-
Parking enforcement and car parks	3,914	-	-	-	3,914
Provision of insurance broking & premium services	1,236	986	1,503	-	3,726
Central record services	904	307	60	-	1,271
Management of car parks	773	352	-	-	1,125
Specialised consulting services (Panel)	-	-	-	-	-
Hard & green waste collection	318	-	-	-	318
Cleaning of municipal buildings & aquatics centres	754	11	7	-	772
Recycling Collections	970	1,035	1,085	-	3,090
Building Maintenance Services	517	510	1,179	-	2,205
Drainage and Pit Cleaning	170	100	300	-	570
Graffiti & Poster Removal	400	400	1,200	-	2,000
Other contractual obligations	877	286	276	-	1,439
<b>Total</b>	<b>14,631</b>	<b>7,746</b>	<b>8,765</b>	<b>-</b>	<b>31,143</b>
<b>CAPITAL</b>					
Construction works	4,116	200	50	-	4,366
Other capital works	2,346	1,316	973	-	4,635
<b>Total</b>	<b>6,462</b>	<b>1,516</b>	<b>1,023</b>	<b>-</b>	<b>9,001</b>
<b>2013</b>					
<b>OPERATING</b>					
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 Worksafe insurance services	703	703	2,109	-	3,515
Parking enforcement and car parks	-	-	-	-	-
Provision of insurance broking & 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 & 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 & Poster Removal	392	392	-	-	784
Other contractual obligations	1,383	1,242	1,571	-	4,196
<b>Total</b>	<b>8,906</b>	<b>7,684</b>	<b>9,278</b>	<b>-</b>	<b>25,868</b>
<b>CAPITAL</b>					
Construction works	7,547	1,398	1,168	-	10,113
Other capital works	1,163	-	-	-	1,163
<b>Total</b>	<b>8,710</b>	<b>1,398</b>	<b>1,168</b>	<b>-</b>	<b>11,276</b>



# Notes to the Financial Report

For the year ended 30 June 2014

## NOTE 34 OPERATING LEASE COMMITMENTS

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'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	386	318	386	318
Later than one year and not later than five years	1,428	850	1,428	850
Later than five years	103	269	103	269
	1,917	1,437	1,917	1,437

## 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 2013, 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 exist. (Refer Note 32). At this point in time it is not known if additional contributions will be required, their timing or potential amount.

#### 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 an appropriate level of insurance with Liability Mutual Insurance Scheme for the 2013/2014 year (2013, 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 an appropriate level of professional indemnity insurance with Liability Mutual Insurance Scheme for the 2013/2014 year (2013, 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
<b>Financial Assets</b>			
Cash and cash equivalents	15	<p>Cash on hand and at bank 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 revenues are recognised as they accrue.</p>	<p>On call deposits returned a floating interest rate of 2.83% (3.13% in 2012/2013). The interest rate at balance date was 2.90% (3.00% in 2012/2013).</p> <p>Funds returned fixed interest rate of between 3.45% (4.24% in 2012/2013) and 3.75% (6.00% in 2012/2013) net of fees.</p>
Other financial assets	17	<p>Term deposits are held to maximise interest returns of surplus cash.</p>	<p>Funds returned fixed interest rate of between 3.50% (4.10% in 30 June 2013) and 3.93% (7.05% in 30 June 2013) net of fees.</p>
<b>Trade and other receivables:</b>			
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>
<b>Financial Liabilities</b>			
Trade and other payables	22	<p>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.</p>	<p>General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.</p>
Interest-bearing loans and borrowings	25	<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 4.04% (6.44% in 2012/2013).</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 9.08% (8.53% in 2012/2013).</p>
Bank overdraft	30	<p>Overdrafts are recognised at the principal amount. 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 2013/2014 (Nil in 2012/2013).</p>
Trust funds and deposits	23	<p>Trust funds and deposits are carried at their principal amount.</p>	<p>Terms and conditions depend on the nature of the trust fund and deposit held.</p>

# Notes to the Financial Report

For the year ended 30 June 2014

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

2014 Council

FINANCIAL ASSETS

Cash and cash equivalents	26,230	–	–	–	6,635	32,865
Other financial assets	–	35,000	–	–	3,324	38,324
Trade and other receivables	–	–	–	–	872	872
Accrued income	–	–	–	–	950	950
<b>Total financial assets</b>	<b>26,230</b>	<b>35,000</b>	<b>–</b>	<b>–</b>	<b>11,781</b>	<b>73,011</b>
Weighted average interest rate	2.83%	3.72%	–	–	–	–

FINANCIAL LIABILITIES

Trade and other payables	–	–	–	–	9,702	9,702
Trust funds and deposits	–	–	–	–	2,843	2,843
Interest-bearing loans and borrowings	–	2,386	13,235	–	–	15,621
<b>Total financial liabilities</b>	<b>–</b>	<b>2,386</b>	<b>13,235</b>	<b>–</b>	<b>12,545</b>	<b>28,166</b>
Weighted average interest rate	–	3.42%	6.25%	–	–	–
<b>Net financial assets/(liabilities)</b>	<b>26,230</b>	<b>32,614</b>	<b>(13,235)</b>	<b>–</b>	<b>(764)</b>	<b>44,845</b>

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
<b>Total financial assets</b>	<b>24,234</b>	<b>33,750</b>	<b>–</b>	<b>–</b>	<b>7,340</b>	<b>65,324</b>
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
<b>Total financial liabilities</b>	<b>–</b>	<b>1,048</b>	<b>2,137</b>	<b>–</b>	<b>10,771</b>	<b>13,956</b>
Weighted average interest rate	–	4.43%	8.32%	–	–	–
<b>Net financial assets/(liabilities)</b>	<b>24,234</b>	<b>32,702</b>	<b>(2,137)</b>	<b>–</b>	<b>(3,431)</b>	<b>51,368</b>

**(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 are as follows:

	Fixed interest maturing in:				Non-interest bearing	Total
	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	\$'000	\$'000
<b>2014 Consolidated</b>						
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents	26,238	2,562	–	–	7,150	35,950
Other financial assets	–	35,000	–	–	1,324	36,324
Trade and other receivables	–	–	–	–	1,702	1,702
Accrued income	–	–	–	–	952	952
<b>Total financial assets</b>	<b>26,238</b>	<b>37,562</b>	<b>–</b>	<b>–</b>	<b>11,127</b>	<b>74,927</b>
Weighted average interest rate	2.83%	3.72%	–	–	–	–
<b>FINANCIAL LIABILITIES</b>						
Trade and other payables	–	–	–	–	9,820	9,820
Trust funds and deposits	–	–	–	–	2,843	2,843
Interest-bearing loans and borrowings	–	2,385	13,236	–	–	15,621
<b>Total financial liabilities</b>	<b>–</b>	<b>2,385</b>	<b>13,236</b>	<b>–</b>	<b>12,663</b>	<b>28,284</b>
Weighted average interest rate	–	3.42%	6.25%	–	–	–
<b>Net financial assets/(liabilities)</b>	<b>26,238</b>	<b>35,177</b>	<b>(13,236)</b>	<b>–</b>	<b>(1,536)</b>	<b>46,643</b>
<b>2013 Consolidated</b>						
<b>FINANCIAL ASSETS</b>						
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
<b>Total financial assets</b>	<b>24,242</b>	<b>36,312</b>	<b>–</b>	<b>–</b>	<b>5,921</b>	<b>66,475</b>
Weighted average interest rate	3.00%	4.39%	–	–	–	–
<b>FINANCIAL LIABILITIES</b>						
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	–	–	3,184
<b>Total financial liabilities</b>	<b>–</b>	<b>1,146</b>	<b>2,038</b>	<b>–</b>	<b>11,709</b>	<b>14,893</b>
Weighted average interest rate	–	4.43%	8.32%	–	–	–
<b>Net financial assets/(liabilities)</b>	<b>24,242</b>	<b>35,166</b>	<b>(2,038)</b>	<b>–</b>	<b>(5,788)</b>	<b>51,582</b>



# Notes to the Financial Report

For the year ended 30 June 2014

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	
	2014	2013	2014	2013	2014	2013	2014	2013
Financial Instruments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

(1) Financial assets

Cash and cash equivalents	32,865	39,087	32,865	39,087	35,950	41,666	35,950	41,666
Other financial assets	38,324	24,066	38,324	24,066	36,324	22,066	36,324	22,066
Trade and other receivables	872	1,532	872	1,532	1,702	2,085	1,702	2,085
Accrued income	950	639	950	639	952	658	952	658
Total financial assets	73,011	65,324	73,011	65,324	74,927	66,475	74,928	66,475

(2) Financial liabilities

Trade and other payables	9,702	7,486	9,702	7,486	9,820	8,424	9,820	8,424
Trust funds and deposits	2,843	3,285	2,843	3,285	2,843	3,285	2,843	3,285
Interest-bearing loans and borrowings	15,621	3,185	14,199	2,895	15,621	3,185	14,194	2,894
Total Financial liabilities	28,166	13,956	26,744	13,666	28,284	14,894	26,857	14,603

(D) CREDIT RISK

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

(E) RISKS AND MITIGATION

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices.

The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

INTEREST RATE RISK

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

NOTE 36 FINANCIAL INSTRUMENTS (CONT.)  
(E) RISKS AND MITIGATION (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	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at the beginning of the year	11,041	10,881	11,041	10,900
New Provisions recognised during the year	8	100	8	100
Amounts already provided for and written off as uncollectible	(8)	2	(8)	2
Amounts provided for but recovered during the year	306	58	306	39
<b>Balance at end of year</b>	<b>11,347</b>	<b>11,041</b>	<b>11,347</b>	<b>11,041</b>

# Notes to the Financial Report

For the year ended 30 June 2014

NOTE 36 FINANCIAL INSTRUMENTS (CONT.)  
(E) RISKS AND MITIGATION (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	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current (not yet due)	549	765	1,298	1,291
Past due by up to 30 days	101	648	145	660
Past due between 31 and 180 days	62	26	99	41
Past due between 181 and 365 days	-	-	-	-
Past due by more than 1 year	160	93	160	93
<b>Total Trade &amp; Other Receivables</b>	<b>872</b>	<b>1,532</b>	<b>1,702</b>	<b>2,085</b>

AGEING OF INDIVIDUALLY IMPAIRED TRADE AND OTHER RECEIVABLES

At balance date there were no other debtors representing financial assets that were impaired (2013, 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.)  
(E) RISKS AND MITIGATION (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
<b>2014 Council</b>							
Trade and other payables	9,702	–	–	–	–	9,702	9,702
Trust funds and deposits	2,843	–	–	–	–	2,843	2,843
Interest-bearing loans and borrowings	329	2,093	652	547	12,000	15,621	15,621
<b>Total financial liabilities</b>	<b>12,874</b>	<b>2,093</b>	<b>652</b>	<b>547</b>	<b>12,000</b>	<b>28,166</b>	<b>28,166</b>
<b>2013 Council</b>							
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
<b>Total financial liabilities</b>	<b>11,328</b>	<b>492</b>	<b>950</b>	<b>1,187</b>	<b>–</b>	<b>13,956</b>	<b>13,956</b>
<b>2014 Consolidated</b>							
Trade and other payables	9,820	–	–	–	–	9,820	9,820
Trust funds and deposits	2,843	–	–	–	–	2,843	2,843
Interest-bearing loans and borrowings	329	2,093	652	547	12,000	15,621	15,621
<b>Total financial liabilities</b>	<b>12,992</b>	<b>2,093</b>	<b>652</b>	<b>547</b>	<b>12,000</b>	<b>28,284</b>	<b>28,284</b>
<b>2013 Consolidated</b>							
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
<b>Total financial liabilities</b>	<b>12,266</b>	<b>492</b>	<b>950</b>	<b>1,187</b>	<b>–</b>	<b>14,894</b>	<b>14,894</b>



# Notes to the Financial Report

For the year ended 30 June 2014

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 4.4%.

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%	
			100 basis points		200 basis points	
	Consolidated	Council	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

2014

FINANCIAL ASSETS

Cash and cash equivalents	33,380	32,865	(329)	(329)	657	657
Other financial assets	35,000	35,000	(350)	(350)	700	700

FINANCIAL LIABILITIES

Interest-bearing loans and borrowings	15,621	15,621	156	156	(312)	(312)
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2013

FINANCIAL ASSETS

Cash and cash equivalents	41,658	39,087	(390)	(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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NOTE 37 AUDITORS’ REMUNERATION

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Audit fee to conduct external audit – Victorian Auditor-General	60	58	74	71
Internal audit fees – Oakton (2013, Oakton)	125	125	125	125
	185	183	199	196

NOTE 38 EVENTS OCCURRING AFTER BALANCE DATE

Following the dissolution of Streetsahead Cleaning Services Joint Venture at 30 June 2014, Council received a confirmation from an employee whose responsibilities included the preparation of the Joint Venture financial statements to exercise the option of claiming redundancy. Council approved the request on 12 August 2014.

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 Claude Ullin
- Councillor John Chandler
- Councillor Melina Sehr
- Councillor Matthew Koce
- Councillor Adrian Stubbs
- Councillor Erin Davie
- Councillor John McMorrow
- Councillor Jami Klisaris
- Councillor Sam Hibbins

Chief Executive Officer

Warren Roberts

(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	
	2014 No.	2013 No.	2014 No.	2013 No.
\$1,000 – \$9,999	–	6	5	10
\$10,000 – \$19,999	–	5	2	5
\$20,000 – \$29,999	7	2	8	2
\$30,000 – \$39,999	–	–	–	–
\$40,000 – \$49,999	–	1	–	1
\$50,000 – \$59,999	1	1	1	1
\$60,000 – \$69,999	–	–	–	–
\$70,000 – \$79,999	1	–	1	–
\$180,000 – \$189,999	–	–	1	–
\$270,000 – \$279,999	–	–	–	–
\$310,000 – \$359,999	1	1	1	1
	10	16	19	20
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	687	635	777	725

(iii) No retirement benefits have been made by the Council to a Responsible Person (2012/2013, Nil).

(iv) No loans have been made, guaranteed, or secured by the Council to a Responsible Person during the reporting year (2012/2013 – 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 (2012/2013 – Nil).

# Notes to the Financial Report

For the year ended 30 June 2014

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 \$133,000 (2012/13 \$130,000).

The number of Senior Officers, other than the Responsible Persons, are shown below in their relevant income bands:

	COUNCIL		CONSOLIDATED	
	2014 No.	2013 No.	2014 No.	2013 No.
Income Range:				
Less than \$133,000	–	3	–	3
\$133,000 – \$139,999	4	3	4	3
\$140,000 – \$149,999	5	5	5	5
\$150,000 – \$159,999	8	10	8	10
\$160,000 – \$169,999	5	–	5	–
\$170,000 – \$179,999	1	–	1	–
\$180,000 – \$189,999	–	1	–	1
\$190,000 – \$199,999	1	–	1	–
\$200,000 – \$299,999	5	5	5	5
	29	27	29	27
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	4,823	4,320	4,823	4,320

NOTE 40 JOINT VENTURE INFORMATION

STREETS Ahead CLEANING SERVICE

The Cities of Stonnington and Port Phillip participated as partners in a joint venture with the primary objective of providing cleansing services to both Councils. The Joint Venture commenced operations on 1 February 2000 and undertook work including street sweeping, footpath sweeping, land sweeping, weed control, beach and foreshore cleaning, litter bin clearing, and pit cleaning. The Council had a 50% interest in the assets, liabilities, and operating result of this Joint Venture.

Both Councils decided that from 30 June 2014 they will separately operate their own services to achieve annual cost savings. The dissolution has resulted in each Council agreeing to take over and own some nominated assets, employees and associated liabilities.

The dissolution has also resulted in the recognition of the return of joint venture equity to Council represented by:

	2014 \$'000
Council's share of Accumulated Funds as at 1 July 2013	592
Share of equity from realisation of dissolution as at 30 June 2014	226
	818
Council's share of cash distribution was \$1.462m represented by the following at carrying amounts:	
Employees costs (refer note 9 and 24)	684
Amounts due from Leaseplan	(40)
Council's share of Accumulated Funds as at 1 July 2013	592
Share of equity from realisation of dissolution as at 30 June 2014	226
	1,462

**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 2014 audited financial statements are included in Council's consolidated financial accounts, as follows:

	2014 \$'000	2013 \$'000
Income	4,427	4,585
Expense	4,393	4,227
	<b>34</b>	358

Council's consolidated accounts includes the following assets and liabilities in the Balance Sheet

**Assets**

**CURRENT ASSETS**

Cash assets	637	2,571
Receivables	831	572
Other	–	8
<b>Total current assets</b>	<b>1,468</b>	3,151

**NON-CURRENT ASSETS**

Property, Plant and Equipment	5,551	4,477
<b>Total non-current assets</b>	<b>5,551</b>	4,477
<b>Total assets</b>	<b>7,019</b>	7,628

**Liabilities**

**CURRENT LIABILITIES**

Payables	118	938
Employee benefits	83	48
Other Liabilities	31	14
<b>Total current liabilities</b>	<b>232</b>	1,000

**NON-CURRENT LIABILITIES**

Employee benefits	11	8
Refundable deposits	123	–
<b>Total non-current liabilities</b>	<b>134</b>	8
<b>Total liabilities</b>	<b>366</b>	1,008

<b>Net Assets</b>	<b>6,653</b>	6,620
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**Equity**

Accumulated Funds	4,653	4,620
Issued Capital	2,000	2,000
<b>Total Equity</b>	<b>6,653</b>	6,620



# Notes to the Financial Report

For the year ended 30 June 2014

## 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	2013	1,010	7,336	8,346	27,260	(18,914)	109,995
	2014	822	7,631	8,453	29,195	(20,742)	119,231
Community Services	2013	5,009	4,515	9,524	16,293	(6,769)	27,414
	2014	5,388	4,712	10,100	16,681	(6,581)	24,217
Development	2013	–	9,611	9,611	7,262	2,349	–
	2014	10	7,834	7,844	7,909	(65)	–
Regulatory & Transport	2013	437	19,925	20,362	12,739	7,623	24,931
	2014	327	20,962	21,289	13,068	8,221	15,641
Infrastructure	2013	1,158	3,625	4,783	29,821	(25,038)	676,938
	2014	542	3,478	4,020	32,292	(28,272)	697,713
Governance, Administration & Non Attributed	2013	2,437	92,353	94,790	29,486	65,304	1,008,642
	2014	1,644	96,241	97,885	27,954	69,931	1,066,059
Total	2013	10,051	137,365	147,416	122,861	24,555	1,847,920
	2014	8,733	140,858	149,591	127,099	22,492	1,922,861

Aggregate value of Assets as disclosed in the Balance Sheet

	COUNCIL		CONSOLIDATED	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current Assets	77,116	68,914	78,465	72,065
Non Current Assets	1,845,745	1,779,006	1,849,296	1,781,483
Total	1,922,861	1,847,920	1,927,762	1,853,548

### LEISURE & CULTURAL SERVICES

**Aim:** To provide, coordinate, and develop a broad range of facilities, programs and services which satisfy the leisure/ recreational and library needs of the community.

**Includes:** Civic & Community Centres, Recreation & Arts Centres, Sporting facilities, Parks and Gardens, Swimming Pools, Libraries, Business Development, Tourism and Golf Course Management.

### COMMUNITY SERVICES

**Aim:** To provide, advocate, coordinate, and develop a broad range of programs, services, and facilities within the aged, family, youth, and children's area that are responsive to the social, emotional, and physical needs of the community.

**Includes:** Family & Children's Services, Aged & Disability Services, Maternal & Child Health, Child Care, and Ethnic Services.

### DEVELOPMENT

**Aim:** To implement local and State building and planning regulations within the municipality.

**Includes:** Building Control, Strategic and Statutory Town Planning.

REGULATORY & TRANSPORT

**Aim:** To regulate and reinforce parking safety, parking turnover, food safety, environment controls, animal controls, and local laws.

**Includes:** Transport Management and Health & Environment Management.

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)

	2014 \$'000	2014 [%]	2013 [%]	2012 [%]
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(a) Debt servicing ratio

(to identify the capacity of Council to service its outstanding debt)

Debt servicing costs	531			
Total income	149,591	=	0.35%	0.11%
				0.15%

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 identify Council's debt redemption strategy)

Debt servicing and redemption costs	2,640			
Rate revenue	86,170	=	3.06%	1.08%
				0.93%

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 identify Council's dependence on non-rate income)

Rate revenue	86,170			
Total income	149,591	=	57.60%	55.21%
				56.17%

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

# Notes to the Financial Report

For the year ended 30 June 2014

NOTE 43 FINANCIAL RATIOS (PERFORMANCE INDICATORS) (CONT.)

	2014	2013	2014	2013
	\$'000	(%)	(%)	(%)

(d) Debt Exposure Ratio

(to identify Council's exposure to debt)

Total indebtedness	48,836			
Total realisable assets	1,548,523	=	3.15%	2.25%
				2.85%

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 on Crown land; 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	77,116			
Current liabilities	28,147	=	273.98%	208.97%
				183.97%

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 Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

(f) Adjusted working capital ratio

(to assess Council's ability to meet current commitments)

Current assets	77,116			
Adjusted Current liabilities	28,277	=	272.72%	276.21%
				234.22%

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

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because it is not likely to be utilised within 12 months after the end of the year.

**NOTE 44 CAPITAL EXPENDITURE – COUNCIL AND CONSOLIDATED**

	Note	2014 \$'000	2013 \$'000
<b>Capital expenditure areas</b>			
Prahran Market has no material capital expenditure items.			
Land		13,072	3,601
Land Improvements		8,292	4,375
Buildings		12,488	6,885
Heritage Buildings		806	1,032
Heritage Indoor Assets		5	32
Motor Vehicles, Plant, and Equipment		3,152	2,250
Furniture and Equipment		531	270
Office Equipment & Information Technology		307	500
Library Stocks		804	832
Roads Extras		903	2,354
Roads, Footpaths, Kerb & Channels, ROWs, Bridges		6,047	7,434
Drainage		3,292	2,911
		49,699	32,476
Intangible Assets		914	867
<b>Total capital works</b>		<b>50,613</b>	<b>33,343</b>
Represented by:			
Renewal	(a)	23,154	22,826
Upgrade	(b)	5,507	4,664
Expansion	(c)	1,360	1,323
New assets		20,592	4,530
<b>Total capital works</b>		<b>50,613</b>	<b>33,343</b>
<b>Property, infrastructure, plant and equipment movement</b>			
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		50,613	33,343
Asset revaluation movement	27	37,573	-
Depreciation/amortisation	11	(18,983)	(17,749)
Written down value of assets sold		(569)	(380)
Termination of Finance Leases		(909)	(47)
Asset write off		(1)	(465)
<b>Net movement in property, plant &amp; equipment, intangibles and investment property</b>	<b>19, 21</b>	<b>67,724</b>	<b>14,702</b>



# Notes to the Financial Report

For the year ended 30 June 2014

## NOTE 44 CAPITAL EXPENDITURE – COUNCIL AND CONSOLIDATED (CONT.)

### (A) RENEWAL

Expenditure on an existing asset which returns the service potential or the life of the asset to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

### (B) UPGRADE

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council’s asset base.

### (C) EXPANSION

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council’s asset base, but may be associated with additional revenue from the new user group.

# Certification of the Financial Report

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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  
1 September 2014  
Malvern

In our opinion, the accompanying financial statements present fairly the financial transactions of Stonnington City Council for the year ended 30 June 2014 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.

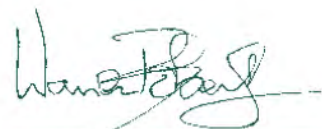
We were authorised by the Council on 1 September 2014 to certify the financial statements in their final form.



**Adrian Stubbs**  
Councillor  
1 September 2014  
Malvern



**John McMorrow**  
Councillor  
1 September 2014  
Malvern



**Warren Roberts**  
Chief Executive Officer  
1 September 2014  
Malvern

Auditor General’s Report on Financial Report  
and Standard Statements



Victorian Auditor-General’s Office

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INDEPENDENT AUDITOR’S REPORT

To the Councillors, Stonnington City Council

*The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2014 of the Stonnington City 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 accompanying standard statements for the year ended 30 June 2014 of 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 standard statements have been audited.

*The Councillors’ Responsibility for the Financial Report and Standard Statements*

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

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 to the statements and the 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 financial report and standard statements 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 financial report and standard statements 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 financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, 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 financial report and standard statements 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 financial report and standard statements.

*Auditing in the Public Interest*

## Auditor General's Report on Financial Report and Standard Statements

### Independent Auditor's Report (continued)

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

#### *Independence*

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

#### *Opinion*

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Stonnington City Council as at 30 June 2014 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*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.


#### *Basis of Accounting for Standard Statements*


Without modifying my opinion, I draw attention to Note 1 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 Financial Report and Standard Statements*

This auditor's report relates to the financial report and standard statements of the Stonnington City Council for the year ended 30 June 2014 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 financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE  
2 September 2014

  
John Doyle  
Auditor-General

  
trusting in the Public Interest



# Performance Statement

For the Year Ended 30 June 2014

## 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 2014

## 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 2014	Budget/ Target 2014	Variance	Achieved
FP 1. Underlying result/Underlying revenue	11.39%	8.40%	3.0%	Yes
FP 2. Operating expenses/Rateable Assessments	\$2,197	\$2,237	\$40	Yes
FP 3. Rate revenue/Underlying revenue	60.46%	61.50%	1.0%	Yes
FP 4. Rate revenue/Rateable Assessments	\$1,490	\$1,502	(\$12)	No
FP 5. Debt Servicing/Total revenue	0.35%	0.70%	0.35%	Yes
FP 6. Recurrent Grants/Total Revenue	4.83%	5.20%	(0.4%)	No
FP 7. Fees and Charges/Total Revenue	27.83%	27.60%	0.2%	Yes
FP 8. Debt Servicing and Redemption costs/Rate Revenue	3.06%	3.20%	(0.1%)	Yes

### 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 2014	Budget/ Target 2014	Variance	Achieved
BS 1. Indebtedness/Rate revenue	18.13%	19.00%	0.9%	Yes
BS 2. Underlying result/Total assets	0.84%	0.60%	0.2%	Yes
BS 3. Net realisable assets/Rateable Assessment	\$19,066	\$26,686	(\$7,620)	No
BS 4. Current assets/Current liabilities	2.10	1.92	0.18	Yes
BS 5. Total liabilities/Rateable Assessment	\$893	\$857	(\$36)	No
BS 6. Indebtness/Net realisable assets	1.42%	1.10%	(0.3%)	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 2014	Budget/ Target 2014	Variance	Achieved
CE 1. Capital Works	\$50,613,000	\$48,242,000	\$2,371,000	Yes
CE 2. – Asset renewal	\$23,154,000	\$22,685,000	\$469,000	Yes
CE 3. – New assets	\$20,592,000	\$19,289,000	\$1,303,000	Yes
CE 4. – Asset expansion/upgrade	\$6,867,000	\$6,268,000	\$599,000	Yes
CE 5. Operating Cash/Net capital outlays	83.71%	75.20%	8.5%	Yes
CE 6. Capital Works/Rate revenue	58.74%	56.10%	2.6%	Yes
CE 7. Asset renewal/Total depreciation	121.97%	121.80%	0.2%	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. Revenue from traffic fines and parking, child care and aquatic centre was better than budget.

#### FP 2. OPERATING EXPENSES/RATEABLE ASSESSMENTS

The actual results are very much in line with budget/target.

#### 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

Actual rateable assessments were higher than budget in 2013/14 resulting in a minor unfavourable variance against budget.

#### FP 5. DEBT SERVICING/TOTAL REVENUE

The significant variance is due to lower debt servicing fee than budget due to more favourable interest rates.

#### FP 6. RECURRENT GRANTS/TOTAL REVENUE

The grant amount is in line with budget, with a slight reduction due to better than budgeted total revenue for 2013/14.

#### FP 7. FEES AND CHARGES/TOTAL REVENUE

Fees and charges ratio against the total revenue is slightly above budget due to fees and charges income in Aquatic & Child care services exceeding budget.

#### FP 8. DEBT SERVICING AND REDEMPTION/RATE REVENUE

The reliance on rate revenue to repay Council's loans principal and to pay interest is less than budget as actual interest rates on a new loan is lower than budgeted.

### FINANCIAL POSITION

#### BS 1. INDEBTEDNESS/RATE REVENUE

The level of indebtedness as a proportion of rate revenue was slightly better than budget due to lower interest rates and higher total revenue than budgeted.

#### 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

Some of the land under road and heritage buildings were included in the net realisable assets calculation at the

time of budget preparation which is not the case now and also higher than budgeted rateable assessment for the year 2013/14 resulting in a drop in the ratio.

#### BS 4. CURRENT ASSETS/CURRENT LIABILITIES

Council's ratio of current assets over current liabilities is at a strong level due to a better cash position at the year end mainly because of \$6.53 million capital project deferrals and higher Accounts receivable at the year end.

#### BS 5. TOTAL LIABILITIES/RATEABLE ASSESSMENT

The timing of trade payables at year end inflated the total liabilities for 2013/14 but at the same time rateable assessment also increased for 2013/14 resulting in no significant variance.

#### BS 6. INDEBTNESS/NET REALISABLE ASSETS

The level of indebtedness to net realisable assets is less favourable than budget due to lower net realisable assets as a result of revaluation increment in restricted assets.

### CAPITAL EXPENDITURE

#### CE 1. CAPITAL WORKS

Actual capital expenditure in 2013/14 was higher than capital works budget mostly due to timing of completion of some of the projects such as Civic Centre Upgrade, HHSC Dive Tower, Sunnyside Kindergarten Extension and Harold Hold Pool Water Treatment System Upgrade.

#### CE 2. ASSET RENEWAL

Expenditure on asset renewal was slightly above budget.

#### CE 3. NEW ASSETS

A number of large expenditure on new assets was in progress at year end, resulting a significant variance.

#### CE 4. ASSET EXPANSION/UPGRADE

Expenditure on asset expansion/upgrade is slightly over budget.

#### CE 5. OPERATING CASH/NET CAPITAL OUTLAYS

The result of additional cash revenue resulted in the favourable variance partly due to the carry forward of a number of capital projects to 2014/15.

#### 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. There is significant variance between budget and actual results.

# Certification of the Performance Statement

In my opinion, the accompanying Performance Statement of the City of Stonnington in respect of 2013/2014 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 1 September 2014 to certify this performance statement on its behalf in its final form.



**Adrian Stubbs**

Councillor

1 September 2014

Malvern

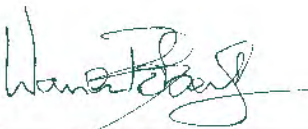


**John McMorrow**

Councillor

1 September 2014

Malvern



**Warren Roberts**

Chief Executive Officer

1 September 2014

Malvern





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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 2014 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.

*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 General's Report on the Performance Statement

## Independent Auditor's Report (continued)

### *Auditor's Opinion*

In my opinion, the performance statement of the Stonnington City Council in respect of the 30 June 2014 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 2014 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  
2 September 2014

  
John Doyle  
Auditor-General

# 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

<b>A-IFRS</b> Australian Equivalent of International Financial Reporting Standards	<b>LASPLAN</b> Local Authorities Superannuation Plan
<b>AAS</b> Australian Accounting Standards	<b>LGMA</b> Local Government Managers Australia
<b>AASB</b> Australian Accounting Standards Board	<b>LGPro</b> Local Government Professionals
<b>ABS</b> Australian Bureau of Statistics	<b>LLEN</b> Local Learning and Employment Network
<b>AMP</b> Asset Management Plan	<b>MAV</b> Municipal Association of Victoria
<b>CBD</b> Central Business District	<b>MBS</b> Municipal Building Surveyor
<b>CE</b> Capital Expenditure	<b>MCH</b> Maternal and Child Health
<b>CEO</b> Chief Executive Officer	<b>MFB</b> Melbourne Fire Brigade
<b>CIV</b> Capital Improved Value	<b>MSS</b> Municipal Strategic Statement
<b>CPA</b> Certified Practising Accountants	<b>MTH</b> Malvern Town Hall
<b>CS</b> Community Satisfaction	<b>NCP</b> National Competition Policy
<b>CWMS</b> Capital Works Management System	<b>OC</b> Operating Costs
<b>EBA</b> Enterprise Bargaining Agreement	<b>OLG</b> Office of Local Government
<b>ECT</b> Enforcement Computer Technology	<b>PAC</b> Prahran Aquatic Centre
<b>EDMS</b> Electronic Document Management System	<b>PBS</b> Private Building Surveyor
<b>EEO</b> Equal Employment Opportunity	<b>PCP</b> Primary Care Partnership
<b>EOC</b> Equal Opportunity Commission	<b>PPP</b> Parking Precinct Plan
<b>EPA</b> Environment Protection Authority	<b>PTH</b> Prahran Town Hall
<b>ESDS</b> Electronic Service Delivery Strategy	<b>RHS</b> Regional Housing Statement
<b>FOI</b> Freedom of Information	<b>RHWG</b> Regional Housing Working Group
<b>FP</b> Financial Performance	<b>RM</b> Rates Management
<b>GIS</b> Geographic Information System	<b>RMIT</b> Royal Melbourne Institute of Technology
<b>HACC</b> Home and Community Care	<b>ROW</b> Right of Way
<b>HR</b> Human Resources	<b>SADS</b> Save-A-Dog Scheme
<b>IBM</b> International Business Machines	<b>SBO</b> Special Building Overlay
<b>IMAP</b> Inner Melbourne Action Plan	<b>SERWMG</b> South East Regional Waste Management Group
<b>IRMA</b> Information, Records Management and Archives	<b>VCAT</b> Victorian Civil Administrative Tribunal
<b>IT</b> Information Technology	<b>VIP</b> Volunteer Interchange Program
<b>ITDRS</b> Information Technology Disaster Recovery Plan	<b>VLGA</b> Victorian Local Governance Association
<b>JV</b> Joint Venture	
<b>KPI</b> Key Performance Indicator	



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](http://www.stonnington.vic.gov.au)

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