



City of  
**STONNINGTON**

City of Stonnington

## **Annual Report 2014/15**





## Population

# 105,981

AS AT 30 JUNE 2015



Up 2,794  
from 2014

# 35

## YEARS

median age

Median weekly  
household  
**INCOME**  
**\$1,722**

## Home ownership

**41%**  
Rent



**22%**  
Paying off mortgage

**29%**  
Fully own their home

**8%** Not stated/other



**Born**  
overseas

## Households



**31%** Lone person



**9%** Group household



**24%** Couples without children



**6%** One parent families



**21%** Couples with children



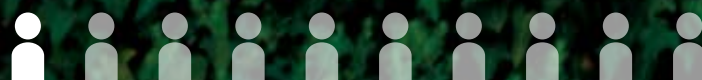
**9%** Other households

Public  
transport to  
work  
**26%**

compared to 14% in  
Greater Melbourne

**one in ten**

residents is an unpaid carer for a person with a disability



# Report of Operations

## Council's Vision

Stonnington will be a connected community that fosters the hopes, wellbeing and aspirations of all people.

### Access to Services and Facilities


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.

### Amenity/Character of the Area

Balancing 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

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

 Go to [youtube.com/cityofstonnington](https://www.youtube.com/cityofstonnington) to watch a video about work happening across the municipality.

### Environment

Sustaining 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

Encouraging 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.

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# 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 Description of Operations on page 16 and the Governance section on page 60.

### Acknowledgment

We would like to acknowledge that we are situated on the traditional land of the Boon Wurrung and Wurundjeri people and offer our respects to their elders, past and present. We recognise and respect the cultural heritage of this land.

### 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.

Adopted by Council on 4 February, 2008.

### Statement of Social Justice

The City of Stonnington is committed to the following principles of social justice adopted by Council on 20 April, 2015:

#### Access

- Residents have fair / equal access to the resources and services provided by Council.
- Barriers to the resources and services provided by Council are reduced for those in need.
- Independent access is supported.

#### Equity

Barriers to equity are reduced as far as practicable.

#### Human Rights

Human rights are recognised, respected and promoted.

#### Participation in Decision Making

Residents have the opportunity for genuine, meaningful participation in decisions affecting their lives.

#### Social Inclusion

Council activities and programs recognise community diversity and encourage participation.



## Strategic Planning Framework

### Planning and Accountability Framework

The *Local Government Act 1989* requires councils to prepare the following planning and reporting documents:

- A council plan within the six months after each general election or by 30 June, whichever is later
- A strategic resource plan for a period of at least four years and include this in the council plan
- A budget for each financial year
- An annual report in respect of each financial year

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.

### Council Plan

The Council Plan 2013–17 includes four key strategic objectives, methods for achieving these, indicators for monitoring their achievement and a strategic resource plan.

The key strategic objectives are:

- **Community** – Stonnington will be a city where all people can be happy, healthy and safe, feel part of and contribute to the community.
- **Environment** – A cleaner, safer and better environment for future generations to enjoy.
- **Liveability** – The most desirable place to live, work and visit.
- **Prosperity** – A prosperous community, recognised as a creative city, and a premier visitor and retail destination.

### Performance

Council's performance for the 2014/15 year has been reported against each strategic objective, and measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan
- Progress in relation to the major initiatives identified in the Budget
- Services funded in the budget and the persons or sections of the community they are provided to
- Results against the prescribed service performance indicators and measures

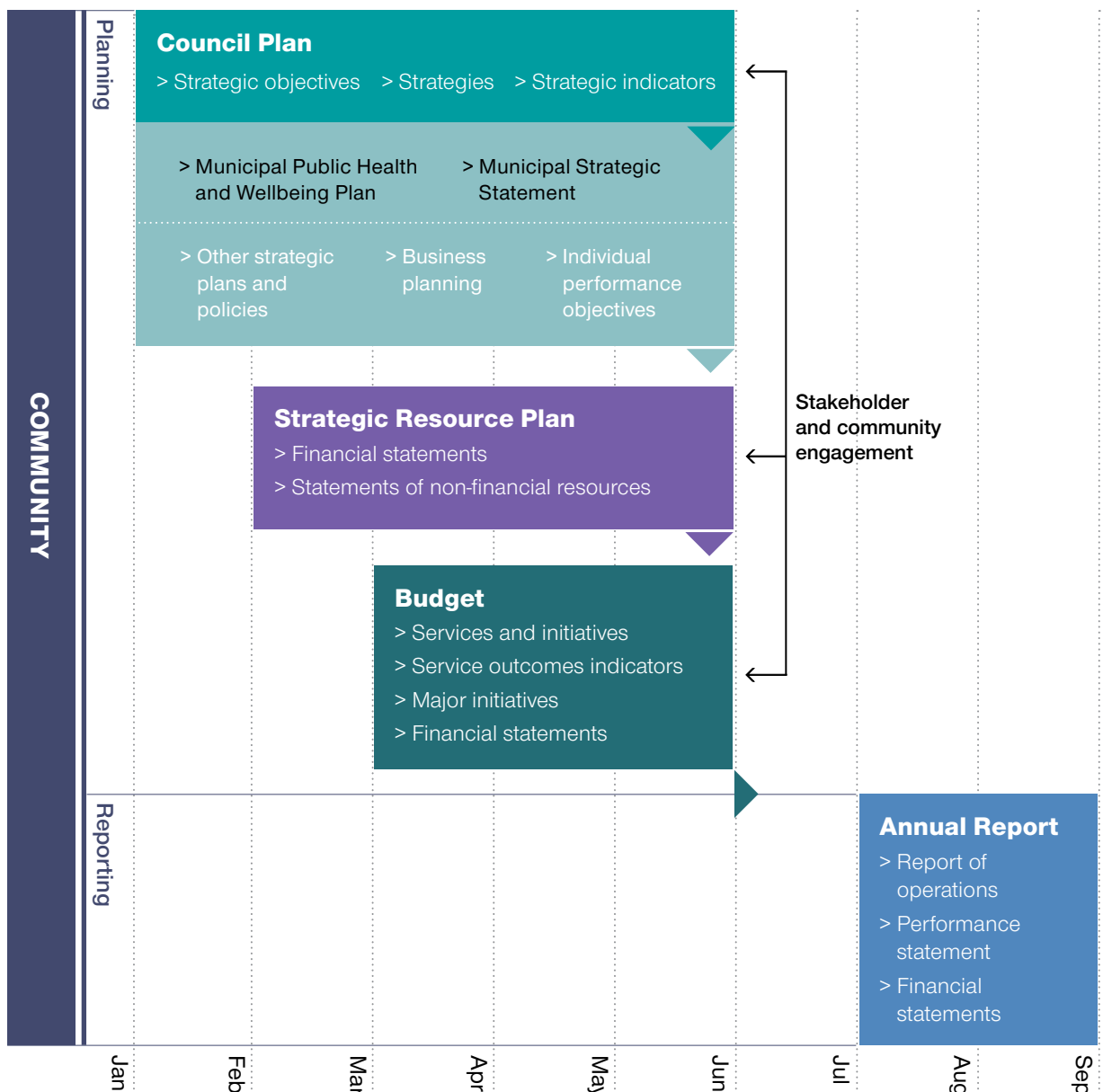
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The City of Stonnington acknowledges the Commonwealth Government's assistance in providing the Financial Assistance Grant general purpose and local road funding grants, totalling \$2.539 million in 2014/15. In addition, \$1.265 million brought forward payment in respect of the 2015/16 year was received in 2014/15. These funds assist Council to provide a range of community services and roads maintenance.





## Planning and Accountability Framework



## Prosperity

Consultation in June 2015 enabled the community to provide ideas and feedback that will become the 'key directions' for the Hawksburn Draft Structure Plan.



# 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 Armadale, Kooyong, Malvern, Malvern East, Prahran, Toorak, and parts of Glen Iris, South Yarra, and Windsor.

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

The estimated resident population in 2014/15 was 105,981. It is anticipated that the municipality will experience a population growth rate of approximately 10% over the next 10 years.

## Our Community

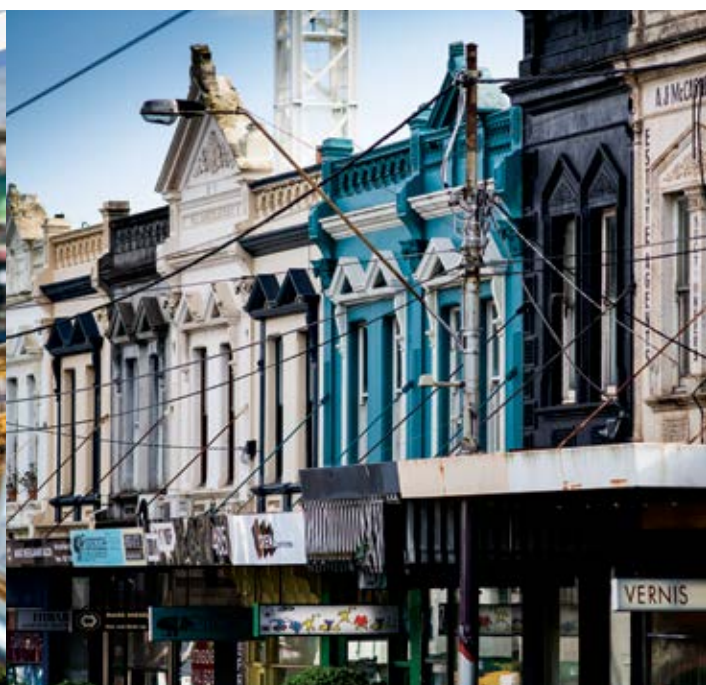
Stonnington has a relatively young population with 31% aged 20 to 34 years and a median age of 35 years.

Of the families in Stonnington, 20.6% are couples with children, 24.2% are couples without children and 5.6% are 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 one-third 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 is 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 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 16,807 businesses, contributing significantly to the City's vibrancy and prosperity.

## Our History

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

Stonnington is situated on the traditional land of the Boon Wurrung and Wurundjeri people. The Boon Wurrung and Woiwurrung, 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.

# 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>MAYOR, CR MELINA SEHR</b> msehr@stonnington.vic.gov.au M: 0417 773 644	<b>CR TINI ATHANASOPOULOS</b> tathanas@stonnington.vic.gov.au M: 0408 595 623	<b>CR CLAUDE ULLIN</b> cullin@stonnington.vic.gov.au M: 0417 773 833

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 2015.  
Occupation: Retail.

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>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	<b>CR ADRIAN STUBBS</b>

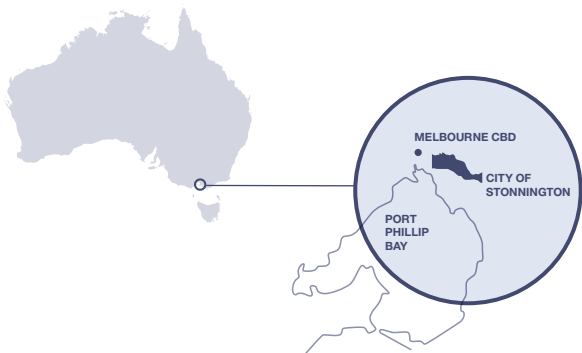
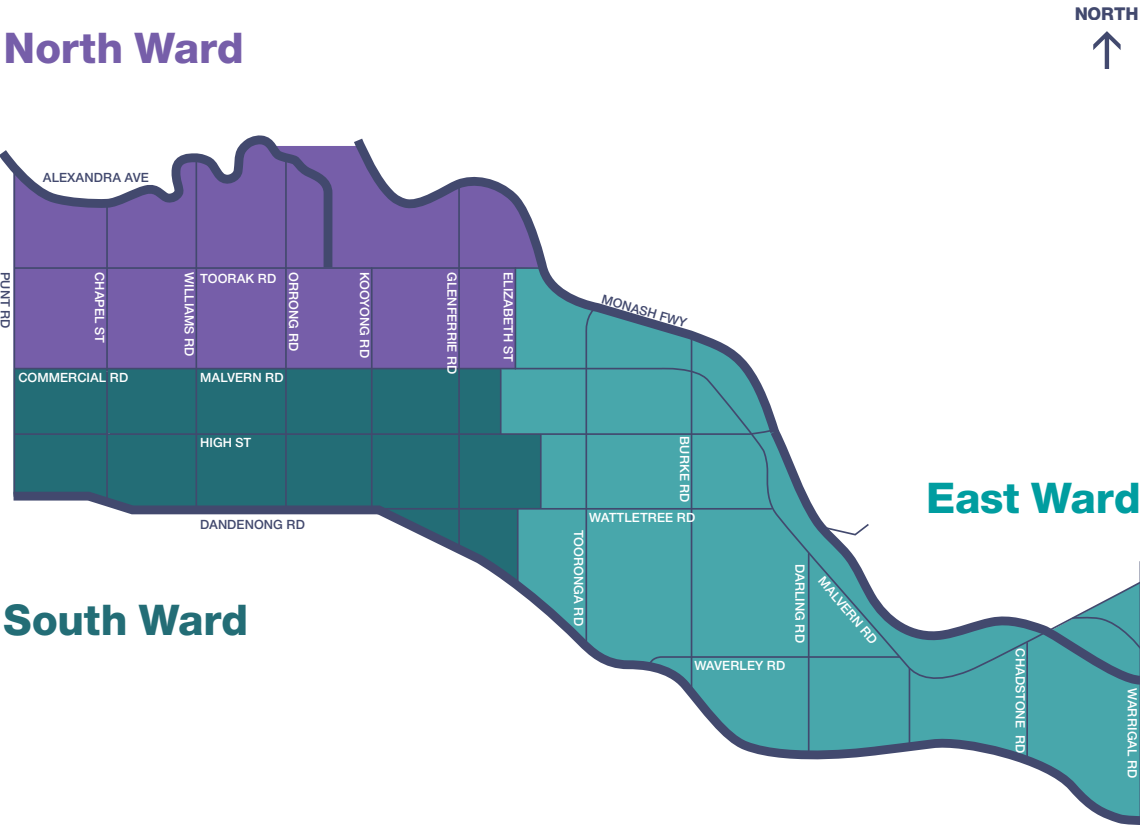
First elected 2012.  
Occupation: Professional engineer in the water industry.

First elected 2012.  
Occupation: Small business owner.

First elected 2012. Mayor 2013/14.  
Passed away 21 June 2015.



# Stonnington Ward Map





# Mayor's Message

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Council thrived during the 2014/15 year in all areas under the four strategic pillars of Community, Environment, Liveability and Prosperity.

There is never a quiet moment in Stonnington and the past 12 months have been busy with many exciting events, capital works projects and major initiatives that continue to enhance the amenity and liveability of our municipality.

Open Space remains a priority for Council. Stonnington is an ever-evolving Council with diverse attributes and needs and as our population grows the needs of our residents change. Council's 20 year strategy addresses this need for more open space as our municipality has the second lowest amount of public open space per capita of all Victorian councils.

Our streets came alive for 11 days and nights in August with the inaugural Glow Winter Arts Festival. Stonnington showcased its assets to the broader community, with the festival's 50 events featuring live music, theatre, comedy, open air movies, dance, pop-up street theatre, visual art and photography exhibitions. A festival highlight was the Exxopolis Luminarium, which was installed on the rooftop of the Jam Factory. Stonnington Jazz in May featured 40 events in venues across the City, including two new venues: Melbourne Bowling Club and David Williams Theatre. It was a tremendous success and the diverse program incorporated Soul for the first time.

We also helped to celebrate Chapel Off Chapel's 20th anniversary by removing and restoring the iconic 100 year old stained glass windows to their former glory and presenting one of its greatest weeks of one-off performances.

To mark the ANZAC Centenary, Council held an ANZAC Centenary March followed by an ecumenical service and we officially opened the new Stonnington War Memorial at Victoria Gardens at High Street,

Prahran. The new memorial includes the names of all Australian campaigns and provides a larger area for visitors to come and pay their respects.

The redevelopment of the TH King Pavilion and the Stonnington Environmental Education and Design Centre (SEED) officially opened in October. The Pavilion accommodates the future sporting needs of our local residents and SEED sets a sustainable performance standard for all new and upgraded Council facilities. The Centre now provides a space for residents and school groups to take part in a range of environmental educational sessions, including biodiversity tours of the local Glen Iris Wetlands.

Improvement works are continuing for the Yarra River Biodiversity Linkages Project. This project aims to increase habitat connectivity, improve water quality and provide recreational and educational opportunities for the community to interact with Melbourne's landmark river.

Something that is close to my heart and my professional background is the use and prevalence of social media to engage with our community. Stonnington successfully launched its new Instagram account in July 2014 and now has more than 1,000 followers. Residents have been using the new Services 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.

In closing and on a sadder note, I would like to recognise the untimely passing of Cr Adrian Stubbs. He was a passionate community member, an outstanding citizen and a devoted, loving family man, who is dearly missed.

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Cr Melina Sehr, Mayor



# CEO's Message

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It has been another busy year for the City of Stonnington. We remain committed to creating a connected community that fosters the hopes, wellbeing and aspirations of all people.



In the 2014/15 financial year, we delivered a diverse range of excellent services for the community, including community facility upgrades, strategic planning activities, vibrant arts festivals and support for carers.

Council's financial position remains strong with more than \$2.02 billion of community assets under Council's stewardship. Operating expenditure for 2014/15 was tightly controlled and Council's underlying operating income and expenditure were within 8.9% and 0.8% respectively of the annual budget adopted in June 2014. In 2014/15, Council achieved a surplus of \$31.87 million. Surpluses are expected to grow to \$45.01 million by 2024/25, providing an average of \$45.44 million per annum in sustainable funding for community assets.

Development density and population growth are continuing to place pressure on our limited open space. Through *Strategies for Creating Open Space*, we are continuing our commitment to improving the quantity and quality of open space for the community's long-term benefit. A survey conducted earlier this year by Council showed that 91 per cent of respondents believe it is important for Council to create open space now, and for future generations.

Council opened its newest park, Surrey Park following remediation works on the site of our former Depot and Waste Transfer Station, increasing the amount of public open space in South Yarra. Surrey Park features native trees and provides new open space for locals to gather and enjoy the surroundings.

The newly completed Windsor Plaza increased the amount of public open space in Windsor, with works in the north and south areas of Windsor Station. The project is part of the Council's implementation of the Chapel reVision Structure Plan.

Also, as part of *Strategies for Open Space*, plans are progressing to underground the Cato Street

car park and provide open space and parkland on top, with completion expected in 2018. Moreover, Council commenced two Planning Scheme Amendments to apply Public Acquisition Overlays over strategic parcels of land.

We will continue to explore options to create new urban and green spaces within Stonnington.

In the 2014/15 financial year, we celebrated the completion of a number of significant projects, including the redevelopment of Sunnyside Kindergarten with environmentally sustainable design features and doubling its capacity for three and four year old children.

The community can now learn more about the local environment while enjoying their grassroots sport in the newly opened \$2.8 million TH King Pavilion and Stonnington Environmental Education and Design Centre at Glen Iris Park. The Centre provides a space for residents and school groups to take part in a range of environmental educational sessions, including biodiversity tours of the local Glen Iris Wetlands.

Construction of a new pavilion at Glendearg Tennis Centre was completed in June 2015, featuring a 'green' north wall covered by plants and a rainwater harvesting system.

Looking ahead, we will need to meet the challenge of delivering a broad range of high quality services under the new rate capping system. I am extremely proud of what we have achieved for the City of Stonnington during 2014/15 and excited for the future of Stonnington.

I thank our Mayor, Cr Melina Sehr and Councillors for their tireless work, commitment to the community and their support in delivering the full range of programs, services and events 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

# Financial Summary

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Council's financial position continues to remain sound. A summary of our performance follows. Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this report.

The Financial Statements are a general purpose financial report compliant with Australian Accounting Standards, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*. Consistent with the regulations, these statements are prepared in accordance with the Local Government Model Financial Report to report responsibly on relevant local issues with transparency and accountability.



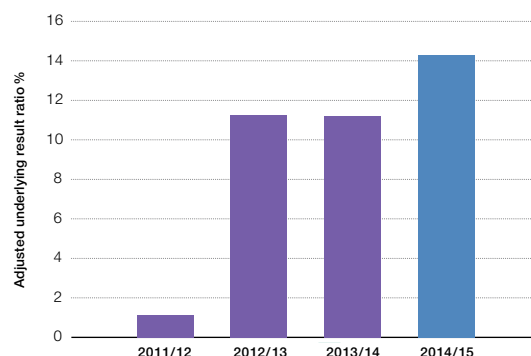
## Operating Position

Council achieved a surplus of \$31.87 million in 2014/15. This surplus compares favourably to the prior year surplus of \$22.49 million. The Comprehensive Income Statement in the Financial Report indicates the favourable variance is due mainly to higher open space contributions by \$4.65 million from increased developments in the municipality and higher operating grants by \$2.73 million, largely as a result of a receipt of 50% of the 2015/16 general purpose and local roads funding from Victorian Grants Commission. The adjusted underlying surplus of Council, after removing non-recurrent capital grants and cash capital contributions, is \$21.54 million or 13.76% when compared to adjusted underlying revenue. This compares favourably to the expected target of >0%. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$2.02 billion of community assets under Council's control.

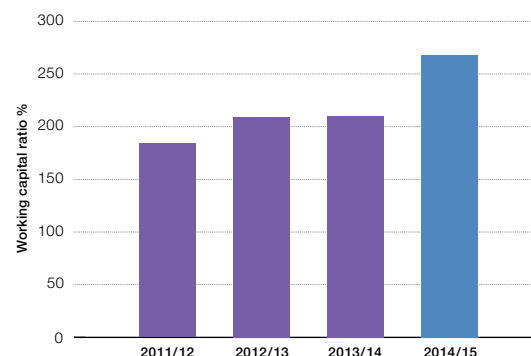
## Liquidity

Cash has increased by \$33.20 million from the prior year mainly due to the higher level of cash invested in short term deposits in preference to longer term investments with unfavourable interest rate returns and to capital works of \$9.50 million being delayed to the 2015–16 financial year. The working capital ratio which assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 268% is an indicator of excellent financial position and exceeded the expected target band of 120% to 200%. If the effects of unspent borrowings is removed, Council's working capital ratio was 283%.

Adjusted underlying result ratio



Working capital ratio

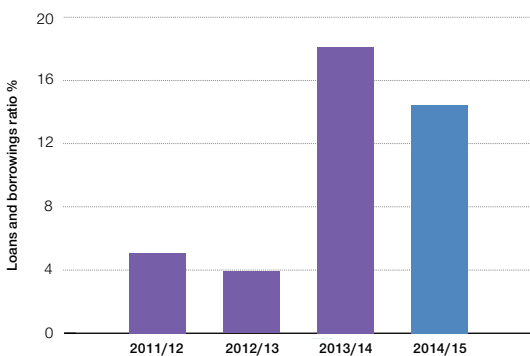


# Financial Summary

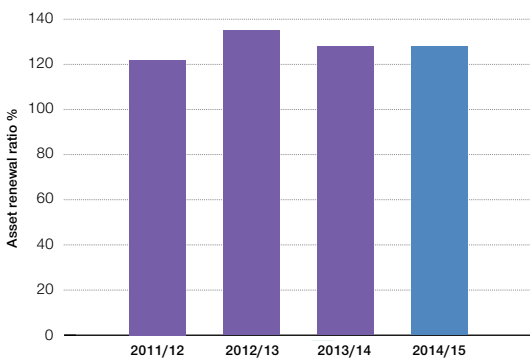
## Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$21.96 million in renewal works during the 2014/15 year. This was funded from cash from operations. At the end of the 2014/15 year Council's debt ratio which is measured by comparing interest-bearing loans and borrowings to rate revenue was 14.44%, which was within the expected target band of 20%–60%. Council's asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation was 128%, which was in excess of the expected target band of 90%–110%. This was mainly due to the renewal of the Civic Centre precinct (\$1.66 million), TH King Pavilion refurbishment (\$0.52 million), Chapel Street precinct (\$2.25 million), roads, footpaths and bridges works (\$3.77 million) and drainage works (\$1.21 million).

Loans and borrowings ratio



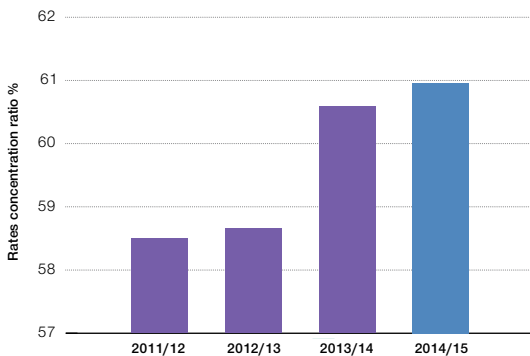
Asset renewal ratio



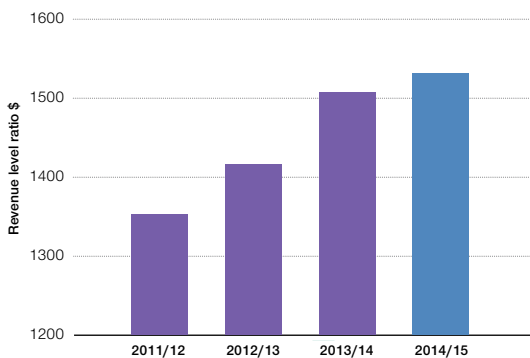
## Stability and Efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Despite this, Council's rates concentration which compares rate revenue to adjusted underlying revenue was 61% for the 2014/15 year, which is midway of the expected target band of 50%–80%. Council has focused on broadening its revenue base and for the 2014/15 year was able to keep its general rate in the dollar increase to 4.3%. This resulted in an average residential rate per residential assessment of \$1,531, which compares favourably to similar councils in the inner metropolitan area.

Rates concentration ratio



Revenue level ratio



# Fast facts

**\$3.028 million**

Provided in community grants through cash, in-kind or rental assistance

**80**

Community satisfaction rating for appearance of public areas

**\$5.13**

Cost of graffiti eradication per capita

**\$2,499**

Cost per planning application

**11,660**

Dog and cat registrations  
*(8,673 dogs and 2,987 cats)*

**2.143 million**

Garbage bin collections

**1,733**

Number of planning applications decided during the year

**555,217**

Visits to aquatic facilities

**332km**

of local roads and  
**539km**  
of footpaths maintained

**36.6%**

Household waste recycled  
*(includes resident drop off)*

**997,919**

Library items loaned *(including digital)*

**16,807**

Businesses in Stonnington



## Environment

The Yarra River Biodiversity Linkages Project will increase habitat connectivity, improve water quality and provide recreational and educational opportunities for the community.



# Description of Operations

The City of Stonnington is responsible for a broad range of services including family and children's services, transport and parking regulation, open space, youth facilities, waste management and community building, economic and cultural development, planning for appropriate development and ensuring accountability for Council's budget.

This broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in the Council Plan 2013-2017 Year Three, the Budget 2014/15 and reported upon in this document.

The delivery of services, facilities, support and advocacy to achieve the Key Strategic Objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under Victorian and Australian legislation.

## Major Capital Works

During 2014/15 the overall cost of capital works was \$28.936 million, comprising 320 projects including:

- Addition of a new classroom to Sunnyside Kindergarten (\$800,000).
- Construction of the new pavilion at Glendearg Tennis Centre (\$600,000).
- Development of Windsor Plaza (\$2.1 million).
- Improvements to the Malvern Town Hall High Street entrance/forecourt (\$420,000).
- Establishment of two pocket parks, in Toorak and Malvern East (\$80,000).

For more information about capital works projects, please refer to the Financial Report section.



## Major Changes

In 2014/15, the State Government introduced a new performance reporting framework for local governments. Implementation of the new requirements has impacted significantly on Council's business units through the need to allocate staff time to reporting.

## Major Achievements

- Council approved a Planning Scheme Amendment to increase the levy in private developments which was approved by the Minister for Planning in June 2015. This contributes significantly to the implementation of *Strategies for Creating Open Space*, Council's 20 year plan to increase publicly accessible open space.
- Council developed a new IT and Business Systems Strategy 2014–2017 to guide the progressive upgrade of Council's technology infrastructure and key business systems, while improving Council's IT governance framework and IT project delivery capability.
- Maintained and reviewed the Municipal Emergency Management Plan, working with local emergency services and agencies to prepare for, respond to and recover from municipal emergencies.

## Challenges and Future Outlook

### Challenges

- Balancing public and private benefit in the provision of open space for community use.
- Continuing to deliver a broad range of high quality services under the new rate capping system.
- Developing and delivering infrastructure in a built-up urban environment.
- Encouraging appropriate development while maintaining the character of local streets, while working within the State Planning system.

### The future

- Adopt the Community Engagement Strategy.
- Complete key, long term capital projects.
- Continue to implement effective sustainability measures.
- Finalise the updated licensed premises saturation research report.
- Incorporate the Open Space Strategy into the Planning Scheme.

## Economic Factors

Government grants, as a proportion of total Council revenue, continued to decline from 6.8% in 2012/13, to an estimated 5.5% in 2014/15.





“Flavours Festival is a celebration of cuisine, culture and heritage and reaffirms Stonnington’s status as an inclusive City, where all people are happy, healthy and safe and can contribute to a diverse community.”

– Cr Melina Sehr, Mayor, City of Stonnington

## Flavours Festival

Flavours celebrates culture, traditions and heritage, with more than 30 stalls, community groups and food vendors at the event, specialising in different cuisines and cultural delights from around the globe.

This year’s theme was a feast of cultures and Stonnington’s *Cultural Diversity Policy 2015–19*, which is guided by the principles of multiculturalism enshrined in the *Multicultural Victoria Act 2011*.

The City of Stonnington is a culturally diverse City with residents from 143 countries who speak 108 different languages. In fact, Census data reveals that almost a third of the community was born overseas and 20 per cent are from non-English speaking backgrounds.





# Community

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

## Achievements

- Adopted the Cultural Diversity Policy 2015–2019.
- Adopted the Recreation Strategy 2014–2024.
- Completed Stage 1 of the U3A Centre’s roof replacement.
- Endorsed the Stonnington Community Agency Hoarding and Squalor Protocol.
- Expanded the seniors’ centre-based lunch program at Phoenix Park Community Centre.
- Held Council’s literary festival, ‘[untitled] our writers, readers and stories’.
- Hosted 16 new production companies, launching first productions, at Chapel Off Chapel.
- Installed 13 CCTV cameras in Chapel Street and surrounds.
- Installed new, accessible toilets at Sunnyside Kindergarten, Glendearg Tennis Centre and Chadstone Bowls Club.
- Provided residents with a broad range of community engagement opportunities.
- Redeveloped Sunnyside Kindergarten.
- Reviewed the Municipal Emergency Management Plan, achieving a ‘Best Practice’ evaluation by the SES.

**66,702**

**hours of in-home  
support services**

PROVIDED TO FRAIL AND  
ELDERLY RESIDENTS



**1,100**

**number  
of births**

**1,771**

**food premises  
health inspections**

**257**

**beauty premises  
health inspections**



**233**

**inspections for tobacco  
act compliance**

# Community

## Strategic Indicators

The following table reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

For detailed information on each of Council's budget activities, please visit Council's website.

Strategic Indicator	Result	Comment
Enhance the health of the community through the identification of key health issues and coordination of responses through services and partnerships.	98%	Implemented the Municipal Public Health and Wellbeing Plan 2013–17, with initiatives around active and healthy lifestyle, alcohol and tobacco, health equity, mental health, and safe community.
Provide community services ensuring they meet the current and future needs for all stages of life.	96%	Provided approximately 66,700 hours of services in the home and 22,600 meals delivered through Council's Meals on Wheels program. The City of Stonnington is currently achieving 93% for its Maternal Child and Health 'key ages and stages' visits, above the State average of 91%.
Implement community safety initiatives that address real and perceived safety issues.	100%	Carried out 1,771 inspections of food premises across the municipality. In addition, installed 13 CCTV cameras around Chapel Street and surrounds.
Continue to enhance community engagement and the involvement of the community in decision-making.	100%	Achieved a score of 63 for community satisfaction with community consultation compared to the metro average of 58 and the state average of 56.
Develop strategic alliances to provide coordinated responses to community needs and support local community organisations.	99%	Endorsed the Stonnington Community Agency Hoarding and Squalor Protocol.
Encourage community connectedness by supporting local community organisations with facilities, training and resources.	88%	Delivered professional development workshops to local businesses. Supported emerging artists by hosting 16 new production companies, launching first productions, at Chapel Off Chapel.
Continue to strengthen the quality and enhance the use of our facilities, amenities and open space.	96%	Upgraded a number of facilities including Sunnyside Kindergarten and construction of the Glendearg Tennis Pavilion.
Strengthen Council's commitment to social justice and equity with the delivery of support and services which advance a fair and just community.	100%	Developed a Social Justice Framework and Implemented the Access and Inclusion Plan 2013–17. Involved in consultation for the new Prahran Secondary School.



## Community

Council has upgraded Winter Street Childcare Centre in accordance with the Early Years Infrastructure Plan.



## Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.

Major initiative	Progress
Implement the Municipal Public Health and Wellbeing Plan 2013–2017.	Completed
Implement Closed-Circuit Television (CCTV) in Toorak Village (\$0.05 million net cost).	Completed
Upgrade Council's pavilions in accordance with the Pavilion Redevelopment Strategy 2009 (\$0.31 million net cost).	Construction of Glendearg Tennis Pavilion was 95% complete at the end of 2014/15, with works on the southern car park and tennis courts on track for completion in 2015.  The three-year Dunlop Pavilion Redevelopment project is in the final planning stage. This stage has taken longer than anticipated and was 75% complete at the end of 2014/15. The design stage will run from July 2015 to June 2016, with construction commencing in October 2016.
Upgrade Council's Children's Services facilities in accordance with the Early Years Infrastructure plan (\$0.16 million net cost).	Completed
Upgrade Council's buildings in accordance with the objectives of the Access and Inclusion Plan 2013–17 (\$0.040 million net cost).	Completed

## Description of Services

The following table provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost (\$'000)	
		Actual Budget	Variance
<b>Aged, Diversity and Disability Services</b>	Delivers a range of services for the aged and culturally diverse community including home delivered meals, personal care, transport, home maintenance, housing support and senior citizens' clubs.	3,132 3,611	479
<b>Animal Management Services</b>	With a focus on animal welfare, services to the municipality's animal owners and the general community include dog and cat collection, lost and found animal notifications, a Pound, and animal registration and administration.	107 63	(44)
<b>Aquatic Services</b>	Offers a range of recreational facilities to the whole community including indoor and outdoor swimming pools, a fully equipped gymnasium, aqua aerobics, aerobics, pump, circuit, and yoga.	867 176	(691)
<b>Chapel Off Chapel</b>	Provides theatre services to local residents and visitors including technical staging advice and performance operations, facilities for presentations including events for children, families and older people and exhibitions of works by local artists, function and catering services including seminars, meetings and conferences.	686 582	(104)
<b>Children and Family Services</b>	Provides families, children and youth with family-oriented services including child care, pre-schools, a toy library, maternal and child health, youth services, immunisation and holiday programs.	3,276 3,387	111
<b>Communications and Community Planning</b>	Offers the whole municipality a broad range of opportunities for community input into Council planning, decision-making and information sharing. Keeps the community informed of key decisions made by Council through InStonnington, Ward Newsletters, the Council website, stories covered in the media, brochures, social media, monthly advertorials and paid advertisements.  Responsible for the management and provision of advice on external communication, in consultation with relevant stakeholders, on behalf of Council.	1,778 1,713	(65)
<b>Customer Service and Civic Services</b>	Provides a range of governance, statutory and corporate support services and acts as the main customer interface with the community. Services include the coordination of council and committee meetings, records and information management and office support services at the Civic Centre. The customer support service is delivered from three customer service centres.	1,511 1,584	73



## Description of Services (continued)

Service	Description	Net Cost (\$'000)
		Actual Budget Variance
<b>Environmental Health</b>	Protects the community's health and wellbeing by coordinating food safety support programs, Tobacco Act activities and smoke free dining and gaming venue issues. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	(26) 92 <b>118</b>
<b>Library and Local History Services</b>	Provides public library services at four locations and local history services that cater for the cultural, educational and recreational needs of residents and provide a focal point for the community where they can meet, relax and enjoy the facilities and services offered.	4,302 4,315 <b>13</b>
<b>Malvern Valley Golf Course</b>	Provides public open space, an 18 hole public golf course and pristine environmental areas.	(268) (338) <b>(70)</b>
<b>Recreation Services</b>	Responsible for the management and use of sporting grounds and pavilions and community centres with meeting, function and activity space. The service provides advice to Council on local leisure needs and assists community groups with funding applications, event management and promotion and issues relating to license agreements with Council.	1,959 1,819 <b>(140)</b>



## Performance Indicators

The following table provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service / Indicator / measure	Result	Material Variations
<b>Animal Management</b>		
<b>Timeliness</b> <i>Time taken to action animal requests</i> <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	0	Transitional measure – This data element is not required to be reported until the financial year beginning 1 July 2015
<b>Service standard</b> <i>Animals reclaimed</i> <i>[Number of animals reclaimed / Number of animals collected] x100</i>	78%	No material variations
<b>Service cost</b> <i>Cost of animal management service</i> <i>[Direct cost of the animal management service / Number of registered animals]</i>	\$61	Stonnington's costs include the cost of providing pound services to the City of Boroondara
<b>Health and safety</b> <i>Animal management prosecutions</i> <i>[Number of successful animal management prosecutions]</i>	1	No material variations
<b>Aquatic Facilities</b>		
<b>Satisfaction</b> <i>User satisfaction with aquatic facilities</i> <i>[User satisfaction with how council has performed on provision of aquatic facilities]</i>	0	Optional measure (no universal measure of user satisfaction is currently available)
<b>Service standard</b> <i>Health inspections of aquatic facilities</i> <i>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</i>	1	Disinfection systems operating at optimal level; no issues or reports to prompt additional inspections
<b>Reportable safety incidents at aquatic facilities</b> <i>[Number of WorkSafe reportable aquatic facility safety incidents]</i>	2	No material variations
<b>Service cost</b> <i>Cost of indoor aquatic facilities</i> <i>[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]</i>	\$1.56	No material variations
<b>Cost of outdoor aquatic facilities</b> <i>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]</i>	\$0	Outdoor pool visits included in indoor visits – facilities have both indoor and outdoor and they are not tracked individually
<b>Utilisation</b> <i>Utilisation of aquatic facilities</i> <i>[Number of visits to aquatic facilities / Municipal population]</i>	5	No material variations

## Performance Indicators (continued)

Service / Indicator / measure	Result	Material Variations
<b>Food Safety</b>		
<b>Timeliness</b>		
<i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	0	Transitional measure – This data element is not required to be reported until the financial year beginning 1 July 2015
<b>Service standard</b>		
<i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	99%	No material variations
<b>Service cost</b>		
<i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$716	No material variations
<b>Health and safety</b>		
<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises] x100	80%	No material variations
<b>Home and Community Care (HACC)</b>		
<b>Timeliness</b>		
<i>Time taken to commence the HACC service</i> [Number of days between the referral of a new client and commencement of HACC service / Number of new clients who have received a HACC service]	0	Transitional measure – This data element is not required to be reported until the financial year beginning 1 July 2015
<b>Service standard</b>		
<i>Compliance with Community Care Common Standards</i> [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	83%	No material variations
<b>Service cost</b>		
<i>Cost of domestic care service</i> [Cost of the domestic care service / Hours of domestic care service delivered]	\$0	Transitional measure – This data element is not required to be reported until the financial year beginning 1 July 2015
<i>Cost of personal care service</i> [Cost of the personal care service / Hours of personal care service delivered]	\$0	Transitional measure – This data element is not required to be reported until the financial year beginning 1 July 2015
<i>Cost of respite care service</i> [Cost of the respite care service / Hours of respite care service delivered]	\$0	Transitional measure – This data element is not required to be reported until the financial year beginning 1 July 2015

Service / Indicator / measure	Result	Material Variations
<b>Home and Community Care (continued)</b>		
<b>Participation</b>		
<b>Participation in HACC service</b> [Number of people that received a HACC service / Municipal target population for HACC services] x100	19%	No material variations
<b>Participation in HACC service by CALD people</b> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	22%	No material variations
<b>Libraries</b>		
<b>Utilisation</b>		
<b>Library collection usage</b> [Number of library collection item loans / Number of library collection items]	5.5	No material variations
<b>Resource standard</b>		
<b>Standard of library collection</b> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	58%	No material variations
<b>Service cost</b>		
<b>Cost of library service</b> [Direct cost of the library service / Number of visits]	\$9.05	No material variations
<b>Participation</b>		
<b>Active library members</b> [Number of active library members / Municipal population] x100	18%	Active library members excludes members who have only borrowed e-books
<b>Maternal and Child Health (MCH)</b>		
<b>Satisfaction</b>		
<b>Participation in first MCH home visit</b> [Number of first MCH home visits / Number of birth notifications received] x100	104%	No material variations
<b>Service standard</b>		
<b>Infant enrolments in the MCH service</b> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100%	No material variations
<b>Service cost</b>		
<b>Cost of the MCH service</b> [Cost of the MCH service / Hours worked by MCH nurses]	\$0	Transitional measure – This data element is not required to be reported until the financial year beginning 1 July 2015
<b>Participation</b>		
<b>Participation in the MCH service</b> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	80%	No material variations
<b>Participation in the MCH service by Aboriginal children</b> [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	86%	No material variations





“In 2014/15 over 360 Stonnington residents participated in our Calendar of Environmental Events. These events are designed to help our residents save energy and water, reduce waste and learn about gardening and local biodiversity.”

– Chloe Horner, Environmental Education Officer, City of Stonnington

### TH King Pavilion

The recently redeveloped TH King Pavilion opened in October 2014, as part of Council's *Pavilion Redevelopment Strategy 2009*. The strategy seeks to improve sports grounds, parks and open space and is a key priority for Council.

The Pavilion houses the Stonnington Environmental Education and Design Centre (SEED), which provides a space for residents and school groups to take part in a range of environmental educational sessions, including biodiversity tours of the local Glen Iris Wetlands. The Pavilion was named after former City of Malvern Mayor, Thomas H. King, who served on Council from 1933 to 1978.



# Environment

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

## Achievements

- Achieved a 15% energy reduction across Council and reduced greenhouse gas emissions achieving a 20% reduction, compared to 2005 levels.
- Adopted the Stonnington Cycling Strategy.
- Completed the Public Transport Advocacy Statement.
- Completed the Yarra River Biodiversity Linkages Project Stage 2 and 3 with extensive revegetation work.
- Delivered energy efficiency programs and education to residents and businesses.
- Opened the new TH King Environmental Education Centre.
- Renovated the Stanley Grose sports field.
- Reviewed the Car Share Policy.





**1/3**

1,695 of Stonnington streetlights have been upgraded to more energy efficient globes

**SAVING \$70,000**

IN ELECTRICITY COSTS PER YEAR

**1,215** new trees in streets and parks



**36.6%**

**of waste diverted from landfill**

*(includes resident drop off)*



AVERAGE WEIGHT OF WASTE SENT TO LANDFILL PER HOUSEHOLD

**rose by 1kg**



# Environment

## Strategic Indicators

The following table reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

For detailed information on each of Council's budget activities, please visit Council's website.

Strategic Indicator	Result	Comment
Support the shift towards the use of sustainable transport options.	99%	Adopted the Stonnington Cycling Strategy and the Car Share Policy, with implementation underway.
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.	97%	Continued to implement <i>Strategies for Creating Open Space</i> , Council's 20 year plan to increase publicly accessible open space across the municipality. A Planning Scheme Amendment to increase the levy in private developments, was approved by the Minister for Planning in June 2015.
Demonstrate waste minimisation and the efficient use of water and energy, through the implementation of innovative and best practice initiatives.	98%	Council has reduced its corporate potable water use by 203 megalitres in 2013/14 when compared to 2000/01.
Initiate behavioural change within the community to adopt sustainable practices.	100%	Delivered a comprehensive community education campaign at the TH King Environmental Education Centre and facilitated the Green Schools Network. The Stonnington community's potable water consumption decreased in 2013/14 by 21% compared to 2000/01 levels.
Manage, strengthen and develop local biodiversity and protect and increase flora and fauna.	100%	Council improved local biodiversity through extensive planting of indigenous plants to improve habitat structure and green space across local parks and reserves including extensive native revegetation of the Yarra River.
Support Council and the community to respond to, mitigate and adapt to climate change.	100%	Implemented a range of activities to reduce greenhouse gas emissions, including community workshops, purchasing fuel efficient cars, installation of solar panels and energy-efficient street lights, a waste education campaign and 'green purchasing' protocols,
Improve Council's own environmental performance and practices through a whole of Council commitment.	100%	Through its Energy Efficiency program, Council has reduced its energy consumption by 20% compared to 2005/06. This is the equivalent of 2,256 tonnes of greenhouse gas emissions.

## Environment

Residents taking part in a worm farming workshop at Stonnington Environmental Education and Design Centre at TH King Pavilion.



## Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.

Major initiative	Progress
Increase opportunities for open space and landscaping in private developments.	Completed
Increase Council's open space contributions through the Planning Scheme.	Completed
Work with the Municipal Association Victoria (MAV) and other Victorian Municipalities to reduce the impact of the clearance requirements introduced by Energy Safe Victoria under the Electricity Safety (Electric Line Clearance) Regulations 2010.	Completed
Upgrade street lighting in compliance with the Energy Efficiency Street Light Upgrade Program (\$0.10 million net cost).	Completed

## Description of Services

The following table provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost (\$'000)	
		Actual Budget	Variance
Environmental Planning	Develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance. Reducing greenhouse gas emissions within Council operations and the community are a key priority of Council.	839	
		580	
			(259)
Parks and Environment	Includes arboriculture and horticulture services such as tree pruning, planting, removal, planning and street tree strategies, parks and sports ground mowing and maintenance.	9,699	
		11,228	
			1,529
Public Spaces Design and Development	Prepares policies and strategies relating to open space and urban design issues and prepares and implements an annual capital works program. The service also provides landscape and urban design advice and is actively involved in setting service standards for parks maintenance activities.	(21)	
		75	
			54
Waste Collection and Management	Provides kerbside rubbish collections of garbage, hard waste, recycling and green waste from all households and commercial properties in Stonnington.	13,946	
		13,140	
			(806)

## Performance Indicators

The following table provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service / Indicator / measure	Result	Material Variations
<b>Waste Collection</b>		
<b>Satisfaction</b>		
<i>Kerbside bin collection requests</i>	126	No material variations
<i>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000</i>		
<b>Service standard</b>		
<i>Kerbside collection bins missed</i>	7	No material variations
<i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i>		
<b>Service cost</b>		
<i>Cost of kerbside garbage collection service</i>	\$113	No material variations
<i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>		
<i>Cost of kerbside recyclables collection service</i>	\$17	No material variations
<i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>		
<b>Waste Diversion</b>		
<i>Kerbside collection waste diverted from landfill</i>	35%	No material variations
<i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>		



## Liveability

“Mum and dad say the best way to spend our time is going outside to play soccer.”

– Luke and Matthew



## Recreation Strategy

Council continues to strengthen the quality and enhance the use of our facilities, amenities and open space through the implementation of the *Recreation Strategy 2014–2024*. The Recreation Strategy was adopted by Council in December 2014 and provides the framework to plan, develop and implement initiatives that encourage participation in sport and active recreation within the City of Stonnington over the next ten years. The \$2.8M upgrade of the TH King Pavilion was the latest in a series of improvements to Council's sporting pavilions and new floodlights were installed at Percy Treyvaud Memorial Park both with the financial support of the State Government.



# Liveability

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

## Achievements

- Adopted a Planning Scheme Amendment to preserve neighbourhood character.
- Amended the Stonnington Planning Scheme to ensure long-term availability of public open space.
- Carried out Stage 2B of the works at Malvern Town Hall to further improve amenity and functionality of the public space.
- Celebrated Reconciliation and NAIDOC weeks.
- Completed construction of the new Glendearg Tennis Pavilion.
- Contested planning appeals at VCAT to preserve the amenity and character of Stonnington.
- Established a number of new parks, as part of the *Strategies for Creating Open Space*.
- Restored the stained glass windows at Chapel Off Chapel.
- Upgraded Windsor and Maddock Street Plaza, as part of the Chapel Street MasterPlan.



**\$325,000**

distributed  
through the  
Arts and  
Cultural  
Sponsorship  
Program

**63%**

**Visit parks and  
sportsgrounds  
every week**



**ONLY 20m<sup>2</sup>**

**of public open space**

**PER PERSON**

(being addressed by *Strategies  
for Creating Open Space.*)



# Liveability

## Strategic Indicators

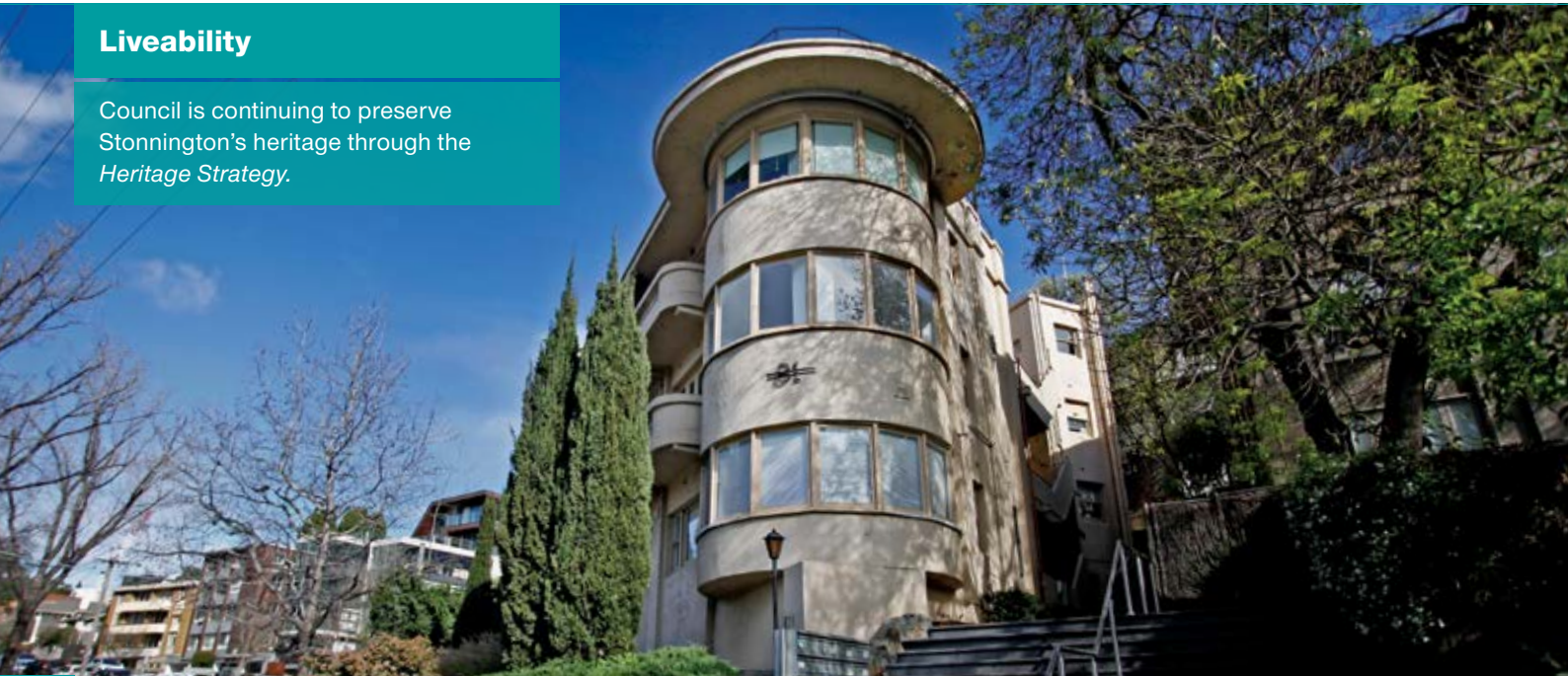
The following table reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

For detailed information on each of Council's budget activities, please visit Council's website.

Strategic Indicator	Result	Comment
Continue to improve, maintain and provide safe, accessible and attractive public places and streets.	100%	Continued to implement the Footpath Trading and Awnings Policy and maintained a high level of street cleanliness. Enforcement of the Local Laws to provide a safe community and proactive eradication of graffiti to maintain local amenity.
Preserve Stonnington's heritage architecture and balance its existing character with complementary and sustainable development.	98%	Adopted a Neighbourhood Character policy amendment and submitted to the Minister for Planning for approval. A review of the Heritage Policy has progressed. Conservation work implemented at Council's key significant buildings.
Balance the competing demands of maintaining residential amenity and population growth through appropriate planning.	100%	Contested planning appeals at VCAT to preserve the amenity and character of Stonnington. Advocated to the state government in support of higher density controls.
Develop public spaces as desirable places for the community to gather, connect and enjoy.	100%	Delivered a highly successful events program including the new Glow festival. Implemented public realm improvement works in Forrest Hill and Chapel Street.
Enhance the quality of infrastructure and services necessary for the efficient and sustainable operation of the city.	100%	Implemented the drainage pit modernisation program and the annual maintenance program for roads and footpaths.
Recognise Stonnington's diverse culture through programs and activities that observe traditions and heritage.	100%	Delivered the Flavours festival, in conjunction with the Food and Wine Festival for the first time, which saw a large increase in local businesses and attendances. Delivered a comprehensive Community Grants program.
Facilitate programs and events that educate and connect with Stonnington's indigenous community and history.	100%	Celebrated Reconciliation and NAIDOC weeks and continued to implement the Reconciliation Action Plan 2012/16.

## Liveability

Council is continuing to preserve Stonnington's heritage through the *Heritage Strategy*.



## Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.

Major initiative	Progress
Preserve Council's significant heritage buildings through the systematic implementation of conservation work identified in Conservation Management Plans and Building Condition Audits (\$0.33 million net cost).	Completed
Provide development and land use policy for the Chapel Street Activity Centre.	Completed
Implement infrastructure and public realm improvement works in accordance with the Forrest Hill Precinct MasterPlan (\$0.62 million net cost).	Completed
Implement infrastructure and public realm improvements works in accordance with the Chapel Street MasterPlan (\$2.00 million net cost).	Completed

## Description of Services

The following table provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost (\$'000)	
		Actual Budget	Variance
<b>Building Control and Amenity Services</b>	Provides statutory building services to the community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works, an after hours service and an emergency service. Also provides education, regulation and enforcement of the General Local Law and relevant State legislation.	248	
		992	
			744
<b>Infrastructure Planning, Design and Management</b>	Supports direct service delivery to the community through capital works planning for Council's main civil infrastructure assets, conducted in an integrated and prioritised manner in order to optimise strategic value and service potential. Undertakes design, tendering, contract management and supervision of various works within Council including roads, laneways, car parks, foot/bike paths, drains and bridges.	8,287	
		10,011	
			1,724
<b>Major Projects and Property Improvements</b>	Conducts capital works planning for Council's properties to renew and improve the condition, performance and value of Council's existing buildings, develop new facilities, and ensure that all are safe, compliant, sustainable, and fit for delivering services that meet the needs of the whole community.	3,231	
		286	
			(2,945)
<b>Streets, Roads and Drains Cleaning and Maintenance</b>	Provides street cleaning, leaf collection, weed removal, drainage pit cleaning and street litter bins to maintain amenity for the municipality's residents and visitors.	3,488	
		3,396	
			(92)
<b>Urban Development</b>	Provision of a range of services to landowners, builders, developers and the community as a whole including: processing all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal, where necessary. Monitors Council's Planning Scheme, prepares major policy documents shaping the future of the City and prepares and processes amendments to the Planning Scheme.	(4,811)	
		1,002	
			5,813
<b>Venue Facilities</b>	Provides venues and service at Malvern Town Hall, Functions On Chapel and Armadale meeting rooms. The venues support Council's civic functions and activities and are available for commercial hire and community use.	1,309	
		1,197	
			(112)





## Liveability

Creating more open space for Stonnington remains a priority for Council.

## Performance Indicators

The following table provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service / Indicator / measure	Result	Material Variations
<b>Roads</b>		
<b>Satisfaction of use</b>		
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	91	No material variations
<b>Condition</b>		
<i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	98%	No material variations
<b>Service cost</b>		
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$163	No material variations
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$21	No material variations
<b>Satisfaction</b>		
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	70	Annual Satisfaction Survey result. Score is one point higher than the Metropolitan average



Service / Indicator / measure	Result	Material Variations
<b>Statutory Planning</b>		
<b>Timeliness</b>		
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	72	No material variations
<b>Service standard</b>		
<i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	68%	No material variations
<b>Service cost</b>		
<i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$2,499	No material variations
<b>Decision making</b>		
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	45%	Result does not include mediated outcomes, in effect these count as losses



## Prosperity

“Only recently opened, we’ve experienced the sense of community that Waverley Road has. The street appeals to us, and we want to feel part of something. It has great potential to become a destination and we’re seeing this already with great specialty shops popping up along the way...”

– Lu, Little Oak Eatery, East Malvern



## Waverley Road precinct

Waverley Road Malvern East is home to more than 130 shops and food outlets from restaurants to homewares and health care to hair.

Council worked to support the establishment of the East Malvern Traders Association in 2009. The Association helps businesses along Waverley Road and works actively with them to promote the unique experiences offered in the area through locally relevant marketing activities and events.

There are 26 distinct retail areas in the City of Stonnington and five other business associations that work together to encourage economic activity in the major retail areas.





# Prosperity

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

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## Achievements

- Completed the feasibility study of the Cato Street car park project.
- Progressed the Glenferrie Road/High Street and Hawksburn Structure Plans.
- Held 450 individual performances at Chapel Off Chapel, with over 60,000 people attending.
- Doubled participation of local food related businesses at the Flavours festival.
- Adopted a Social Justice Framework.
- Delivered mentoring for small businesses.
- Worked with the Virgin Australia Melbourne Fashion Festival to deliver the 2015 program.

## Prosperity

### Food and Beverage Services 2015

Cafes and Restaurants

51%

Takeaway Food

29%

Catering, Pubs, Taverns  
and Bars, Clubs

20%

**one in four jobs**  
in Stonnington is filled by a resident



Special Rate raised  
**\$1,506,438**  
to promote local businesses



**at Chapel Off Chapel**  
Council's premier arts venue

# Prosperity

## Strategic Indicators

The following table reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

For detailed information on each of Council's budget activities, please visit Council's website.

Strategic Indicator	Result	Comment
Develop long-term plans to ensure the sustainability of Stonnington's activity centres.	100%	Completed the feasibility study of the Cato Street car park project. Progressed the Glenferrie Road/High Street and Hawksburn Structure Plans.
Advocate for access to increased public transport and infrastructure to major activity centres to enhance economic growth.	100%	Discussed current issues including public transport needs, at meetings of the Stonnington Liquor Accord.
Promote Stonnington as a premier retail and visitor destination.	100%	60,000 people attended 450 performances at Chapel Off Chapel. Council administered the Special Rate Levy to promote Stonnington's major shopping precincts.
Promote activities that support and develop local business with a focus on neighbourhood retailers.	93%	Commissioned an Activity Centre Strategy. Continued streetscape works and placemaking in Forrest Hill.
Develop relationships with key business stakeholders to foster opportunities that will provide positive outcomes for the community, including social justice and equity.	100%	Implemented the Economic and Cultural Development Strategy 2012/2016 including a calendar of business events and investigating Wi-Fi in public places and adopted a Social Justice Framework.
Improve the quality of Stonnington's retail precincts to match the aspirations of being a premier retail and visitor destination.	100%	Continued upgrade works to the Toorak Road, South Yarra shopping centre.
Continue to develop strategic partnerships to deliver economic and community benefit.	100%	Continued to partner with Destination Melbourne and the Virgin Australia Melbourne Fashion Festival to promote Stonnington as a visitor destination.
Support the continued viability of the retail sector and other businesses to adapt to changing macro-economic trends.	100%	Delivered free mentoring for small businesses and facilitated the Digital Enterprise Program with VECCL.



## Prosperity

Structure Plans provide planning controls in our retail destinations.



## Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.

Major initiative	Progress
Undertake feasibility study on options for the long-term redevelopment of the Cato Street car park (\$0.20 million net cost).	Completed
Undertake Urban Design Framework Plans for identified neighbourhood centres with pressure for growth (\$0.10 million net cost).	Completed
Implement the Economic Development Strategy 2012–2016 (\$0.03 million net cost).	Completed



## Description of Services

The following table provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost (\$'000)	
		Actual	Budget
		Variance	
Arts and Cultural Planning	Provides a varied, ongoing program of arts and cultural events and activities for the whole community. Plans and develops arts and cultural facilities and infrastructure and develops policies and strategies to facilitate art practices in Stonnington.	2,645	
			2,315
		(330)	
Economic Development	Facilitates an environment that encourages a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access employment.	2,144	
			501
		(1,643)	
Traffic and Parking Services	Supports Council's direct service delivery areas by providing strategic planning, policy development and day-to-day management of traffic and transport related issues in Council. Also, includes the management of Council's car parks within activity centres.	(9,409)	
			(7,714)
		1,695	

## Performance Indicators

There are currently no prescribed performance measures for arts and cultural planning economic development or traffic and parking services in the Local Government Performance Reporting requirements.





### Prahran Market

Prahran Market celebrated its 150th anniversary in 2014. The Market is a great cultural icon and has been providing the Stonnington community with fresh and fine produce, fruit, fish, meat, vegetables and eggs, nuts, herbs, spices and flowers for over 150 years.

One of our key achievements, as part of the Strategic Resource Plan, is the ongoing improvement of the Market's appearance and performance. This year, with the support of Council, the Market's fire suppression system was replaced with a new overhead system.





# Strategic Resource Plan

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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## Achievements

- Achieved Australian Standard AS/NZS 4801 Certification.
- Developed a new, responsive website and increased use of social media for customer service.
- Implemented strategic plans to redevelop Council's Sports Pavilions, Children's Centres and Civic Centres, and restored Chapel Off Chapel and parts of Harold Holt Swim Centre.
- Produced the Inner Melbourne Action Plan (IMAP) Annual Report 2013–14.
- Commenced replacement of Council's Customer Request Management System with an integrated organisation-wide system allowing better management of all requests.
- Reviewed the Procurement Policy.

## Strategic Resource Plan

Our *Centre Based Programs* encourage community connectedness and ensure that older community members have access to services and programs that support health and wellbeing.

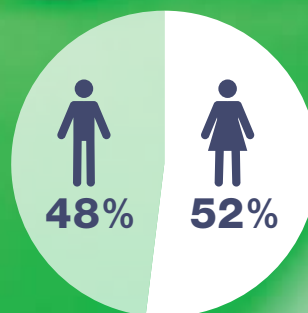


**More than 100**  
services provided by  
Council

**65% of residents**  
made contact with Council



mostly by phone



**Staff**

**Residents are most satisfied**

with appearance of public areas, waste management and art centres and libraries

# Strategic Resource Plan

## Strategic Indicators

The following table reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.  
For detailed information on each of Council's budget activities, please visit Council's website.

Strategic Indicator	Result	Comment
Governance	100%	Provided training for Councillors on their obligations. Provided public reports on the progress of Council's Budget Activities. Reviewed a number of key Council strategies, policies and plans throughout the year. Supported the Inner Melbourne Action Plan.
People	100%	Reviewed the Equal Opportunity Policy, implemented the Mature Age Workers Strategy, and delivered a comprehensive Wellbeing Program and Learning and Development Strategy to employees.
Asset Management	100%	Implemented strategic plans to renew and redevelop Council's Sports Pavilions, Children's Centres and Civic Centres, and restored Chapel Off Chapel and parts of Harold Holt Swim Centre.
Business Systems and Technology	96%	Developed a new, responsive website and increased use of social media for customer service. Council's website received 630,000 users and 2,500,000 page views in the past year.
Risk	100%	Achieved Australian Standard AS/NZS 4801 Certification with no non-conformance identified.

## Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.

Major initiative	Progress
Implement the Council Plan 2013–2017.	Completed
Implement Council's Asset Management System including the preparation of long-term capital models for maintenance (\$0.17 million net cost).	Completed
Adopt digital communications, engagement tools and social media channels and develop e-services and the public GIS, to enable better accessibility to Council information and services.	Completed



## Description of Services

The following table provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost (\$'000)	
		Actual	Budget
		Variance	
<b>Business Systems and Technology</b>	Provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver direct services to the community in a smart, productive and efficient way.	2,976	3,300
		324	
<b>Councillors, Chief Executive, and Executive Team</b>	This area includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support staff who support Council's direct service delivery areas.	(86,513)	(86,373)
		140	
<b>Financial Services</b>	Supports direct service delivery through management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, raising and collection of rates and charges and valuation of properties throughout the municipality.	20	3,982
		3,962	
<b>Fleet Services</b>	Purchases and maintains Council vehicles, plant and equipment to meet functionality and safety needs, maximise the performance and minimise operational cost of the fleet, and support direct service delivery to the community.	2,043	1,869
		(174)	
<b>Human Resources and Organisational Development</b>	Provides strategic and operational organisation development to support Council's direct service delivery areas. The service develops and implements strategies, policies and procedures through the provision of human resources and industrial relations services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units.	1,479	1,574
		95	
<b>Risk Management</b>	Ensures that risk is managed to minimise and prevent injury and loss in the community and in Council's internal operations, to ensure a safe and healthy environment for all staff, contractors and the public. Ensures all contracts are prepared, evaluated, awarded and managed in accordance with the <i>Local Government Act 1989</i> and Council's Procurement Policy.	731	1,149
		418	

## Performance Indicators

The following table provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service / Indicator / measure	Result	Material Variations
<b>Governance</b>		
<b>Transparency</b>		
<b>Council resolutions at meetings closed to the public</b> <i>[Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100</i>	12%	No material variations
<b>Consultation and engagement</b>		
<b>Satisfaction with community consultation and engagement</b> <i>[Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]</i>	63	Annual Satisfaction Survey result. Council's score is five points higher than the Metropolitan average
<b>Attendance</b>		
<b>Council attendance at Council meetings</b> <i>[The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100</i>	92%	No material variations
<b>Service cost</b>		
<b>Cost of governance</b> <i>[Direct cost of the governance service / Number of councillors elected at the last council general election]</i>	\$53,010	
<b>Satisfaction</b>		
<b>Satisfaction with council decisions</b> <i>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</i>	59	Annual Satisfaction Survey result equal to the Metropolitan average

## Community

The Harold Holt Swim Centre provides the community with the opportunity to learn, maintain and improve their health and wellbeing while connecting with others.





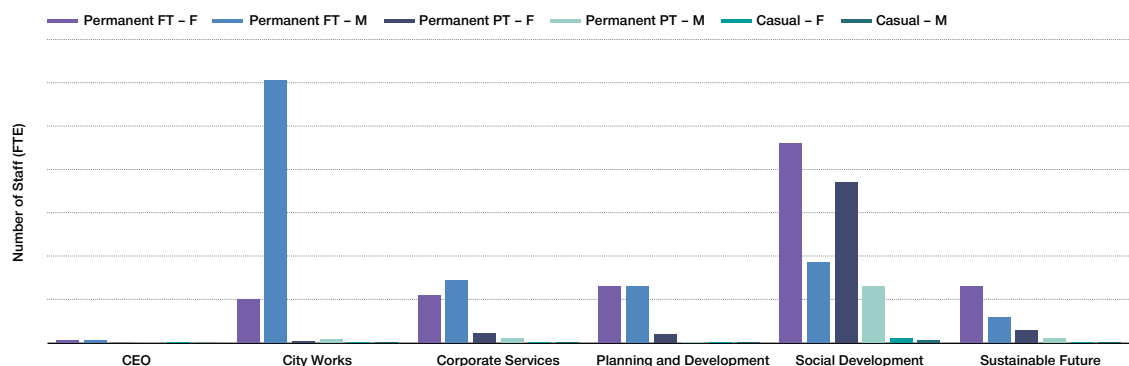
# Our People

## Council Staff

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender is set out below.

Figure 1 **Staff Profile by Division**

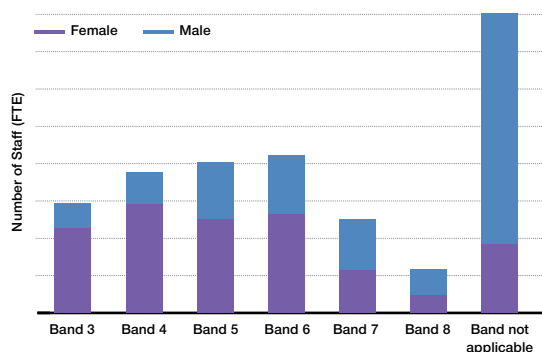
Employment Type – Gender	CEO FTE	City Works FTE	Corporate Services FTE	Planning and Development FTE	Social Development FTE	Sustainable Future FTE	Total FTE
Permanent FT – F	1	20	21.8	26	91.92	26	186.72
Permanent FT – M	1	121.03	29	26	37.2	12	226.23
Permanent PT – F	0	0.6	4.59	3.85	73.89	5.71	88.64
Permanent PT – M	0	1.68	2.23	0.45	25.97	2.19	32.52
Casual – F	0.03	0.03	0.03	0.03	2.04	0.21	2.37
Casual – M	0	0.18	0.03	0.03	0.93	0.45	1.62
<b>Total</b>	<b>2.03</b>	<b>143.52</b>	<b>57.68</b>	<b>56.36</b>	<b>231.95</b>	<b>46.56</b>	<b>538.1</b>



A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Figure 2 **Staff Profile by Classification**

Employment Classification*	Female FTE	Male FTE	Total FTE
Band 3	45.39	13.43	58.82
Band 4	58.12	17.27	75.39
Band 5	50.12	30.65	80.77
Band 6	52.96	31.6	84.56
Band 7	22.8	27.63	50.43
Band 8	9.47	14	23.47
Band not applicable	36.5	124.17	160.67
<b>Total</b>	<b>275.36</b>	<b>258.75</b>	<b>534.11</b>



\*Does not include casual staff.

## Equal Opportunity Employment Program

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

The objective of Council's work in the Equal Employment Opportunity area is to ensure there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010* such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation.

- **Indicator:** Percentage of new employees receiving equal opportunity training within six months of starting. **Target: 100%. Result: 98%**
- **Indicator:** Percentage of existing employees receiving refresher equal opportunity training at least every three years. **Target: 100%. Result: 90%**
- **Indicator:** Number of contact officers per number of Council employees. **Target: 1:50. Result: 1:70**

Figure 3 **Ensuring Equal Opportunity**

	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Training sessions conducted	30	7	14	20	8	10
Employees attending training sessions	389*	86	166	250	122	118
No of EO reports	5	4	2	4	0	0
No of EO investigations	1	4	2	4	0	0
No of investigations reported to external bodies	1	0	0	0	0	0
No of complaints resolved internally	4	4	2	NA	NA	NA

\*45 employees completed the EO training online

## Workcover

Council takes the safety, health and wellbeing of our employees seriously. All claims where an employee is injured at work are actively managed to ensure, as far as practicable, an early and safe return to work.

Figure 4 **Workcover Claims Lodged 2014/15, City of Stonnington**

	2014/15	2013/14	2012/13	2011/12	2010/11
Nil Time Lost	10	10	10	17	17
Time Lost-Weekly Compensation paid	24	21	6	27	17
<b>Total Claims Lodged</b>	<b>34</b>	<b>31</b>	<b>16</b>	<b>44</b>	<b>34</b>
<b>% Increase/Decrease</b>	<b>10%</b>	<b>94%</b>	<b>-64%</b>	<b>29%</b>	

Figure 5 **Workcover Claims Closed 2014/15**

	2014/15	2013/14	2012/13
Stonnington	18	45	28
Street Cleaning Services	12	10	8
<b>Total Claims Closed</b>	<b>30</b>	<b>55</b>	<b>36</b>
<b>% Increase/Decrease</b>	<b>-45%</b>	<b>53%</b>	

## Other Staff Matters

### Occupational Health and Safety

The major OHS achievements in 2014/15 include:

- Commenced a university-assisted research project into manual handling tasks across Council's high risk manual handling work groups, which will form the basis of the manual handling training for these teams during 2015/16.
- Completed First Aid Risk Assessments for all facilities.
- Completed an Inherent Job Demands project to assess the inherent physical demands of higher risk roles. Twenty-one roles were assessed by an Occupational Therapist resulting in documented task descriptions.
- Delivered a comprehensive training program including Emergency Response exercises (annual evacuation drills for each individual facility), OHS Management Systems Auditing, First Aid, Cardio-Pulmonary Resuscitation, Manual Handling, and OHS induction for more than 52 new staff.
- Developed Council's new Operational Risk Register software.
- Re-building Chemwatch, Council's chemical inventory database.
- Reviewed and updated Council's facility-specific Emergency Response Procedures.
- Provided Safety Week presentations across three major sites in October 2014, focusing on decision making processes and resilience.
- Upgraded Council's SafetyMax electronic incident management system, to enable the central storage of audit/inspection information, as well as plant and equipment scheduled maintenance records.

### Professional development

Council provides a comprehensive corporate learning program that supports a broad range of staff development needs. This is developed in alignment with strategic priorities as well as in response to needs identified through the Learning @ Stonnington Strategy and performance and development plans. A variety of learning methodologies are used including e-learning, facilitated workshops and personal coaching.

### Wellbeing Program

Council's Wellbeing Program aims to imbed a strong health, safety and wellbeing culture in Stonnington. Programs were delivered to support the physical, emotional and psychological wellbeing of employees as well as strategies to manage the competing demands of balancing work and family life.

## Organisational Structure

The Chief Executive Officer (CEO) is appointed by Council and has responsibility for the day to day management of operations. Five General Managers and the CEO form the Executive Management Team (EMT) which leads the organisation. Details of these, in addition to Council's other managers, are set out below.

### The Chief Executive Officer (CEO)

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

The Chief Executive Officer is a member of Council staff but reports directly to the Council. Council reviews the CEO's performance annually, against 'key performance indicators'.

The CEO is responsible for:

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












### Senior Officers

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

The General Managers of Council's five Divisions are all Senior Officers. For more information, refer to the organisational chart in this report.



# Organisational Chart

 <b>CHIEF EXECUTIVE OFFICER</b> <b>Warren Roberts</b>	
<b>PLANNING AND DEVELOPMENT</b>	<b>CORPORATE SERVICES</b>
 <b>GENERAL MANAGER</b> <b>Stuart Draffin</b>	 <b>GENERAL MANAGER</b> <b>Geoff Cockram</b> <i>Prahran Market, Property Coordination, Audit Committee, Corporate Counsel</i>
 <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> <li>— After Hours Service</li> </ul>	 <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>
 <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>	 <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>
 <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>	 <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 Protected Disclosure</li> <li>— Records Management</li> </ul>
	 <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>
	 <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>

CITY WORKS	SOCIAL DEVELOPMENT	SUSTAINABLE FUTURE
 <b>GENERAL MANAGER</b> <b>Simon Thomas</b>	 <b>GENERAL MANAGER</b> <b>Connie Gibbons</b>	 <b>GENERAL MANAGER</b> <b>Karen Watson</b> <i>Inner Melbourne Action Plan (IMAP)</i>
 <b>PHYSICAL OPERATIONS</b> <b>Steve Relf</b> <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>	 <b>LEISURE AND LIBRARIES</b> <b>Tony Oulton</b> <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>	 <b>CITY STRATEGY</b> <b>Susan Price</b> <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>
 <b>PUBLIC SPACES AND CAPITAL WORKS</b> <b>Rick Kwasek</b> <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>	 <b>AGED, DIVERSITY, HEALTH AND ANIMAL MANAGEMENT</b> <b>Penny Pavlou</b> <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>	 <b>COMMUNICATIONS AND COMMUNITY PLANNING</b> <b>Matt Clear</b> <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>
<b>PARKS, ENVIRONMENT AND BUILDINGS</b> <b>Vacant (as at 30 June 2015, now filled)</b> <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>	 <b>CHILDREN AND FAMILY SERVICES</b> <b>Cath Harrod</b> <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> </ul>	 <b>ECONOMIC AND CULTURAL DEVELOPMENT</b> <b>Francesca Valmorbida</b> <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>
 <b>TRANSPORT AND PARKING</b> <b>Ian McLauchlan</b> <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>		 <b>CHAPEL OFF CHAPEL</b> <b>Gary McMahon</b> <ul style="list-style-type: none"> <li>— Cultural Events</li> <li>— Community Activities</li> <li>— Gallery</li> <li>— Tennis Courts</li> </ul>

# Governance

Stonnington Council is constituted under the *Local Government Act 1989* to provide leadership for the good governance of the municipal district and the local community.

Council has a number of roles including:

- Promotion of social, economic and environmental viability and sustainability.
- Ensuring that resources are used efficiently and effectively in a responsible and accountable manner.
- Improving the overall quality of life of people in the community.
- Promoting appropriate business and employment opportunities.
- Ensuring that services and facilities are accessible and equitable.
- Ensuring the equitable regulation of rates and charges.
- Ensuring transparency and accountability.

The Council Plan reflects Council's commitment to the Stonnington community and focuses on four key objectives: Community, Environment, Liveability and Prosperity.

The Good Governance Guide<sup>1</sup> outlines governance as the process of making and implementing decisions. It is not about 'correct' decisions, but about the best possible process for making those decisions.

The following details the benefits of good governance and how Stonnington Council works to promote community confidence, which gives elected members and council officers confidence in the Council and leads to better and ethical decisions.

## The Council

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 and the next general election is due on 22 October 2016.

During 2014/15 Council had two extraordinary vacancies arise, the first being in South Ward with Cr Hibbins resigning from office effective 11 December 2014, as he had been elected to State Government as the Member for Prahran. As a result, a recount was undertaken by the Victorian Electoral Commission with Cr Athanasopoulos being elected on the second recount after the first person was unable to take up the position. Cr Athanasopoulos was sworn in on 2 February 2015.

Council's second vacancy arose due to the sudden and premature passing of Cr Adrian Stubbs on 21 June 2015. A recount for the vacant position was held on 20 July 2015.

### East Ward

Cr Erin Davie

Cr John McMorro

Cr Adrian Stubbs (passed away 21 June 2015)

### South Ward

Cr Sam Hibbins (resigned 11 December 2014)

Cr Tini Athanasopoulos  
(sworn in on 2 February 2015)

Cr Melina Sehr (Mayor)

Cr Claude Ullin

### North Ward

Cr John Chandler

Cr Jami Klisaris

Cr Matthew Koce

Further details on each Councillor is provided earlier in this report.

## Mayor

The Mayor Cr Sehr was elected by the Councillors at a Special Meeting on 12 November 2014 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 she is present.

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



## Meetings of Council

Council meetings are generally held on the first and third Mondays of the month, excluding January. This will change to the second and fourth Monday for part of the last quarter of the year due to public holidays. The meeting schedule is adopted by Council in December each year and advertised in the local paper and on Council's website.

Council meetings are often well attended by interested members of the public and commence at 7pm in the Council Chamber at the Stonnington City Centre, Malvern. Copies of the Notice Paper are available prior to the meeting on Council's website and for viewing at Council Libraries, with copies available at the meetings. Minutes or Notice Papers of past meetings are accessible on Council's website.

Figure 6 **Councillor Meeting Attendance 2014/15**

<b>Councillor</b>	<b>Council Meetings</b>		<b>Councillor Briefings</b>	<b>Planning Consultative Meetings*</b>
	<b>Ordinary</b>	<b>Special</b>		
Total Meetings Held	22	2	22	72
Athanasopoulos (from 2/2/2015)	9	0	8	0
Davie	20	2	21	18
Chandler	21	2	19	22
Hibbins (until 11/12/2014)	8	0	6	1
Klisaris	19	2	16	16
Koce	20	2	18	23
McMorrow	22	2	21	17
Sehr (Mayor from 12/11/2014)	21	2	21	12
Stubbs (Mayor to 11/11/2014) (passed away 21/6/2015)	20	2	19	17
Ullin	22	2	22	9

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

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

Figure 7  
**Number of Consultative Meetings by Ward**

<b>Ward</b>	<b>2014/15</b>	<b>2013/14</b>	<b>2012/13</b>	<b>2011/12</b>
East	20	24	16	n/a
South	16	21	21	n/a
North	36	22	14	n/a
<b>Total</b>	<b>72</b>	<b>67</b>	<b>51</b>	<b>76</b>

# Advisory Committees

Council has five Advisory Committees, which any Councillor may attend:

Figure 8 Attendance

	Economic Development Arts and Tourism	Finance	Social Development	Strategic Planning	Sustainability
Chair	Cr Chandler	Cr Stubbs	Cr Klisaris	Cr Chandler	
Deputy	Cr Ullin	Cr Chandler	Cr Davie	Cr Stubbs	Cr Koce
No. of Meetings	9	3	4	8	4
Athanasopoulos <sup>1</sup>	1			1	
Chandler		2		6	2
Davie			4		
Hibbins <sup>2</sup>					2
Klisaris			4	1	
Koce		1			2
McMorrow	9				
Sehr				7	
Stubbs		3	1	7	
Ullin	9			7	

<sup>1</sup> From 2/2/2015

<sup>2</sup> Until 11/12/2014

Councillor representatives also attended a number of local advisory committees:

- Access Stonnington Committee
- Chapel Off Chapel Advisory Board – chaired by Cr Ullin, members Cr Chandler and Cr Stubbs
- Chapel Street Revitalisation Working Group
- Ethnic Services Committee
- History Committee
- Steering Committee for the Feasibility Study for the Future Use of Prahran Town Hall and Northbrook
- Stonnington Cycling Reference Group – Cr McMorrow

## Other Meetings

Councillors also attended meetings of the following bodies on behalf of Council:

- Eastern Alliance for Greenhouse Action Executive Committee
- Glenloch Homes
- Inner South Metropolitan Mayors' Forum
- Metropolitan Transport Forum
- Metropolitan Waste Forum
- Municipal Association of Victoria
- Prahran Mechanics Institute
- Prahran Mission Board
- Stonnington Business Round table
- Victorian Local Governance Association (VLGA)

## Inner Melbourne Action Plan

The Inner Melbourne Action Plan (IMAP) seeks to foster creativity, liveability, prosperity, connectedness and sustainability across the inner Melbourne region. Now in its ninth year, IMAP is a collaboration between the cities of Melbourne, Port Phillip, Yarra, Maribyrnong and Stonnington.

Key achievements during 2014/15 include:

- Commenced phase 2 of the Community Land Trust project, with four case studies and financial instruments.
- Developed a joint planning study for providing recreation spaces for a larger population – with the Metropolitan Planning Authority and Sport and Recreation Victoria.
- Completed an energy mapping project with CSIRO, with the research modelling to be made publicly available.
- IMAP's Growing Green Guide received the 2014 Victoria Landscape Architecture Award for education.
- Extended the Sustainable Design Factsheet series.
- Commenced joint research with the University of Melbourne on the impact of the economy on urban manufacturing businesses – highlighting the pressures they face.
- The IMAP map is being published as the Melbourne Official Visitors Map by Destination Melbourne Ltd.

## 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:

- ANZAC Centenary Commemoration March and Ecumenical Service – organised in conjunction with the Federal Member for Higgins.

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

## Citizenship

The Mayor is required by law to receive the Oaths or Affirmations of Allegiance for new citizens and Stonnington Council is proud to be able to conduct these citizenship ceremonies.

## Code of Conduct

*The Local Government Act 1989* requires Councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. The City of Stonnington first adopted its Code of Conduct for Councillors on 1 October 2001, with the last review on 20 May 2013 and an administrative review in May 2015.

This Code of Conduct for Councillors sets out to strengthen the working relationships between Councillors. It recognises that the establishment of good working relationships between Councillors and with Officers is the basis for a solid and effective team, to represent the community and provide leadership and guidance for the future of the municipality.

The provisions of this Code also apply to:

- Members of special committees – whether or not they are Councillors (currently only Inner Melbourne Action Plan Implementation Committee – IMAP)
- Members of the Audit Committee (which is an Advisory Committee)
- Members of Council's Advisory Committees

Figure 9 **Citizenship Ceremonies**

	2014/15	2013/14	2012/13	2011/12	2010/11
No. of ceremonies	6	6	5	6	6
No. of persons naturalised	691	643	492	475	610



Conflict of Interest

Councillors are elected to their position by residents and ratepayers to act in the best interest of the community. In carrying out their role and duties as Councillors, they will:

- a. act with integrity
- b. impartially exercise his/her responsibilities in the interests of the local community
- c. not improperly seek to confer an advantage or disadvantage on any person

A conflict of interest occurs when a personal or private interest might compromise the ability of a Councillor to act in the public interest. Council’s Code of Conduct outlines the procedures in place for Councillors to declare any conflict of interest or even a perceived conflict of interest. The Council Notice Paper and other agendas have a standard section for the declaration of any conflicts prior to any consideration of such item. If a conflict of interest is declared the Councillor will vacate the meeting and such details will be recorded in the minutes. Any declarations can be viewed when accessing the Council minutes on the website.

Further, Councillors are required to submit a Register of Interests Return to Council’s Governance Unit that lists certain points relating to both themselves and immediate family in which they are required to declare any interests.

Councillor Allowances

The Mayor and Councillors receive an allowance for undertaking their duties. Stonnington Council is classified as a Category 3 Council under the *Local Government Act 1989*. 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 Mayor and Councillor allowances by the Minister for Local Government, in line with movements in the remuneration of Victorian Statutory and Executive Officers, as follows:

	1/12/14–30/6/15	1/7/14–30/11/14
Mayor	\$90,081	\$87,884
Councillors	\$28,202	\$27,514

The Mayor and Councillors also receive an amount equivalent to the Superannuation Guarantee levy (9.25% at 1 July 2014).

Figure 10 Allowances paid to Councillors 2014/15

Councillor	Allowance \$
Cr Athanasopoulos (from 2/2/15)	11,667
Cr Davie	27,915
Cr Chandler	27,915
Cr Hibbins (until 11/12/14)	12,222
Cr Klisaris	27,915
Cr Koce	27,915
Cr McMorrow	27,915
Cr Sehr (Mayor from 12/11/14)	66,357
Cr Stubbs (Mayor to 11/11/14)	49,883
Cr Ullin	27,915

Councillor Expenses

Figure 11 Expenses

Councillors	TR (IS) \$	TR (LC) \$	CC \$	IC \$	CT \$	OT \$	Total \$
Cr Claude Ullin	1,449	893	0	4,512	1,268	211	8,333
Cr John Chandler	1,331	364	0	3,694	1,809	0	7,198
Cr Melina Sehr (Mayor)	1,300	0	3,290	5,167	1,359	367	11,483
Cr Matthew Koce	0	0	0	3,985	123	0	4,108
Cr Adrian Stubbs	0	641	0	4,066	1,196	0	5,903
Cr Erin Davie	0	0	1,010	5,804	246	0	7,060
Cr John McMorrow	1,257	134	0	3,531	1,181	0	6,104
Cr Jami Klisaris	1,310	86	0	3,295	1,058	29	5,778
Cr Sam Hibbins	0	0	0	1,888	0	0	1,888
Cr Tini Athanasopoulos	0	0	0	660	0	0	660

TI (IS) Travel – Interstate

CC Child care

CT Conferences and training expenses

TL (LC) Travel – Local

IC Information and communication expenses

OT Other expenses



## Community

Council's commitment to Occupational Health and Safety covers all Council operations, including those where staff work off-site, and extends to ensure Council operations do not place the community at risk of injury or illness.

# Management

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Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by Council. The *Local Government Act 1989* requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its report of operations, the results of which are set out below. The following items have been highlighted as important components of the management framework.

## 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 Committee Chair is Mr Stuart Newey and Deputy Chair is Mr Bruce Potgieter. Council representatives for 2014/15 were Cr John McMorro and the late Cr Adrian Stubbs.

The Audit Committee is responsible for:

- Assisting in establishing and maintaining appropriate corporate conduct, and good governance.
- Determining through regular review of audit activity, the adequacy and effectiveness of the City's administrative, operating and accounting controls.
- Enabling an exchange of views and information.
- Maintaining open lines of communication amongst Councillors, internal auditors, external auditors and officers.
- Monitoring and appraising the quality of the audits conducted by the City's internal auditor.
- Monitoring Council's exposure to risk and management of risk.
- Providing advice in determining Council's risk control audit programs and risk minimisation measures.
- Reviewing the annual financial statements.

## Internal Audit

In 2014/15 the following internal audits were undertaken by Council's Internal Auditors (Pitcher Partners) and results followed up through the Executive Management Team and the Audit Committee.

- Follow-up of Internal Audit Recommendations
- Councillors Expenses
- Regulatory Compliance – Environmental Health
- Procurement and Supplier Management
- Confirmation of Audit Recommendations

## External Audit

Council is externally audited by the Victorian Auditor-General. For the 2014/15 year the annual external audit of Council's Financial Statements and Performance Statement was conducted directly by the Victorian Auditor-General's office. The external auditors attend relevant Audit Committee meetings to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

## Occupational Health and Safety (OHS)



The City of Stonnington is committed to providing and maintaining a safe work environment for its employees, contractors, and community.

Council's commitment 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. Employees and contractors cooperate to implement a safety culture and maintain a safe environment.

### AS/NZS 4801 Occupational Health and Safety Management System Certification

Annual surveillance audits continue to be undertaken by external, independent auditors following Council's successful re-certification, in 2014, for another three years to Australian/New Zealand Standard 4801: Occupational Health and Safety Management Systems. The 2015 surveillance audit was conducted across various Council facilities and the results were positive, with no non-conformances to the Standard being identified.

The auditors conducted formal assessments of 20 Service Units and/or unique facilities, together with random, unannounced visits to an additional two facilities during their three days on-site.

## Risk Management

The management of risk is an integral part of good management practice. Council's assessment of known risks and investigation into potential risks contributes to Stonnington's reputation as a high performing Council.

In 2014/15, the Risk Management Department continued its redesign of Council's tendering and contracting processes to ensure compliance with Sections 186 & 186A of the Local Government Act 1989. A twice-yearly assessment of Council's cumulative expenditure (the accumulation of payments by Council to each of its creditors) was conducted to cross-check compliance. Council also joined with five other councils and the Municipal Association of Victoria as inaugural members of the LEAP program, which analyses Council expenditures and allows for strategic planning of future procurements.

Council reviewed its Procurement, Risk Management and Fraud & Corruption Control policies during 2014/15. A register of contracts and quotations is being maintained in the lead up to starting the new Contract Compliance Management System, which is a fully integrated system for managing contracts within a corporate database and removes the need for localised systems.

Stonnington's strong 'Risk Management and Safety' culture was reinforced with employees in a series of professional indemnity workshops including the provision of appropriate advice to residents and development applicants. The department also delivered a series of workshops dealing with the first stage of contracting (Tendering 101) and Fraud Prevention and Awareness.

## Emergency Management

Council maintained and reviewed its Municipal Emergency Management Plan in collaboration with local emergency services and agencies, achieving a 'Best Practice' evaluation by the SES. Council provided support at 'response and recovery' incidents including a commercial fire, residential fire and gas leak. The Heatwave Plan was reviewed and updated and a conversion from Community Emergency Risk Management to Community Emergency Risk Assessment commenced in 2014/15.



## 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 *Privacy and Data Protection Act 2014* and *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 by phoning 8290 1333. The complaint will be investigated and a written response provided. Alternatively, complaints can be made to the Privacy Commissioner (although the Commissioner may decline to hear the complaint if you have not first made a complaint to the City of Stonnington).

Figure 12 **Summary of Information Privacy Complaints Received**

	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Internal Reviews	2	2	1	1	1	1
Review by Privacy Commissioner	0	1	0	0	0	1

## Charter of Human Rights and Responsibilities Act 2006

The Charter of *Human Rights and Responsibilities Act 2006* sets out 20 rights that reflect four basic principles: Freedom, Respect, Equality and Dignity. The Charter requires Council, as a public authority, to take human rights into account when making decisions, providing advice and delivering services. Stonnington Council provides Human Rights Charter training to all new employees including casual, temporary and ongoing internal contractors. Three staff training sessions were conducted during the year with 37 participants from across Council as part of Council's ongoing commitment to the Charter.

### Victorian Ombudsman

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

The role and duties of the Ombudsman are to:

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

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

	2014/15	2013/14
Disclosures referred to Council by the Ombudsman for investigation	6	16

# Government and Management Checklist

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

Governance and Management Items	Assessment
1 <b>Community engagement policy</b> (policy outlining council's commitment to engaging with the community on matters of public interest)	<b>Policy</b> Date of operation of current policy: 7 September 2004
2 <b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	<b>Guidelines</b> Date of operation of current guidelines: 7 September 2004
3 <b>Strategic Resource Plan</b> (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	<b>Plan adopted in accordance with section 126 of the Act</b> Date of adoption: 1 June 2015
4 <b>Annual budget</b> (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	<b>Budget adopted in accordance with section 130 of the Act</b> Date of adoption: 1 June 2015
5 <b>Asset management plans</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	<b>Plans</b> Date of operation of current plans: Buildings: 1 November 2010 Roads (including Bridges, Footpaths and Cycleways): 1 November 2010 Drainage: 1 November 2010 Parks and Open Space: 1 November 2010
6 <b>Rating strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	<b>Strategy</b> Date of operation of current strategy: 2 June 2014
7 <b>Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	<b>Policy</b> Date of operation of current policy: 18 March 2013
8 <b>Fraud policy</b> (policy outlining council's commitment and approach to minimising the risk of fraud)	<b>Policy</b> Date of operation of current policy: 18 March 2013
9 <b>Municipal emergency management plan</b> (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	<b>Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i></b> Date of preparation: 2 September 2014

Governance and Management Items	Assessment
10 <b>Procurement Policy</b> (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	<b>Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i></b> Date of approval: 22 June 2015
11 <b>Business continuity plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	<b>Plan</b> Current plan in operation Date of approval: 1 July 2014
12 <b>Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	<b>Plan</b> Current plan in operation Date of adoption: 1 July 2014
13 <b>Risk management framework</b> (framework outlining council's approach to managing risks to the Council's operations)	<b>Framework</b> Date of operation of current framework: 18 March 2013
14 <b>Audit Committee</b> (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	<b>Committee established in accordance with section 139 of the Act</b> Date of establishment: 30 June 1995
15 <b>Internal audit</b> (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	<b>Engaged</b> Date of engagement of current provider: 1 July 2014
16 <b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	<b>Framework</b> Date of operation of current framework: 1 July 2014
17 <b>Council Plan reporting</b> (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	<b>Report</b> Date of report: 23 March 2015



Governance and Management Items	Assessment
18 <b>Financial reporting</b> (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	<b>Statements presented to Council in accordance with section 138(1) of the Act</b> Date statements presented: 17 November 2014, 16 February 2015, 18 May 2015, and 7 September 2015
19 <b>Risk reporting</b> (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	<b>Reports</b> Date of reports: 4 August 2014 and 16 February 2015
20 <b>Performance reporting</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	<b>Reports</b> Date of report prepared and presented: 4 May 2015
21 <b>Annual report</b> (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	<b>Considered at a meeting of Council in accordance with section 134 of the Act</b> Date of statement presented: 27 October 2014
22 <b>Councillor Code of Conduct</b> (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	<b>Reviewed in accordance with section 76C of the Act</b> Date reviewed: 1 June 2015
23 <b>Delegations</b> (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	<b>Reviewed in accordance with section 98(6) of the Act</b> Date of review 16 February 2015
24 <b>Meeting procedures</b> (a local law governing the conduct of meetings of council and special committees)	<b>Meeting procedures local law made in accordance with section 91(1) of the Act</b> Date of local law made: 20 October 2008

I certify that this information presents fairly the status of Council's governance and management arrangements.



**Warren Roberts**

Chief Executive Officer

Dated: 23 August 2015



**Cr Melina Sehr**

Mayor

Dated: 23 August 2015

# Statutory Information

The following information is provided in accordance with legislative and other requirements applying to Council.

## Carers Recognition

The *Carers Recognition Act 2012* requires Council to report on its recognition and support of carers. In 2014/15, Council delivered its annual Carers Forum in June, providing information to carers about how to look after their wellbeing and access support networks. Council also provided a range of services and activities, including access to respite care, adult day programs and holidays which carers could attend with those they care for, in a supported environment.

## Contracts

During the year, Council did not enter into any contracts valued at \$150,000 or more that were not in compliance with the requirements of the Local Government Act to engage in a competitive process.

## Disability Action Plan

During 2014/15, Council implemented the following actions:

- Engaged with local schools to create work experience opportunities for young people with disabilities. In 2014, one student completed a pilot placement at Toorak/South Yarra Library.
- Continued to hold meetings of the Access Stonnington Committee.
- Initiated an audit of public toilets in the City of Stonnington to assess their accessibility and make recommendations for improvements to ensure people with a disability are able to access facilities (due for completion in July 2015).

The following information is provided in accordance with legislative and other requirements applying to council.

## Documents Available for Public Inspection

In accordance with Clause 11 of the *Local Government (General) Regulations 2004* the following documents are available for public inspection or copies of the documents can be obtained in accordance with section 222 of the *Local Government Act 1989* at Stonnington City Centre 1251 High Street Malvern. Inspection of these documents can be arranged by contacting the Civic Support Officer on 8290 1331.

- (a) details of current allowances fixed for the Mayor and Councillors under section 74 or 74A of the Act;
- (b) the total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states-
  - (i) ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and
  - (ii) the number of senior officers whose total remuneration falls within the ranges referred to in (b) (i) above;
- (c) details of overseas or interstate travel (with exceptions) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors, or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel, including accommodation costs;
- (d) names of Council Officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- (e) names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted;
- (f) agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act, except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- (g) a list of all special committees established by Council and the purpose for which each committee was established;
- (h) a list of all special committees established by the Council which were abolished or ceased to function during the financial year;
- (i) minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;

- (j) a register of delegations kept under sections 87, and 98 of the Act, including the dates on which the last review under sections 86(6) and 98(6) of the Act took place;
- (k) submissions received in accordance with section 223 of the Act during the previous twelve months;
- (l) Agreements to establish regional libraries under section 196 of the Act; *(not applicable)*
- (m) details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;
- (n) a register of authorised officers appointed under section 224 of the Act;
- (o) a list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant;
- (p) a list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during the year to each organisation by the Council;
- (q) a list of contracts valued at \$100,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more
  - (i) which the Council entered into during the financial year without first engaging in a competitive process; and
  - (ii) which are not contracts referred to in section 186(5) or (5A) of the Act.

Note: The Act provides that an amount higher than \$100,000 may be fixed by Order in Council made under section 186(1) of the Act. This figure is currently \$150,000.

## Domestic Animal Management Plan

During 2014/15, Council:

- Found 188 dogs, with 98 impounded and 90 returned directly to owners
- Registered 10,063 pets
- Offered discounted registration fees for microchipped and desexed animals
- Policies, procedures and operating manuals were reviewed and updated to support and reflect the work of the Animal Management Unit

## Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Direction received during the financial year in its annual report.

No such Ministerial Directions were received by Council during the financial year.

## Freedom of Information

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

Requests for access to documents under the Freedom of Information Act can be lodged, in writing, with the Freedom of Information Officer, City of Stonnington, P O Box 21, Prahran, 3181. General enquiries on lodging an application can be made through the Service Centre on 8290 1333 and details are also on Council's website.

A fee applies for each application and other fees apply as the application is processed.

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

Council processed 48 applications during the year, of which 40 were valid and proceeded.

Figure 13 **Summary of Freedom of Information Applications received**

	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Valid applications received and processed	40	33	48	34	36	29
External reviews	2	3	3	1	1	1
Appeals to VCAT	0	0	0	0	0	0



### National Competition Policy Compliance

When applying the Best Value Principles, Council is also aware of its obligations to comply with National Competition Policy and associated Competitive Neutrality Principles, resulting in an annual review of Council's Significant Business Activities. Additionally, Council maintains a 'Competition and Consumer Act' awareness program and annually reviews its Local Laws for National Competition Policy compliance purposes.

### Protected Disclosure Procedures

The purpose of the *Protected Disclosures Act 2012* 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 one. Information connected to a protected disclosure, including the identity of a discloser and the contents of that 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, 8290 1101
- The Protected Disclosure Coordinator – Fabienne Thewlis – Manager Governance and Corporate Support, 8290 1305 or
- The Protected Disclosure Officer – Karen Watson – General Manager Sustainable Future, 8290 1175

Where a person is contemplating making a disclosure and is concerned about approaching the Protected Disclosure Co-ordinator or a Protected Disclosure Officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

An alternative contact may also be made directly to:

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

The Council will take all reasonable steps to protect the identity of the discloser and if it is not possible to do so the discloser will be informed and steps undertaken to ensure no reprisals are taken as a result. This includes the security of records, whether paper or electronic. An investigator will be responsible for carrying out an internal investigation into a disclosure – and may be an internal or external person.

### Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, Council must publish a copy or summary of any Ministerial Direction in its annual report. No such Ministerial Directions were received by Council during the financial year.

Figure 14 **Summary of Protected Disclosures Made**

	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Disclosures made	0	1	1	0	1	1
Disclosures referred to IBAC	0	1				
Disclosures accepted by IBAC	0	0				
Disclosures declined by IBAC	0	1				
Disclosures referred to the Ombudsman for determination	0	0	0	0	0	1

# Victorian Local Government Indicators

## Victorian Local Government Indicators

The Victorian Government requires all Victorian councils to measure and annually report against 11 Victorian Local Government Indicators (VLGIs). These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance. The following table presents the results of the VLGIs for the 2014/15 year.

Indicator	Calculation	2014/15	2013/14*
1. Average rates and charges per assessment	Total rates and charges receivable at beginning of year/Number of assessments in the adopted budget	\$1,588	\$1,505
2. Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at beginning of year/Number of residential assessments in the adopted budget	\$1,531	\$1,450
3. Average liabilities per assessment	Total liabilities/Number of assessments in the adopted budget	\$835	\$844
4. Operating result per assessment	Net surplus/Number of assessments in the adopted budget	\$551	\$393
5. Average operating expenditure per assessment	Operating expenditure/Number of assessments in adopted budget	\$2,233	\$2,204
6. Community satisfaction rating for overall performance generally of Council	Result from the Annual Local Government Community Satisfaction Survey	71	73
7. Average capital expenditure per assessment	Capital expenditure/ Number of assessments in the adopted budget	\$500	\$875
8. Renewal gap	Capital renewal/Average annual asset consumption	205.3%	159.0%
9. Renewal and maintenance gap	Capital renewal and maintenance/ Average annual asset consumption plus planned maintenance	152.3%	130.9%
10. Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the Annual Local Government Community Satisfaction Survey	58	57
11. Community satisfaction rating for Council's engagement in decision making on key local issues	Result from the Annual Local Government Community Satisfaction Survey	59	N/A (new, in 2014/15)

\*Figures may differ from those shown in the Annual Report 2013/14. This is due to retrospectively applying numerators and denominators consistent with the Local Government Performance Reporting Framework Better Practice Guide 2014-15, in producing the indicator results.

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# Best Value

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In accordance with section 208B(f) of the *Local Government Act 1989*, at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the following Best Value Principles:

- 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.

Council incorporates Best Value Principles through consistent business planning and performance monitoring processes and through a commitment to continuous improvement.

Best Value was supported through the following initiatives during 2014/15:

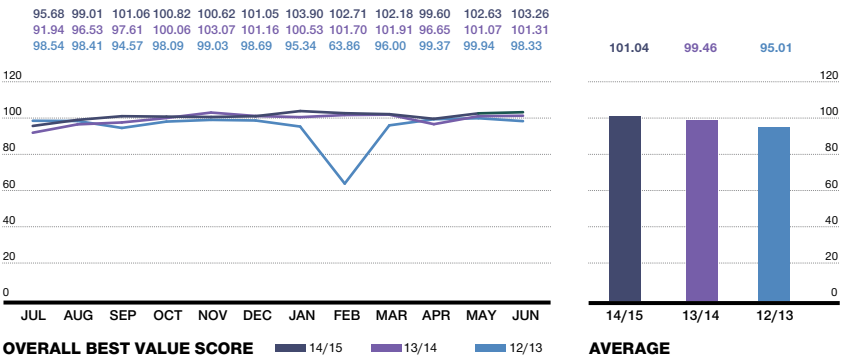
- Achieved AS/NZS 4801 Occupational Health and Safety Management System Certification with no non conformances.
- Adopted a number of strategies, policies and plans to provide responsive service to the community.
- Advocated on key community issues including safety initiatives, the Burke Road Grade Separation project, transport priorities, planning reforms, road safety and public transport issues. Significant advocacy undertaken on *Strategies for Creating Open Space*, and funding for the Prahran Adventure Playground.

- Complied with National Competition Policy and associated Competitive Neutrality Principles.
- Continued to hold meetings of the Access Stonnington Committee.
- Provided information to the community through twelve advertorials and over 110 advertisements in local and metropolitan newspapers. Six editions of *In Stonnington* produced in hard copy and digital e-reader version for easy online viewing.
- Redesigned Council's tendering and contracting processes to ensure compliance with Sections 186 & 186A of the *Local Government Act 1989*.
- Redeveloped the Council website for completion in late 2015. The website received 630,000 users and 2,500,000 page views in the past year. Addressed the increasing community preference for customer service to be provided through social media channels like Facebook and Twitter.
- Reporting, provided monthly to the Executive Management Team on the performance of the Best Value Balanced Scorecard indicators, shows strong performance in the provision of Best Value to the community.
- Strengthened the representativeness of the Stonnington Survey Group community consultation panel.
- Substantial commitment to community consultation, provided in a range of ways and locations.

# Best Value Balanced Scorecard Reporting

The Balanced Scorecard measures Stonnington’s performance against cost and quality standards, responsiveness to customer needs and service effectiveness.

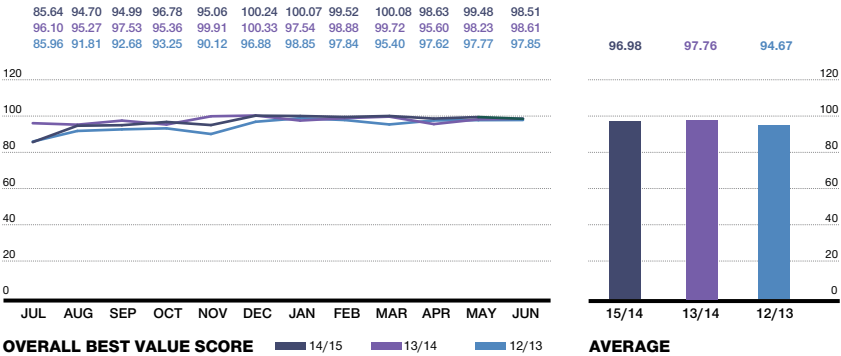
## Overall Performance: ORGANISATION



Council services continued to perform well against Best Value targets, as detailed in the individual unit summaries following. Council's strong performance is also reflected in high results in the annual Local Government Community Satisfaction Survey. Notable achievements during the year include the implementation of Strategies for Creating Open Space, the achievement of AS/NZS 4801 Occupational Health and Safety Management System Certification without any non-conformances,

and the redesign of Council's tendering and contracting processes. Council continued to adopt new processes and technologies to ensure a high level of service to the community. Substantial community engagement was held to inform the Hawksburn Village Structure Plan, Windsor Siding Reserve Improvement Plan, Glenferrie Road / High Street Structure Plan, Burke Road Level Crossing Removal, Urban Design Framework and Greville Street streetscape improvements.

## Corporate Services: BUSINESS SYSTEMS AND TECHNOLOGY



Council has continued implementing its IT Strategy with achievements including: a Voice over IP (VoIP) telephony system, significant progress towards replacement of the Customer Request Management System and transitioning of core IT infrastructure to an Infrastructure as a

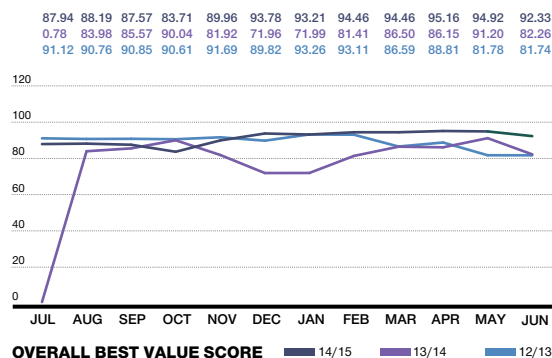
Service (IaaS) model. Work has also continued on improving operational efficiency by retiring various legacy systems to streamline the number of business systems used across Council.



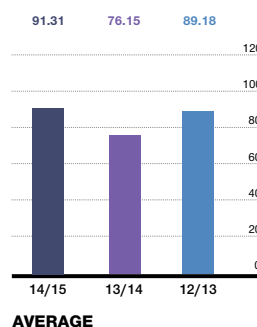
## Liveability

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 98% (from 79% the previous year).

## Corporate Services: **FINANCE SERVICES**

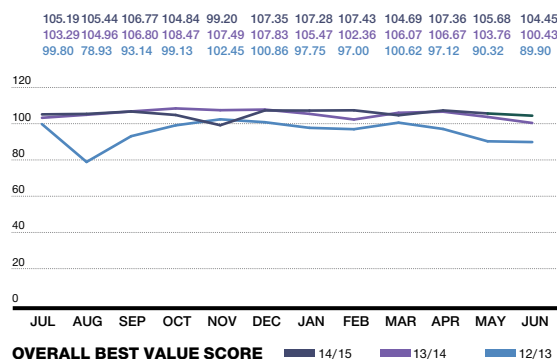


In 2014/15, the Finance department implemented: a request-for-quote system, enabling better control of quotation requests and online documentation; a new capital budget bid system for improved capital project evaluation and selection; and an improved employee costs budgeting process. Also implemented new reporting requirements under the Local Government (Planning and Reporting) Regulations

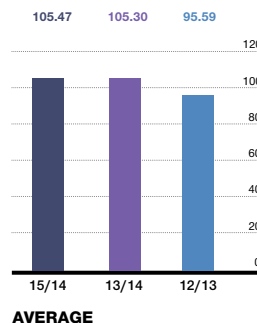


2014 and Australian Accounting Standards, and developed a Balance sheet and Cashflow budgeting and forecasting tool for 2015/16 reporting. The Best Value results indicate strong budget performance, with higher interest and grant income, lower depreciation and underspends in employee costs, materials/services and capital expenditure for the year.

## Corporate Services: **HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT**

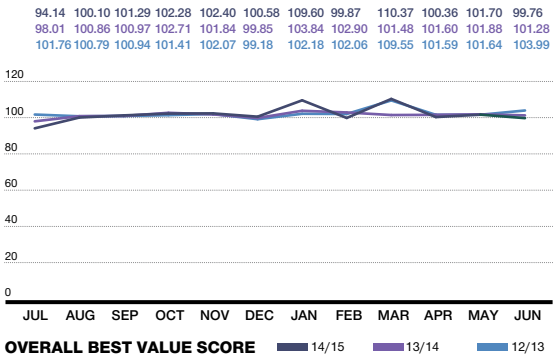


Projects to ensure quality service delivery to our community included: an Employee Value Proposition to assist in recruitment and retention of staff, as well as aiding improvements to our already constructive culture; a Learning @ Stonnington strategy to embed the values and practices

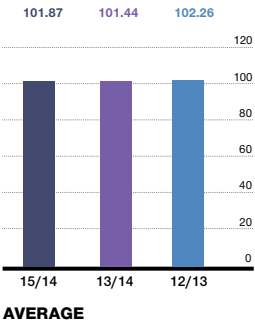


of a learning culture into the organisation; and a Third Age Strategy to manage the risk of losing wisdom and expertise through employees retiring and assist in the development of an age-inclusive culture.

Corporate Services: **RATES MANAGEMENT**

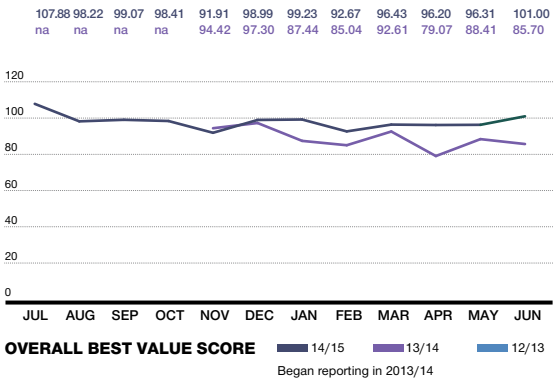


This financial year resulted in the best collection rate in five years, with the use of a new debt collection agency leading to a more 'hands on' approach to debt collection and comprehensive methods of managing accounts through to full payment. Re-engineering of

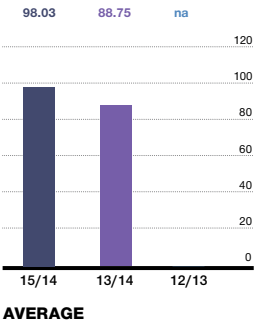


internal processes has resulted in most major long term debtors paying in full, and a more consistent cashflow from debtors who are paying by arrangement.

Corporate Services: **RECORDS MANAGEMENT**

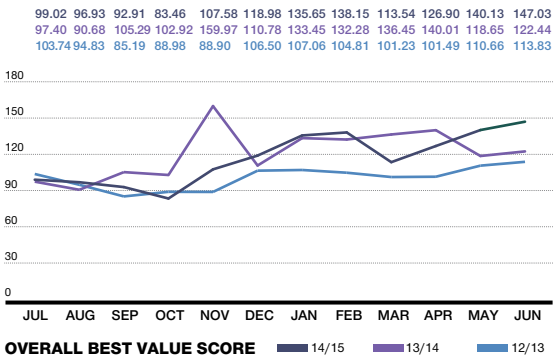


The Records Management Unit manages mail and internal courier services for Council, documents and files, archives and specialist records management. This has been a contracted service over the past year to stabilise staffing, particularly at senior level.

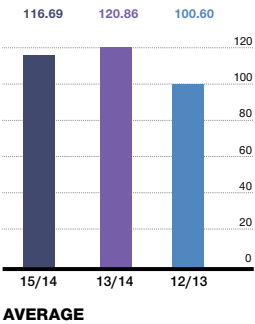


Provided increased training on Council's Electronic Data Management System (TRIM) and delivered presentations on records management to the majority of Business Units in preparation for moving to new Council premises in 2015/16.

Corporate Services: **VALUATIONS**

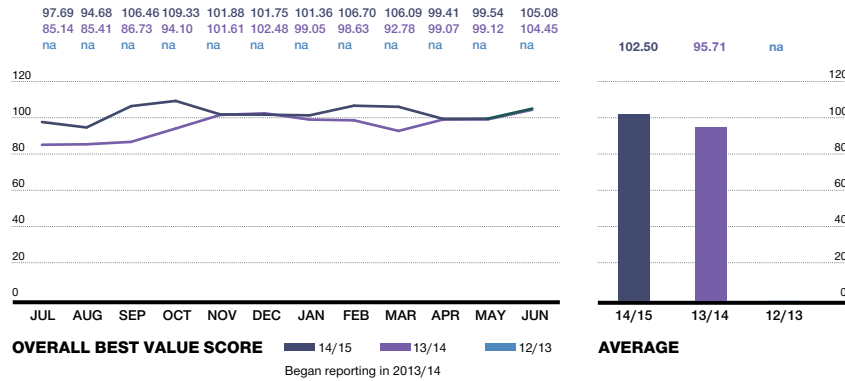


The Valuations Unit has consistently exceeded service targets over the year and is currently preparing for the next general revaluation, effective 1 January 2016. With the steady growth in the property market, the number of properties needing to be valued as they are developed is



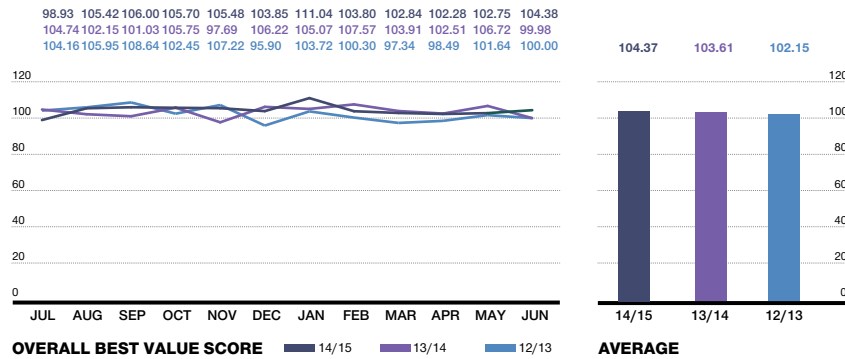
increasing. Together with the need for Open Space Levy calculations on certain developments, and ongoing improvements to the Property Store system, the workload in the Valuations Unit continues to increase.

## Planning and Development: **BUILDING AND LOCAL LAW**



Unprecedented development in Stonnington has seen an increase in revenue from permit applications and fees. Productivity and customer service responsiveness has also improved, with better data available from corporate systems to manage performance.

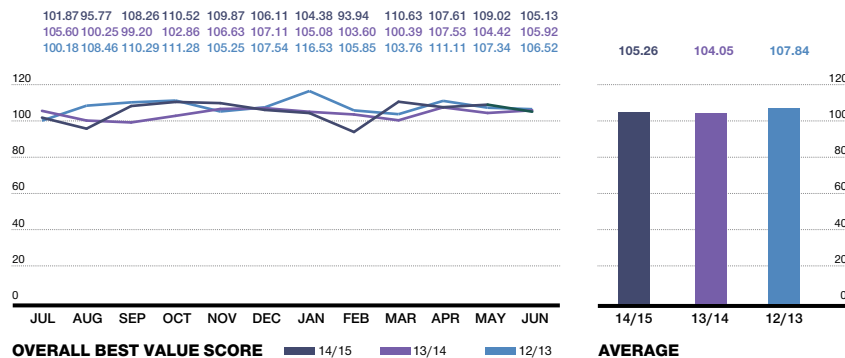
## Planning and Development: **PLANNING SERVICES**



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 98% (from 79% the previous year).

78% of Planning Permit applications were completed within the 60 day statutory timeframe, compared to 81% the previous year. Councillors' support for officer recommendations decreased to 64% (from 67% the previous year).

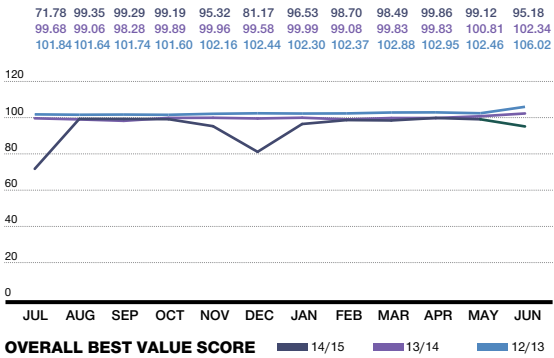
## City Works: **PARKING SERVICES**



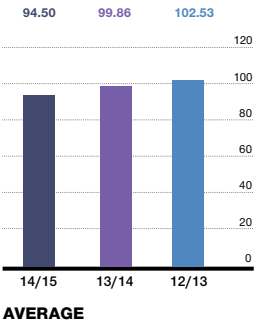
During 2014/15, the average payment rate for infringements prior to lodgement at the Infringements Court, was 2.40% above the contracted target. This excellent collection rate meant that revenue from fines was above budget expectations. Revenue received from the Infringements Court also exceeded budget expectations, largely due to the Sheriff's

expanded use of Automatic Number Plate Recognition technology and joint operations with the police. Operating costs contained to be slightly less than budgeted. Infringements issued for the year were slightly below the contract target due to unplanned leave and natural attrition.

City Works: **PARKS, ENVIRONMENT AND BUILDINGS**

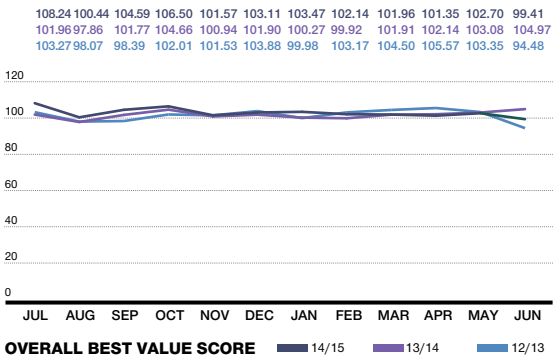


Parks, Environment and Buildings' introduction of new turf management practices and technology has improved the care of sports field surfaces which will assist in achieving water savings. Capital projects were generally delivered on time and budget. The attendance and response to community sustainability education programs was consistently high: 20 school and 32 early learning centre sessions, and 11 community

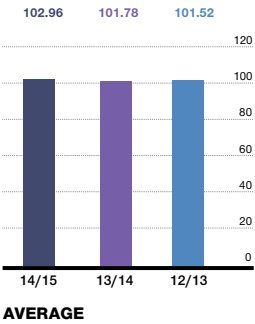


workshops were delivered, with 360 residents attending. The Outreach program engaged hundreds of residents, businesses and apartment owners. Capital works projects to improve organisational water and energy efficiency savings included street lighting upgrades and solar panels, biodiversity improvements, sustainability inclusions in new buildings and internal staff engagement on waste, energy and purchasing.

City Works: **PUBLIC SPACES AND CAPITAL WORKS**

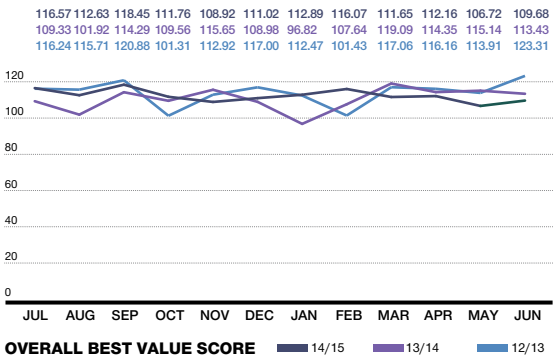


Public Spaces and Capital Works has performed extremely well over the year, with more than 98% of capital projects delivered on time and budget. Key projects included: implementing the Chapel Street Master Plan and the completion of Maddock Street Urban Space, Oxford Street improvements, the Jam Factory Pod and a number of road

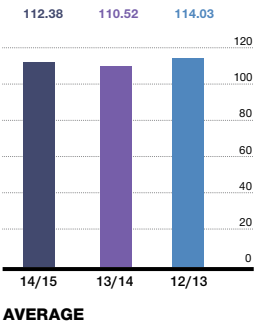


reconstruction projects. Excellent results were achieved due to sound planning and project management processes which include stakeholder engagement and regular capital works meetings. A project review process and collaborative capital works meetings ensure ongoing innovation and improvement within the group.

City Works: **RECYCLING SERVICES**

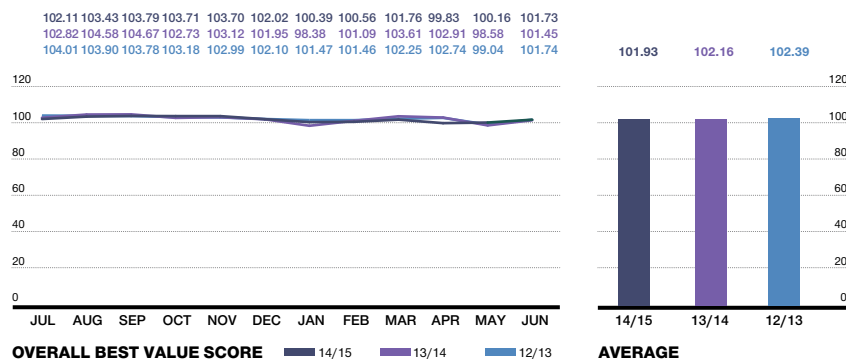


Council's kerbside recycling service continued to perform well above target. Overall tonnages of recyclable material continue to decline, representative of similar trends across the State reflecting the decline in items such as newsprint and heavy-weight glass containers.





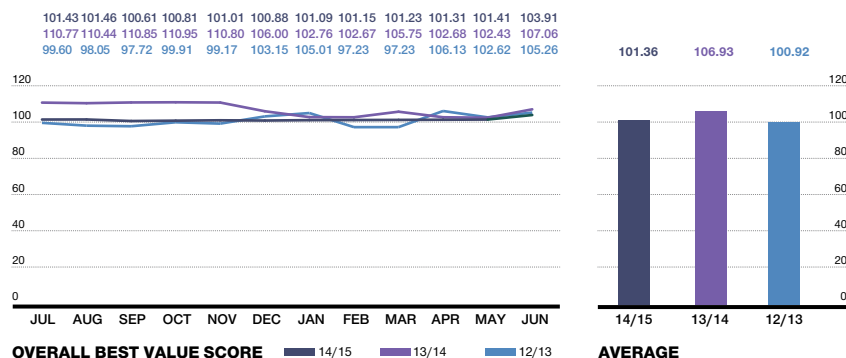
## City Works: STREET CLEANING SERVICES



Street cleaning services are now provided directly by Stonnington day-labour staff following the dissolving of the Streetsahead Joint Venture at the end of June 2014. In spite of this, a consistently high level of service

delivery was maintained, with all programmed schedules completed. Additional resource effort during Autumn ensured that customer requests for additional sweeping runs were kept to a minimum.

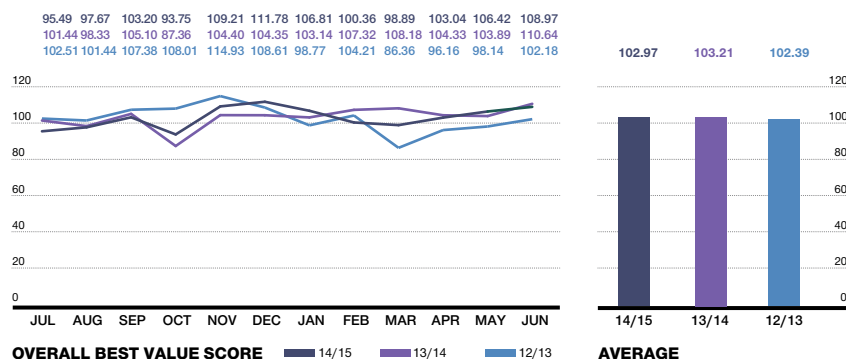
## City Works: TRANSPORT AND PARKING



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.

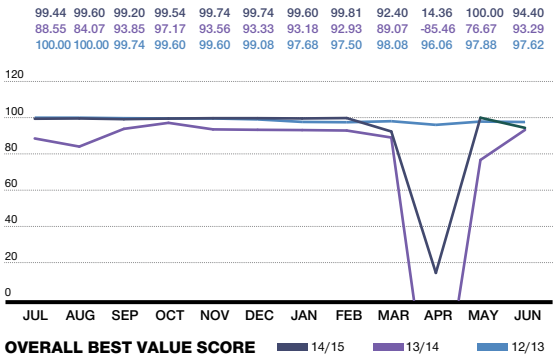
## City Works: WASTE MANAGEMENT SERVICES



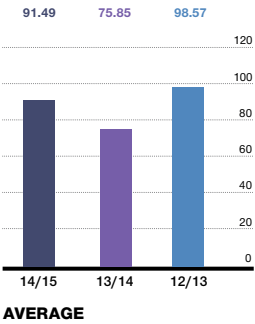
Waste Management Services provided 2.635 million household waste bin collections, along with the biannual hard waste collection service. Waste management is consistently one of Council's strongest

performing areas in the annual Local Government Community Satisfaction Survey – where Stonnington outperforms comparable local governments.

Social Development: **ANIMAL MANAGEMENT**

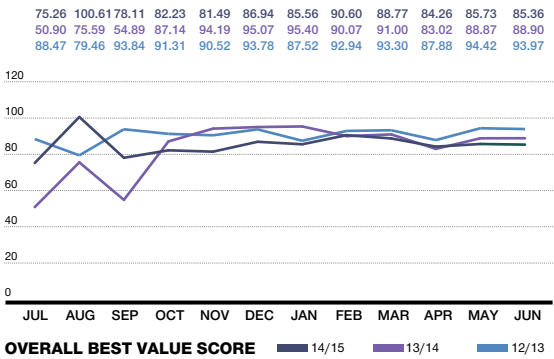


Animal Management has been working to implement the key actions of the Domestic Animal Management Plan, showing a commitment to the welfare of animals in Stonnington. The negative variance for

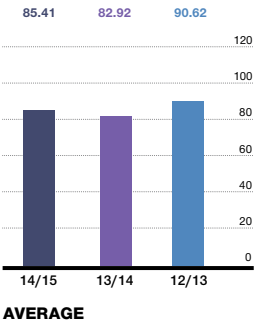


April reflects an anomaly in the allocation of registration fee income for this year, which has not affected the end of year result.

Social Development: **AQUATIC SERVICES**

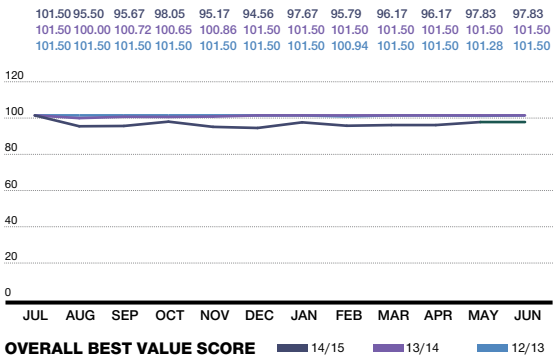


Attendance and enrolment at Harold Holt Swim Centre has grown significantly since its redevelopment in 2010, mostly due to increased programming and services. Challenges in 2014/15 – including increased competition and industry changes – resulted in a slightly lower attendance figure of 461,919, compared to 486,768 in 2013/14.

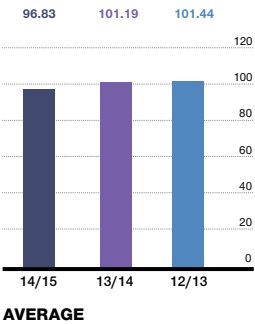


The Learn to Swim program continues to grow, with total registrations up 7.9% compared to the same time last year. Prahran Aquatic Centre recorded its lowest annual attendance since 2003/04 due largely to a planned six week shut down at the end of 2014 and a mild summer.

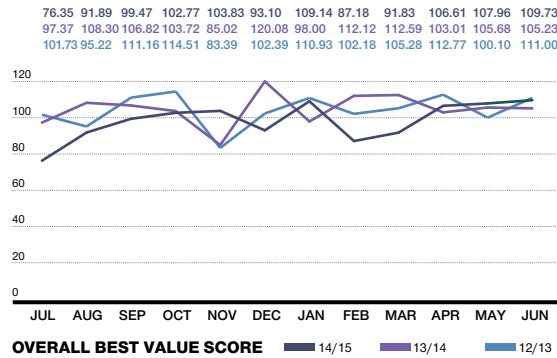
Social Development: **ASSESSMENT SERVICES**



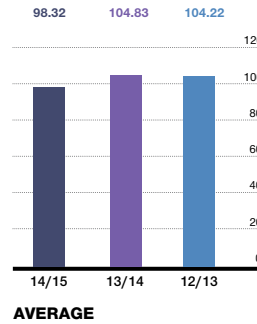
Council's Assessment Unit continued to undertake timely, personal assessments to meet the needs and aspirations of aged residents, people with disabilities, their families and carers. Council provided a range of information on services to residents living with dementia and carers, including the annual Carers' Forum.



## Social Development: **CHILDCARE**

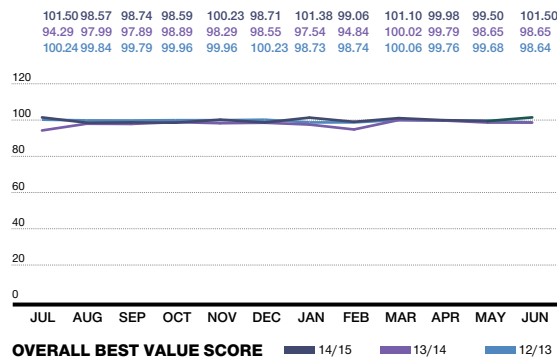


Council's four childcare centres have continued to deliver a high quality and consistent service to the community. This year, Grosvenor St Childcare Centre achieved a rating of 'Exceeding National Quality

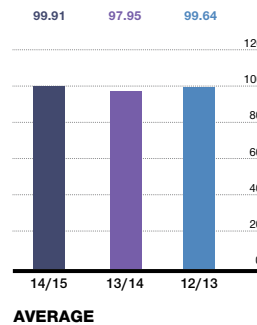


Standards' when it underwent the National Quality Standards assessment for the first time. This demonstrates the high standard of care and education provided to families in Stonnington.

## Social Development: **COMMUNITY BASED SUPPORT SERVICES**

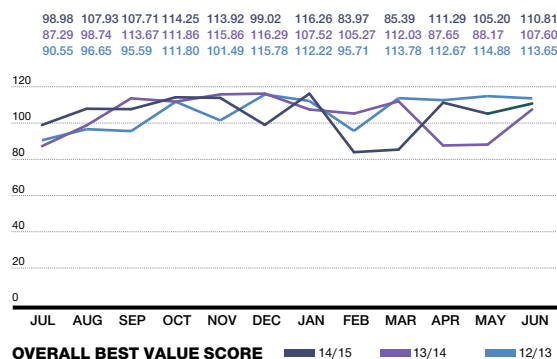


In the past year, the Social Support Program broadened its scope to promote other community-based social support initiatives. These included U3A, Phoenix Park Neighbourhood House, Soroptimists, Probus and other older person groups, as well as opportunities for residents from culturally and linguistically diverse backgrounds.

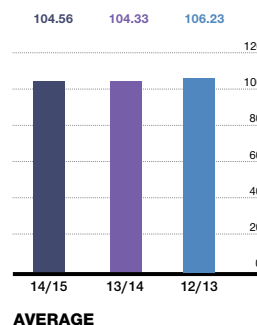


The Centre Based Meals Program at Phoenix Park added a fourth day. This has resulted in greater opportunities for older residents to participate in more activities than those offered by Council's direct services.

## Social Development: **CUSTOMER SERVICES**

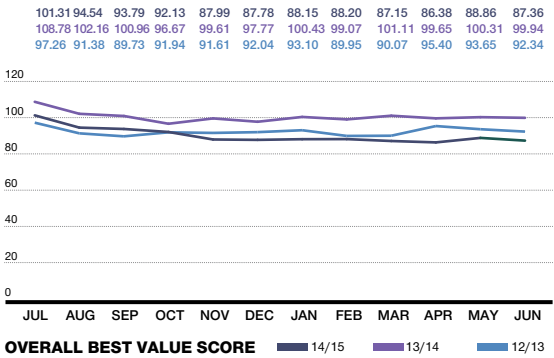


Customer Services has improved its overall performance during the past year. While the demand to our telephone contact centre is remaining steady, we have seen a small increase in our social media and email enquiries. Face-to-face enquiries have increased at the

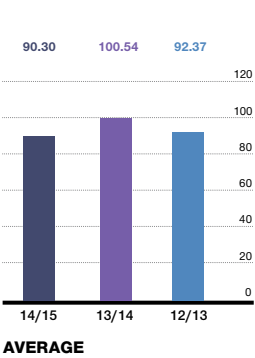


Tooronga Depot Service Desk. The 'Greet the Street' street party program continues to be delivered across the municipality, with 58 street parties in the past year.

Social Development: ENVIRONMENTAL HEALTH SERVICES

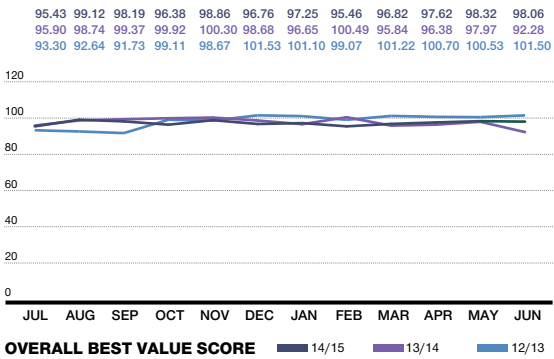


The Environmental Health Unit has continued its strong emphasis on compliance and regulatory improvements in food and health businesses. The introduction of gastroenteritis information sessions for childcare centres was a successful initiative that was also rolled

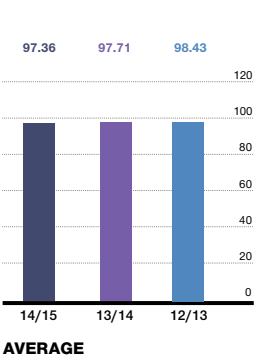


out to aged care facilities in 2014/15. The FoodSafe program continues to provide visitors to Stonnington with information on businesses that have achieved outstanding results in their Annual Food Safety inspections.

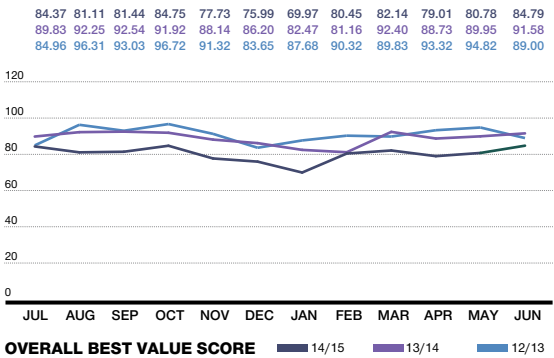
Social Development: IN HOME SUPPORT SERVICES



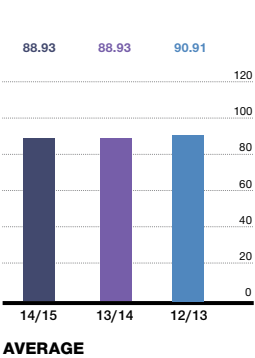
In Home Support Services continued to provide a range of support to older people, people with disabilities and their carers in the community. Continuing the introduction of computer tablets for care workers has reduced paperwork, increased levels of customer service and care workers' connection to the organisation.



Social Development: LIBRARY AND HISTORY SERVICES



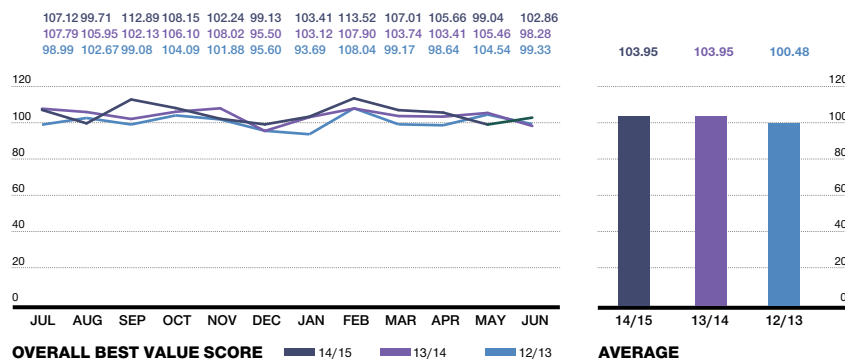
The library service continues to change and evolve as the use of new technology becomes integral. Although online visits and downloading of eResources have become more popular, traditional borrowing and library visits remain steady. There was a total of 997,919 loans taken out



in the year, up 1.5% on last year, and 622,447 individual visits were made to libraries, representing a 3.2% increase. The service held 508 events and activities in 2014/15, up 72 on last year, attracting 16,301 children and adults, highlighting the changing nature of the service.

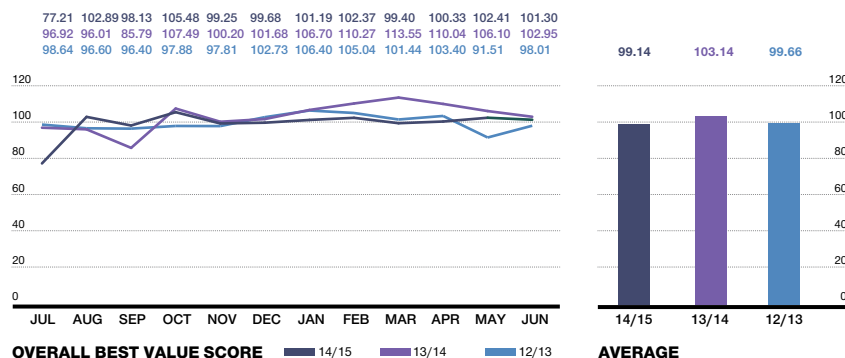


## Social Development: **MATERNAL AND CHILD HEALTH SERVICES**



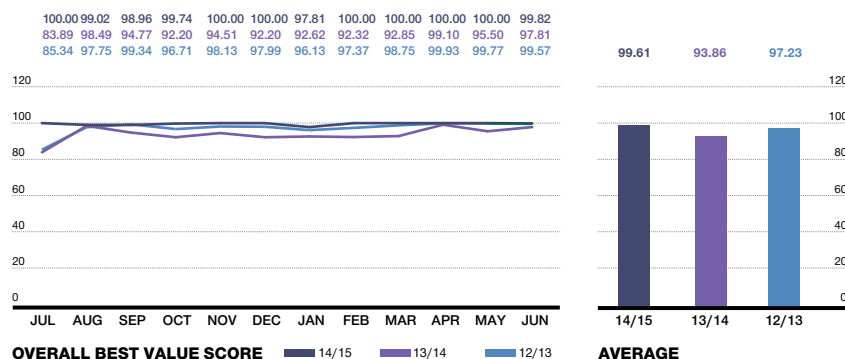
The Maternal and Child Health Service is a universal primary care service for Stonnington families with children from birth to school age. The service continued to take a comprehensive approach to the early detection, intervention and prevention of physical, emotional and social issues affecting young children and their families.

## Social Development: **RECREATION SERVICES**



Council adopted its Recreation Strategy 2014-2024 in December 2014, providing a framework to plan, develop and implement initiatives that encourage participation in sport and active recreation in the City of Stonnington. An annual total of 2,584 people attended the seven Active Living programs held each week on average.

## Social Development: **YOUTH SERVICES**



Stonnington Youth Services has provided a diverse range of programs, events and support services to children, young people and their families which enrich their lives, meet their needs and enhance their

quality of life. All key performance measures have been successfully delivered, including collaborative work with local agencies and young people.

## Community

The Maternal and Child Health Service is a universal primary care service for Stonnington families with children from birth to school age. Children enjoy Storytime at Winter Street Childcare Centre.



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# Performance Statement

For the year ended 30 June 2015

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## Description of municipality

The City of Stonnington is located in Melbourne's inner south-eastern suburbs, a short distance from the centre of Melbourne and alongside the Yarra River.

Covering an area of 25.62 square kilometres, the City stretches from Punt Road in the west to Warrigal Road in the east and is bounded by the Yarra River / Gardiners Creek to the north and Dandenong Road to the south. The City covers 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. The Chapel Street Precinct is home to a vibrant entertainment area which attracts both residents and visitors to the municipality.

The estimated resident population of the City of Stonnington in June 2015 was 105,981. It is anticipated that the municipality will grow to 126,525 by 2036.

Stonnington is home to 16,807 businesses, contributing significantly to the city's vibrancy and prosperity. The industry sectors that contribute most significantly to Stonnington's growing economy are professional, scientific and technical services, health care and social assistance, and retail trade.

## Prosperity

In August 2014, for the inaugural Glow Festival, the Exxopolis Luminarium took centre stage on the roof of the Jam Factory car park which attracted more than 10,000 people to the area.



## Sustainable Capacity Indicators

For the year ended 30 June 2015

Indicator/measure	Results 2015	Comments
<b>Own-source revenue</b>		
<b>Own-source revenue per head of municipal population</b> <i>(Own-source revenue / Municipal population)</i>	\$1,327	Improved capacity of Council to fund Council services to the community has resulted in 2015 mainly due to increase in rates income
<b>Recurrent grants</b>		
<b>Recurrent grants per head of municipal population</b> <i>(Recurrent grants / Municipal population)</i>	\$94	The result is due to ceased/reduced government funding for the Adventure Playground, School Crossing grant and Aged Care
<b>Population</b>		
<b>Expenses per head of municipal population</b> <i>(Total expenses / Municipal population)</i>	\$1,219	This indicator reflects Council's continued efficient resourcing of service delivery.
<b>Infrastructure per head of municipal population</b> <i>(Value of infrastructure / Municipal population)</i>	\$4,490	This result reflects infrastructure expenditure based on conditional assessment valuations
<b>Population density per length of road</b> <i>(Municipal population / Kilometres of local roads)</i>	319	No material variations
<b>Disadvantage</b>		
<b>Relative socio-economic disadvantage</b> <i>(Index of Relative Socio-economic Disadvantage by decile)</i>	10	Result of 10 indicates that Stonnington has a low level of disadvantage however, within Stonnington there are pockets of disadvantage





### Definitions

“adjusted underlying revenue” means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

“infrastructure” means non-current property, plant and equipment excluding land

“local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

“population” means the resident population estimated by council

“own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

“relative socio-economic disadvantage”, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

“SEIFA” means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

# Service Performance Indicators

For the year ended 30 June 2015

Service / Indicator / measure	Results 2015	Comments
<b>Governance</b>		
<b>Satisfaction</b>		
<i>Satisfaction with council decisions</i> (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	59	Annual Satisfaction Survey result equal to Metropolitan average
<b>Statutory Planning</b>		
<b>Decision making</b>		
<i>Council planning decisions upheld at VCAT</i> (Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x100	45%	Result does not include mediated outcomes, in effect these count as losses
<b>Roads</b>		
<b>Satisfaction</b>		
<i>Satisfaction with sealed local roads</i> (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	70	Annual Satisfaction Survey result. Score is one point higher than the Metropolitan average
<b>Libraries</b>		
<b>Participation</b>		
<i>Active library members</i> (Number of active library members / Municipal population) x100	18%	Active library members excludes members who have only borrowed e-books
<b>Waste Collection</b>		
<b>Waste diversion</b>		
<i>Kerbside collection waste diverted from landfill</i> (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100	35%	No material variations
<b>Aquatic facilities</b>		
<b>Utilisation</b>		
<i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities / Municipal population)	5	No material variations
<b>Animal management</b>		
<b>Health and safety</b>		
<i>Animal management prosecutions</i> (Number of successful animal management prosecutions)	1	No material variations

Service / Indicator / measure	Results 2015	Comments
<b>Food safety</b>		
<b>Heath and safety</b>		
<b>Critical and major non-compliance notifications</b> <i>(Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises) x100</i>	80%	No material variations
<b>Home and community care (HACC)</b>		
<b>Participation</b>		
<b>Participation in HACC service</b> <i>(Number of people that received a HACC service / Municipal target population for HACC services) x100</i>	19%	No material variations
<b>Participation</b>		
<b>Participation in HACC service by CALD people</b> <i>(Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services) x100</i>	22%	No material variations
<b>Maternal and child health (MCH)</b>		
<b>Participation</b>		
<b>Participation in the MCH service</b> <i>(Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x100</i>	80%	No material variations
<b>Participation</b>		
<b>Participation in the MCH service by Aboriginal children</b> <i>(Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x100</i>	86%	No material variations

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## Service Performance Indicators continued

For the year ended 30 June 2015

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### Definitions

“Aboriginal child” means a child who is an Aboriginal person

“Aboriginal person” has the same meaning as in the *Aboriginal Heritage Act 2006*

“active library member” means a member of a library who has borrowed a book from the library

“annual report” means an annual report prepared by a council under sections 131, 132 and 133 of the *Local Government Act 1989*

“class 1 food premises” means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

“class 2 food premises” means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

“Community Care Common Standards” means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

“critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health

“food premises” has the same meaning as in the *Food Act 1984*

“HACC program” means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act 1985* of the Commonwealth

“HACC service” means home help, personal care or community respite provided under the HACC program

“local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

“major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

“MCH” means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

“population” means the resident population estimated by council

“target population” has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act 1985* of the Commonwealth

“WorkSafe reportable aquatic facility safety incident” means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.



# Financial Performance Indicators

For the year ended 30 June 2015

Dimension / Indicator / measure	Results 2015	2016	Forecasts 2017	2018	2019	Material Variations
Operating position						
Adjusted underlying result	14%	12%	13%	13%	14%	No material variations
Adjusted underlying surplus (or deficit)						
(Adjusted underlying surplus (deficit)/Adjusted underlying revenue) x100						
Liquidity						
Working capital						
Current assets compared to current liabilities	268%	210%	192%	184%	192%	Cash from operations higher than forecast years due to significant capital works in 2016/17 and 2017/18 relating to Cato Street redevelopment
(Current assets/ Current liabilities) x100						
Unrestricted cash						
Unrestricted cash compared to current liabilities	97%	78%	62%	68%	76%	Cash from operations higher than forecast years due to significant capital works in 2016/17 and 2017/18 relating to Cato Street redevelopment
(Unrestricted cash/ Current liabilities) x100						
Obligations						
Loans and borrowings						
Loans and borrowings compared to rates	14%	12%	22%	34%	26%	New loans forecasted for 2016/17 and 2017/18 will be utilised to fund Cato Street redevelopment
(Interest bearing loans and borrowings/Rate revenue) x100						
Loans and borrowings repayments compared to rates	3%	3%	3%	4%	7%	No material variations
(Interest and principal repayments on interest bearing loans and borrowings/Rate revenue) x100						
Indebtedness						
Non-current liabilities compared to own source revenue	11%	7%	14%	22%	18%	New loans forecasted for 2016/17 and 2017/18 will be utilised to fund Cato Street redevelopment
(Non-current liabilities/ Own source revenue) x100						

## Financial Performance Indicators continued

For the year ended 30 June 2015

Dimension / Indicator / measure	Results 2015	2016	Forecasts		2019	Material Variations
			2017	2018		
<b>Asset renewal</b>						
<b>Asset renewal compared to depreciation</b> <i>(Asset renewal expenses / Asset depreciation) x100</i>	128%	122%	110%	107%	107%	Some significant renewals during 2014–15 include roads refurbishment, drainage improvements, masterplan implementations, Civic centre project and TH King pavilion redevelopment
<b>Stability</b>						
<b>Rates concentration</b>						
<b>Rates compared to adjusted underlying revenue</b> <i>(Rate revenue / Adjusted underlying revenue) x100</i>	61%	62%	63%	64%	64%	No material variations
<b>Rates effort</b>						
<b>Rates compared to property values</b> <i>(Rate revenue / Capital improved value of rateable properties in the municipality) x100</i>	0.2%	0.2%	0.2%	0.2%	0.2%	No material variations
<b>Efficiency</b>						
<b>Expenditure level</b>						
<b>Expenses per property assessment</b> <i>(Total expenses / Number of property assessments)</i>	\$2,233	\$2,325	\$2,413	\$2,501	\$2,592	No material variations
<b>Revenue level</b>						
<b>Average residential rate per residential property assessment</b> <i>(Residential rate revenue / Number of residential property assessments)</i>	\$1,531	\$1,580	\$1,648	\$1,719	\$1,793	No material variations
<b>Workforce turnover</b>						
<b>Resignations and terminations compared to average staff</b> <i>(Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year) x100</i>	7%	7%	7%	7%	7%	No material variations

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## Definitions

“adjusted underlying revenue” means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

“adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure

“asset renewal expenditure” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

“current assets” has the same meaning as in the AAS

“current liabilities” has the same meaning as in the AAS

“non-current assets” means all assets other than current assets

“non-current liabilities” means all liabilities other than current liabilities

“non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council’s Strategic Resource Plan

“own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

“population” means the resident population estimated by council

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges

“recurrent grant” means a grant other than a non-recurrent grant

“residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

“restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

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## Other Information

For the year ended 30 June 2015

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### 1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014*.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's Strategic Resource Plan. The *Local Government (Planning and Reporting) Regulations 2014* require explanation of any material variations in the results contained in the performance statement, which have been provided where applicable as appropriate in this first year of reporting under the new Local Government Performance Reporting Framework.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 1 June 2015 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council.



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## Certification of the performance statement

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In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.



**Scott Moore CPA**

Principal Accounting Officer

Dated: 7 September 2015

In our opinion, the accompanying performance statement of the City of Stonnington for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



**Melina Sehr**

Mayor

Dated: 7 September 2015



**John McMorrow**

Councillor

Dated: 7 September 2015



**Warren Roberts**

Chief Executive Officer

Dated: 7 September 2015

# Independent Auditor's Report



Victorian Auditor-General's Office

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## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Stonnington City Council

#### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2015 of the Stonnington City Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

#### *The Councillors' Responsibility for the Performance Statement*

The Councillors of the Stonnington City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

*Auditing in the Public Interest*

# Independent Auditor's Report

## Independent Auditor's Report (continued)

### *Independence*

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

### *Auditor's Opinion*

In my opinion, the performance statement of the Stonnington City Council in respect of the 30 June 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
10 September 2015

  
John Doyle  
Auditor-General



## Annual Financial Report

Our strong financial position enables Council to continue to enhance the amenity and liveability of our municipality through high levels of service delivery and a comprehensive capital works program.





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# Annual Financial Report

For the Year Ended 30 June 2015

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# Comprehensive Income Statement

For the Year Ended 30 June 2015

		Council		Consolidated	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note					
<b>Income</b>					
Rates and charges	3	93,297	87,634	93,297	87,634
Statutory fees and fines	4	17,575	16,892	17,575	16,892
User fees	5	25,833	24,734	29,119	27,727
Grants – operating	6	9,929	7,197	9,929	7,197
Grants – capital	6	459	1,536	459	1,536
Contributions – monetary	7	9,983	5,246	9,983	5,246
Reimbursements	8	2,414	1,220	2,414	1,220
Fair value adjustments for investment property	22	242	(100)	242	(100)
Other income	9	3,726	4,683	3,826	4,814
<b>Total income</b>		<b>163,457</b>	<b>149,043</b>	<b>166,843</b>	<b>152,166</b>
<b>Expenses</b>					
Employee costs	10	55,347	53,597	56,090	54,289
Materials and services	11	50,494	49,003	52,797	51,112
Bad and doubtful debts	12	11	54	11	54
Community grants		3,028	2,745	3,028	2,745
Depreciation and amortisation	13	18,047	18,983	18,330	19,243
Borrowing costs	14	624	531	624	531
Share of net loss of joint operation accounted for by the equity method	16	1,691	815	1,691	815
Net loss/(gain) on disposal/write off of property, infrastructure, plant and equipment	28	722	(449)	729	(449)
Other expenses	15	1,626	1,271	1,640	1,300
<b>Total expenses</b>		<b>131,590</b>	<b>126,551</b>	<b>134,942</b>	<b>129,640</b>
<b>Surplus for the year</b>		<b>31,868</b>	<b>22,492</b>	<b>31,902</b>	<b>22,526</b>
<b>Other comprehensive income</b>					
Net asset revaluation increment	29 (a)	173,242	37,573	173,242	37,573
<b>Total comprehensive result</b>		<b>205,109</b>	<b>60,065</b>	<b>205,143</b>	<b>60,099</b>

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

# Balance Sheet

As at 30 June 2015

	Note	Council		Consolidated	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	17	66,063	32,865	67,114	33,380
Trade and other receivables	18	8,943	7,975	9,540	8,807
Other financial assets	19	22,000	35,000	22,000	35,000
Other assets	20	1,346	1,276	1,361	1,278
<b>Total current assets</b>		<b>98,352</b>	<b>77,116</b>	<b>100,015</b>	<b>78,465</b>
<b>Non-current assets</b>					
Other financial assets	19	3,405	3,324	1,405	1,324
Investments in joint operation accounted for using the equity	16	1,570	1,234	1,570	1,234
Property, infrastructure, plant and equipment	21	2,018,563	1,832,583	2,023,839	1,838,088
Investment property	22	5,750	6,650	5,750	6,650
Intangible assets	23	2,327	1,952	2,370	1,998
<b>Total non-current assets</b>		<b>2,031,614</b>	<b>1,845,743</b>	<b>2,034,934</b>	<b>1,849,295</b>
<b>Total assets</b>		<b>2,129,966</b>	<b>1,922,859</b>	<b>2,134,949</b>	<b>1,927,760</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	24	17,785	17,748	17,979	17,900
Trust funds and deposits	25	3,239	3,347	3,239	3,347
Provisions	26	13,666	13,164	13,744	13,247
Interest-bearing loans and borrowings	27	1,981	2,386	1,981	2,386
<b>Total current liabilities</b>		<b>36,671</b>	<b>36,645</b>	<b>36,943</b>	<b>36,879</b>
<b>Non-current liabilities</b>					
Provisions	26	1,555	1,799	1,578	1,810
Interest-bearing loans and borrowings	27	11,284	13,235	11,284	13,235
Other liabilities	16	2,027	–	2,027	–
<b>Total non-current liabilities</b>		<b>14,866</b>	<b>15,034</b>	<b>14,889</b>	<b>15,045</b>
<b>Total liabilities</b>		<b>51,537</b>	<b>51,678</b>	<b>51,831</b>	<b>51,924</b>
<b>Net assets</b>		<b>2,078,429</b>	<b>1,871,181</b>	<b>2,083,118</b>	<b>1,875,836</b>
<b>Equity</b>					
Accumulated surplus		956,439	934,993	961,128	939,649
Reserves	29	1,121,990	936,188	1,121,990	936,187
<b>Total Equity</b>		<b>2,078,429</b>	<b>1,871,181</b>	<b>2,083,118</b>	<b>1,875,836</b>

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

# Statement of Changes in Equity

For the Year Ended 30 June 2015

Council	Note	Asset			
		Total	Accumulated	Revaluation	Other
		\$'000	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2015</b>					
Balance at beginning of the financial year		1,871,181	934,993	901,082	35,106
Surplus for the year		31,868	31,868	–	–
Found assets	21 (b)	2,139	2,139	–	–
Net asset revaluation increment	29 (a)	173,242	–	173,242	–
Transfers from other reserves	29 (b)	–	613	–	(613)
Transfers to other reserves	29 (b)	–	(13,174)	–	13,174
<b>Balance at end of the financial year</b>		<b>2,078,429</b>	<b>956,439</b>	<b>1,074,323</b>	<b>47,667</b>

<b>2014</b>					
Balance at beginning of the financial year		1,811,116	915,397	863,509	32,211
Surplus for the year		22,492	22,492	–	–
Net asset revaluation increment	29 (a)	37,573	–	37,573	–
Transfers from other reserves	29 (b)	–	6,823	–	(6,823)
Transfers to other reserves	29 (b)	–	(9,718)	–	9,718
<b>Balance at end of the financial year</b>		<b>1,871,181</b>	<b>934,993</b>	<b>901,082</b>	<b>35,106</b>

Consolidated	Note	Asset			
		Total	Accumulated	Revaluation	Other
		\$'000	Surplus	Reserve	Reserves
		\$'000	\$'000	\$'000	\$'000
<b>2015</b>					
Balance at beginning of the financial year		1,875,836	939,649	901,082	35,106
Surplus for the year		31,902	31,902	–	–
Found assets	21 (b)	2,139	2,139	–	–
Net asset revaluation increment	29 (a)	173,242	–	173,242	–
Transfers from other reserves	29 (b)	–	613	–	(613)
Transfers to other reserves	29 (b)	–	(13,174)	–	13,174
<b>Balance at end of the financial year</b>		<b>2,083,118</b>	<b>961,128</b>	<b>1,074,323</b>	<b>47,667</b>

<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	29 (a)	37,573	–	37,573	–
Transfers from other reserves	29 (b)	–	6,823	–	(6,823)
Transfers to other reserves	29 (b)	–	(9,718)	–	9,718
<b>Balance at end of the financial year</b>		<b>1,875,836</b>	<b>939,649</b>	<b>901,082</b>	<b>35,106</b>

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



# Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	Council		Consolidated	
		2015	2014	2015	2014
		Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>					
Rates and charges		93,233	87,749	93,233	87,749
Statutory fees and fines		17,577	18,575	17,577	18,575
User fees (inclusive of GST)		26,485	24,336	32,266	30,104
Grants – operating (inclusive of GST)		10,452	9,282	10,452	9,282
Contributions – monetary (inclusive of GST)		9,992	5,246	9,992	5,246
Reimbursements (inclusive of GST)		2,533	1,281	2,533	1,281
Interest received		2,780	2,109	2,805	2,160
Other receipts (inclusive of GST)		1,436	2,222	1,436	2,222
Net GST refund/(payment)		5,852	7,448	5,686	7,503
Trust funds and deposits taken/(repaid)		396	(442)	391	(442)
Payments for materials and services (inclusive of GST)		(60,273)	(63,191)	(65,315)	(69,787)
Payments for employees costs		(54,684)	(52,513)	(54,683)	(52,513)
Other payments		(3,444)	(177)	(3,444)	(177)
<b>Net cash provided by operating activities</b>	<b>30</b>	<b>52,336</b>	<b>41,926</b>	<b>52,929</b>	<b>41,204</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment		(29,351)	(47,079)	(29,421)	(48,414)
Proceeds from sale of property, infrastructure, plant and equipment		308	1,018	321	1,018
Receipts from investments		13,000	–	13,000	–
Payments for investments		–	(14,250)	–	(14,250)
<b>Net cash provided by/(used in) investing activities</b>		<b>(16,043)</b>	<b>(60,311)</b>	<b>(16,100)</b>	<b>(61,646)</b>
<b>Cash flows from financing activities</b>					
Borrowing costs		(632)	(531)	(632)	(531)
Proceeds from interest bearing loans and borrowings		–	15,766	–	15,766
Repayment of interest bearing loans and borrowings		(2,463)	(3,071)	(2,463)	(3,071)
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,095)</b>	<b>12,163</b>	<b>(3,095)</b>	<b>12,164</b>
Net increase/(decrease) in cash and cash equivalents		33,197	(6,222)	33,734	(8,279)
Cash and cash equivalents at the beginning of the financial year		32,865	39,087	33,380	41,658
<b>Cash and cash equivalents and at the end of the financial year</b>	<b>31</b>	<b>66,063</b>	<b>32,865</b>	<b>67,114</b>	<b>33,380</b>
Financing arrangements	32				
Restrictions on cash assets	17				

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

# Statement of Capital Works

For the Year Ended 30 June 2015

	Council	
	2015 \$'000	2014 \$'000
<b>Property</b>		
Land	1,188	13,072
Land improvements	5,973	8,292
<b>Total land</b>	<b>7,161</b>	<b>21,364</b>
Buildings	5,009	12,488
Heritage buildings	1,880	806
<b>Total buildings</b>	<b>6,889</b>	<b>13,294</b>
<b>Total property</b>	<b>14,050</b>	<b>34,658</b>
<b>Plant and equipment</b>		
Heritage assets – arts and antiques	645	5
Plant, machinery and equipment	2,027	3,152
Fixtures, fittings and furniture	888	531
Computers and telecommunications	748	307
Library books	908	804
<b>Total plant and equipment</b>	<b>5,216</b>	<b>4,799</b>
<b>Infrastructure</b>		
Roads	4,533	5,928
Bridges	316	119
Drainage	2,290	3,292
Road extras	1,430	903
<b>Total infrastructure</b>	<b>8,569</b>	<b>10,242</b>
<b>Intangible Assets</b>		
Intangible Assets	1,101	914
<b>Total capital works expenditure</b>	<b>28,936</b>	<b>50,613</b>
<b>Represented by:</b>		
New asset expenditure	2,352	20,592
Asset renewal expenditure	21,961	23,154
Asset expansion expenditure	817	1,360
Asset upgrade expenditure	3,806	5,507
<b>Total capital works expenditure</b>	<b>28,936</b>	<b>50,613</b>

The above statement of capital works should be read in conjunction with the accompanying notes.

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Introduction

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.

### Statement of compliance

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

## Note 1 Significant accounting policies

### (a) Basis of accounting

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (n))
- the determination of employee provisions (refer to note 1 (t)).

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

### (b) Change in accounting policies

Council has considered the requirements of AASB 11 for the first time. AASB 11 Joint Arrangements changes the classification of joint arrangements into joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangement. Depending on the classification, the accounting treatment for the two types of joint arrangements will be different. Council has reviewed its existing contractual arrangements with Regional Landfill Clayton South Joint Venture (Clayton Landfill) to ensure they are aligned with the new classifications under AASB 11. It has concluded that the existing joint arrangement is a joint operation. Instead of accounting for assets, liabilities, revenues and expenses relating to Council's interest in Clayton Landfill, Council continues to account for Clayton Landfill under the equity method on the basis that Clayton Landfill operating results, assets and liabilities are not material individually or in aggregate. Details of joint operation are set out in Note 16.

### (c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

Entities consolidated into Council include Prahran Market Pty Ltd.

# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont.)

## (d) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management are required to be included in this financial report but Council has no committees of management arrangements.

## (e) Accounting for investments in associates and joint arrangements

### *Joint arrangements*

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

### *Joint operations*

Council recognises its direct right to, and its share of, the jointly held assets, liabilities, revenues and expenses of Clayton South Regional Landfill. These have been incorporated in the financial statements under the appropriate headings. Council interest in joint operations are accounted for using the equity method (refer to note 1 (b)). Under this method, the interest is initially recognised in the Balance Sheet at cost and adjusted thereafter to recognise Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the Comprehensive Income Statement.

## (f) Revenue recognition

Income 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.

### *Rates and Charges*

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

### *Statutory fees and fines*

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

### *User fees*

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

### *Grants*

Grant income is recognised when Council obtains control of the contribution. This 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.

Where grants or contributions 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 or contribution is disclosed in Note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

### *Contributions*

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

### *Sale of property, infrastructure, plant and equipment*

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

### *Interest*

Interest is recognised as it is earned.

### *Dividends*

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

### *Other Income*

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

## (g) Fair value measurement

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.



# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 1 Significant accounting policies (cont.) (g) Fair value measurement (cont.)

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

### **(h) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

### **(i) Trade and other receivables**

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

### **(j) Other financial assets**

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

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.

### **(k) Inventories**

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Inventories are measured at the lower of cost and net realisable value.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where Inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

### **(l) Non-current assets classified as held for sale**

A non-current asset classified as held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

### **(m) Recognition and measurement of property, plant and equipment, infrastructure, intangibles**

#### **Acquisition**

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

In accordance with Council's policy, the threshold limits detailed in Note 1(n) have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

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# Notes to the Financial Report

For the Year Ended 30 June 2015

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Note 1 Significant accounting policies (cont.)

(m) Recognition and measurement of property, plant and equipment, infrastructure, intangibles (cont.)

## *Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 21, Property, infrastructure, plant and equipment.

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 the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

## *Land under roads*

Council recognises land under roads it controls at fair value.

## **(n) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles**

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

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

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(n) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles (cont.)

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
<b>Property</b>		
land	Not	all land
land improvements	20 years	5
buildings	50 years	5
heritage buildings	100 years	5
<b>Plant and Equipment</b>		
plant and equipment	4-10 years	1
motor vehicles	3-5 years	all
furniture and equipment	5-10 years	1
office equipment and information technology	4-10 years	1
heritage indoor assets	100 years	1
library stocks	3-8 years	all holdings with life exceeding one year
<b>Infrastructure</b>		
road surface	25-200 years	10
road substructure	200 years	10
footpaths	30-60 years	10
kerb and channel	60-80 years	10
bridges	80 years	10
rights of way	15-200 years	10
car parks	50 years	10
drains	100 years	10
drainage pits	50 years	10
road extras	10-25 years	10
<b>Intangible assets</b>		
software	4 years	1

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 1 Significant accounting policies (cont.)

### (o) 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.

### (p) Investment property

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Comprehensive Income Statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement on a straight line basis over the lease term.

Investment property, Malvern City Square, is held to generate long-term rental yields and increased capital value. All tenant leases are on an arm's length basis. Investment property is carried at fair value \$5.75 million (\$6.65 million, 2014), determined annually by Council's valuers. Changes to fair value are recorded in the Comprehensive Income Statement. (refer to note 22).

### (q) 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.

### (r) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds

until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to note 25).

### (s) Borrowings

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

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

#### *Borrowing costs*

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

### (t) Employee costs and benefits

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

#### *Wages and salaries and annual leave*

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at 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.



# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont.)

(t) Employee costs and benefits (cont.)

## *Long service leave*

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

Current Liability – unconditional LSL 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 wholly settled within 12 months.
- nominal value – component that is expected to be wholly settled within 12 months.

## *Classification of employee costs*

Non-current liability – conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. 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.

## **(u) 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 to notes 21 & 27).

### *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 to note 34).

## *Leasehold improvements*

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 5 to 10 year period.

## **(v) Goods and Services Tax (GST)**

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

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

## **(w) Financial guarantees**

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the Balance Sheet are disclosed at Note 35 Contingent Liabilities and Contingent Assets.

## **(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**

Certain new AAS's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

## **(z) Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 2 June 2014. The Budget was based

on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
<b>a) Income and Expenditure</b>				
<b>Income</b>				
Rates and charges	92,980	93,297	317	
Statutory fees and fines	16,602	17,575	973	1
User fees	24,898	25,833	935	2
Grants – operating	8,264	9,929	1,665	3
Grants – capital	20	459	439	4
Contributions – monetary	3,524	9,983	6,459	5
Reimbursements	774	2,414	1,640	6
Fair value adjustments for investment property	–	242	242	7
Other income	3,025	3,726	701	8
<b>Total income</b>	<b>150,087</b>	<b>163,457</b>	<b>13,370</b>	
<b>Expenses</b>				
Employee costs	58,293	55,347	2,946	9
Materials and services	50,714	50,494	220	
Bad and doubtful debts	282	11	271	10
Community grants	3,010	3,028	(18)	
Depreciation and amortisation	19,566	18,047	1,519	11
Borrowing costs	600	624	(24)	
Share of net loss of joint operation accounted for by using the equity method	(80)	1,691	(1,771)	12
Net loss/(gain) on disposal/write off of property, infrastructure, plant and equipment	(10)	722	(732)	13
Other expenses	207	1,626	(1,419)	14
<b>Total expenses</b>	<b>132,582</b>	<b>131,590</b>	<b>992</b>	
<b>Surplus/(deficit) for the year</b>	<b>17,505</b>	<b>31,868</b>	<b>14,363</b>	

# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 2 Budget comparison (cont.)

## (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Traffic infringements revenue was \$0.62 million above budget due to: improved collection rates prior to Court lodgment; Court income was \$0.40 million above budget due to improved vehicles/offenders detection; and applications for statutory planning were a lot higher than anticipated \$0.28 million. Municipal building surveyor fees were less than budget by \$0.21 million.
2	User fees	Building & local laws experienced an increase in lodgment and permit applications due to increased footpath permits of \$0.68 million and building consent and report fees of \$0.56 million. Cafe operation income was not budgeted \$0.21 million. Loss of rental income from Malvern City Square, Malvern Valley Golf Course cafe kiosk and TH King Pavilion was \$0.32 million. Meals on wheels and home care services was also less than budget by \$0.21 million.
3	Grants – operating	Council received 50% of the 2015/16 general purpose grant and local roads funding from Victorian Grants Commission.
4	Grants – capital	The favourable results are mainly due to unbudgeted grants for Public Safety Infrastructure Fund for Windsor Plaza \$0.10 million, Living Victoria Fund \$0.07 million and Chapel Street CCTV installation \$0.07 million.
5	Contributions – monetary	Open space contributions exceeded budget due to higher level of developments in Windsor/Prahran and South Yarra. This income source is difficult to estimate.
6	Reimbursements	The variance is predominantly a result of unbudgeted insurance recoveries of \$0.76 million, carbon tax refund from Clayton South Regional Landfill \$0.30 million and the 2013/14 valuations cost recoveries from State Revenue Office of \$0.48 million recognised during the year.
7	Fair value adjustments for investment property	Unbudgeted movement in fair value of Malvern City Square for investment property.
8	Other income	The favourable variance is due to the reinstatement of income of \$0.36 million previously written off as directed by PERIN court and interest income \$0.42 million better than budget due to favourable cash from operations compared to budget. Gain from Council's share of interests in Regional Kitchen Pty Ltd is unbudgeted as it is difficult to estimate the results of the operation.
9	Employee costs	Council budgeted \$2.0 million for a Defined benefit super call, which did not eventuate. Employee leave provision savings compared to budget as a result of changed assumptions in probabilities of staff staying up to 7 years of service before utilising long service leave and the effect of removing on-costs on the long service leave provision calculation.

# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 2 Budget comparison (cont.)

(i) Explanation of material variations (cont.)

Variance Ref	Item	Explanation
10	Bad and doubtful debts	The favourable variance is a result of effective debt recovery throughout the year. Included in the budget is debt collection expenses which has been reclassified to other expenses in the actual results. When the debt collection budget amount is removed, the variance is still favourable.
11	Depreciation and amortisation	Savings in depreciation due to revaluations of road and building assets in 2013/14 after the condition survey indicated roads being in a better condition. The road asset write off was mainly budgeted as part of depreciation expense, thus resulting in savings under this category, but an overspend under Net loss/(gains) on disposal/write off of property, infrastructure, plant and equipment.
12	Share of net (loss) of joint operations accounted for by using the equity method	The unfavourable variance is due to the recognition of Council's share of Clayton South Regional Landfill post closure rehabilitation costs.
13	Net gain on disposal/write off of property, infrastructure, plant and equipment	The unfavourable variance is due to lower vehicle resale prices partly resulting from longer changeover periods.
14	Other expenses	The unfavourable variance is mainly due to: unbudgeted Victorian Civil and Administrative Tribunal settlement for a building premise dispute \$0.22 million; written down value of road assets written off as a result of roads replacement program \$0.63 million; and \$0.07 million self reinsurance costs exceeded budget due to unforeseen incidents. The balance of this variance relates to a number of minor over expenditure in a number of service units.



# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 2 Budget comparison (cont.)

	<b>Budget 2015 \$'000</b>	<b>Actual 2015 \$'000</b>	<b>Variance 2015 \$'000</b>	<b>Ref</b>
<b>b) Capital Works</b>				
<b>Property</b>				
Land	–	1,188	1,188	1
Land improvements	4,840	5,973	1,133	2
<b>Total Land</b>	<b>4,840</b>	<b>7,161</b>	<b>2,321</b>	
Buildings	14,476	6,889	(7,587)	3
<b>Total Buildings</b>	<b>14,476</b>	<b>6,889</b>	<b>(7,587)</b>	
<b>Total Property</b>	<b>19,316</b>	<b>14,050</b>	<b>(5,266)</b>	
<b>Plant and Equipment</b>				
Heritage assets – arts and antiques	290	645	355	4
Plant, machinery and equipment	1,917	2,027	110	
Fixtures, fittings and furniture	748	888	140	5
Computers and telecommunications	1,060	748	(312)	6
Library books	923	908	(15)	
<b>Total Plant and Equipment</b>	<b>4,938</b>	<b>5,216</b>	<b>278</b>	
<b>Infrastructure</b>				
Roads	7,434	4,533	(2,901)	7
Bridges	339	316	(23)	
Drainage	2,391	2,290	(101)	
Road extras	2,010	1,430	(580)	8
<b>Total Infrastructure</b>	<b>12,174</b>	<b>8,569</b>	<b>(3,605)</b>	
<b>Intangible Assets</b>				
Intangible assets	860	1,101	241	9
<b>Total Capital Works Expenditure</b>	<b>37,288</b>	<b>28,936</b>	<b>(8,352)</b>	
<b>Represented by:</b>				
New asset expenditure	8,621	2,352	(6,269)	10
Asset renewal expenditure	21,417	21,961	544	11
Asset expansion expenditure	4,237	817	(3,420)	12
Asset upgrade expenditure	3,013	3,806	793	13
<b>Total Capital Works Expenditure</b>	<b>37,288</b>	<b>28,936</b>	<b>(8,352)</b>	

# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 2 Budget comparison (cont.)

## (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Council acquired land at 39 Carters Avenue, Toorak, for open space enhancement during the year that is funded from open space reserve but unbudgeted.
2	Land improvements	One project from 2013/14 was completed this year and there was a transfer of asset class for Chapel St Masterplan worth \$2.0 million from Roads to Land improvements. Some of the projects were not completed and were carried over to 2015/16, mainly Dunlop Pavilion and Toorak Park lighting.
3	Buildings	Capital works carried forward into 2015/16: Civic Centre precinct refurbishment at 311-313 Glenferrie Road \$5.37 million due to the legal disputes and other unexpected delays; Harold Holt dive tower project has been delayed due to ongoing project scope and design works consultation \$0.60 million; Harold Holt water system treatment and pool tiling was delayed to meet the specific requirements of Council \$0.40 million.
4	Heritage assets – arts and antiques	Carryover budget of \$0.22 million from 2013/14 was spent this year and expenses worth \$0.09 million were reclassified from different asset classes to arts and antiques compared to budget.
5	Fixtures, fittings and furniture	Various expenditure was transferred from other asset classes to fixtures and fittings, as the nature of expense met the criteria under this asset class. Flooding at Toorak South Yarra library also resulted in unbudgeted additional expenditure in this asset class.
6	Computers and telecommunications	Network printer and server expenditure for the Civic Centre project was delayed, causing a project carryover of \$0.12 million to 2015/16. Expenditure reclassification to a different asset class of \$0.08 million and to operating expenditure \$0.04 million also occurred. A saving of \$0.07 million was also made due to better pricing and management of projects.
7	Roads	Some of the expenditure of \$2.0 million was reclassified from roads to land improvements and expense worth \$0.25 million budgeted under roads asset class was transferred to operating expense.
8	Road extras	Expenditure worth \$0.27 million was transferred to operating expenditure due to the nature of the expense. Expenses worth \$0.24 million was reclassified to bridges in line with the nature of expenditure.
9	Intangible assets	Some of the expense was reclassified from office equipment to intangibles and the project for website redevelopment \$0.23 million was initially budgeted as an operating initiative and transferred to intangibles due to nature of expense.

# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 2 Budget comparison (cont.)

(i) Explanation of material variations (cont.)

Variance Ref	Item	Explanation
10	New asset expenditure	Council had carryover budget of \$5.37 million for the new Civic Centre project, which was unfinished works. This will be spent in 2015/16.
11	Asset renewal expenditure	Minor variance from budget.
12	Asset expansion expenditure	Capital works budget carried forward to 2015/16 of \$2.96 million: Harold Holt expansion works \$1.21 million; Dunlop Pavilion re-development \$0.98 million; Toorak Park lighting \$0.40 million; and Chapel off Chapel refurbishment \$0.37 million. Some of the expenditure was re-classified to asset upgrades.
13	Asset upgrade expenditure	Some projects were re-classified from asset expansion between budget stage and actual expenditure, mainly due to the nature of works.

## Note 3 Rates and charges

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
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 2014/2015 was \$62.569 billion (2013/2014, \$59.107 billion). The 2014/2015 rate in the CIV dollar was 0.0012025 (2013/2014, 0.001191).				
General rates	73,808	69,351	73,808	69,351
Cultural and recreational	93	85	93	85
Service rates and charges	16,988	15,823	16,988	15,823
Special rates and charges	1,426	1,464	1,426	1,464
Supplementary rate and rate adjustments	982	911	982	911
	<b>93,297</b>	<b>87,634</b>	<b>93,297</b>	<b>87,634</b>

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

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 4 Statutory fees and fines

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Infringements and costs	12,647	12,058	12,647	12,058
Court recoveries	2,767	2,495	2,767	2,495
Town planning fees	1,204	1,104	1,204	1,104
Land information certificates	150	149	150	149
Permits	807	1,086	807	1,086
<b>*Total statutory fees and fines</b>	<b>17,575</b>	<b>16,892</b>	<b>17,575</b>	<b>16,892</b>

\* Traffic fines, parking income and building service fees category as presented in the prior year financial statements has been reclassified between statutory fees and user fees income, respectively.

## Note 5 User fees

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Aged and health services	757	767	757	767
Leisure centre and recreation	4,200	4,280	4,200	4,280
Child care/ children's program fees	4,033	3,637	4,033	3,637
Parking	3,931	3,814	3,931	3,814
Registration and other permits	852	773	852	773
Building services fees	2,137	2,037	2,137	2,037
Rental income	6,149	5,952	9,434	8,945
Green fees	1,001	834	1,001	834
Sponsorship	–	13	–	13
Other fees and charges	2,773	2,627	2,773	2,627
<b>*Total user fees</b>	<b>25,833</b>	<b>24,734</b>	<b>29,119</b>	<b>27,727</b>

\* Traffic fines, parking income and building service fees category as presented in the prior year financial statements has been reclassified between statutory fees and user fees income, respectively.



# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 6 Grants

	Council		Consolidated	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000

Grants were received in respect of the following:

### Summary of grants

Commonwealth funded grants	82	89	82	89
State funded grants	10,306	8,510	10,306	8,510
Others	–	134	–	134
<b>Total</b>	<b>10,388</b>	<b>8,733</b>	<b>10,388</b>	<b>8,733</b>

### Operating Grants

#### Recurrent – Commonwealth Government

Adventure Playground	–	62	–	62
Victorian Grants Commission – General	3,200	1,042	3,200	1,042
Victorian Grants Commission – Local roads funding	604	205	604	205

#### Recurrent – State Government

Veteran Affairs – Home Care	191	187	191	187
Aged Care	3,685	3,751	3,685	3,751
School Crossing	170	265	170	265
Libraries	636	625	636	625
Maternal Child Health	515	490	515	490
Community Partnership & Youth Programs	455	257	455	257
Child care & immunisation	409	251	409	251
Municipal Emergency Response	16	15	16	15
Other	–	47	–	47

<b>Total Recurrent operating grants</b>	<b>9,881</b>	<b>7,197</b>	<b>9,881</b>	<b>7,197</b>
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#### Non-recurrent – Commonwealth Government

Other minor grants	9	–	9	–
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#### Non-recurrent – State Government

Community Partnership and Youth Programs	11	–	11	–
Learner to probation L2P	18	–	18	–
Other minor grants	10	–	10	–

<b>Total Non-recurrent operating grants</b>	<b>48</b>	<b>–</b>	<b>48</b>	<b>–</b>
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<b>Total operating grants</b>	<b>9,929</b>	<b>7,197</b>	<b>9,929</b>	<b>7,197</b>
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### Capital Grants

#### Recurrent – Commonwealth Government

Roads to recovery	55	27	55	27
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#### Recurrent – State Government

* HACC – minor capital	50	50	50	50
* Premier Reading Challenge	11	11	11	11

<b>Total recurrent capital grants</b>	<b>116</b>	<b>88</b>	<b>116</b>	<b>88</b>
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\* HACC – minor capital and Premier Reading Challenge grants under recurring capital grants are re-classified from Other minor grants in 2015 compared to prior years.

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 6 Grants (cont.)

	Council		Consolidated	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<i>Non-recurrent – Commonwealth Government</i>				
Heritage assets – arts and antiques	18	–	18	–
<i>Non-recurrent – State Government</i>				
Building	–	600	–	600
Heritage Assets – arts and antiques	22	–	22	–
Land improvements	211	400	211	400
Operating initiatives	90	264	90	264
Other minor grants	2	184	2	184
<i>Total Non-Recurrent Capital Grants</i>	<b>343</b>	<b>1,448</b>	<b>343</b>	<b>1,448</b>
<b>Total Capital Grants</b>	<b>459</b>	<b>1,536</b>	<b>459</b>	<b>1,536</b>
<i>Conditions on Grants</i>				
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	1,064	–	1,064	–
Victorian Grants Commission – Local roads funding	201	–	201	–
Roads to recovery	55	–	55	–
Capital	–	40	–	40
Furniture & equipment	29	–	29	–
Land improvements	–	353	–	353
Operating initiatives	126	159	126	159
	<b>1,475</b>	<b>552</b>	<b>1,475</b>	<b>552</b>
Grants that were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:				
Capital	40	–	40	–
Land improvements	335	–	335	–
Operating initiatives	159	–	159	–
	<b>534</b>	<b>–</b>	<b>534</b>	<b>–</b>
<b>Net increase/(decrease) in restricted assets resulting from grant revenues for the year:</b>	<b>941</b>	<b>552</b>	<b>941</b>	<b>552</b>

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 7 Contributions – monetary

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Open space	9,634	4,988	9,634	4,988
Development contributions	180	61	180	61
Capital works contributions	169	197	169	197
<b>Total contributions – monetary</b>	<b>9,983</b>	<b>5,246</b>	<b>9,983</b>	<b>5,246</b>

## Note 8 Reimbursements

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Council works cost recovery	787	795	787	795
Insurance recovery	771	208	771	208
Fire services property levy administration	74	111	74	111
State Revenue Office – valuation cost recovery	782	106	782	106
<b>Total reimbursements</b>	<b>2,414</b>	<b>1,220</b>	<b>2,414</b>	<b>1,220</b>

## Note 9 Other income

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
*Interest	2,643	2,420	2,668	2,454
Dividends	3	3	3	3
Transport clearway towing	96	72	96	72
Gain in other financial asset – Regional Kitchen	81	8	81	8
Other	903	2,180	978	2,277
<b>Total other income</b>	<b>3,726</b>	<b>4,683</b>	<b>3,826</b>	<b>4,814</b>

\* Interest income was reported separately in prior years' financial statements.

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 10 (a) Employee costs

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Wages and salaries	39,516	37,412	40,259	38,104
WorkCover	526	491	526	491
Casual staff	3,921	4,622	3,921	4,622
Annual leave and long service leave	5,787	5,822	5,787	5,822
Superannuation	4,350	4,005	4,350	4,005
Fringe benefits tax	559	502	559	502
Other	688	743	688	743
<b>Total employee costs</b>	<b>55,347</b>	<b>53,597</b>	<b>56,090</b>	<b>54,289</b>

## Note 10 (b) Superannuation

Council made contributions to the following funds:

### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	612	667	612	667
Employer contributions – other funds	–	–	–	–
	<b>612</b>	<b>667</b>	<b>612</b>	<b>667</b>

### Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,529	3,209	3,588	3,931
Employer contributions – other funds	208	129	208	129
	<b>3,738</b>	<b>3,338</b>	<b>3,797</b>	<b>4,060</b>
Employer contributions payable at reporting date.	–	–	–	–

Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

### Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of earnings (for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/14, this was 9.25%)).

### Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of defined benefit liabilities, assets or costs between the participating employer as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with the other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.



# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 11 Materials and services

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Materials, services and vehicle cost	2,612	3,698	4,491	5,408
Contract payments	19,918	18,435	19,918	18,435
Legal and consulting fees	3,071	3,292	3,071	3,292
Stamp duty on summons and registration searches	1,603	1,589	1,603	1,589
Building maintenance	1,802	1,676	1,802	1,676
General maintenance	385	597	810	996
Operating initiatives projects	4,915	4,222	4,915	4,222
Utilities	3,985	4,080	3,985	4,080
Fire services	154	190	154	190
Office administration	1,781	1,586	1,781	1,586
Insurance	1,312	1,111	1,312	1,111
Tipping fees & waste removal	3,745	3,779	3,745	3,779
Activities & events	2,355	2,122	2,355	2,122
Other	2,857	2,626	2,857	2,626
<b>Total materials and services</b>	<b>50,494</b>	<b>49,003</b>	<b>52,797</b>	<b>51,112</b>

## Note 12 Bad and doubtful debts

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Other debtors	11	54	11	54
<b>Total bad and doubtful debts</b>	<b>11</b>	<b>54</b>	<b>11</b>	<b>54</b>

Bad and doubtful debts was classified as other expenses in prior years' financial statements.

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 13 Depreciation and amortisation

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Land improvements	2,032	1,556	2,032	1,556
Buildings	4,525	4,874	4,693	5,022
Heritage indoor assets	90	17	90	17
Plant and equipment	2,192	2,049	2,304	2,159
Leased plant, motor vehicle and equipment	202	315	202	315
Library books	816	821	816	821
Infrastructure	7,465	8,768	7,465	8,768
Intangible assets	725	583	728	585
<b>Total depreciation and amortisation</b>	<b>18,047</b>	<b>18,983</b>	<b>18,330</b>	<b>19,243</b>

Refer to Notes 21 and 23 for a more detailed breakdown of depreciation and amortisation charges.

## Note 14 Borrowing costs

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Interest – borrowings	562	529	562	529
Interest – finance leases	62	2	62	2
<b>Total borrowing costs</b>	<b>624</b>	<b>531</b>	<b>624</b>	<b>531</b>

## Note 15 Other expenses

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Auditors' remuneration – VAGO – audit of the financial statement, performance statement and grant acquittals	66	60	80	74
Auditors' remuneration – Internal	120	125	120	125
Councillors' allowances	336	333	336	333
*Operating lease rentals	345	263	345	263
Sundry other	759	490	759	505
<b>Total other expenses</b>	<b>1,626</b>	<b>1,271</b>	<b>1,640</b>	<b>1,300</b>

\*Operating lease rentals was classified as materials and services in prior years' financial statements.

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 16 Investments in joint arrangements and subsidiaries

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>(a) Investment in joint operation</b>				
<b>Regional Landfill Clayton South</b>				
<b>Background</b>				
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 joint operation based on 2015 unaudited accounts (2014 unaudited accounts).				
<b>Council's share of accumulated surplus/(deficit)</b>				
Council's share of accumulated surplus/(deficit) at start of year	37	852	37	852
Reported deficit for year	(48)	(815)	(48)	(815)
Share of site rehabilitation liability 2014 transferred to Non-current liabilities	383	–	383	–
<b>Council's share of accumulated surplus/(deficit) at end of year</b>	<b>373</b>	<b>37</b>	<b>373</b>	<b>37</b>
<b>Council's share of reserves</b>				
Council's share of reserves at start of year	–	79	–	79
*Share of asset revaluation decrement	–	(79)	–	(79)
<b>Council's share of reserves at end of year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Movement in carrying value of specific investment</b>				
Carrying value of investment at start of year	1,234	2,128	1,234	2,128
Share of surplus/(deficit) for year	(48)	(815)	(48)	(815)
Share of asset revaluation decrement	–	(79)	–	(79)
Share of site rehabilitation liability 2014 transferred to Non-current liabilities	383	–	383	–
<b>Carrying value of investment at end of year</b>	<b>1,570</b>	<b>1,234</b>	<b>1,570</b>	<b>1,234</b>
<b>Council's share of expenditure liabilities</b>				
Site rehabilitation cost	2,027	–	2,027	–

The landfill will be at capacity by late 2015 calendar year and will then be closed, with rehabilitation to follow in accordance with EPA requirements. An assessment of the post closure aftercare management costs for the landfill was undertaken by Golder Associates Pty Ltd civil/geotechnical and environmental consultants in June 2015 for the purposes of updating the Clayton Landfill rehabilitation provision. The resultant provision for rehabilitation within the Regional Landfill Clayton 2015 unaudited accounts of \$15.9 million (\$3.0 million, 2014) now reflects the latest present value of the estimated costs for capping of the landfill cells over the next two years, installation of additional gas extraction infrastructure, and then 'aftercare' costs (active monitoring and site management) for a 30 year period. The Landfill joint operation will, in the future, be dependent on the participating councils for funding contributions to meet its rehabilitation obligations. As such, Council's share of the joint operation's provision is recorded in the balance sheet as a Non-current liability – Other liabilities \$2.0 million (2014, \$0.4 million reduction to Investment in joint operation) and an expense, Share of net loss of joint operation accounted for by the equity method, in the Comprehensive Income Statement.

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 16 Investments in joint arrangements and subsidiaries (cont.)

### Significant restrictions

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

\*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 2015 is \$2.30 million (\$2.30 million, 2014) and infrastructure assets as at 30 June 2015 is valued at \$0.60 million (\$0.60 million, 2014).

### (b) Subsidiaries

#### 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 2015 unaudited financial statements are included in Council's consolidated financial accounts, as follows:

#### Summarised financial information

Summarised statement of comprehensive income

	2015 \$'000	2014 \$'000
Total income	4,716	4,427
Total expenses	4,681	4,393
<b>Surplus for the year</b>	<b>35</b>	<b>34</b>

#### Summarised balance sheet

Current assets	1,782	1,468
Non-current assets	5,318	5,551
<b>Total assets</b>	<b>7,100</b>	<b>7,019</b>
Current liabilities	272	232
Non-current liabilities	140	134
<b>Total liabilities</b>	<b>412</b>	<b>366</b>
<b>Net Assets</b>	<b>6,688</b>	<b>6,653</b>

#### Summarised statement of cash flows

Net cash provided by/(used in) operating activities	598	(723)
Net cash provided by/(used in) investing activities	(57)	(1,334)
Net cash provided by/(used in) financing activities	(6)	–
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>535</b>	<b>(2,057)</b>



# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 17 Cash and cash equivalents

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash on hand	10	11	11	12
Cash at bank	1,630	6,624	2,680	7,138
Term Deposits (90 days or less)	64,423	26,230	64,423	26,230
	<b>66,063</b>	<b>32,865</b>	<b>67,114</b>	<b>33,380</b>

Council's cash and term deposits are subject to external restrictions that limit amounts available for discretionary use.

These include:

– Trust funds and deposits (note 25)	3,239	3,347	3,239	3,347
– Statutory reserve funds (note 29 (b))	38,346	29,109	38,346	29,109
<b>*Total restricted funds</b>	<b>41,585</b>	<b>32,456</b>	<b>41,585</b>	<b>32,456</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>24,478</b>	<b>409</b>	<b>25,529</b>	<b>924</b>

### Intended allocations

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

– Cash held to fund carried forward capital works	9,498	6,527	9,498	6,527
– Employee Leave Entitlement Reserves (note 26)	15,021	14,763	15,122	14,857
– Future fund held for future strategic property purchase (note 29 (b))	9,029	5,727	9,029	5,727
– Infrastructure reserve fund held for future road damage reinstatement (note 29 (b))	292	270	292	270
– Conditional grants unspent (note 6)	1,475	552	1,475	552
<b>*Total funds subject to intended allocations</b>	<b>35,316</b>	<b>27,839</b>	<b>35,416</b>	<b>27,933</b>

\* Total externally restricted funds and intended allocations amounts are funded by the cash and cash equivalents above and by other financial assets – current (\$22 million, 2015; \$35 million, 2014) (note 19).

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 18 Trade and other receivables

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current</b>				
Rates debtors	2,300	2,121	2,300	2,122
Special rate assessment	37	46	37	46
Parking infringement debtors	13,661	14,867	13,661	14,867
Provision for doubtful debts – parking infringements	(9,681)	(11,247)	(9,681)	(11,247)
Other debtors	1,052	972	1,649	1,802
Provision for doubtful debts – other debtors	(100)	(100)	(100)	(100)
Net GST receivable	1,674	1,317	1,674	1,317
<b>Total trade and other receivables</b>	<b>8,943</b>	<b>7,975</b>	<b>9,540</b>	<b>8,807</b>

### (a) Ageing of 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 the Council's trade & other receivables (excluding statutory receivables) was:

Current (not yet due)	764	549	1,215	1,298
Past due by up to 30 days	31	101	112	145
Past due between 31 and 180 days	83	62	147	99
Past due between 181 and 365 days	62	0	62	0
Past due by more than 1 year	12	160	12	160
<b>Total trade &amp; other receivables</b>	<b>952</b>	<b>872</b>	<b>1,549</b>	<b>1,702</b>

### (b) Movement in provisions for doubtful debts

Balance at the beginning of the year	11,347	11,041	11,347	11,041
New provisions recognised during the year	11	8	11	8
Amounts already provided for and written off as uncollectible	(11)	(8)	(11)	(8)
Amounts provided for but recovered during the year	(1,566)	306	(1,566)	306
<b>Balance at end of year</b>	<b>9,781</b>	<b>11,347</b>	<b>9,781</b>	<b>11,347</b>

### (c) Ageing of individually impaired Receivables

At balance date there were no other debtors representing financial assets that were impaired (Nil, 2014).

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 19 Other financial assets

	Council		Consolidated	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Term Deposits (note 1(j))	22,000	35,000	22,000	35,000
<b>Non-current</b>				
Shares in Prahran Market – At Cost	2,000	2,000	–	–
Shares in Regional Kitchen Pty Ltd – Fair Value	1,390	1,309	1,390	1,309
MAPS Shareholding – At Cost	15	15	15	15
<b>Total non-current other financial assets</b>	<b>3,405</b>	<b>3,324</b>	<b>1,405</b>	<b>1,324</b>
<b>Total other financial assets</b>	<b>25,405</b>	<b>38,324</b>	<b>23,405</b>	<b>36,324</b>

## Note 20 Other assets

	Council		Consolidated	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Accrued income	813	950	818	952
Prepayments	441	201	451	201
Other	92	125	92	125
<b>Total other assets</b>	<b>1,346</b>	<b>1,276</b>	<b>1,361</b>	<b>1,278</b>

## Note 21 Property, infrastructure, plant and equipment

	Council		Consolidated	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Summary</b>				
Land and Buildings	1,724,740	1,544,057	1,729,473	1,548,956
Plant and Equipment	20,272	15,708	20,815	16,314
Infrastructure	273,551	272,818	273,551	272,818
<b>Total property, infrastructure, plant and equipment</b>	<b>2,018,563</b>	<b>1,832,583</b>	<b>2,023,839</b>	<b>1,838,088</b>

# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont.)

## Council

	Land – specialised	Land – non specialised	Land improvements	Total Land
(a) Land and Buildings	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014	1,219,685	94,545	60,374	1,374,604
Accumulated depreciation at 1 July 2014	–	–	(13,766)	(13,766)
	1,219,685	94,545	46,608	1,360,838

## Movements in fair value

Acquisition of assets at fair value	4,674	–	–	4,674
Revaluation increments	158,400	13,648	–	172,048
Fair value of assets disposed/written off	–	–	–	–
Transfers to assets from WIP and re-classification of assets	540	–	6,647	7,187
	163,614	13,648	6,647	183,909

## Movements in accumulated depreciation

Depreciation and amortisation	–	–	2,032	2,032
Accumulated depreciation of disposals	–	–	–	–
Transfers	–	–	–	–
	–	–	2,032	2,032
At fair value 30 June 2015	1,383,299	108,193	67,021	1,558,513
Accumulated depreciation at 30 June 2015	–	–	(15,798)	(15,798)
	1,383,299	108,193	51,223	1,542,715



<b>Heritage Buildings</b>	<b>Buildings – specialised</b>	<b>Buildings – non specialised</b>	<b>Total Buildings</b>	<b>Work In Progress</b>	<b>Total Property</b>
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
69,340	87,776	15,490	172,606	10,613	1,557,823
–	–	–	–	–	(13,766)
<b>69,340</b>	<b>87,776</b>	<b>15,490</b>	<b>172,606</b>	<b>10,613</b>	<b>1,544,057</b>
–	–	–	–	9,375	14,049
–	–	–	–	–	172,048
–	–	–	–	–	–
1,880	7,604	1,095	10,579	(16,623)	1,143
<b>1,880</b>	<b>7,604</b>	<b>1,095</b>	<b>10,579</b>	<b>(7,248)</b>	<b>187,240</b>
413	3,079	1,033	4,525	–	6,557
–	–	–	–	–	–
–	–	–	–	–	–
<b>413</b>	<b>3,079</b>	<b>1,033</b>	<b>4,525</b>	<b>–</b>	<b>6,557</b>
71,220	95,380	16,585	183,185	3,365	1,745,063
(413)	(3,079)	(1,033)	(4,525)	–	(20,323)
<b>70,807</b>	<b>92,301</b>	<b>15,552</b>	<b>178,660</b>	<b>3,365</b>	<b>1,724,740</b>

# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont.)

## Council

	*Heritage Assets – Arts and Antiques	Plant machinery and equipment	Leased Plant, Motor Vehicles & Equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Total plant and equipment
(b) Plant and Equipment	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014	2,242	17,235	776	6,252	6,193	17,166	49,864
Accumulated depreciation at 1 July 2014	(1,039)	(9,106)	(53)	(4,152)	(5,337)	(14,469)	(34,156)
	1,203	8,129	723	2,100	856	2,697	15,708
<b>Movements in fair value</b>							
Acquisition of assets at fair value	645	2,028	–	888	748	908	5,216
Revaluation increments	(196)	–	–	–	–	–	(196)
Fair value of assets disposed/written off	–	(775)	–	–	(1,096)	–	(1,871)
Found assets	2,139	–	–	–	–	–	2,139
Transfers	–	–	–	–	–	–	–
	2,589	1,252	–	888	(348)	908	5,289
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	90	1,351	228	409	432	816	3,326
Accumulated depreciation of disposals	–	(384)	–	–	(1,087)	–	(1,471)
Revaluation movement	(1,129)	–	–	–	–	–	(1,129)
	(1,039)	967	228	409	(655)	816	725
At fair value 30 June 2015	4,831	18,487	776	7,140	5,845	18,074	55,153
Accumulated depreciation at 30 June 2015	–	(10,073)	(281)	(4,561)	(4,682)	(15,285)	(34,881)
	4,831	8,414	495	2,579	1,163	2,789	20,272

\* Fair value for Heritage assets – arts and antiques as at 1 July 2014 has been reinstated by the value of found assets of \$2.14 million. Refer valuation basis notes for valuation of Heritage assets – arts and antiques.

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Council

	Roads	Bridges	Drainage	Road Extras	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(c) Infrastructure</b>						
At fair value 1 July 2014	331,997	4,177	127,443	35,046	416	499,079
Accumulated depreciation at 1 July 2014	(146,981)	(1,789)	(62,223)	(15,268)	–	(226,261)
	<b>185,016</b>	<b>2,388</b>	<b>65,220</b>	<b>19,778</b>	<b>416</b>	<b>272,818</b>
<b>Movements in fair value</b>						
Acquisition of assets at fair value	–	–	–	–	8,570	8,570
Revaluation increments	–	–	–	(9,669)	–	(9,669)
Fair value of assets disposed/written off	(1,682)	–	–	–	–	(1,682)
Transfers to assets from WIP and re-classification of assets	4,637	316	2,290	1,430	(8,673)	–
	<b>2,955</b>	<b>316</b>	<b>2,290</b>	<b>(8,239)</b>	<b>(104)</b>	<b>(2,781)</b>
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	3,981	63	1,591	1,829	–	7,465
Revaluation movement	–	–	–	(9,929)	–	(9,929)
Accumulated depreciation of disposals	(1,053)	–	–	–	–	(1,053)
Transfers	–	–	–	–	–	–
	<b>2,928</b>	<b>63</b>	<b>1,591</b>	<b>(8,100)</b>	<b>–</b>	<b>(3,518)</b>
At fair value 30 June 2015	334,948	4,493	129,733	26,807	312	496,294
Accumulated depreciation at 30 June 2015	(149,910)	(1,852)	(63,814)	(7,168)	–	(222,743)
	<b>185,039</b>	<b>2,641</b>	<b>65,919</b>	<b>19,639</b>	<b>312</b>	<b>273,551</b>

# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont.)

## Consolidated

	Land – specialised	Land – non specialised	Land improvements	Total Land
(a) Land and Buildings	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014	1,219,685	94,545	60,374	1,374,604
Accumulated depreciation at 1 July 2014	–	–	(13,766)	(13,766)
	1,219,685	94,545	46,608	1,360,838

## Movements in fair value

Acquisition of assets at fair value	4,674	–	–	4,674
Revaluation increments	158,400	13,648	–	172,048
Fair value of assets disposed/written off	–	–	–	–
Transfers to assets from WIP and re-classification of assets	540	–	6,647	7,187
	163,614	13,648	6,647	183,909

## Movements in accumulated depreciation

Depreciation and amortisation	–	–	2,032	2,032
Accumulated depreciation of disposals	–	–	–	–
Transfers	–	–	–	–
	–	–	2,032	2,032
At fair value 30 June 2015	1,383,299	108,193	67,021	1,558,513
Accumulated depreciation at 30 June 2015	–	–	(15,798)	(15,798)
	1,383,299	108,193	51,223	1,542,715

<b>Heritage Buildings</b>	<b>Buildings – specialised</b>	<b>Buildings – non specialised</b>	<b>Total Buildings</b>	<b>Work In Progress</b>	<b>Total Property</b>
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
75,426	87,776	15,490	178,692	10,613	1,563,909
(1,187)	–	–	(1,187)	–	(14,953)
<b>74,239</b>	<b>87,776</b>	<b>15,490</b>	<b>177,505</b>	<b>10,613</b>	<b>1,548,956</b>
–	–	–	–	9,375	14,049
–	–	–	–	–	172,048
–	–	–	–	–	–
1,880	7,604	1,095	10,579	(16,623)	1,143
<b>1,880</b>	<b>7,604</b>	<b>1,095</b>	<b>10,579</b>	<b>(7,248)</b>	<b>187,240</b>
581	3,079	1,033	4,693	–	6,725
–	–	–	–	–	–
–	–	–	–	–	–
<b>581</b>	<b>3,079</b>	<b>1,033</b>	<b>4,693</b>	<b>–</b>	<b>6,725</b>
77,306	95,380	16,585	189,271	3,365	1,751,149
(1,768)	(3,079)	(1,033)	(5,880)	–	(21,676)
<b>75,538</b>	<b>92,301</b>	<b>15,552</b>	<b>183,391</b>	<b>3,365</b>	<b>1,729,473</b>



# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont.)

## Consolidated

	*Heritage Assets – Arts and Antiques	Plant machinery and equipment	Leased Plant, Motor Vehicles & Equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Total plant and equipment
(b) Plant and Equipment	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014	2,242	18,346	776	6,397	6,400	17,166	51,326
Accumulated depreciation at 1 July 2014	(1,039)	(9,726)	(53)	(4,288)	(5,437)	(14,469)	(35,012)
	1,203	8,619	723	2,109	963	2,697	16,314
<b>Movements in fair value</b>							
Acquisition of assets at fair value	645	2,041	–	888	740	908	5,222
Revaluation increments	(196)	–	–	–	–	–	(196)
Fair value of assets disposed/written off	–	(775)	–	–	(1,096)	–	(1,871)
Found assets	2,139	–	–	–	–	–	2,139
Transfers	–	–	–	–	–	–	–
	2,589	1,266	–	888	(356)	908	5,295
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	90	1,463	228	416	449	816	3,462
Accumulated depreciation of disposals	–	(451)	–	–	(1,087)	–	(1,538)
Revaluation movement	(1,129)	–	–	–	–	–	(1,129)
	(1,039)	1,012	228	416	(638)	816	795
At fair value 30 June 2015	4,831	19,612	776	7,285	6,044	18,074	56,622
Accumulated depreciation at 30 June 2015	–	(10,739)	(281)	(4,704)	(4,798)	(15,285)	(35,807)
	4,831	8,873	495	2,581	1,245	2,789	20,815

\* Fair value for Heritage assets – arts and antiques as at 1 July 2014 has been reinstated by the value of found assets of \$2.14 million. Refer valuation basis notes for valuation of Heritage assets – arts and antiques.

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Consolidated

	Roads	Bridges	Drainage	Road Extras	Work In Progress	Total Infrastructure
(c) Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014	331,997	4,177	127,443	35,046	416	499,079
Accumulated depreciation at 1 July 2014	(146,981)	(1,789)	(62,223)	(15,268)	–	(226,261)
	185,016	2,388	65,220	19,778	416	272,818
<b>Movements in fair value</b>						
Acquisition of assets at fair value	–	–	–	–	8,570	8,570
Revaluation increments	–	–	–	(9,669)	–	(9,669)
Fair value of assets disposed/written off	(1,682)	–	–	–	–	(1,682)
Transfers to assets from WIP and re-classification of assets	4,637	316	2,290	1,430	(8,673)	–
	2,955	316	2,290	(8,239)	(104)	(2,781)
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	3,981	63	1,592	1,829	–	7,465
Accumulated depreciation of disposals	(1,053)	–	–	–	–	(1,053)
Revaluation movement	–	–	–	(9,929)	–	(9,929)
	2,928	63	1,592	(8,100)	–	(3,517)
At fair value 30 June 2015	334,948	4,493	129,733	26,807	312	496,294
Accumulated depreciation at 30 June 2015	(149,909)	(1,852)	(63,814)	(7,168)	–	(222,743)
	185,039	2,641	65,919	19,639	312	273,551

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 21 Property, infrastructure, plant and equipment (cont.)

### Valuation Basis

#### Valuation of Land & Buildings

Full valuation of land and buildings were undertaken by a qualified valuer on 30 June 2014 Mr P. Fitzgerald AAPI CPV. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land – non specialised	–	108,193	–
Land – specialised	–	–	927,459
Land under roads	–	–	455,840
Land Improvements	–	–	51,223
Buildings – non specialised	–	15,552	–
Buildings – specialised	–	–	163,108
<b>Total</b>	<b>–</b>	<b>123,745</b>	<b>1,597,630</b>

#### Valuation of infrastructure

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.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	–	–	185,039
Bridges	–	–	2,641
Drainage	–	–	65,919
Road Extras	–	–	19,639
<b>Total</b>	<b>–</b>	<b>–</b>	<b>273,238</b>

No transfers between levels occurred during the year.

# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont.)

## Valuation Basis (cont.)

### \*Valuation of Heritage assets – Arts and antiques

Council underwent a valuation of artworks, antiques and public artworks in accordance with AASB 113 – Fair value measurement in 2015. The value of these assets are determined in accordance with an independent valuation undertaken by McWilliam Associates, Colin Mc William (Registered Valuer No: 384) on council's fine arts, public sculptures and other artworks and by Peter Tinslay (Registered Valuer No: 613) on council's historical assets. Council recorded found assets of \$2.139 million (added to the 2013/14 balance) as a result of the valuation. Input data for the valuation was derived from values of like or similar material found by research of records of Australian and international sales, purchases and other forms of acquisition, knowledge of prices paid by other institutions and valuation experience of other Council's Collections.

### Description of significant unobservable inputs into level 3

*Specialised land and land under roads* is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$710 and \$5,400 per square metre. The median sale prices were analysed over the past 12 months and appropriate indexation factor was applied to each property to reflect the accurate carrying value of the specialised land and land under road assets on Council books.

*Specialised buildings* are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$950 to \$8,250 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 50 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

*Infrastructure assets* are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. Current replacement costs is calculated on a cost per unit per linear metre basis and ranges from \$18 to \$500 per linear metre. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2015 \$'000	2014 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	455,840	399,100
Land & Land Improvements	978,682	867,193
<b>Total specialised land</b>	<b>1,434,522</b>	<b>1,266,293</b>

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 22 Investment property

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at beginning of the financial year	6,650	6,750	6,650	6,750
Transfer to land and building – non specialised	(1,142)	–	(1,142)	–
Movement in fair value from revaluation	242	(100)	242	(100)
<b>Balance at end of financial year</b>	<b>5,750</b>	<b>6,650</b>	<b>5,750</b>	<b>6,650</b>

### Valuation of investment property

Valuation of investment property has been determined annually by Council Valuers. Malvern City Square, is held to generate long-term rental yields. All tenant leases are on arm's length basis. Investment property is carried at fair value being \$5.75 million (\$6.65 million, 2014).

A portion of the investment property (Shop No 2, 1121 High St) is now to be occupied by Council and the amount of \$1.14 million has been transferred from investment property to specialised land and buildings.

## Note 23 Intangible assets

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Software	9,434	8,333	9,434	8,333
Tenant lease incentives	–	–	45	46
<b>Total intangible assets</b>	<b>9,434</b>	<b>8,333</b>	<b>9,479</b>	<b>8,379</b>

Council	Software \$'000	Total \$'000
<b>Gross carrying amount</b>		
Balance at 1 July 2013	7,320	7,320
Acquisition of assets at fair value	876	876
Work in progress	137	137
<b>Balance at 1 July 2014</b>	<b>8,333</b>	<b>8,333</b>
Acquisition of assets at fair value	718	718
Work in progress	383	383
<b>Balance at 30 June 2015</b>	<b>9,434</b>	<b>9,434</b>
<b>Accumulated amortisation and impairment</b>		
Balance at 1 July 2013	(5,798)	(5,798)
Amortisation expense	(583)	(583)
<b>Balance at 1 July 2014</b>	<b>(6,381)</b>	<b>(6,381)</b>
Amortisation expense	(725)	(725)
<b>Balance at 30 June 2015</b>	<b>(7,106)</b>	<b>(7,106)</b>
<b>Net book value at 30 June 2014</b>	<b>1,952</b>	<b>1,952</b>
<b>Net book value at 30 June 2015</b>	<b>2,327</b>	<b>2,327</b>



# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 23 Intangible assets (cont.)

Consolidated	Tenant Lease		Total
	Software \$'000	Incentives \$'000	
<b>Gross carrying amount</b>			
Balance at 1 July 2013	7,320	40	7,360
Acquisition of assets at fair value	876	7	883
Work in progress	137	–	137
<b>Balance at 1 July 2014</b>	<b>8,333</b>	<b>47</b>	<b>8,380</b>
Acquisition of assets at fair value	718	–	718
Works in progress	383	(2)	381
<b>Balance at 30 June 2015</b>	<b>9,434</b>	<b>45</b>	<b>9,479</b>
<b>Accumulated amortisation and impairment</b>			
Balance at 1 July 2013	(5,798)	(2)	(5,800)
Amortisation expense	(583)	–	(583)
<b>Balance at 1 July 2014</b>	<b>(6,381)</b>	<b>(2)</b>	<b>(6,383)</b>
Amortisation expense	(725)	(1)	(726)
<b>Balance at 30 June 2015</b>	<b>(7,106)</b>	<b>(3)</b>	<b>(7,109)</b>
<b>Net book value at 30 June 2014</b>	<b>1,952</b>	<b>46</b>	<b>1,998</b>
<b>Net book value at 30 June 2015</b>	<b>2,327</b>	<b>43</b>	<b>2,370</b>

## Note 24 Trade and other payables

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade payables	10,851	8,579	11,008	8,697
Accrued expenses	6,187	8,550	6,223	8,584
Other	747	619	747	619
<b>Total trade and other payables</b>	<b>17,785</b>	<b>17,748</b>	<b>17,979</b>	<b>17,900</b>

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 25 Trust funds and deposits

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Refundable building deposits	17	28	17	28
Refundable contract deposits	613	641	613	641
Fire Service Property Levy	570	504	570	504
Retention amounts	537	768	537	768
Other refundable deposits	1,502	1,406	1,502	1,406
<b>Total trust funds and deposits</b>	<b>3,239</b>	<b>3,347</b>	<b>3,239</b>	<b>3,347</b>

### Purpose and nature of items

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

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

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

## Note 26 Provisions

	Annual leave \$ '000	Long service leave \$ '000	Gratuity \$ '000	Time in lieu /Accrued day off \$ '000	Total \$ '000
<b>2015 Council</b>					
Balance at beginning of the financial year	4,070	10,151	146	396	14,763
Additional provisions made	3,040	664	10	915	4,629
Amounts used	(2,893)	(562)	(5)	(911)	(4,371)
<b>Balance at the end of the financial year</b>	<b>4,217</b>	<b>10,253</b>	<b>151</b>	<b>400</b>	<b>15,021</b>
<b>2015 Consolidated</b>					
Balance at beginning of the financial year	4,138	10,177	146	396	14,857
Additional provisions made	3,063	676	10	915	4,664
Amounts used	(2,921)	(562)	(5)	(911)	(4,399)
<b>Balance at the end of the financial year</b>	<b>4,280</b>	<b>10,290</b>	<b>151</b>	<b>400</b>	<b>15,122</b>

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 26 Provisions (cont.)

	Council		Consolidated	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>(a) Employee benefits</b>				
<b>Current provisions expected to be settled within 12 months</b>				
Annual leave	2,311	3,128	2,374	3,166
Long service leave	229	130	244	131
Time in lieu	62	68	62	68
Accrued day off	338	328	338	328
	<b>2,940</b>	<b>3,654</b>	<b>3,018</b>	<b>3,693</b>
<b>Current provisions expected to be settled after 12 months</b>				
Annual leave	1,906	942	1,906	972
Long service leave	8,620	8,368	8,620	8,382
	<b>10,526</b>	<b>9,310</b>	<b>10,526</b>	<b>9,354</b>
<b>Non-current</b>				
Long service leave	1,404	1,653	1,427	1,664
Retirement gratuity	151	146	151	146
	<b>1,555</b>	<b>1,799</b>	<b>1,578</b>	<b>1,810</b>
Aggregate carrying amount of employee benefits:				
Current	13,466	12,964	13,544	13,047
Non-current	1,555	1,799	1,578	1,810
<b>Total employee benefits</b>	<b>15,021</b>	<b>14,763</b>	<b>15,122</b>	<b>14,857</b>
The following assumptions were adopted in measuring the present value of long service leave and retiring gratuity:				
Weighted average increase in employee costs	3.03%	3.72%	3.03%	3.72%
Weighted average discount rates	1.96%	2.53%	1.96%	2.53%
Weighted average settlement period	14 years	14 years	14 years	14 years
<b>(b) Insurance Excess Provision</b>				
<b>Current</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>Aggregate carrying amount of total provision:</b>				
Current	13,666	13,164	13,744	13,247
Non-current	1,555	1,799	1,578	1,810
<b>Total provisions</b>	<b>15,221</b>	<b>14,963</b>	<b>15,322</b>	<b>15,057</b>

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 27 Interest-bearing loans and borrowings

	Council		Consolidated	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Finance leases	109	268	109	268
Borrowings – secured	1,872	2,118	1,872	2,118
	<b>1,981</b>	<b>2,386</b>	<b>1,981</b>	<b>2,386</b>

<b>Non-current</b>				
Finance leases	387	466	387	466
Borrowings – secured	10,897	12,769	10,897	12,769
	<b>11,284</b>	<b>13,235</b>	<b>11,284</b>	<b>13,235</b>
<b>Total</b>	<b>13,265</b>	<b>15,621</b>	<b>13,265</b>	<b>15,621</b>

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

Not later than one year	1,872	2,118	1,872	2,118
Later than one year and not later than five years	6,397	769	6,397	769
Later than five years	4,500	12,000	4,500	12,000
	<b>12,769</b>	<b>14,887</b>	<b>12,769</b>	<b>14,887</b>

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

Not later than one year	109	267	109	267
Later than one year and not later than five years	405	539	405	539
Later than five years	–	–	–	–
<b>Minimum lease payments</b>	<b>514</b>	<b>806</b>	<b>514</b>	<b>806</b>
Less: Future finance charges	(18)	(72)	(18)	(72)
<b>Present value of minimum lease payments</b>	<b>496</b>	<b>734</b>	<b>496</b>	<b>734</b>

### Finance leases

Council's obligations under finance leases is for the lease of plant and equipment (the sum of which was recognised as a liability after deduction of future lease finance charges included in the obligations).

Represented by:

### Current

Leases	68	268	68	268
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### Non-current

Leases	428	466	428	466
<b>Total</b>	<b>496</b>	<b>734</b>	<b>496</b>	<b>734</b>

c) Aggregate carrying amount of interest-bearing loans and borrowings:

Current	1,981	2,386	1,981	2,386
Non-current	11,284	13,235	11,284	13,235
	<b>13,265</b>	<b>15,621</b>	<b>13,265</b>	<b>15,621</b>

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 28 Net gain/(loss) on disposal/write off of property, infrastructure, plant and equipment

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Proceeds from sales	308	1,018	321	1,018
Written down value of assets disposed/written off	1,030	569	1,050	569
<b>Total net (loss)/gain on disposal/write off of property, infrastructure, plant and equipment</b>	<b>(722)</b>	<b>449</b>	<b>(729)</b>	<b>449</b>

## Note 29 Reserves

	Balance at beginning of financial year \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation by joint operation	Balance at end of financial year \$'000
<b>(a) Asset revaluation reserves</b>				
<b>2015</b>				
<b>Property</b>				
Land	545,240	115,308	–	660,548
Land under roads	18,510	56,740	–	75,250
Land improvements	4,821	–	–	4,821
Buildings	174,697	–	–	174,697
Heritage buildings	19,198	–	–	19,198
	<b>762,466</b>	<b>172,048</b>	<b>–</b>	<b>934,514</b>
<b>Infrastructure</b>				
Roads, streets, rights of way & bridges	102,241	–	–	102,241
Road extras	11,922	260	–	12,182
Drainage	24,453	–	–	24,453
	<b>138,616</b>	<b>260</b>	<b>–</b>	<b>138,876</b>
<b>Plant and equipment</b>				
Heritage plant & equipment – arts & antiques	–	934	–	934
<b>Total Asset revaluation reserve</b>	<b>901,082</b>	<b>173,242</b>	<b>–</b>	<b>1,074,323</b>



# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 29 Reserves (cont.)

(a) Asset revaluation reserves (cont.)

	Balance at beginning of financial year \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation by joint operation	Balance at end of financial year \$'000
<b>2014</b>				
<b>Property</b>				
Land	503,564	41,676	–	545,240
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>715,170</b>	<b>47,296</b>	<b>–</b>	<b>762,466</b>
<b>Infrastructure</b>				
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>–</b>	<b>138,616</b>
<b>Total Asset revaluation reserve</b>	<b>863,509</b>	<b>37,573</b>	<b>–</b>	<b>901,082</b>

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 29 Reserves (cont.)

	Balance at beginning of financial year \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of financial year \$'000	Consolidated balance at end of financial year \$'000
<b>(b) Other reserves</b>					
<b>2015</b>					
Open Space Reserve	27,581	9,634	(283)	36,932	36,932
Off-Street Parking Reserve	967	29	–	996	996
Developer Contributions	561	180	(323)	418	418
Future Fund Reserve	5,727	3,302	–	9,029	9,029
Infrastructure – Roads Damaged Reserve	270	29	(7)	292	292
<b>Total other reserves</b>	<b>35,106</b>	<b>13,174</b>	<b>(613)</b>	<b>47,667</b>	<b>47,667</b>
<b>2014</b>					
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 other reserves</b>	<b>32,211</b>	<b>9,718</b>	<b>(6,823)</b>	<b>35,106</b>	<b>35,106</b>

The Open Space Reserve is used to record developer contributions and utilisation of this reserve is 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.

Council's statutory reserves that are subject to external restrictions include:

- Trust funds and deposits (note 25)
- Open Space Reserve
- Off-Street Parking Reserve
- Developer Contributions

Council's discretionary reserves that are not externally restricted and have been allocated for specific future purposes by council include:

- Future Fund Reserve
- Infrastructure – Roads Damaged Reserve

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 30 Reconciliation of cash flows from operating activities to surplus for the year

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Surplus for the year	31,868	22,492	31,902	22,526
Depreciation/amortisation	18,047	18,983	18,330	19,243
Profit/(loss) on disposal of property, infrastructure, plant and equipment	722	(449)	722	(449)
Assets written off	630	1	630	1
Share of net loss of joint operation accounted for by the equity method	1,691	894	1,691	894
Fair value adjustments for investment property	(242)	100	(242)	100
<b>Change in assets and liabilities:</b>				
(Increase)/decrease in trade and other receivables	(1,183)	(258)	(951)	(535)
(Increase)/decrease in prepayments	(240)	73	(243)	98
Increase/(decrease) in accrued income	(31)	3	(31)	3
Increase/(decrease) in trade and other payables	(1,597)	(617)	(1,563)	(1,878)
(Decrease)/increase in other liabilities	2,413	(8)	2,419	451
Increase in provisions	259	712	264	750
<b>Net cash provided by operating activities</b>	<b>52,336</b>	<b>41,926</b>	<b>52,929</b>	<b>41,204</b>

Prior year net cash provided by operating activities has been revised due to the reclassification of trust fund and deposits from financing to operating activities.

## Note 31 Reconciliation of cash and cash equivalents

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash and cash equivalents (see note 17)	66,063	32,865	67,114	33,380
	<b>66,063</b>	<b>32,865</b>	<b>67,114</b>	<b>33,380</b>

## Note 32 Financing arrangements

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'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>

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 33 Commitments

The Group has entered into the following commitments. Prahran Market Pty Ltd 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>2015</b>					
<b>Operating</b>					
Municipal turf maintenance and mowing services	2,519	2,092	4,442	–	9,053
Parking enforcement and car parks	4,574	4,574	12,579	–	21,728
Provision of insurance broking and premium services	570	303	215	–	1,088
Central record services	768	740	316	–	1,823
Management of car parks	408	49	6	–	463
Hard & green waste collection	650	660	1,375	–	2,685
Cleaning of municipal buildings and aquatics centres	488	149	474	–	1,111
Recycling Collections	1,040	1,080	3,530	–	5,650
Building Maintenance Services	2,032	2,081	6,013	–	10,126
Other contractual obligations	999	1,348	1,720	–	4,067
<b>Total</b>	<b>14,048</b>	<b>13,076</b>	<b>30,670</b>	<b>–</b>	<b>57,795</b>
<b>Capital</b>					
Buildings	11,259	–	–	–	11,259
Roads	175	–	–	–	175
Drainage	1,555	900	–	–	2,455
Other capital works	1,721	223	415	–	2,359
<b>Total</b>	<b>14,710</b>	<b>1,123</b>	<b>415</b>	<b>–</b>	<b>16,249</b>
<b>2014</b>					
<b>Operating</b>					
Municipal turf maintenance and mowing services	3,798	3,760	3,156	–	10,713
Parking enforcement and car parks	3,914	–	–	–	3,914
Provision of insurance broking and 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
Hard & green waste collection	318	–	–	–	318
Cleaning of municipal buildings and 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>					
Buildings	3,023	1,416	841	182	5,462
Roads	780	100	–	–	880
Drainage	680	–	–	–	680
Other capital works	1,979	–	–	–	1,979
<b>Total</b>	<b>6,462</b>	<b>1,516</b>	<b>841</b>	<b>182</b>	<b>9,001</b>

# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 34 Operating leases

	Council		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>(a) Operating lease commitments</b>				
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	394	386	394	386
Later than one year and not later than five years	1,351	1,428	1,351	1,428
Later than five years	–	103	–	103
	<b>1,745</b>	<b>1,917</b>	<b>1,745</b>	<b>1,917</b>

### (b) Operating lease receivables

The Council has entered into commercial property leases on:

- its investment property of Malvern City Square at 1235 High St, Malvern. This property is held under an operating lease with a remaining non-cancellable lease term of between 5 and 15 years. The lease includes a CPI based revision of the rental charge annually.
- Prahran Market Pty Ltd at 163 Commercial Rd, Prahran. This property is held under an operating lease with a remaining non-cancellable lease term of between 1 and 5 years. The rent payable is 30% of the rental and other miscellaneous income for each year of the new lease term.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	1,677	1,663	1,677	1,663
Later than one year and not later than five years	5,539	6,795	5,539	6,795
Later than five years	–	420	–	420
	<b>7,215</b>	<b>8,878</b>	<b>7,215</b>	<b>8,878</b>

## 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 2014, 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 volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.



# Notes to the Financial Report

For the Year Ended 30 June 2015

## Note 35 Contingent liabilities and contingent assets (cont.)

### *Funding Arrangements*

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Council is a contributing employer was 103.4%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns	7.00% pa
Salary information	4.25% pa
Price inflation (CPI)	2.75% pa

Vision Super has advised that the latest estimated VBI at 30 June 2015 was 105.8%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

### *Employer contributions*

#### *Regular contributions*

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Council makes employer contribution to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

#### *Funding calls*

If the defined benefit category is in an unsatisfactory financial position at actuarial investigation or the defined benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the defined benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within the three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre- 1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

### *Latest actuarial investigation surplus amounts*

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

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# Notes to the Financial Report

For the Year Ended 30 June 2015

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## Note 35 Contingent liabilities and contingent assets (cont.)

### Contingent liabilities (cont.)

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Council was notified of the results of the actuarial investigation during January 2015.

Please refer to note 10(b) for Superannuation contribution made for the financial year ended 30 June 2015.

### Public Liability

As a local authority with ownership of numerous parks, reserves, roads, other land and buildings assets, the City of Stonnington regularly receives demands arising from incidents which may have occurred on any of these assets and for which negligence and liability is alleged. Such matters are complex in their resolution and a number of outstanding claims remain against Council in this regard. The City of Stonnington carried an appropriate level of insurance with Liability Mutual Insurance Scheme for the 2014/2015 year (2014, 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 occasionally receives 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 2014/2015 year (2014, 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) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

### (b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

### Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. 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. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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# Notes to the Financial Report

For the Year Ended 30 June 2015

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## Note 36 Financial Instruments (cont.)

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:

- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

### (c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some 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.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

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.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Balance Sheet and notes to the financial statements. Council does not hold any collateral.

### (d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have 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 maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the Balance Sheet and the amounts related to financial guarantees disclosed in Note 35, and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

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# Notes to the Financial Report

For the Year Ended 30 June 2015

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## Note 36 Financial Instruments (cont.)

### Contingent liabilities (cont.)

#### e) Fair value

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

#### Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy. Council's financial assets and liabilities are measured at amortised cost.

#### (f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

– A parallel shift of + 2% and -1% in market interest rates (AUD) from year-end rates of 2%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

## Note 37 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:

<b>Councillors</b>	Councillor Claude Ullin	
	Councillor John Chandler	
	Councillor Melina Sehr	
	Councillor Matthew Koe	
	Councillor Adrian Stubbs	1 July 2014 – 21 June 2015
	Councillor Erin Davie	
	Councillor John McMorro	
	Councillor Jami Klisaris	
	Councillor Sam Hibbins	1 July 2014 – 11 December 2014
	Councillor Tini Athanasopoulos	2 February 2015 – Current
<b>Chief Executive Officer</b>	Warren Roberts	

# Notes to the Financial Report

For the Year Ended 30 June 2015

## (ii) Remuneration of Responsible Persons

The numbers of Responsible Officers whose total remuneration from Council and any related entities excluding retirement benefits fall within the following bands:

	Council		Consolidated	
	2015 No.	2014 No.	2015 No.	2014 No.
\$1,000 – \$9,999	–	–	–	5
\$10,000 – \$19,999	2	–	5	2
\$20,000 – \$29,999	–	7	1	8
\$30,000 – \$39,999	6	–	6	–
\$40,000 – \$49,999	–	–	–	–
\$50,000 – \$59,999	1	1	1	1
\$70,000 – \$79,999	1	1	1	1
\$180,000 – \$189,999	–	–	1	1
\$310,000 – \$359,999	–	1	–	1
\$360,000 – \$369,999	1	–	1	–
	11	10	16	19
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	706	687	796	777

## (iii) 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 \$136,000 (2013/14 \$133,000).

The number of Senior Officers, other than the Responsible Persons, are shown below in their relevant income bands:

	Council		Consolidated	
	2015 No.	2014 No.	2015 No.	2014 No.
Income Range:				
<\$136,000	2	2	2	2
\$136,000 – \$139,999	–	2	–	2
\$140,000 – \$149,999	1	5	1	5
\$150,000 – \$159,999	7	8	7	8
\$160,000 – \$169,999	9	5	9	5
\$170,000 – \$179,999	2	1	2	1
\$190,000 – \$199,999	–	1	–	1
\$200,000 – \$299,999	6	5	6	5
	27	29	27	29
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	4,453	4,823	4,453	4,823



# Notes to the Financial Report

For the Year Ended 30 June 2015

Note 37 Related party transactions (cont'd)

## (iv) Responsible persons retirement benefits

No retirement benefits have been made by the Council to a Responsible Person (2013/2014 – Nil).

## (v) Loans to responsible persons

No loans have been made, guaranteed, or secured by the Council to a Responsible Person during the reporting year (2013/2014 – Nil).

## (vi) Transactions with responsible persons

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons.

Responsible persons details	Transaction type	Amount (incl. GST)
Cr Adrian Stubbs	Purchase of Council's iPad and iPhone	\$460

## Note 38 Events occurring after balance date

Council is anticipated to enter into an agreement to purchase part of 9-13 Ellison St, Malvern East, also known as East Malvern RSL, with acceptance on offer for the amount of \$4,700,000. The expected settlement date is subject to the completion of the subdivision plan. The acquisition would be funded from the open space and future funds reserve in the 2015/2016 financial year.

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## Certification of the Financial Statements

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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 (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



**Scott Moore CPA**  
Principal Accounting Officer  
Dated: 7 September 2015  
Malvern

In our opinion the accompanying financial statements present fairly the financial transactions of Stonnington City Council for the year ended 30 June 2015 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.

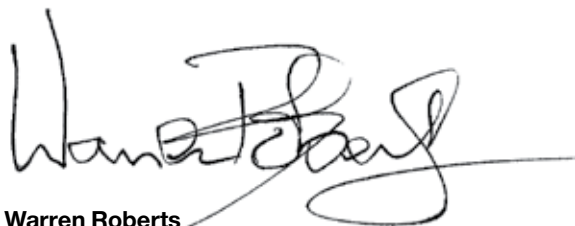
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



**Melina Sehr**  
Councillor  
Date: 7 September 2015  
Malvern



**John McMorow**  
Councillor



**Warren Roberts**  
Chief Executive Officer  
Date: 7 September 2015  
Malvern

# Auditor General's Report on the Financial Report



Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
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## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Stonnington City Council

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 of the Stonnington City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Stonnington City Council and the entity it controlled as at the year's end and during the financial year, as disclosed in note 16(b).

#### *The Councillors' Responsibility for the Financial Report*

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 Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is 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 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 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

# Auditor General’s Report on the Financial Report

## Independent Auditor’s Report (continued)

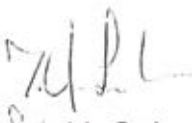
### Independence

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

### Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Stonnington City Council as at 30 June 2015 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*.

MELBOURNE  
10 September 2015



John Doyle  
Auditor-General





## City of Stonnington

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Corner Chapel and Greville Streets, Prahran

293 Tooronga Road, Malvern

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