

2015/16

Annual Report

107,941 residents

AS AT MARCH 2016



Up 1,960
from June 2015

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

Take 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'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.'



COMMUNITY

The Maternal and Child Health Service is a universal primary care service for Stonnington families with children from birth to school age.

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.
- Improve the overall quality of life of people
- Promote appropriate business and employment opportunities
- Ensure equitable access to services and facilities

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
- 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 62.

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

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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 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.

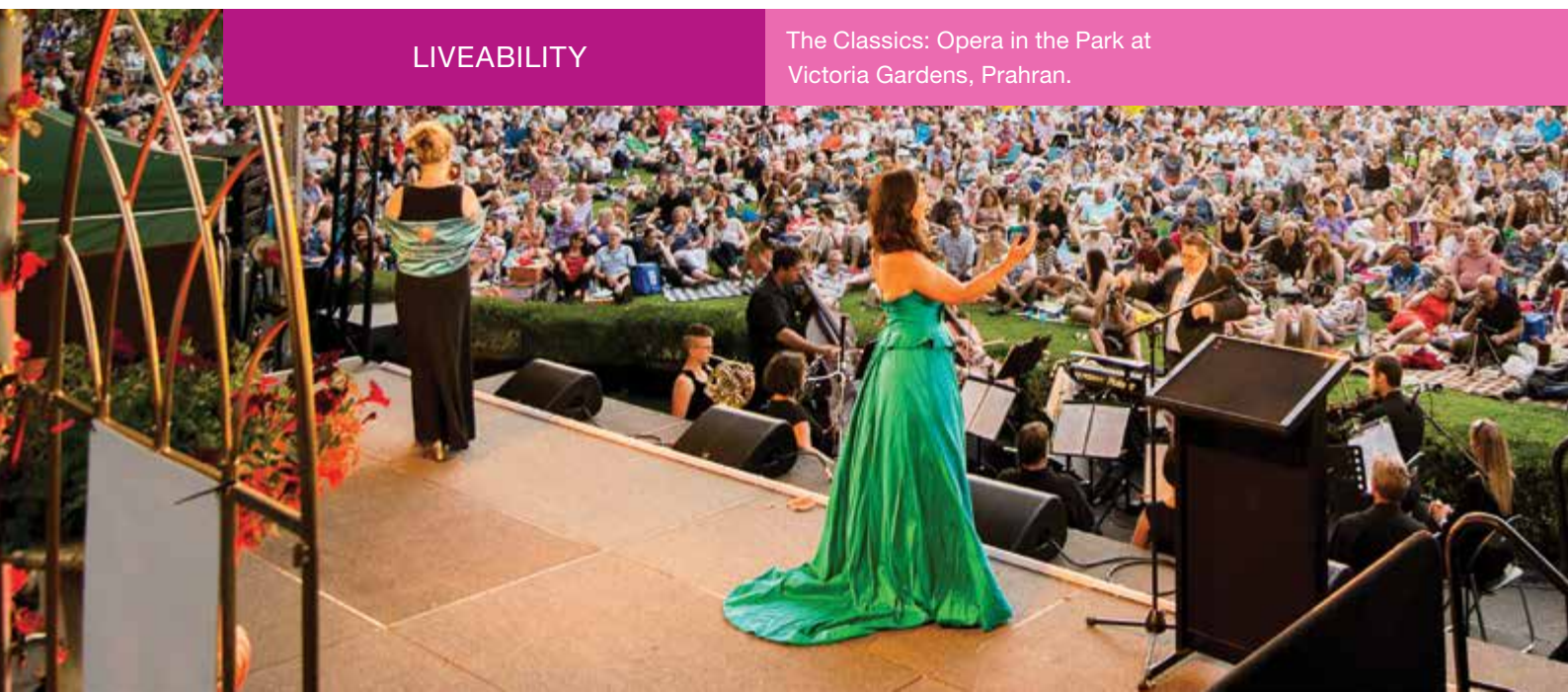
Performance

Council's performance for the 2015/16 year has been reported against each strategic objective, and measured as follows:

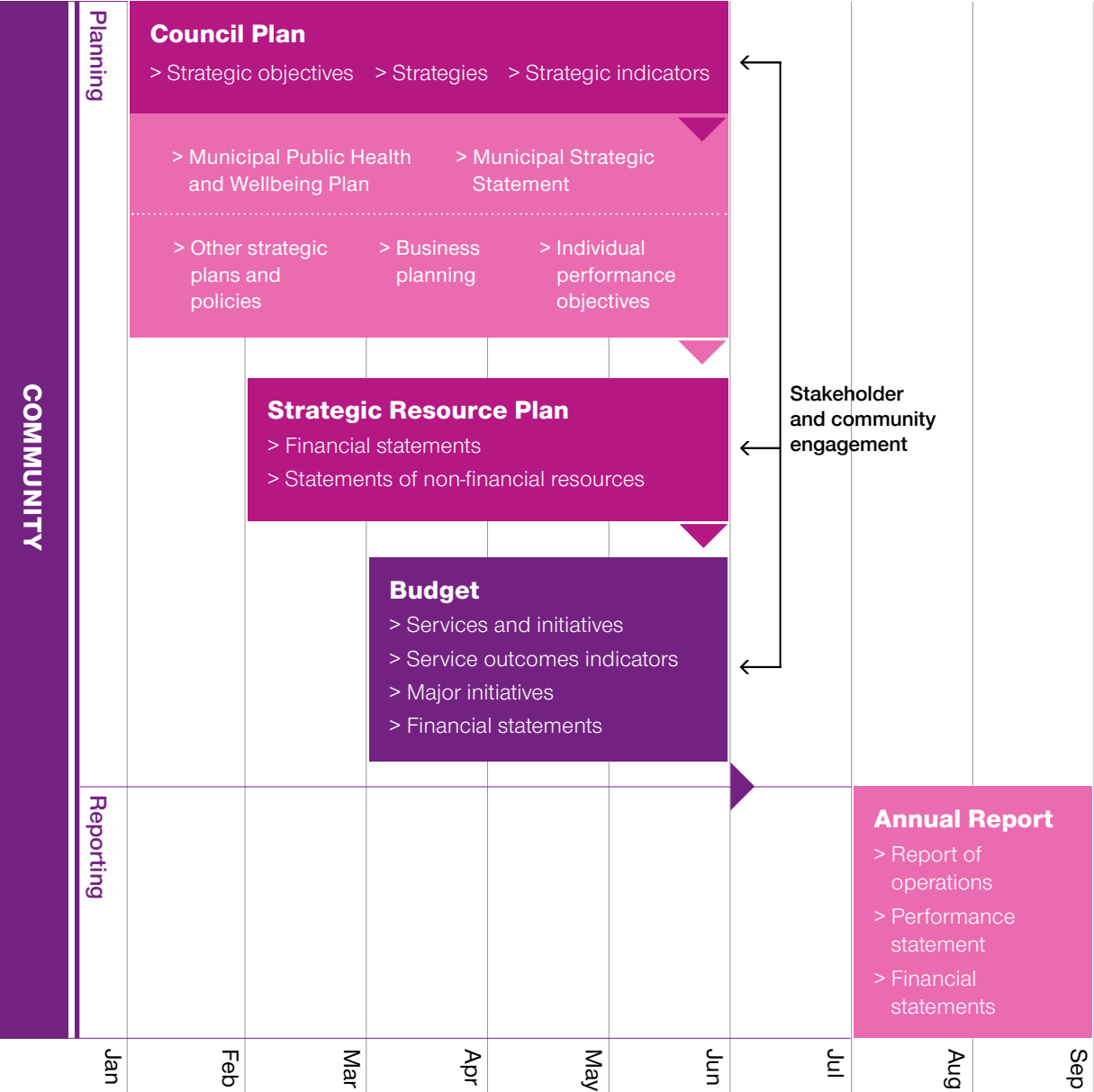
- Results achieved in relation to the strategic indicators in the Council Plan
- Progress in relation to the major initiatives identified in the Budget
- Services funded in the budget and the persons or sections of the community they are provided to
- Results against the prescribed service performance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

LIVEABILITY

The Classics: Opera in the Park at Victoria Gardens, Prahran.



Planning and Accountability Framework



OUR CITY

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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 2015/16 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.

PROSPERITY

After extensive community consultation, Council prepared the Draft Structure Plan for Hawksburn Village.



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 17,139 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



CR JOHN CHANDLER

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.



CR JAMI KLISARIS

First elected 2012.



CR MATTHEW KOCE

First elected 2012.
Served as Mayor 2012/13.

South Ward



MAYOR, CR CLAUDE ULLIN

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.



CR TINI ATHANASOPOULOS

First elected 2015. Elected at countback 2015.



CR MELINA SEHR

First elected 2002, re-elected 2004, 2008 and 2012. Served as Mayor 2003/04, March–November 2004 and 2010/11.

East Ward



CR ERIN DAVIE

First elected 2012.



CR JOHN MCMORROW

First elected 2012.

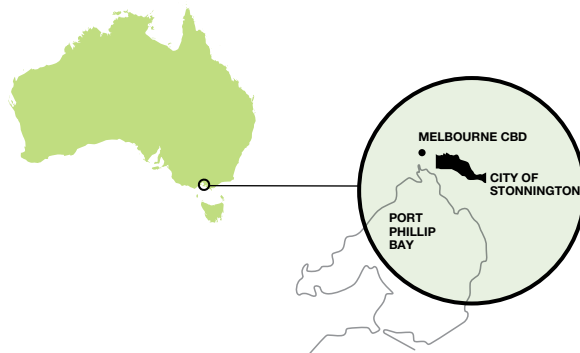
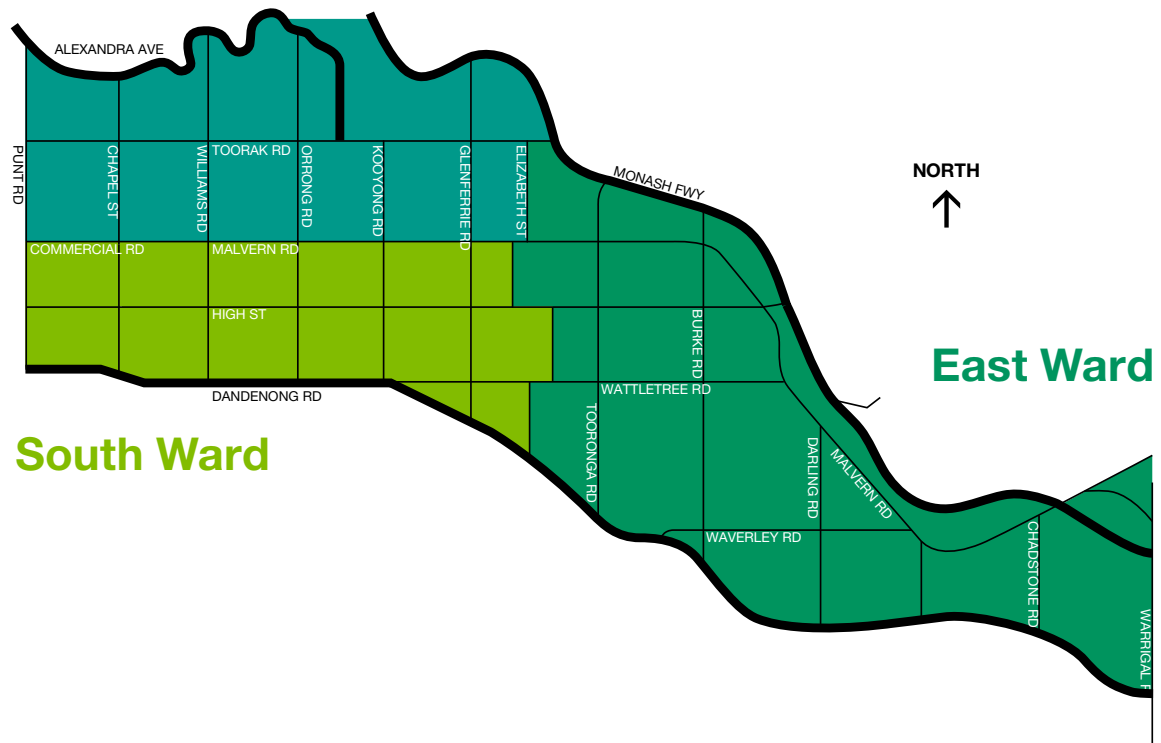


CR JIM ATHANASOPOULOS

First elected 2015. Elected at countback 2015.

STONNINGTON WARD MAP

North Ward



MAYOR'S MESSAGE

The 2015/16 financial year has been a remarkable one with many new projects contemplated and others completed.

We are most fortunate in the City of Stonnington to preside over an inspiring and healthy community. We have such a diverse range of operations which includes capital projects, planning, social cohesion, environmental opportunities and a range of sporting and parks events.

Thanks to sound financial management, we're able to initiate and deliver a number of infrastructure projects and services.

Over the past 12 months we have increased our online and digital services offering with the launch of a new corporate website, Connect Stonnington (our community engagement platform) and dedicated Youth Services website.

We're committed to improving and enhancing our natural environment, and implementing sustainability initiatives, so it's pleasing that we've completed Stage 4 of the Yarra River Biodiversity Linkages Project, incorporated the Environmentally Sustainable Design Policy into the Stonnington Planning Scheme and we're encouraging sustainable transport options with the installation of more than 50 bicycle parks.

We're consistently updating our facilities to ensure they meet the needs of the community. Improvement works were undertaken at Sunnyside Kindergarten, Chris Gahan Centre, Grattan Gardens Community Centre and U3A Centre while accessibility improvements were undertaken at Chapel Off Chapel and Chadstone Bowling Club.

Five new CCTV cameras were installed in Toorak Village to provide surveillance along Toorak Road, Jackson Street and Wallace Avenue. The expansion of the CCTV system will improve safety by discouraging anti-social behaviour, crime and vandalism in this busy location.

Stonnington really is a great place to live but we do have the second lowest amount of public open space per capita of all Victorian Councils. It has been fantastic to finalise Amendment C186 of the Stonnington Planning Scheme to increase the



developer's open space contribution to eight per cent for developments in Prahran, Windsor, Armadale and South Yarra. We also completed a Feasibility Study on options for the long-term development of Cato Street car park.

We've been able to deliver an outstanding range of first class events including our summer program in our parks including opera, musicals and orchestral arrangements, Stonnington Jazz, Glow Winter Arts Festival and Virgin Australia Melbourne Fashion Festival as well as opening the Northbrook Pop-Up Gallery and unveiling a new public artwork on the Yarra River's banks.

For our businesses, we adopted the Glenferrie Road/High Street Structure Plan and delivered a free Small Business Mentoring Program for local businesses plus we rolled out new precinct signage for some of our key activity centres.

I would like to thank my fellow Councillors for their unwavering support and our Council officers who provide such great support. In particular, my personal thanks to our CEO, Warren Roberts, who has been a great source of support, a wise counsel and an amazingly competent leader of the Stonnington Council.

In addition, I would like to thank our community who are generally supportive of what Council provides. I have really enjoyed our Citizenship Ceremonies as they provide a great deal of satisfaction with our new citizens being genuinely excited about becoming Australians. Our volunteers are also to be thanked for their unstinting work within our community.

I can honestly say that I have enjoyed my time at Council immensely and I believe the City of Stonnington is not only the best Council, but well placed for a significant future.

Cr Claude Ullin, Mayor
City of Stonnington

CEO'S MESSAGE

Stonnington continued to deliver a diverse range of services to the community this year, cementing our position as a City that's committed to creating a connected community that fosters the hopes, wellbeing and aspirations of all people.

At the end of June 2016, Council's financial position remains strong with more than \$2.32 billion of community assets under Council's stewardship. Operating expenditure for 2015/16 was tightly controlled and Council's underlying operating income and expenditure were within 6.5 per cent and 0.4 per cent respectively of the annual budget adopted in June 2015.

In 2015/16, Council achieved a surplus of \$33.11 million. Council's long-term financial strategy projects that surpluses will continue to be strong over the next ten years reaching \$29.36 million in 2025/26, providing a sustainable level of funding for the refurbishment and replacement of community assets at an average of \$47.72 million per annum.

Our Strategies for Creating Open Space is our long-term plan that guides our work to increase and improve open space in Stonnington and, this year, I'm pleased that we have undertaken significant work in this area.

Council approved and included Planning Scheme Amendment C186 into the Stonnington Planning Scheme to increase the developer's open space contribution. These contributions can be used for capital improvements to existing open space and the purchase of additional open space – all for the long-term benefit of the community.

Our plans to underground the Cato Street car park, and provide open space and parkland at this location, progressed this year with the completion of a Feasibility Study.

As part of our commitment to diversify and expand our online services, we launched our new website as well as a new digital platform, Connect Stonnington, to support open dialogue and community participation in decision-making. This means that more members of our community can



have a say on important projects and plans using our online services.

We launched a new Employee Value Proposition to engage and inspire staff, attract talent, promote long-term retention and set a clear foundation for Stonnington as a respected employer in Local Government and as an employer of choice more broadly. Having inspired staff and attracting the best talent ensures that the City of Stonnington is best placed to continue to serve the community to the best of its ability, now and into the future.

With more than 100 services provided by Council, it's important we remain accessible to all members of the community. This year, we changed Central Park Childcare Centre to provide long day care ensuring more families can utilise the service. In Aged Services, we were re-accredited with the Rainbow Tick which demonstrates our commitment to providing an inclusive service.

In October 2015, Council moved into its new premises at 311 Glenferrie Road bringing together most departments into the one location and providing a first-class customer service experience.

Looking ahead, we will be faced with the challenge of delivering a broad range of high quality services under the new rate capping system.

Stonnington offers an exciting range of services, facilities and events for our community to enjoy and I'm extremely proud of what we have achieved in 2015/16.

As a progressive and innovative Council, I look forward to what the future brings and I'd like to thank our Mayor, Cr Claude Ullin, and Councillors for their steadfast commitment to ensuring Stonnington is a great place to live, work and visit. I also extend my warmest thanks to our dedicated and hardworking staff, without whom none of this would be possible.

Warren Roberts
Chief Executive Officer

FINANCIAL SUMMARY

Council's financial position continues to remain sound. A summary of our performance is outlined. 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.

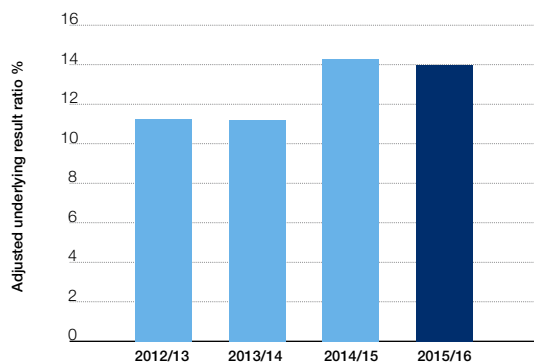
Operating Position

Council achieved a surplus of \$33.11 million in 2015/16. This surplus compares favourably to the prior year surplus of \$31.79 million. The Comprehensive Income Statement in the Annual Financial Report indicates the favourable variance is due mainly to a \$1.88 million improvement in the share in the net result of Council's joint operation, Regional Landfill Clayton South. Increases in rates and charges income of \$5.93 million (4.3% rate in the dollar and 1.9% number of assessments increases) and statutory fees and fines of \$1.60 million offset expenditure increases in employee costs (\$4.35 million) and materials and services (\$2.83 million). The adjusted underlying surplus of Council, after removing non-recurrent capital grants and cash capital contributions, is \$22.21 million or 14.02% 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 \$2.32 billion of community assets under Council's control.

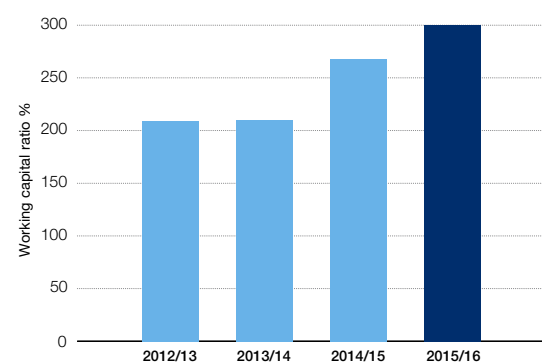
Liquidity

Cash has increased by \$0.48 million from the prior year partly due to the higher level of cash contributions in the 2015/16 year of \$0.29 million and interest bearing loans and borrowings repayments lower than 2014/15 by \$0.14 million as a result of one of Council's borrowings being fully repaid. 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 291% is an indicator of excellent financial position and exceeded the expected target band of 120% to 200%.

Adjusted underlying result ratio



Working capital ratio



FINANCIAL SUMMARY

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Obligations

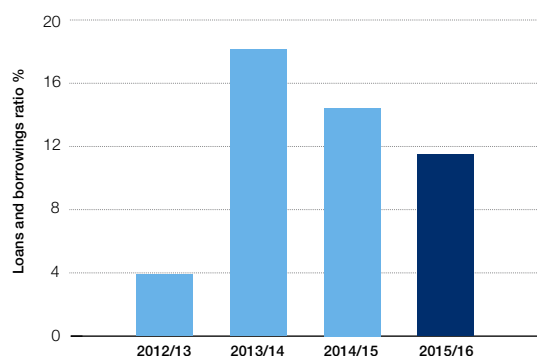
Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$25.08 million in renewal works during the 2015/16 year. This was funded from cash from operations. At the end of the 2015/16 year Council's debt ratio which is measured by comparing interest-bearing loans and borrowings to rate revenue was 11.46%, which was below the expected target band of 20%-60%. Council's asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation was 149.50%, which was in excess of the expected target band of 90%-110%. This was mainly due to the Civic Precinct Project (\$10.6 million), the renewal of the Chapel Street precinct (\$2.62 million), Chapel Off

Chapel redevelopment (\$1.61 million), Windsor Siding Masterplan (\$0.54 million), roads, footpaths and bridges works (\$5.24 million) and drainage works (\$1.64 million).

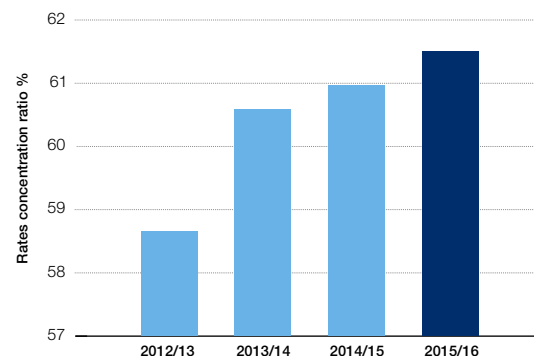
Stability and Efficiency

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 61.56% for the 2015/16 year, which is midway of the expected target band of 50%-80%. Council has focused on broadening its revenue base and for the 2015/16 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 \$1,608 which compares favourably to similar councils in the inner metropolitan area.

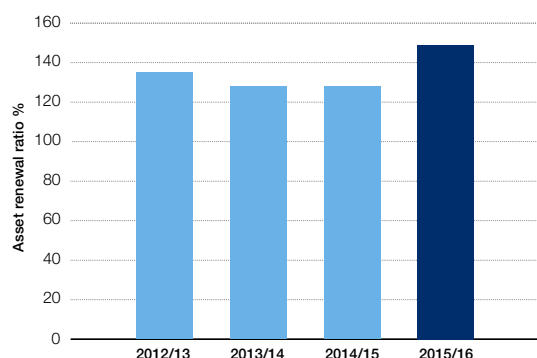
Loans and borrowings ratio



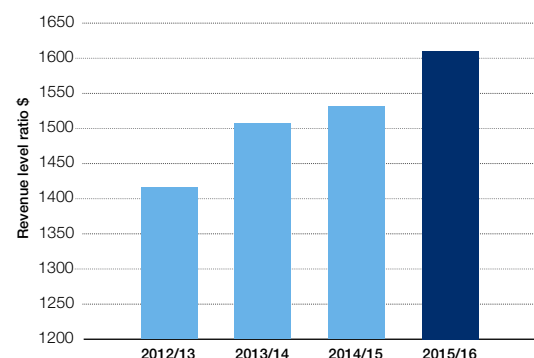
Rates concentration ratio



Asset renewal ratio



Revenue level ratio



FAST FACTS

873,317

Books loaned
from the libraries

35.7%

Household
waste recycled

1,817

Number of
planning
applications
received

26,828

Meals delivered

98%

Lost dogs
reclaimed

**2.158
million**

Garbage bin
collections

682

Street trees
planted

5 CCTV

cameras installed
in Toorak Village

17,139

Businesses in
Stonnington

\$5.13

Cost of
graffiti
eradication
per capita

\$2,391

Cost per
planning
application

**\$3.4
million**

Provided in
community,
arts and cultural
sponsorship grants
through cash,
in-kind or rental
assistance

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.

The 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 Four), the Budget 2015/16 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 2015/16 the overall cost of capital works was \$37.545 million and included:

- Improvements to Grattan Gardens (\$1.1 million)
- Improvements to Windsor Siding Reserve (\$536,000)
- Streetscape works at Chapel Street North (\$450,000)
- Yarra River Biodiversity Project (Year 4) (\$935,000)
- Church Street Underpass bridge and shared path works (\$165,000)
- Restoration and upgrade of Chapel Off Chapel (\$1.6 million)
- Installation of new sportsground floodlights at Toorak Park (\$396,000)
- Installation of new energy efficient LED lighting at Elizabeth Street multi-storey car park (\$186,000)

PROSPERITY

The Glow Winter Arts Festival warmed up the cool nights, attracting large crowds to a variety of events and experiences.



Major Achievements

- Council approved and included Planning Scheme Amendment C186 into the Stonnington Planning Scheme to increase the developer's open space contribution to eight per cent for developments in Prahran, Windsor, Armadale and South Yarra.
- The Gardiner Park Draft Concept Plan was developed.
- Completed a Feasibility Study on options for the long-term development of Cato Street car park.
- A Masterplan for Windsor Siding was endorsed and works took place.

Challenges and Future Outlook

Challenges

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

The Future

- Complete key, long term capital projects.
- Continue to implement effective sustainability measures.

Economic Factors

Government grants, as a proportion of total Council revenue, continued to decline from 6.4% in 2014/15 to an estimated 5.2% in 2015/16.

The reduction in the Reserve Bank of Australia official cash rate during the year from 2.0% in June 2015 to 1.75% in June 2016 resulted in the average weighted investment rate earned by City of Stonnington for the year reduced from 3.07% in June 2015 to 2.96% by June 2016. Despite this reduction, a higher level of cash and investment holdings over the year resulted in a 6.9% increase in interest income earned during 2015/16 compared to 2014/15.

The annual CPI rate reduced during the year from 1.5% in June 2015 to 1.0% in June 2016. Although this reduction may have placed downward pressure on costs generally, total expenses increased by 4.6% in 2015/16, with employee costs and contracted services costs subject to enterprise agreement pay rates and contract prices respectively.



COMMUNITY

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City of Stonnington Annual Report 2015/16

“...community tennis is alive and well in Malvern. We are committed to building a club culture that ensures that we can deliver the environment that gives our members and non members a safe, welcoming and warm tennis and social experience.”

John Richards, President
Glendearg All Saints
Malvern Tennis Club



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

Achievements

- Council's Aged Services was re-accredited under the Rainbow Tick demonstrating its commitment to provide inclusive service delivery and practice.
- Central Park Childcare Centre has changed from providing occasional care to long day care, from 8.30am to 5.30pm.
- A new Youth Services website was launched focusing on youth-specific services and programs.
- A new digital platform, Connect Stonnington, was launched to support open dialogue and community participation in decision-making in an interactive, easy-to-use way.
- Council moved into its new premises at 311 Glenferrie Road bringing together most departments into the one location.
- Five new CCTV cameras were installed in Toorak Village.
- The toilets at Malvern Library were upgraded.
- Accessibility improvements were made at Chapel Off Chapel and Chadstone Bowling Club.
- Facility improvement works were undertaken at Sunnyside Kindergarten, Chris Gahan Centre, Grattan Gardens Community Centre and U3A Centre.

Glendearg Tennis Centre

There has been a constant and growing level of participation in sport in our community over recent years and Council is working hard to meet these demands as outlined in our Recreation Strategy 2014 - 2024.

The redeveloped Glendearg Malvern Tennis Centre provides new and improved facilities for the community, in particular, the Glendearg All Saints Malvern Tennis Club, with a new club room, resurfaced courts and new car park.

Local clubs play such a crucial role in the community as they encourage healthy and active lifestyles where friends and connections are made.





COMMUNITY

622,948

visits to
Stonnington
libraries



5 New

CCTV Cameras
installed in
Toorak Village



26,828

meals delivered through
aged services programs



65,342

digital library items
downloaded



1,230

food premises
health inspections



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.

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.	100%	Implemented the <i>Municipal Public Health and Wellbeing Plan 2013–17</i> , 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.	98%	Achieved 98% infant enrolments for our Maternal Child and Health first home visits. Council provided approximately 64,453 hours of services in the home and 26,828 meals delivered (an increase of 18%) through our aged services programs. 622,948 visits to our libraries, including 18,200 people attending 535 events. Our community loaned 873,317 books and downloaded 65,342 digital items.
Implement community safety initiatives that address real and perceived safety issues.	100%	Carried out 1,230 inspections of Class 1 and Class 2 food premises across the municipality. Extended Chapel Street and surrounds coverage to include 18 CCTV cameras and installed five new CCTV cameras in Toorak Village.
Continue to enhance community engagement and the involvement of the community in decision-making.	100%	Launched our new responsive and user friendly website, including the Connect Stonnington engagement platform. Council achieved a score of 60 for community satisfaction with community consultation compared to the metro average of 58 and the state average of 54.
Develop strategic alliances to provide coordinated responses to community needs and support local community organisations.	98%	Partnerships with VicRoads, VicPol, VicTrack, Yarra Trams, RACV, Traders Groups, child protection agencies, crisis mental health services, community organisations and other key stakeholders in response to social issues.
Encourage community connectedness by supporting local community organisations with facilities, training and resources.	94%	Delivered professional development workshops to local businesses. Provided arts and cultural grants to support artistic programs that enhance the cultural, community and economic development of the city. Supported and mentored emerging artists at Chapel Off Chapel.
Continue to strengthen the quality and enhance the use of our facilities, amenities and open space.	100%	Plans to redevelop Dunlop Pavilion have been finalised. Malvern Library toilets have been refurbished. Sportsground lights have been installed at Toorak Park. Facility improvements at Sunnyside Kindergarten, Chris Gahan Centre, Grattan Gardens Community Centre and U3A Centre have been completed. Staged upgrades are continuing at Brookville Kindergarten, Hornbrook Child Care Centre, Winter Street Child Care Centre, Grosvenor Street Child Care Centre and Wattletree Early Learning Centre. Accessibility improvements have been made at Chadstone Bowling Club and Chapel Off Chapel.
Strengthen Council's commitment to social justice and equity with the delivery of support and services which advance a fair and just community	100%	Implemented the <i>Access and Inclusion Plan 2013-2017</i> actions including distribution of the Mental Health Guide, Hoarding and Squalor Protocol, promoting principles of access and inclusion and publicising International Day of People With Disability. Stonnington Library Services achieved accreditation to use the International Communication Access Symbol. Mental Health Services booklet, Family Violence wallet cards, Alcohol and other Drugs cards distributed to community agencies.

Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2015/16 budget for the year.

Major Initiative	Progress
Undertake planning for a healthy community through the implementation of the <i>Municipal Public Health and Wellbeing Plan 2013-2017</i> (Actual: \$4,065,000 Budget: \$5,270,000).	Completed
Assess and provide relevant support services for frail aged, older residents, people with a disability and their carers including in-home and community-based services (Actual: \$2,790,000 Budget: \$1,640,000).	Completed
Develop a masterplan for the future development of the outdoor areas of the Harold Holt Swim Centre that meets community needs into the future (Actual: \$26,000 Budget: \$80,000).	Completed
Improve public safety by ensuring Taxi Zones continue to operate effectively (Actual: \$117,000 Budget: \$20,000).	Completed
Upgrade Council's pavilions in accordance with the <i>Pavilion Redevelopment Strategy 2009</i> (Actual: -\$103,000 Budget: \$94,000).	Completed
Upgrade Council's Children's Services facilities in accordance with the Early Years Infrastructure Improvements plan (Actual: \$315,000 Budget: \$41,000).	Completed

Description of Services

The following table provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service.

		Net Cost (\$'000)
		Actual Budget
Service	Description	Variance
Aged, Diversity and Disability Services	This service provides a range of services for people with a disability, the aged and culturally diverse including home delivered meals, personal care, transport, home maintenance, housing support and senior citizen clubs.	3,141
		3,685
		544
Children and Family Services	This service provides family oriented support services including child care, pre-schools, toy library, maternal and child health, pre-school dental, counselling and support, youth services, immunisation, family day care, holiday programs and health and safety.	3,983
		3,390
		(593)
Aquatic Services	This service provides a range of recreational facilities including indoor and outdoor swimming pools, a fully equipped gymnasium, aqua aerobics, aerobics, pump, circuit, and yoga.	746
		373
		(373)
Chapel Off Chapel	This service provides theatre services 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.	791
		756
		(35)
Environmental Health	This service 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.	(3)
		48
		45
Animal Management Services	This service provides a dog and cat collection service, a lost and found notification service, a pound service and a registration and administration service.	124
		117
		(7)
Recreation Services	This service is 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 licence agreements with Council.	967
		1,595
		628

Description of Services (continued)

Library and Local History Services	This service provides public library services at four locations	4,359
	and local history services that caters for the cultural, educational	4,342
	and recreational needs of residents and provides a focal point for the community where they can meet, relax and enjoy the facilities and services offered.	(17)
Communications and Community Planning	This service is responsible for the management and provision of	2,274
	advice on external communication, in consultation with relevant	2,067
	stakeholders, on behalf of Council.	(207)
Malvern Valley Golf Course	This service provides public open space, an 18 hole public golf	(189)
	course and pristine environmental areas.	(195)
		(6)
Customer and Civic Services	This service provides a range of governance, statutory	1,610
	and corporate support services and acts as the main	1,611
	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

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 2015	Result 2016	Material Variations and Comments
AQUATIC FACILITIES			
SATISFACTION			
User satisfaction with aquatic facilities (optional) (User satisfaction with how council has performed on provision of aquatic facilities)	–	–	No data is available for this measure as no universal measure of user satisfaction is currently available.
SERVICE STANDARD			
Health inspections of aquatic facilities (Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities)	1.00	1.00	Council ensures aquatic facilities are maintained and managed in accordance with the <i>Public Health and Wellbeing Act 2008</i> . Water testing is undertaken in accordance with the Act and microbiological levels are also maintained and tested. In late 2015/16 Council increased the frequency of authorised inspections from annually to six monthly.
HEALTH AND SAFETY			
Reportable safety incidents at aquatic facilities (Number of WorkSafe reportable aquatic facility safety incidents)	2.00	–	There were no reportable safety incidents at Council's Prahran and Harold Holt aquatic facilities.
SERVICE COST			
Cost of indoor aquatic facilities (Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities)	\$1.56	\$1.67	The cost of aquatic facilities includes both indoor and outdoor facilities. The cost of outdoor facilities is traditionally higher than indoor facilities.
SERVICE COST			
Cost of outdoor aquatic facilities (Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities)	–	–	Council was not able to separate the costs related to outdoor and indoor operations at the Harold Holt aquatic facility. Council has disclosed aquatic costs in aforementioned measure (cost of indoor aquatic facilities).
UTILISATION			
Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population)	5.24	4.85	Attendances at Harold Holt Swim Centre declined in 2015/16. Increasing competition in the fitness industry combined with the popularity of 24/7 and low cost gyms has impacted memberships and attendances across many similar leisure facilities. Despite this, the Learn to Swim program recorded high levels of participation (2,700). Attendances at Prahran Aquatic Centre met visitation forecasts.

ANIMAL MANAGEMENT

TIMELINESS

Time taken to action animal management requests (Number of days between receipt and first response action for all animal management requests / Number of animal management requests)	–	1.30	This is a new measure for 2015/16. Animal management requests are prioritised with dog attacks actioned within 24 hours.
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SERVICE STANDARD

Animals reclaimed (Number of animals reclaimed / Number of animals collected) x100	78.00%	61.24%	The reclaim rate for dogs is 98% with the remaining 2% re-homed. Cats represented 96% of the unclaimed animals. The overall result is strongly influenced by stray and feral cats that are not owned and cannot be reclaimed.
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SERVICE COST

Cost of animal management service (Direct cost of the animal management service / Number of registered animals)	\$60.80	\$65.09	Council responded to an increased number of after-hours community requests for animal management services that required additional staffing and training to meet community demand. Animal registration has remained relatively stable from the previous year, and as such, has not offset this additional expense.
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HEALTH AND SAFETY

Animal management prosecutions (Number of successful animal management prosecutions)	1.00	3.00	Council pursues matters through the Magistrates' Court as appropriate. For that reason, the number of animal prosecutions within a twelve month period can be highly variable.
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FOOD SAFETY

TIMELINESS

Time taken to action food complaints (Number of days between receipt and first response action for all food complaints / Number of food complaints)	–	1.00	This is a new measure for 2015/16. Complaints that are likely to be an imminent risk to public health are investigated within three hours of receipt.
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SERVICE STANDARD

Food safety assessments (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Victorian Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Act) x100	99.00%	94.66%	The <i>Victorian Food Act 1984</i> requires that all businesses requiring registration under this Act are inspected for compliance at least once every calendar year.
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SERVICE COST

Cost of food safety service (Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Victorian Food Act 1984</i>)	\$716.17	\$694.05	Council delivered the food safety service more efficiently compared to 2014/15.
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HEALTH AND SAFETY

Critical and major non-compliance outcome notifications

(Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises) x100

80.00%

84.42%

In 2015/16 Council reviewed the Policy (and food assessment ratings), including definitions of what constitutes satisfactory, critical, minor and major ratings for each assessable item within the food standards code to provide greater consistency in assessments. The revised policy resulted in an improved service standard.

HOME AND COMMUNITY CARE (HACC)

TIMELINESS

Time taken to commence the HACC service

(Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service)

–

13.22

This is a new measure for 2015/16. Council met its service standard of 15 days for the commencement of Home and Community Care services.

SERVICE STANDARD

Compliance with Community Care Common Standards

(Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards) x100

83.00%

83.33%

Council's Home and Community Care program is independently audited by the Australian Government Department of Health and Ageing every three years. The last audit was conducted in October 2013. Council achieved a compliance result of 15 out of 18 standards.

SERVICE COST

Cost of domestic care service

(Cost of the domestic care service / Hours of domestic care service provided)

–

\$64.45

This is a new measure for 2015/16. Council employs multi-skilled staff for the delivery of domestic care, personal care and respite care services.

SERVICE COST

Cost of personal care service

(Cost of the personal care service / Hours of personal care service provided)

–

\$64.45

This is a new measure for 2015/16. Council employs multi-skilled staff for the delivery of domestic care, personal care and respite care services.

SERVICE COST

Cost of respite care service

(Cost of the respite care service / Hours of respite care service provided)

–

\$64.45

This is a new measure for 2015/16. Council employs multi-skilled staff for the delivery of domestic care, personal care and respite care services.

PARTICIPATION

Participation in HACC service

(Number of people that received a HACC service / Municipal target population for HACC services) x100

19.00%

28.77%

The results indicate that a growing number of residents within the target population are choosing to receive Council services to assist them to remain living in their own homes. This may be attributed to Council offering a range of complementary services, including centre based activity programs and community transport.

PARTICIPATION

Participation in HACC service by CALD people

(Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services) x100

22.00%

21.46%

Participation in Council's Home and Community Care service by people from culturally and linguistically diverse (CALD) backgrounds is consistent.

LIBRARIES

UTILISATION

Library collection usage

(Number of library collection item loans / Number of library collection items)

5.54

5.96

Library collection usage remained consistent despite the Malvern Library being closed for a period of two weeks.

RESOURCE STANDARD

Standard of library collection

(Number of library collection items purchased in the last 5 years / Number of library collection items) x100

58.00%

65.10%

The investment in our library collection is consistent compared to 2014/15. Improved collection standards are attributed to enhanced customer service and library supply management, such as developing new standing orders with major suppliers so that new titles are delivered as soon as they become available. As a result, Council's libraries are more responsive to customer requests.

SERVICE COST

Cost of library service

(Direct cost of the library service / Number of visits)

\$9.05

\$7.54

Council provides a public library service at four locations. The introduction of self service stations and radio frequency identification in 2014/15, led to reduced staffing demand in 2015/16, resulting in lower operating costs. Upgrade works to Malvern Library have been excluded.

PARTICIPATION

Active library members

(Number of active library members / Municipal population) x100

18.00%

18.20%

In 2015/16 Council included e-book resources in the performance calculation resulting in a marginal increase. Whilst library borrowing declined, engagement and participation with Council's library programs (e.g. Story Time, author talks and cultural events) increased, which is consistent with State trends.

MATERNAL AND CHILD HEALTH (MCH)

SATISFACTION

Participation in first MCH home visit (Number of first MCH home visits / Number of birth notifications received)	104.00%	–	In 2016 there was a state-wide initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/2016 financial year
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SERVICE STANDARD

Infant enrolments in the MCH service (Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received) x100	100.00%	–	In 2016 there was a state-wide initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/2016 financial year.
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SERVICE COST

Cost of the MCH service (Cost of the MCH service / Hours worked by MCH nurses)	\$0.00	\$58.16	This is a new measure for 2015/16.
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PARTICIPATION

Participation in the MCH service (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x100	80.00%	–	In 2016 there was a state-wide initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/2016 financial year.
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PARTICIPATION

Participation in the MCH service by Aboriginal children (Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x100	86.00%	–	In 2016 there was a state-wide initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/2016 financial year.
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ENVIRONMENT

30

City of Stonnington Annual Report 2015/16

“Making our space available to the community has given us a wonderful opportunity to connect with others as well as support sustainable gardening methods such as composting and worm farming.”

Jude Waldron,
Pastor Armadale Baptist Church



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

31

Achievements

- A new pause point was installed in front of the Jam Factory providing eight bicycle parking pod spaces, public seating and plants.
- More than 50 new bicycle parking installations were completed.
- The Environmentally Sustainable Design Policy (C177) was incorporated into the Stonnington Planning Scheme.
- Completed Stage 4 of the Yarra River Biodiversity Linkages Project.
- Delivered a comprehensive community education campaign at the TH King Environmental Education Centre.
- Delivered 25 sustainability sessions at Stonnington schools.
- Recycling bins were installed at Malvern Valley, High Street, Orrong Road and Central Park strip shopping centres.

ENVIRONMENT

ABC Community Garden

Council partnered with Armadale Baptist Church and BaptCare in September 2015 to launch a community garden that showcases sustainable, creative and productive living. It's a shared space where community members can join together to learn how to grow their own fresh produce and make new friends through a shared love of gardening. Recycled and reclaimed timber was used to construct the garden beds and a 9,000 litre water tank was installed that's connected to a solar-powered irrigation system.



ENVIRONMENT



25

sustainability
sessions delivered to
Stonnington schools

More than
50
new bike
parking
installations



8,850

indigenous plants
planted by students,
staff, community
and Rotary for
National Tree Day



35.7%

of waste diverted
from landfill
(includes resident
drop off)

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.

Strategic Indicator	Result	Comment
Support the shift towards the use of sustainable transport options.	98%	Implemented the <i>Stonnington Cycling Strategy</i> to enhance the physical and social environments to encourage more people to cycle and people to cycle more often. Key achievements: Sir Zelman Cowen shared path, Church Street underpass, Jam Factory bike parking 'pod' & public seating, Brixton Rise shared path, Yarra River Biodiversity Linkages Project (Stage 4 & 5) and over 50 new bike parking installations.
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.	95%	Continued to implement <i>Strategies for Creating Open Space</i> , Council's 20 year plan to increase publicly accessible open space across the municipality. Progressed planning scheme amendments to apply public acquisition overlays to sites in Prahran, Windsor and Armadale. Environmentally Sustainable Design Policy incorporated in the Stonnington Planning Scheme. Progressed the Urban Forest Strategy.
Demonstrate waste minimisation and the efficient use of water and energy, through the implementation of innovative and best practice initiatives.	98%	Environmentally sustainable design initiatives have been installed at Elizabeth Street Multi-storey carpark, Chapel Off Chapel and Toorak/South Yarra Library. 19 of 22 sports grounds have been converted to warm season grass.
Initiate behavioural change within the community to adopt sustainable practices.	100%	Delivered a comprehensive community education program at the TH King Environmental Education Centre and facilitated the Green Schools Network. 25 sustainability sessions delivered at Stonnington schools.
Manage, strengthen and develop local biodiversity and protect and increase flora and fauna.	100%	Completed Stage 4 of the Yarra River Biodiversity Project and detailed biodiversity measurement of the Lower Yarra River precinct.
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. Public Place Recycling consultation conducted with traders and recycling bins installed in Malvern Valley, High Street, Orrong Road and Central Park strip shopping centres. Participation in Council's green waste service increased by 27.6%.
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. Upgrades to the Harold Holt Aquatic Centre delivered a 20% saving in daily energy use.

Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2015/16 budget for the year.

Major Initiative	Progress
Implement the <i>Stonnington Cycling Strategy</i> to enhance the physical and social environments to encourage more people to cycle and people to cycle more often (Actual: \$475,000 Budget: \$880,000).	Completed
Implement <i>Strategies for Creating Open Space</i> to expand open space across the municipality and enhance connectivity (Actual: \$1,056,000 Budget: \$3,000,000).	90% complete. Progressing planning scheme amendments to apply public acquisition overlays to sites in Prahran, Windsor and Armadale.
Deliver the Energy Efficiency Implementation Plan to reduce energy consumption and green house gas emissions (Actual: \$40,000 Budget: \$82,000).	Completed
Implement the Lower Yarra Biodiversity Linkages Project to improve habitat, amenity, liveability and recreational opportunities (Actual: \$934,000 Budget: \$900,000).	Completed

Description of Services

The following table provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service

Service	Description	Net Cost (\$'000)
		Actual Budget Variance
Public Spaces Design and Development	This service 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.	33
		187
		154
Parks and Environment	This service includes arboriculture and horticulture services such as tree pruning, planting, removal, planning and street tree strategies, parks and sports ground mowing and maintenance.	10,139
		9,824
		(315)
Environmental Planning	This service 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.	742
		635
		(107)
Waste Collection and Management	This service provides kerbside rubbish collections of garbage, hard waste, recycling and green waste from all households and commercial properties in Stonnington.	12,457
		13,304
		847

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 2015	Result 2016	Material Variations and Comments
WASTE COLLECTION			
SATISFACTION			
Kerbside bin collection requests (Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x1000	125.07	128.41	The results are consistent with 2014/15 and reflect Council's high quality bin collection service.
SERVICE STANDARD			
Kerbside collection bins missed (Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts) x10,000	6.66	4.90	The results are consistent with 2014/15 and reflect Council's high quality bin collection service, with the missed rate equating to 0.03% of all bin lifts.
SERVICE COST			
Cost of kerbside garbage bin collection service (Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins)	\$113.23	\$118.78	The results are consistent with 2014/15. Council's waste collection service costs are influenced by narrow residential streets, significant on-street parking and heavy day-time traffic conditions, specialised waste collection vehicles, manual collection processes and extensive after-hours operations.
SERVICE COST			
Cost of kerbside recyclables collection service (Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins)	\$17.46	\$17.70	The results are consistent to 2014/15. Council provides a fortnightly, recyclables collection service for the community and the cost is partly offset by income received for the recyclables collected.
WASTE DIVERSION			
Kerbside collection waste diverted from landfill (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100	35.00%	35.66%	The results are consistent with 2014/15. Council maintains a strong focus on reducing the amount of waste going to landfill. A decrease in consumption and associated disposal of paper in recycling bins, along with lighter weight glass and plastics, is resulting in lower weights overall being collected in recycling bins.

LIVEABILITY

36

“I enjoyed the ‘Hit the Streets’ program. I learned how to combine colours together and also learned more aspects of graffiti. I think the end product was good. We did really well as a group and completed two big walls – which was impressive for me”.

Sunny, Hit the Streets participant



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

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Achievements

- TH King Pavilion and Stonnington Environmental Education and Design Centre won the Victorian Government Community Sport and Recreation Facility Award.
- Windsor Siding Masterplan endorsed by Council followed by works commencing.
- Amendment C186 of the Stonnington Planning Scheme was approved – developments in the suburbs of Prahran, Windsor, Armadale and South Yarra will now make an open space contribution of eight per cent.
- Completed a Feasibility Study on options for the long-term redevelopment of Cato Street car park.
- Amendment C173 was approved introducing a Design and Development Overlay on Dandenong Road (Tooronga Road to Bates Street) in Malvern East.
- Implemented public realm improvement works in Greville Street, Grattan Gardens, Chapel Street North and Como Park North.
- Approximately 1,800 people attended the Flavours festival.
- With advocacy by Council, the Burke Road Level Crossing Removal Project was completed.

LIVEABILITY



Hit the Streets

Approximately 20 per cent of Stonnington's residents are aged between 10 to 25 years and Council is committed to supporting these residents with a range of engaging, interactive and age-appropriate programs and initiatives.

Stonnington's Graffiti Education and Prevention Program has been a resounding success with the completion of murals at Princes Gardens Skate Park, Percy Treyvaud Park and Phoenix Park Community Centre, designed to complement and enhance the character and amenity of the area. As part of the 'Hit the Streets' program, young people learned about legal and commercial applications of street art and the career pathways in this field.



LIVEABILITY



57.63%

Council planning
decisions upheld
at VCAT

274

teams used
sportsgrounds for
various summer
and winter sports



98%

infant enrolments
for the Maternal
and Child Health
first home visit

Council provided
64,453 hours
of in-home
services



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.

Strategic Indicator	Result	Comment
Continue to improve, maintain and provide safe, accessible and attractive public places and streets.	100%	Completed bi-monthly inspections of footpath trading and awning permits. Delivered seven days per week, 52 weeks per year street cleaning services. Enforcement of Local Laws to provide a safe community and proactive graffiti management and maintenance of shopping centre infrastructure to maintain local amenity.
Preserve Stonnington's heritage architecture and balance its existing character with complementary and sustainable development.	98%	Progressed Council's Interwar Houses Study, Victorian Houses and Federation studies and continuing to protect individual properties of significance where under immediate threat. Neighbourhood Character Policy approved and gazetted into Planning Scheme. Completed background investigations to inform Activity Centres Strategy.
Balance the competing demands of maintaining residential amenity and population growth through appropriate planning.	100%	Lodged Amendment C172 for approval with the Minister for Planning to implement Chapel reVision. Advocated to State Government for improved higher density amenity requirements through Council's submission to Plan Melbourne Refresh.
Develop public spaces as desirable places for the community to gather, connect and enjoy.	100%	Delivered a highly successful events program including the second Glow Winter Arts festival. Implemented public realm improvement works in Greville Street, Grattan Gardens, Chapel Street North and Como Park North.
Enhance the quality of infrastructure and services necessary for the efficient and sustainable operation of the city.	98%	Rapid Response program delivered to respond to requests from the community. Active Transport map for entire City area completed and distributed to community. Annual maintenance program delivered for updating kerb, channel and footpath renewal, drainage improvements, pavement rehabilitation and asphalt resurfacing as per capital works schedule.
Recognise Stonnington's diverse culture through programs and activities that observe traditions and heritage.	94%	Delivered the Flavours festival which attracted 1,800 attendees. Delivered a comprehensive Community Grants program which assists all groups within the community to stay active, supported, healthy and involved in the community.
Facilitate programs and events that educate and connect with Stonnington's indigenous community and history.	100%	A community event celebrating NAIDOC week attracted over 80 community members. An activity day at a local school involved 160 students learning from traditional owners about indigenous plants and traditional dance. Council continues to engage with the Citizens for Reconciliation, Reconciliation Victoria, Reconciliation Australia and Local Indigenous Network.

Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2015/16 budget for the year.

Major Initiative	Progress
Continue to implement the graffiti strategy to deliver effective, sustainable eradication (Actual: \$493,000 Budget: \$540,000).	Completed
Preserve Council's significant heritage buildings through the systematic implementation of conservation work identified in Conservation Management Plans and Building Condition Audits (Actual: \$126,000 Budget: \$420,000).	Completed
Implement infrastructure and public realm improvement works in accordance with the Forrest Hill Precinct Masterplan (Actual: \$76,000 Budget: \$450,000).	Completed
Implement infrastructure and public realm improvement works in accordance with the Chapel Street Masterplan (Actual: \$2,595,000 Budget: \$2,650,000).	Completed

Description of Services

The following table provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service

		Net Cost (\$'000)
		Actual Budget
Service	Description	Variance
Infrastructure Planning, Design and Management	This service conducts capital works planning for Council's main civil infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential.	9,012
	Undertakes design, tendering, contract management and supervision of various works within Council including roads, laneways, car parks, foot/bike paths, drains and bridges.	8,659
		(353)
Urban Development	This service processes 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. It monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the City. It also prepares and processes amendments to the Stonnington Planning Scheme.	(5,079)
		1,502
		6,581
Building Control and Amenity Services	This service 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 afterhours service and an emergency service. It also provides education, regulation and enforcement of the General Local Law and relevant State legislation.	250
		928
		678
Venue Facilities	This service 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.	1,550
		1,801
		251
Major Projects and Property Improvements	This service 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 community.	430
		341
		(89)
Facilities Maintenance	This service prepares long term maintenance management programs for Council's property assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include municipal buildings, pavilions and other community buildings.	2,594
		2,183
		(411)
Streets, Roads and Drains Cleaning and Maintenance	This service provides street cleaning, leaf collection, weed removal, drainage pit cleaning and street litter bins throughout Council.	3,734
		3,580
		(154)

Performance Indicators

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

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SERVICE / INDICATOR / Measure	Result 2015	Result 2016	Material Variations and Comments
ROADS			
SATISFACTION OF USE			
Sealed local road requests (Number of sealed local road requests / Kilometres of sealed local roads) x100	90.77	25.60	The improved result is due to the calculation of the indicator. Kerb and channel was incorrectly included in 2014/15. The 2015/16 results exclude requests related to kerb and channel.
CONDITION			
Sealed local roads below the intervention level (Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads) x100	98.00%	99.10%	Council maintains a strong focus on asset renewal, including local roads.
SERVICE COST			
Cost of sealed local road reconstruction (Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed)	\$163.14	\$141.22	Council's asset renewal processes determine which local roads will be reinstated each year. The works are undertaken by contractors following a competitive procurement process. Individual road reconstruction costs can vary depending on the extent of reconstruction specified for each project.
SERVICE COST			
Cost of sealed local road resealing (Direct cost of sealed local road resealing / Square metres of sealed local roads resealed)	\$20.88	\$21.70	Council uses a variety of treatments, as appropriate, for the resurfacing or resealing of its roads including rejuvenation treatments and asphalt overlays, each of which vary in cost.
SATISFACTION			
Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	70.00	68.00	Satisfaction with sealed local roads, whilst lower than 2015, is not a significant decline and is still 14 points higher than the state average.

SERVICE / INDICATOR / Measure	Result 2015	Result 2016	Material Variations and Comments
STATUTORY PLANNING			
TIMELINESS			
Time taken to decide planning applications (The median number of days between receipt of a planning application and a decision on the application)	72.00	83.00	Council received 1,817 planning applications in 2015/16. Compared to 2014/15, Council experienced a 14% growth in more complex applications, such as high density residential proposals. The time taken is due to the high volume and increased complexity of planning applications and the requirement to provide public notification, community consultation and referrals to authorities (82% of all planning applications).
SERVICE STANDARD			
Planning applications decided within 60 days (Number of planning application decisions made within 60 days / Number of planning application decisions made) x100	68.00%	67.00%	Council received 1,817 planning applications in 2015/16. Compared to 2014/15, Council experienced a 14% growth in more complex applications, such as high density residential proposals. Council consistently determines the majority of applications within the statutory timeframe despite the high volume and increased complexity of planning applications and the requirement to provide public notification, community consultation and referrals to authorities (82% of all planning applications).
SERVICE COST			
Cost of statutory planning service (Direct cost of the statutory planning service / Number of planning applications received)	\$2,218.93*	\$2,391.12	Council planning service costs are influenced by an increase in complex planning applications.
DECISION MAKING			
Council planning decisions upheld at VCAT (Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x100	45.00%	57.63%	The increased percentage of planning decisions upheld at VCAT demonstrates that Council makes planning decisions that are consistent with the planning scheme and associated planning policy.

* 2014/15 result was incorrectly reported and has been amended.

PROSPERITY

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SOS Cafe on Toorak Road, South Yarra is located a stone's throw from South Yarra Railway Station: "We have given the iconic South Yarra Square a makeover and transformed it into one of Melbourne's top cafes. With a menu focused on infusing the best organic, local and nourishing produce available, SOS Cafe is literally saving souls."

SOS Cafe



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

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Achievements

- Delivered key events and partnerships of local economic benefit including Stonnington Jazz, Virgin Australia Melbourne Fashion Festival and the Glow Winter Arts Festival.
- Delivered a free Small Business Mentoring Program for local businesses.
- Precinct signage upgrade commenced for activity centres.
- To support the Stonnington business community, a business breakfast event was held during the Small Business Festival featuring a panel of keynote speakers.
- Commenced the Glenferrie Road/High Street Structure Plan.
- A new artwork by Jonathan Jones was unveiled in South Yarra, on the Yarra River's banks, as part of NAIDOC Week 2015.
- The Northbrook Pop-up Gallery opened as a space for the community to enjoy.

PROSPERITY



Economic Development

Council provides a range of events and activities to support and develop local businesses and encourages new business opportunities. We also work collaboratively with the six local business associations to implement a range of activities to actively market and promote their vibrant retail precincts.

Council delivered a Retail Forum for local traders with keynote presentations by Erin Frankcombe from American Express and Mel Stewart from Hyper Social who shared their insights into how business can prepare for the future.



PROSPERITY

1,230

inspections of
Class 1 and
Class 2 food
premises



76 business mentoring sessions were delivered

one in four jobs

in Stonnington is filled by a resident



Special Rate raised

\$1,786,574

to promote local businesses

34,000 people

attended 355

performances at Chapel off Chapel

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.

Strategic Indicator	Result	Comment
Develop long-term plans to ensure the sustainability of Stonnington's activity centres.	95%	Progressed Planning Scheme Amendment to implement Malvern-Burke Road Urban Design Framework. Commenced Glenferrie Road/High Street Structure Plan and completed consultation on Hawksburn Structure Plan. Completed feasibility study on options for the long-term redevelopment of the Cato Street car park.
Advocate for access to increased public transport and infrastructure to major activity centres to enhance economic growth.	100%	Council advocated for the Night Network public transport currently being trialled throughout Melbourne.
Promote Stonnington as a premier retail and visitor destination.	98%	Delivered key events and partnerships to deliver local economic benefit: Stonnington Jazz Festival, Virgin Australia Melbourne Fashion Festival and the Glow Winter Arts Festival. The Chapel and Loft Theatres continue to be well utilised, although due to a five month closure, numbers are down from the previous year. 34,000 people attended 355 performances at Chapel Off Chapel.
Promote activities that support and develop local business with a focus on neighbourhood retailers.	83%	Planning undertaken to complete online upgrade of business directory and increase usage and listings.
Develop relationships with key business stakeholders to foster opportunities that will provide positive outcomes for the community, including social justice and equity.	94%	Re-launched the reviewed Stonnington Business Connection Network to strengthen businesses in Stonnington. Hosted Stonnington Business Roundtable to encourage collaboration and stimulate continuous improvement in economic development.
Improve the quality of Stonnington's retail precincts to match the aspirations of being a premier retail and visitor destination.	100%	Pole painting works and street furniture upgrade program commenced in Glenferrie Road and High Street and Chapel Street. Precinct signage upgrade commenced for activity centres.
Continue to develop strategic partnerships to deliver economic and community benefit.	100%	Continued partnerships with Destination Melbourne and Department of Business and Innovation and MainStreet Australia. Council's partnership also continued with Virgin Australia Melbourne Fashion Festival to promote Stonnington as a fashion and shopping destination with an increased focus on tourism.
Support the continued viability of the retail sector and other businesses to adapt to changing macro-economic trends.	100%	Delivered free Small Business Mentoring program.

Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2015/16 budget for the year.

Major Initiative	Progress
Undertake feasibility study on options for the long-term redevelopment of the Cato Street car park (Actual: \$394,000 Budget: \$3,000,000).	Completed
Undertake Urban Design Framework Plans for identified neighbourhood centres (Actual: \$36,000 Budget: \$100,000).	Completed
Leverage key events and partnerships to deliver local economic benefit, including Stonnington Jazz, Virgin Australia Melbourne Fashion Festival and the Glow Winter Arts Festival. (Actual: \$454,000 Budget: \$580,000).	Completed

Description of Services

The following table provides information in relation to the services funded in the 2015/16 budget and the persons or sections of the community who are provided the service

		Net Cost (\$'000)
		Actual Budget
Service	Description	Variance
Arts and Cultural Planning	This service provides a varied ongoing program of arts and cultural events and activities, plans and develops arts and cultural facilities and infrastructure and develops policies and strategies to facilitate art practice.	2,502
		3,208
		706
Economic Development	This service assists the organisation to facilitate an environment that is conducive to a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access employment.	2,784
		2,465
		(319)
Traffic and Parking Services	This service provides strategic planning, policy development and day to day management of traffic and transport related issues in Council. It includes the management of Council's various car parks within activity centres.	(8,748)
		(8,246)
		502

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.

STRATEGIC RESOURCE PLAN

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City of Stonnington Annual Report 2015/16

“My philosophy is I want the Centre to be... an extension of their family.

A normal day in the office means that each day is different, with each day having its own challenges, but without the children, I wouldn't have a job! They make my job and the families are lovely to get to know.”

Marlene Ries, Director,
Central Park
Childcare Centre



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.

Achievements

- A new Employee Value Proposition was launched.
- Implemented Council's Asset Management System including the preparation of long-term capital models for maintenance.
- Corporate Information Technology Strategy updated and IT Governance framework in place.
- New online format for Council's premier publication, InStonnington, was introduced.
- New ePlanning and 'Request a Service' now accessible via Council's website.
- Achieved Australian Standard AS/NZS 4801 re-certification.
- Key strategic projects have progressed as scheduled including the staged renovation of Chapel Off Chapel, redevelopment of Toorak Park, Dunlop Pavilion and Malvern Valley Golf Course.

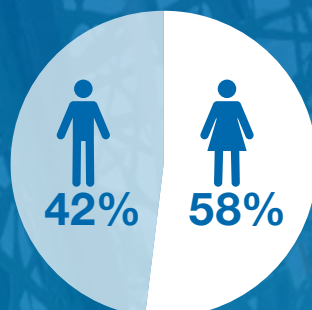
Extended Childcare Hours

To better service the community's needs, Central Park Childcare Centre extended its opening hours and now provides long day care each week day from 8.30am to 5.30pm. The change from occasional to long day care makes childcare more affordable for many families who can now apply for government fee assistance.

The Centre provides a very personal, family oriented service led by Marlene Ries who has worked at there for 25 years. The education and care programs are created around the developmental needs and interests of each child.



STRATEGIC RESOURCE PLAN



Staff

More than
100 services
provided by
Council

67% of residents
made contact with Council
 mostly by phone

Residents say the
best aspects
of Stonnington are its
parks and gardens,
community facilities,
cultural activities and
community and public
events/activities

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.

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Strategic Indicator	Result	Comment
Governance	98%	Provided training for all 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%	Employee Value Proposition launched across organisation and delivered a comprehensive Wellbeing Program and Learning and Development Strategy to employees.
Asset Management	97%	Implemented Council's Asset Management System including the preparation of long-term capital models for maintenance. Key strategic projects have progressed as scheduled, including the staged renovation of Chapel Off Chapel, restoration of Harold Holt Swim Centre Dive Tower and 25m pool, and redevelopment of Toorak Park, Dunlop Pavilion and Malvern Valley Golf Course Hub.
Business Systems and Technology	100%	Corporate Information Technology Strategy updated and IT Governance Framework in place. New responsive website delivered. Focused use of social media channels enhanced, new engagement platform delivered, public GIS access and usability enhanced via 'Services Near Me' and e-reader format for InStonnington magazine and key Council publications. Further innovative tools including ePlanning and Request a Service now accessible via Council's website. Significant network upgrades implemented and WiFi rolled out to new Council offices.
Risk	100%	Achieved Australian Standard AS/NZS 4801 re-certification with no non-conformance identified.

Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2015/16 budget for the year.

Major Initiative	Progress
Implement the Council Plan 2013-2017 to ensure Council activity is consistent with community needs and aspirations (Actual: \$184,000 Budget: \$164,000).	Completed
Continue with upgrade of Prahran Market with the Market Board (Actual: \$258,000 Budget: \$420,000).	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 (Actual: \$38,000 Budget: \$27,000).	Completed

Description of Services

The following table provides information in relation to the services funded in the 2015/16 Budget and the persons or sections of the community who are provided the service

		Net Cost (\$'000)
		Actual Budget
Service	Description	Variance
Councillors, Chief Executive and Executive Team	This area includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas.	6,153
		5,912
		(241)
Financial Services	This service predominantly provides financial based services to both internal and external customers including the 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.	882
		3,095
		2,213
Information Services	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.	267
		3,414
		3,147
Organisation Development	This service provides Council with strategic and operational organisation development support. 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.	1,555
		1,645
		90
Fleet Services	This service purchases and maintains Council vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet.	2,079
		2,152
		73
Risk Management	This service 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 and to ensure all contracts are prepared, evaluated, awarded and managed in accordance with the <i>Local Government Act 1989</i> and Council's Procurement Policy.	1,615
		1,312
		(303)

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: 2015	Result: 2016	Material Variations and Comments
GOVERNANCE			
TRANSPARENCY			
Council decisions made at meetings 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, 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	12.00%	17.28%	In 2015/16, confidential resolutions were related to contractual and land acquisition matters reflecting Council's adopted strategy to increase open space. Council formed the view that the premature disclosure of this information was prejudicial to the interests of Council and other persons.
CONSULTATION AND ENGAGEMENT			
Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	63.00	60.00	Satisfaction with community consultation and engagement, whilst lower than 2015, is not a significant decline and is still one point higher than the metropolitan average.
ATTENDANCE			
Councillor attendance at council meetings (The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)) x100	92.00%	86.77%	An extraordinary vacancy occurred in East Ward due to the sudden passing of a Councillor in June 2015. The extraordinary vacancy impacted the overall Councillor attendance.
SERVICE COST			
Cost of governance (Direct cost of the governance service / Number of Councillors elected at the last Council general election)	\$53,010.44	\$55,714.22	Cost of governance has increased due to higher operating expenses directly related to the activities of the elected councillors such as allowances (set by the Minister), training and professional development, conferences, seminars, memberships of professional bodies and other incidental expenses.
SATISFACTION			
Satisfaction with council decisions (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	59.00	60.00	Community satisfaction with Council decisions is one point higher than 2015, and six points higher than the state average.

OUR PEOPLE

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City of Stonnington Annual Report 2015/16



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.

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OUR PEOPLE

Figure 1 Staff Profile by Division

Employment Type – Gender	Assets & Services FTE	CEO Group FTE	Community & Culture FTE	Corporate Services FTE	Planning & Amenity FTE	Total FTE
Permanent Full Time - F	29.50	7.00	104.34	24.80	42.00	207.64
Permanent Part Time - F	1.42	–	75.89	5.23	6.86	89.40
Permanent Full Time - M	108.03	1.00	40.00	31.00	32.00	212.03
Permanent Part Time - M	1.62	–	31.23	1.80	1.65	36.30
Casual - F	1.33	–	14.02	–	0.10	15.45
Casual - M	2.41	–	7.20	2.11	0.71	12.43
Total	144.31	8.00	272.68	64.94	83.32	573.25

Note: Permanent employment types include temporary engagements as at 30/6/2016. Casuals are based on all hours over the financial year for casual staff active at 30 June 2016.

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

EFT by Classification	FEMALE	MALE	Total
BAND 1	0.53	–	0.53
BAND 2	14.30	14.87	29.17
BAND 3	45.17	13.76	58.93
BAND 4	69.88	19.71	89.59
BAND 5	63.62	41.46	105.08
BAND 6	58.74	30.10	88.84
BAND 7	24.71	28.00	52.71
BAND 8	6.97	15.00	21.97
OTHER	28.57	97.86	126.43
Total	312.49	260.76	573.25

Note: Includes casual employment type.

Equal Opportunity Employment Program

The City of Stonnington is committed to providing a workplace free of all forms of discrimination, bullying, harassment, sexual harassment and victimisation.

Council aims for equality of opportunity for all employees, consistent with our policy of merit-based selection and promotion and aims to eliminate discrimination relating to the protected attributes outlined in the *Equal Opportunity Act 2010*.

Discrimination, bullying, harassment, sexual harassment and victimisation are not only

unacceptable they are unlawful under State and Federal legislation.

- **Indicator:** Percentage of new employees receiving Equal Opportunity training within six months of commencing.

Target: 100%. Result: 98%

- **Indicator:** Percentage of employees receiving refresher 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

	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Training sessions conducted	12	30	7	14	20	8
Employees completing training sessions	213	389	86	166	250	122
No of EO reports	3	5	4	2	4	0
No of EO investigations reported to external bodies	2	1	0	0	0	0
No of EO complaints resolved internally	1	4	4	2	N/A	N/A

Workcover

Council takes the safety, wellbeing and health 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 2015/16

	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Nil Time Lost	8	10	10	10	17	17
Time Lost-Weekly	27	24	21	6	27	17
Compensation Paid						
Total Claims Lodged	35	34	31	16	44	34
% Increase/ Decrease	3%	10%	94%	-64%	29%	
No of EO complaints resolved internally	1	4	4	2	N/A	N/A

Figure 5 Workcover Claims Closed 2015/16

	2015/16	2014/15	2013/14	2012/13
Stonnington	28	18	45	28
Street Cleaning Services	8	12	10	8
Total Claims Closed	36	30	55	36
% Increase/Decrease	20%	-45%	53%	

Other Staff Matters

Occupational Health and Safety

The major OHS achievements in 2015/16 include:

- A review of the *OHS Procedures Manual* including consultation with 22 employee working groups.
- Completed the recording of operational risks for inclusion into Council's Risk Register.
- A review and update of Council's facility-specific Emergency Response Procedures.

- A review of chemicals in use across Council with a view of substituting hazardous materials with environmentally-friendly replacements.
- Completed the High Risk Manual Handling project in association with Curtin University (WA) and conducted consultation sessions and training with the teams involved in the project.
- Celebrated Safety Week across three major sites in October 2015 with the delivery of a presentation entitled 'Staying Sane in times of Change'.

- 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 all new employees.
- Successful retention of Certification under Australian Standard 4801 of Council's OHS Management System.

Professional Development

Council provides a comprehensive corporate learning and development 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, class style training and leadership coaching.

Wellbeing Program

Council's Wellbeing Program aims to embed a strong, safety and wellbeing culture in the workplace. Programs promote long-term sustainable change and support the physical, emotional and psychological wellbeing of employees as well as strategies to manage the competing demands of balancing work and family.

Employee Value Proposition

In 2015, Council set out to engage employees in a conversation about what is important to them in their organisation and improve the sense of ownership of their values by refining and improving the behaviours that support them. A central consideration of the project was to test the currency of Stonnington's organisational development program, Blue Horizon, with a view to refresh it so that it is reflective of and relevant to our workforce as it stands today.

An Employee Value Proposition (EVP) is the promise an organisation makes to current and future employees. It balances what Council offers as an employer with what to expect from its employees.

The objective of creating an EVP is to engage and inspire staff, attract talent, promote long term retention and set a clear foundation for Stonnington as a respected employer in Local Government and as an employer of choice more broadly. Having inspired staff and attracting the best talent ensures that the City of Stonnington is best placed to continue to serve the community to the best of its ability now and into the future.

The EVP was launched in March 2016:

**Stonnington. Work that matters.
People who make a difference.**

Our values

An important aspect of the EVP project was to re-invigorate the values that underpin our EVP. Feedback suggested that the existing values still reflect the values of our people – so these haven't changed.

Our values remain a part of who we are, how we act and who we hire.

What we have done is refresh the icons and create simple descriptors, in a language that speaks directly to our staff. They help to define the behaviors we encourage from each other.

Organisational Structure

The Chief Executive Officer (CEO) is appointed by Council in accordance with the requirements of the *Local Government Act 1989* to lead the organisation. The CEO and four General Managers form the Executive Management Team. The Executive Management Team supports the CEO in managing the day-to-day operations of the municipality.

The Chief Executive Officer (CEO)

Mr Warren Roberts was re-appointed as CEO in April 2012 for a five-year period. The CEO reports directly to Council and Council review the CEO's performance annually, against key performance indicators.

The CEO is responsible for:

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

Senior Officers

The *Local Government Act 1989* outlines the employment requirements of Council's Senior Officers, conduct principles, contractual obligations, performance evaluation and delegated authorities. For more information, refer to the organisational chart in this report.

In October 2015 an organisational restructure combined the previous five divisions into four as follows, and the General Managers are:

Assets and Services, Simon Thomas
Corporate Services, Geoff Cockram
Planning and Amenity, Stuart Driffin
Community and Culture, Karen Watson

ORGANISATIONAL STRUCTURE

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 CHIEF EXECUTIVE OFFICER Warren Roberts	
PLANNING AND AMENITY	CORPORATE SERVICES
 GENERAL MANAGER Stuart Draffin <i>Inner Melbourne Action Plan (IMAP)</i>	 GENERAL MANAGER Geoff Cockram <i>Prahran Market and Audit Committee</i>
 BUILDING AND LOCAL LAW SERVICES Madeleine Grove <ul style="list-style-type: none"> — Municipal Building Surveyor — Projects and Prosecutions — Local Laws — Field Services — Building Control 	 FINANCE Scott Moore <ul style="list-style-type: none"> — Accounting — Budget Preparation — Purchasing and Accounts — Treasury
 STATUTORY PLANNING Augarette Malki (Acting) Alex Kastaniotis (Maternity Leave) <ul style="list-style-type: none"> — Statutory Planning — Planning Appeals — Amended Plans — Subdivisions — Urban Design — Planning Enforcement 	 BUSINESS SYSTEMS AND TECHNOLOGY Peter Strods <ul style="list-style-type: none"> — Business Information Systems — IT Disaster Recovery Planning — Application Development and — Systems Implementation — Help Desk
 CITY STRATEGY Susan Price <ul style="list-style-type: none"> — Land Use Policy — Municipal Strategies — Policy Development — Planning Scheme Amendments 	 GOVERNANCE AND CORPORATE SUPPORT Fabienne Thewlis <ul style="list-style-type: none"> — Rates — Valuations — Civic Support — FOI, Privacy and Protected Disclosure — Records Management
 COMMUNICATIONS Matt Clear <ul style="list-style-type: none"> — Communications, Public Relations — Media and Marketing — Website and Intranet — Digital and Design — Community Safety, Health and Wellbeing — GIS 	 PEOPLE AND CULTURE Jan Lawson <ul style="list-style-type: none"> — Human Resource Management — Organisational Development — Equal Opportunity — Industrial Relations — Payroll and WorkCover
	 RISK MANAGEMENT AND CONTRACTS COMPLIANCE Bernard Mulholland <ul style="list-style-type: none"> — Risk Management — OH&S — Contracts Compliance
	 CORPORATE COUNSEL Michael Smith <ul style="list-style-type: none"> — Legal Counsel — Property Coordination

ASSETS AND SERVICES

GENERAL MANAGER
Simon Thomas



PHYSICAL OPERATIONS
Steve Relf

- Municipal Emergency Management
- Waste Management and Disposal
- Fleet Management
- Street Cleaning
- Infrastructure Maintenance
- Graffiti and Rapid Response
- Building Maintenance



URBAN AND INFRASTRUCTURE PROJECTS
Rick Kwasek

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



PARKS AND ENVIRONMENT
Simon Holloway

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



TRANSPORT AND PARKING
Ian McLauchlan

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



PROJECT MANAGEMENT AND DELIVERY
Steve Morrell

- Community and Council Facilities
- Project Management
- Capital Works

COMMUNITY AND CULTURE

GENERAL MANAGER
Karen Watson



CHILDREN AND FAMILY SERVICES
Cath Harrod

- Maternal and Child Health Services
- Child Care Services
- Youth Services
- Adventure Playground
- Immunisation Services
- Venues and Production



AGED, DIVERSITY, HEALTH AND ANIMAL MANAGEMENT
Penny Pavlou

- Home and Community Care
- Assessment Services
- Cultural Diversity, Access and Inclusion
- Animal Management
- Environmental Health



COMMUNITY FACILITIES
Tony Oulton

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



ECONOMIC AND CULTURAL DEVELOPMENT
Francesca Valmorbida

- Economic Development
- Events
- Arts and Culture Development
- Tourism



CHAPEL OFF CHAPEL
Gary McMahon

- Cultural Events
- Community Activities
- Gallery



ADVOCACY, PERFORMANCE AND IMPROVEMENT
Tracey Limpens

- Corporate and Community Planning, Community Engagement
- Advocacy and Research
- Policy Initiation and Response
- Innovation and Improvement

The *Local Government Act 1989* (the Act) Section 3A states “the purpose of local government is to provide a system under which Councils perform the functions and exercise the powers conferred by or under this Act and any other Act for the peace, good order and good government of their municipal districts.”

The Act states further (Section 3C(1)) the objectives of a Council as primarily*“to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions”*.

In seeking to achieve the primary objective outlined above, Council must have regard to the following facilitating objectives:

- Promotion of the social, economic and environmental viability and sustainability of the municipal district;
- Ensuring that resources are used efficiently and effectively and services are provided in accordance with Best Value Principles to best meet the needs of the local community;
- Improving the overall quality of life of people in the local community;
- Promoting appropriate business and employment opportunities;
- Ensuring that services and facilities provided by the Council are accessible and equitable;
- Ensuring the equitable imposition of rates and charges; and
- Ensuring transparency and accountability in Council decision making.

Sir Adrian Cadbury defined corporate governance as being *“concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.”*¹

To achieve the purpose and objectives of the Act and sound corporate governance, the Council Plan reflects Council’s commitment to the Stonnington community and focuses on four key objectives: Community, Environment, Liveability and Prosperity.

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 which leads to better and ethical decisions. It helps Stonnington Council meet its legislative obligations.

The Council

A Council must consist of not fewer than five and not more than 12 Councillors.

Stonnington Council has had nine Councillors since the amalgamation of Councils in the 1990s and subsequent internal boundary reviews conducted at various legislative periods since then.

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 to be held on 22 October 2016.

Following the sudden and premature passing of Cr Adrian Stubbs on 21 June 2015 a vacancy in the East Ward arose. A recount for the vacant position was held on 20 July 2015. Cr Jim Athanasopoulos was the successful candidate from the recount and he was sworn in on 31 August 2016.

East Ward

Cr Erin Davie
Cr John McMorro
Cr Jim Athanasopoulos
(sworn in on 31 August 2015)

South Ward

Cr Tini Athanasopoulos
Cr Melina Sehr (Mayor to 11 November 2015)
Cr Claude Ullin (Mayor from 11 November 2015)

North Ward

Cr John Chandler
Cr Jami Klisaris
Cr Matthew Koce

¹ Clarke, T., 2007, *International Corporate Governance, A comparative approach*, Routledge, UK, p2.

Mayor

The Mayor, Cr Claude Ullin, was elected by the Councillors at a Special Meeting on 11 November 2015 for almost a one-year term. The Mayor takes precedence at all municipal proceedings within the municipality and takes the chair at all meetings of the Council at which he is present.

Meetings of Council

Ordinary meetings of Council are generally held on the first and third Mondays of the month, excluding January but can change due to the timing of public holidays. The meeting schedule is adopted by Council in December each year and is advertised in the local newspaper 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 Malvern Town Hall, Malvern. Copies of the Notice Paper are available prior to the meeting on Council's website and for viewing at Council Libraries with copies also available at the meetings. Minutes or Notice Papers of past meetings are also available on Council's website.

The meeting procedure is outlined in Council's General Local Law 2008 (No.1). Voting is by a show of hands and while Councillors can choose not to vote on an issue, this does not occur except if they have declared a Conflict of Interest and have vacated the Chamber.

Figure 6 Councillor Meeting Attendance 2015/16

Councillor	Council Meetings		Councillor Briefings	Planning Consultative Meetings*
	Ordinary	Special		
Total Meetings Held	21	3	21	63
J. Athanasopoulos (from 31/8/15)	17	3	18	18
T. Athanasopoulos	19	3	19	12
Davie	18	3	20	21
Chandler	20	3	18	15
Klisaris	17	3	13	15
Koce	16	3	17	9
McMorrow	20	3	20	16
Sehr	21	3	19	13
Ullin (Mayor from 11/11/15)	21	3	20	15

*More than one Councillor may have attended a consultative meeting

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

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

Figure 7 Number of Consultative Meetings by Ward

Ward	2015/16	2014/15	2013/14	2012/13	2011/12
East	22	20	24	16	n/a
South	19	16	21	21	n/a
North	22	36	22	14	n/a
TOTAL	63	72	67	51	76

Advisory Committees

Council has Advisory Committees as follows:

- Finance Advisory Committee
- Economic Development, Arts and Culture Advisory Committee

- Sustainability Committee
- Community Services Advisory Committee
- Strategic Planning Advisory Committee

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

Figure 8 Attendance

	EDAC	Finance	Community Services	Strategic Planning	Sustainability
No. of Meetings	11	5	6	8	5
J Athanasopoulos	1	3		5	2
T Athanasopoulos					5
Chandler		5		6	
Davie			5		1
Klisaris	4		6		
Koce					5
McMorrow	11			1	
Sehr				6	
Ullin	9				

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

- Chapel Off Chapel Advisory Board
- Stonnington Cycling Reference Group
- Access Stonnington Committee
- Steering Committee for the Feasibility Study for the Future Use of Prahran Town Hall and Northbrook
- Prahran Town Hall Upgrade Steering Committee
- Chapel Street Revitalisation Working Group
- Ethnic Services Committee
- History Committee
- Cato Street Carpark.

Other Meetings

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

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

Inner Melbourne Action Plan

The Inner Melbourne Action Plan (IMAP) is a collaborative partnership between the Cities of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong which seeks to help foster creativity, liveability, prosperity and sustainability across the inner Melbourne region. The Inner Melbourne Action Plan was first adopted in 2005 and its 11 regional strategies and 57 actions have been progressively implemented over the following ten years.

To date, around 75% (49 projects) of all Actions in the Plan have been addressed. With the inclusion of Maribyrnong City Council in 2013 and the publication of the State Government's Plan Melbourne, the IMAP Implementation Committee resolved in February 2014 to review the Inner Melbourne Action Plan.

Inner Melbourne Action Plan 2016-2026

An extensive review of the Inner Melbourne Action Plan commenced in June 2014. This review was overseen by the IMAP Implementation Committee, which comprises elected officials and executive staff from across the five IMAP councils.

Following initial workshops in August 2014 and involvement of reference groups and senior staff to help shape the new plan, the Draft Plan was presented at the City of Stonnington Council meeting on 30 November 2015 and Councillors were invited to provide comments during December 2015. Community feedback on the Draft Plan was

sought from 27 January to 29 February 2016 and on 9 May 2016 the Stonnington City Council approved the Inner Melbourne Action Plan 2016-2026. All five partner councils had endorsed the new plan by 28 June 2016.

The IMAP 2016-2026 takes into account the significant changes to the social, economic, environmental and policy context that have occurred since IMAP was first created a decade ago, together with consideration of the likely challenges and opportunities facing the region in the coming decade. The Plan sets out five goals and twenty-seven strategies to help achieve a vision of: *"Making the inner Melbourne region more liveable while responding to the challenges of rapid growth"*.

Current Actions:

Key achievements for IMAP project teams during 2015-2016 have included:

- The **Visitor Wayfinding Signage Project** steering group developed its draft Master Style Guide, aimed at encouraging coordinated pedestrian and visitor signage across metro Melbourne. Final editing and consultation is underway and signage design and testing at trial sites is ongoing.
- The new **Regional Recreation Facilities Planning Project** commenced data gathering and was successful in being awarded a \$50K Regional Planning Grant from Sport and Recreation Victoria to assist the future planning stage of the project.
- The **Urban Manufacturing Project** aims to improve understanding of land, sector and economic issues associated with small creative businesses in the city. The Phase 1 report was completed and the Makers.Melbourne website launched to collate location and qualitative data on small makers and manufacturers in the inner city, attracting over 140 entries to date.
- The **Environmental Sustainable Design Factsheets** project team completed their extended set of 15 factsheets on key design issues. The factsheets are utilised by 20 councils in Victoria to advise development applicants on sustainable design solutions.
- **The Growing Green Guide – a guide to green walls, roofs and facades in Melbourne and Victoria** received further recognition at the Premier's Sustainability Awards in November, winning the Education category and placing as a finalist in the Government category.
- The **Regional Tourism** group continues to update and promote the IMAP tourism map as the Official Visitors Map in partnership with Destination Melbourne Ltd (DML). The IMAP Councils agreed to support DML's development of a Destination Management Plan for the metropolitan region.
- An **Affordable Housing Forum** hosted by the City at Yarra in October was sponsored by the five IMAP Councils. Ninety attendees joined the wide ranging discussion on ways to enhance affordable housing choices in inner Melbourne.

Looking Ahead

The new plan will be published and launched in 2016-2017 and, following consultation across the five Councils, the main priority Actions for the next three years identified and agreed. Current projects being undertaken during 2015-16 are reflected in the new plan and comprise a number of the new priorities going forward.

Civic Functions

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

- Mayor's Education Breakfast Forums
- Inner South Metropolitan Mayors Group meeting and dinner
- Stonnington Business Roundtable events
- Greek Flag Raising Ceremony
- Centenarians Morning Tea
- Welcome to East Java Delegation.

Figure 9 Citizenship Ceremonies

	2015/16	2014/15	2013/14	2012/13	2011/12
Number of ceremonies held in year	6	6	6	5	6
Number of persons naturalised	700	691	643	492	475

Citizenship

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

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

Code of Conduct

The *Local Government Act 1989* requires Councils to develop and approve a Councillor Code of Conduct. The City of Stonnington first adopted its Code of Conduct for Councillors on 1 October 2001.

The 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 also 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 Code complements the Council Plan 2013 -2017 and the Employee Code of Conduct with other supporting policies.

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

Recently the Act was amended which required a review of the Code of Conduct with Dispute Resolution procedures strengthened. The amended Code was formally adopted and signed by each Councillor acknowledging their obligation to support and abide by the Code of Conduct, at a Special Meeting of Council held on 27 June 2016.

Conflicts of Interest

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

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

A Conflict of Interest will arise where a personal or private interest might compromise the ability 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 of the meeting.

Any declarations for Council meetings can be viewed when accessing the Council minutes on Council's 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. These Returns are submitted twice yearly.

Councillor Allowances

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

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

	1/7/15 – 30/11/15	1/12/15 – 30/6/16
Mayor	\$90,081	\$92,333
Councillors	\$28,202	\$28,907

The Mayor is not entitled to receive the Councillor allowance in addition to the Mayoral allowance. The Mayor and Councillors also receive an amount equivalent to the Superannuation Guarantee levy (9.5% at 1 July 2015). Allowances are paid monthly, and a pro-rata adjustment made with the change of Mayor.

Figure 10 Allowances paid to Councillors 2015/16

Councillor	Allowance \$
Cr J Athanasopoulos (from 31/8/15)	\$23,990
Cr T Athanasopoulos	\$28,613
Cr Davie	\$28,613
Cr Chandler	\$28,613
Cr Klisaris	\$28,613
Cr Koce	\$28,613
Cr McMorrow	\$28,613
Cr Sehr (Mayor to 11/11/15)	\$50,958
Cr Ullin (Mayor from 11/11/15)	\$74,166

Councillor Expenses

Figure 11 Expenses

Councillors	TR (IS) \$	TR (LC) \$	CM \$	CC \$	IC \$	CT \$	OT \$	Total \$
Mayor Cr Claude Ullin	2,109	2,245	1,283	0	6,124	1,648	228	13,636
Cr Jim Athanasopoulos	0	0	0	0	2,322	250	260	2,832
Cr John Chandler	1,221	672	0	0	4,001	963	0	6,857
Cr Melina Sehr	432	10	0	580	4,851	963	1,726	8,561
Cr Adrian Stubbs	0	49	0	0	195	109	315	667
Cr Erin Davie	0	0	0	0	4,247	46	315	4,608
Cr John McMorrow	424	150	0	0	4,333	963	1,112	6,982
Cr Matthew Koce	0	22	0	0	4,086	0	1,026	5,134
Cr Jami Klisaris	0	161	0	0	3,882	450	1,492	5,986
Cr Tini Athanasopoulos	0	0	0	0	2,350	55	0	2,405
	4,185	3,309	1,283	580	36,392	5,445	6,474	57,667

TR (IS) Travel Interstate

TR (LC) Travel Local

CM Car Mileage

CC Child Care

IC Information and Communication expenses

CT Conferences and Training expenses

OT Other Expense



Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead 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 during 2015/16 was Mr Stuart Newey and Deputy Chair was Mr Bruce Potgieter. Council representatives were Cr John McMorrow and Cr Melina Sehr.

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 2015/16 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.

- Local Government Performance Reporting Framework
- Governance
- Information Technology
- Insurance
- Follow-up of Internal Audit Recommendations
- Payroll
- Core Financial Controls
- Councillors' Expense
- Employment Contracts.

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2015/16 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.

AS/NZS 4801 Occupational Health and Safety Management System Certification

The annual surveillance audit of Council's OHS Management System Certification under the above Standard was successfully undertaken during 2015/16. The Auditors conducted a number of formal and adhoc assessments and inspections as well as reviewing the activities of the majority of Council's operations. Ongoing maintenance and improvement of the OHS Management System is a key focus for Council as it demonstrates its commitment to providing a safe work environment for its employees, contractors and the wider community.

In 2015/16 with the changes in accommodation of the majority of Council employees to the Malvern precinct, Health and Safety Representatives within each area added support to the project team in identifying and eliminating hazards and risks. This made for a smooth and incident free transition from former buildings to new accommodation. Since taking occupation of the new facilities, Council has tested and confirmed its safety procedures for these buildings particularly emergency evacuations, CCTV, first-aid and safety consultation through re-defined Designated Work Groups and the Health and Safety Representatives of each group.

During 2015/16, all safety incidents which met the WorkSafe Victoria criteria for notifiable incidents were reported.

Risk Management

The management of risk and the compliance with legislative demands placed on any government body is vital to the successful administration of that entity. Council rigorously examines its known risks and examines the operations of similar entities and businesses in order to be alert to potential risks. It scrutinises compliance with legislation to deliver ongoing conformity and engages strongly with appointed Internal Auditors to maintain contact with best practice local government administration. This makes Stonnington a high performing Council.

In 2015/16, Council maintained its existing programs to ensure compliance with Section 186 and 186A of the *Local Government Act 1989* as well as conducting twice-yearly assessments of Council's cumulative expenditure (the accumulation of

payments by Council to each of its creditors). Council continued its membership of the Municipal Association of Victoria's LEAP Program which analyses expenditure by category and by supplier. The information gained, enables Council to strategically plan future procurements for the achievement of greater cost savings.

Council reviewed its Procurement, Risk Management and Fraud and Corruption Control policies during 2015/16 to ensure they remain up-to-date and in line with industry trends and movements. The Contract Compliance Management System went live in 2015/16 which is capable of delivering comprehensive details of all contracted services and is fully integrated with Council's finance system.

Appropriate insurance cover for all of Council's operations and buildings was maintained throughout the reporting period and Council continued its roll-out of digital CCTV systems to enhance the security of public facilities. Monthly, quarterly and half yearly performance reports were delivered to the Executive, the Audit Committee and to Council respectively.

Emergency Management

During 2015-16, Council:

- Conducted four Municipal Emergency Management Planning Committee (MEMPC) meetings – to facilitate planning with Emergency response and relief and recovery agencies, Council staff and the local community.
- Updated the Municipal Emergency Management Plan (MEMP) and sub plans – to reflect changes to legislation and amendments made to the Emergency Management Manual Victoria.
- Conducted a Heatwave Exercise to test planning and preparedness.
- Undertook a Community Emergency Risk Assessment (CERA) to identify and assess key risks for the municipality and to inform planning.
- Provided 'response and recovery' services in relation to a commercial fire, residential fire, hospital flood and vehicle accident.
- Made a submission in response to the *Emergency Management Legislation Amendment (Planning) Bill 2016*

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*.

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 may be made to the Privacy Commissioner (although the Commissioner may decline to hear the complaint if you have not first made a complaint to the City of Stonnington).

Figure 12 Summary of Information Privacy Complaints Received

	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Internal Reviews	2	2	2	1	1	1
Review by Privacy Commissioner	0	0	1	0	0	0

Charter of Human Rights and Responsibilities Act 2006

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

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

In February 2008 Council adopted a Statement of Human Rights:

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

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

Four staff training sessions were conducted during the year with 48 participants from across Council as part of Council's ongoing commitment to the Charter.

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

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*.

	2015/16	2014/2015	2013/2014
Disclosures referred to Council by the Ombudsman for investigation	3	6	16

GOVERNANCE 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 Item	Adopted / Prepared
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation: 30 November 2015
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation: 30 November 2015
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Plan adopted in accordance with section 126 of the Act: 6 June 2016
4 Annual budget (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)	Budget adopted in accordance with section 130 of the Act: 6 June 2016
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Current plans in operation: Buildings: 1 November 2010 Roads (Bridges, Footpaths and Cycle ways): 1 November 2010 Drainage: 1 November 2010 Parks and Open Space: 1 November 2010
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation: 6 June 2016
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation: 17 November 2015
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation: 9 June 2016
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> : 2 September 2014

Governance and Management Item	Adopted / Prepared
10 Procurement policy (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)	Prepared and approved in accordance with section 186A of the <i>Local Government Act</i> : 14 June 2016
11 Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation: 1 July 2014
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation: 1 July 2014
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation: 17 November 2015
14 Audit Committee (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)	Committee established in accordance with section 139 of the Act: 30 January 1995
15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged: 1 July 2014
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation: 1 July 2014

Governance and Management Item	Adopted / Prepared
17 Council Plan reporting (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)	Date of Report: 21 March 2016
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act: 9 November 2015 22 February 2016 9 May 2016 5 September 2016
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented: 27 July 2015 22 February 2016
20 Performance reporting (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)	Reports prepared and presented: 7 March 2016
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act: 19 October 2015
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code of conduct reviewed in accordance with section 76C of the Act: 27 June 2016
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act: 9 February 2016 (s7 and s4) 31 May 2016 (s13)
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act: 14 December 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 2015/16, Council delivered its annual Carers Forum in June, providing information to carers about how to look after their wellbeing and access support networks. This year the forum was extended to include carer's of younger people as well as older.

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 2015/16, Council implemented the following actions:

- Recruited new community members and reviewed and updated the Access Stonnington Committee.
- Hosted a legal rights forum for people and professionals working in the Justice system representing and supporting people with disabilities to access justice.
- Provided Auslan interpreting for a number of children and adult performance events throughout the year.
- Completed communications training across all library sites, and was successful in receiving the Communication Access Accreditation for all four of the library branches.

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 311 Glenferrie Road, 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 2015/16, Council:

- Found 196 dogs, with 90 impounded and 106 returned directly to owners
- Registered 11,653 pets
- Offered discounted registration fees for micro chipped and desexed animals
- Offered 12 month free pet registration for dogs and cats adopted from registered Animal Welfare Organisations

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 Act can be lodged, in writing, with the Freedom of Information Officer, City of Stonnington, P O Box 21, Prahran, 3181.

A fee of \$27.20 applied for each application and other fees apply as the application is processed. The application fee increased to \$27.90 on 1 July 2016. General enquiries on lodging an application can be made through the Service Centre on 8290 1333 and details are also on Council's website.

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

Figure 13 Summary of Freedom of Information Applications received

	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Valid applications received and processed	25	40	33	48	34	36
External reviews	1	2	3	3	1	1
Appeals to VCAT	1	0	0	0	0	0

Council processed 51 applications during the year, of which 25 were valid and proceeded. To be a valid request the application must be accompanied by the required fee.

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. This extends to ensuring that Council's Local Laws are not anti-competitive; periodically providing staff training regarding relevant provisions of the Competition and Consumer Act and; considering competitive neutrality provisions where required.

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 a disclosure. An essential part of this protection is to ensure that information connected to a protected disclosure, including the identity of a discloser and the contents of that disclosure, are kept strictly confidential.

Disclosures of 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 Community and Culture, 8290 1175

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

An alternative contact may also be made directly to:

- Independent Broad-based Anti-Corruption Commission (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
- 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; email ombudvic@ombudsman.vic.gov.au
- The Victorian Inspectorate - Tel: 8614 3225 , or PO Box 617, Collins Street, West Melbourne 8007, or email info@vicinspectorate.vic.gov.au

The Council will take all reasonable steps to protect the identity of the discloser and if it is not possible to do so, the discloser will be informed and steps undertaken to ensure no reprisals are taken as a result. This includes the security of records whether paper or electronic. Council's HROD Officer has been appointed as the Welfare Manager responsible for looking after the general welfare of the discloser. An investigator will be responsible for carrying out an internal investigation into a disclosure – may be 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

	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Disclosures made	0	0	1	1	0	1
Disclosures referred to IBAC	0	0	1			
Disclosures accepted by IBAC	0	0	0			
Disclosures declined by IBAC	0	0	1			
Disclosures referred to the Ombudsman for determination	0	0	0	0	0	0

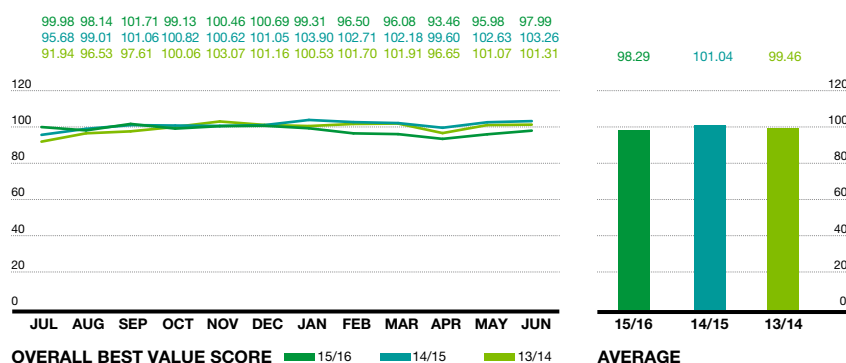
BEST VALUE BALANCED SCORECARD REPORTING

In accordance with section 208B(f) of the *Local Government Act 1989*, at least once every year 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.

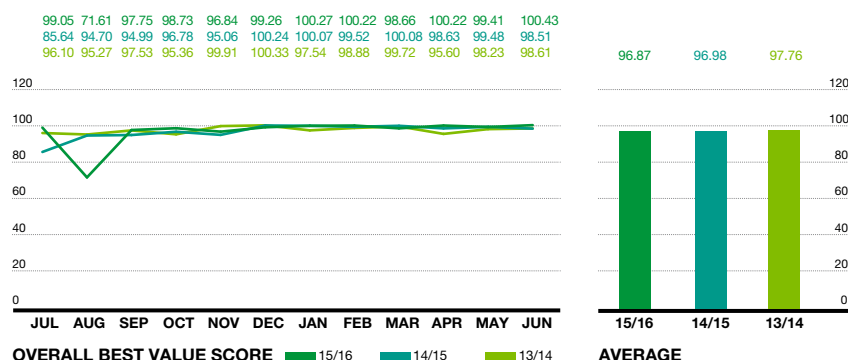
Council incorporates Best Value Principles through consistent business planning and performance monitoring processes and through a commitment to continuous improvement.

Overall Performance: Organisation



Council services continued to perform well against Best Value targets, with individual unit performances contributing to the 2015/16 year-end result.

Corporate Services: Business Systems and Technology



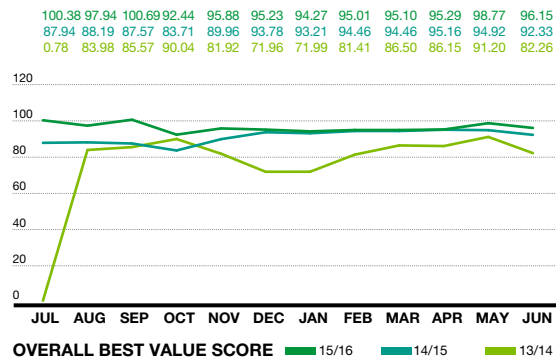
Work has also continued on improving operational efficiency by retiring various legacy systems to streamline the number of business systems used across Council.



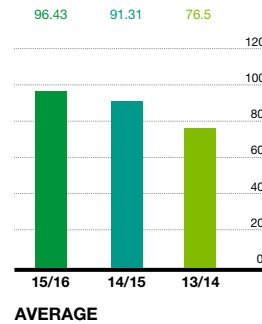
LIVEABILITY

The number of food premises in Stonnington increased by 14.5% or 172 premises.

Corporate Services: Finance Services

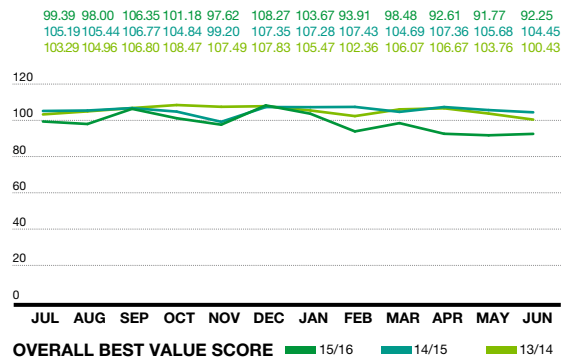


Internal control performance and finance helpdesk service targets were consistently achieved during the year, together with continued improvement in the timeliness and quality of financial reporting, accounting process execution and external audit performance. This service improvement was assisted by new budget variance and forecasting systems implementation, long-term financial

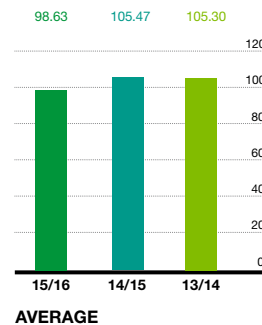


planning model enhancements, LGV report model adoption and staff training and development. The Best Value results also indicate continued strong operating budget performance through increased investment income and employee costs underspend, despite a budget shortfall in grant revenue due to advance VGC receipts in 2014/15 and capital underspend resulting from project cost savings and projects no longer deemed required not progressed.

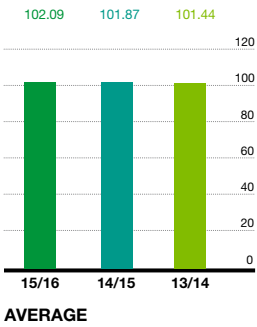
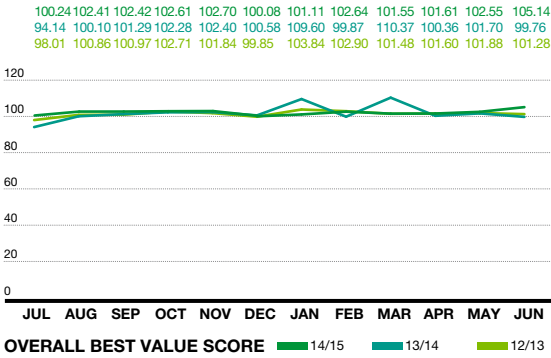
Corporate Services: People and Culture



Completed projects include: an Employee Value Proposition to assist in recruitment and retention of staff, as well as aiding improvements to our already constructive culture; and the Learning @ Stonnington strategy to embed the values and practices of a learning culture into the organisation.

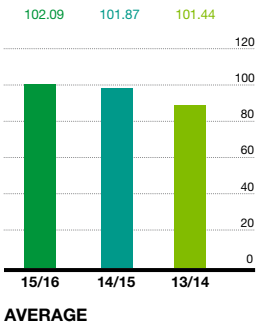
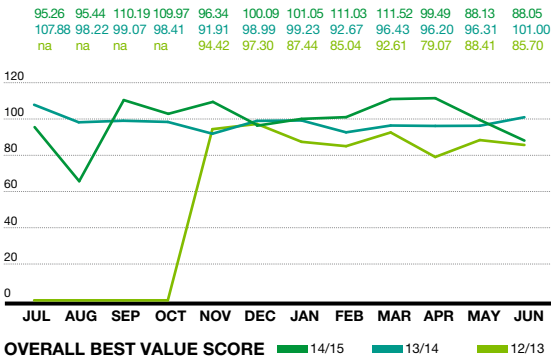


Corporate Services: Rates Management



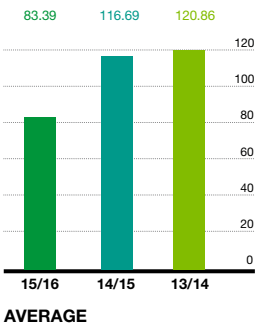
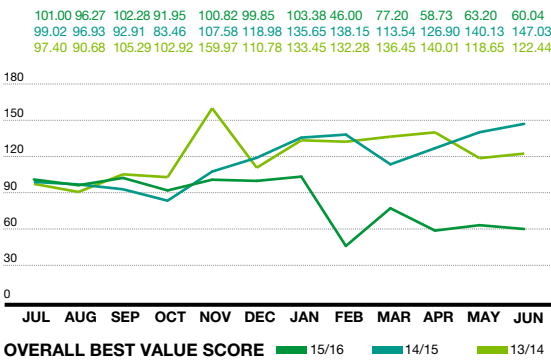
Re-engineering of internal processes has resulted in most major long-term debtors paying in full, and a more consistent cash flow from debtors who are paying by arrangement.

Corporate Services: Records



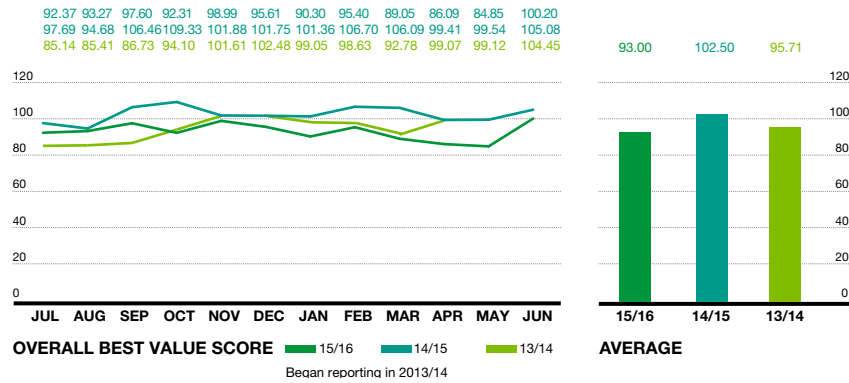
The Records Management Unit provides a high quality mail and internal courier, document and file, archives and specialist records management services. Increased training on Council's Electronic Data Management System (TRIM) has improved usage and record retention rates.

Corporate Services: Valuations



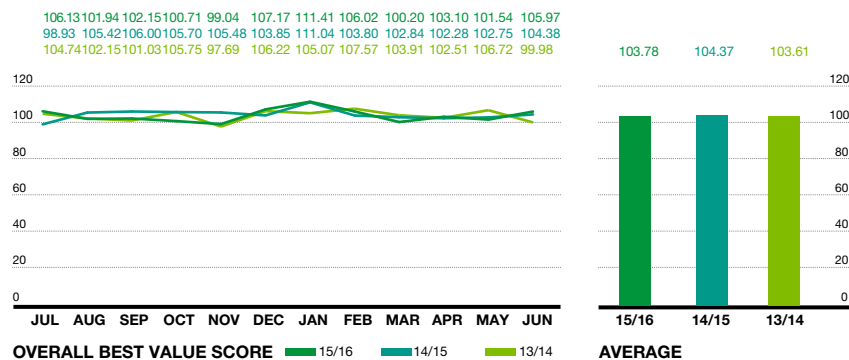
The second half of the period coincided with the peak workload associated with the 2016 property revaluation process.

Planning and Development: Building and Local Law



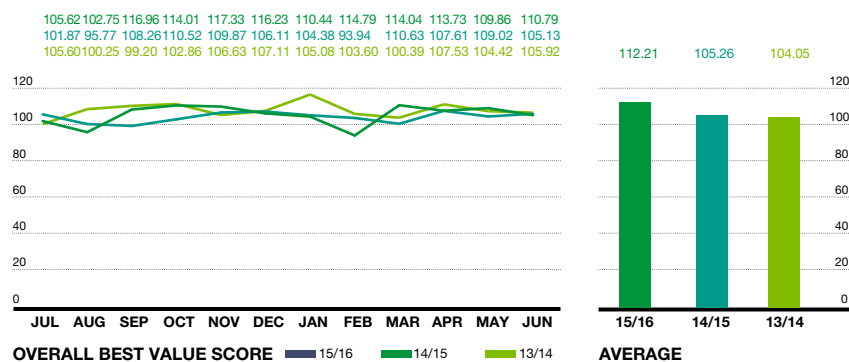
As a result of increased development activity in Stonnington, a higher volume of permit applications were received, therefore the result is impacted by cost with revenue exceeding expectations.

Planning and Development: Planning Services



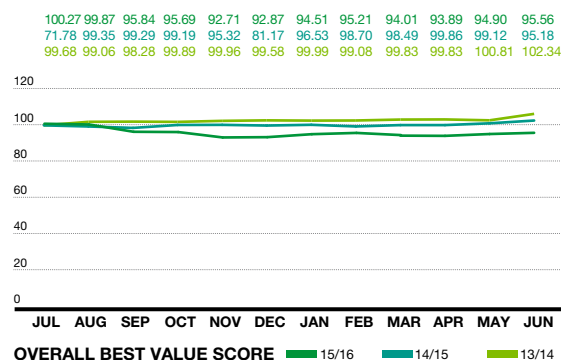
Council received 1,817 planning applications in 2015/16. Compared to 2014/15, Council experienced a 5% growth in overall planning applications and 14% growth in more complex applications, such as high density residential proposals. 71% of Planning Permit applications were completed within the 60 day statutory timeframe. Councillors' support for officer recommendations increased to 70%.

Assets and Services: Parking Services

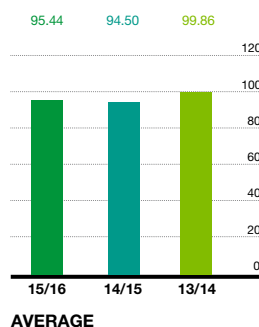


During 2015/16, more people were paying parking infringements prior to Council progressing cases to the Infringements Court. Improved Infringements Court success is attributed to the Sheriff department use of Automatic Number Plate Recognition technology and joint operations with police.

Assets and Services: Parks and Environment

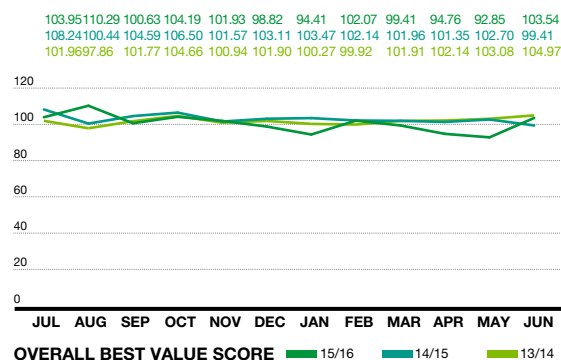


Attendance and response to community sustainability education programs was consistently high: 17 school and 16 early learning centre sessions and 18 community workshops were delivered. Capital projects were generally delivered on time and budget. A

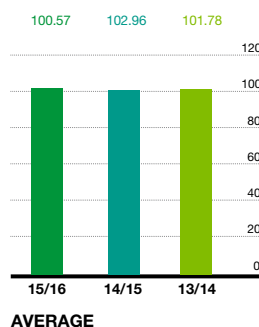


focus this year on improvement to organisational water and energy efficiency savings included street lighting upgrades and solar panels, biodiversity improvements, sustainability inclusions in new buildings and internal staff engagement on waste, energy and purchasing.

Assets and Services: Public Spaces and Capital Works

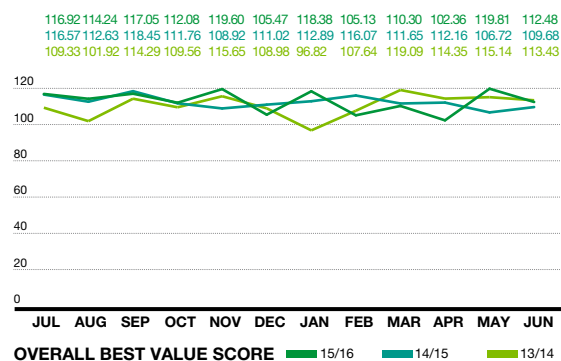


Public Spaces and Capital Works delivered 98% of capital projects on time and budget. Key projects included: Greville Street, construction in Grattan Gardens, streetscape works in Chapel Street North, Como Park North and a number of improvements

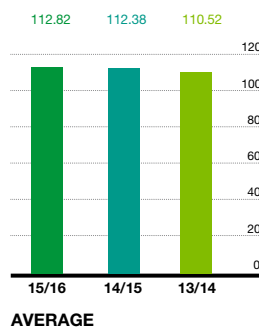


to reserves. Street furniture upgrades commenced in Glenferrie Road, High Street and Chapel Street. Precinct signage upgrades commenced in activity centres. Unbudgeted refund received in May from providers.

Assets and Services: Recycling Services

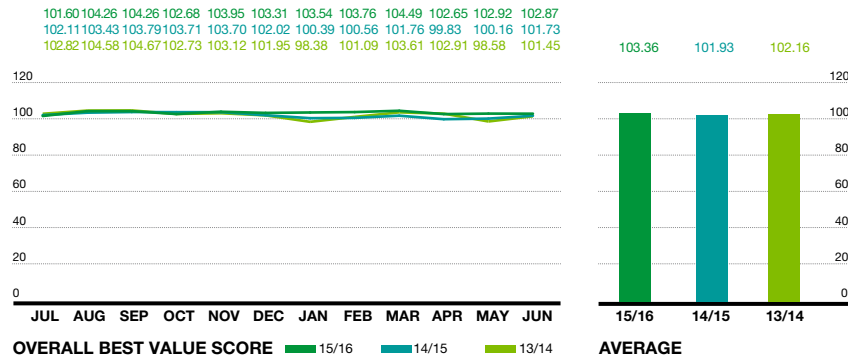


The results are consistent to 2014/15. Council maintains a strong focus on reducing the amount of waste going to landfill. A decrease in consumption and associated disposal of paper



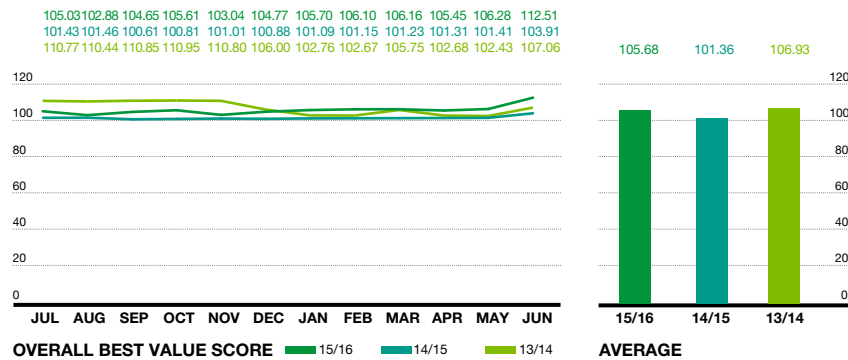
in recycling bins, along with lighter weight glass and plastics, is resulting in lower weights overall being collected in recycling bins.

Assets and Services: Street Cleaning Services



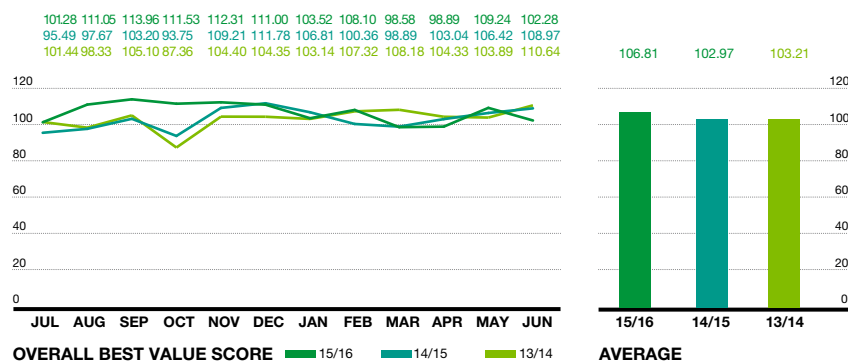
A consistently high level of service delivery was maintained, with all programmed schedules completed. In Autumn, Council provided additional street cleaning services to deliver improved community service.

Assets and Services: Transport and Parking



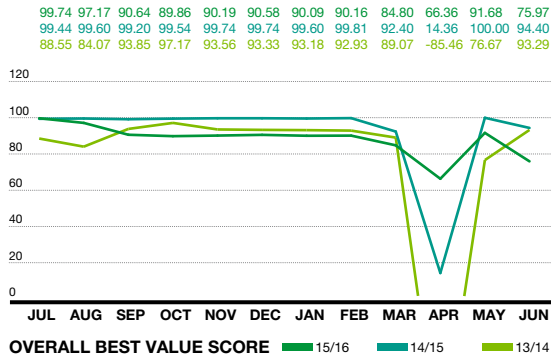
The Transport and Parking Unit provided specialist safety and traffic advice on Brixton Shared Path, Greville Street trial, Phoenix Street/Grosvenor Street works, and structure plans including, Hawksburn Village, High Street and Glenferrie Road. An Active Transport Map was completed for the municipality.

Assets and Services: Waste Management Services

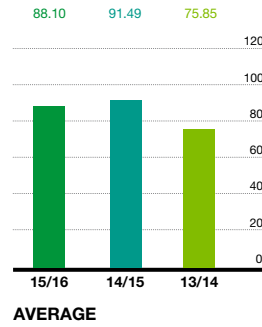


Waste Management Services provided 2.465 million household waste bin collections, along with the biannual hard waste collection service. Participation in green waste service increased by 27.6%.

Community and Culture: Animal Management

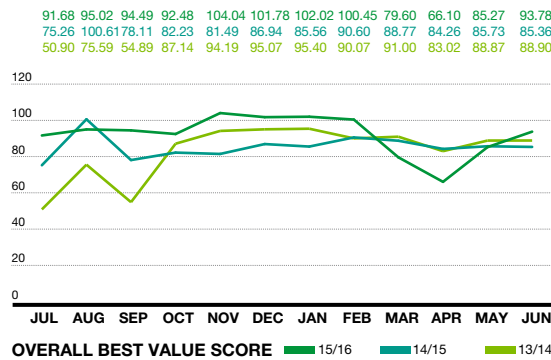


Animal Management continues to have 98% of lost dogs reclaimed and deliver community education programs, including partnering with the Bureau of Animal Welfare to deliver the Responsible Pet

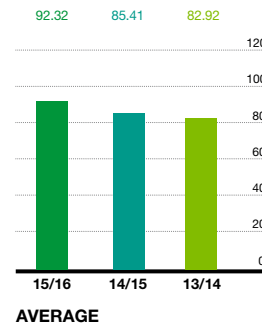


Ownership program at schools. The April anomaly reflects receipt of registration fee income for the 2015/16 year, which does not affect overall year-end results.

Community and Culture: Aquatic Services

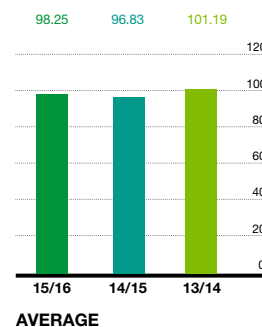
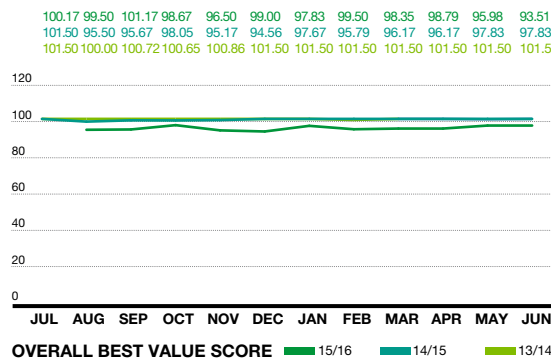


Attendances at Harold Holt Swim Centre declined in 2015/16. Increasing competition in the fitness industry combined with the popularity of 24/7 and low cost gyms has impacted memberships and attendances across many similar leisure facilities. Despite this,



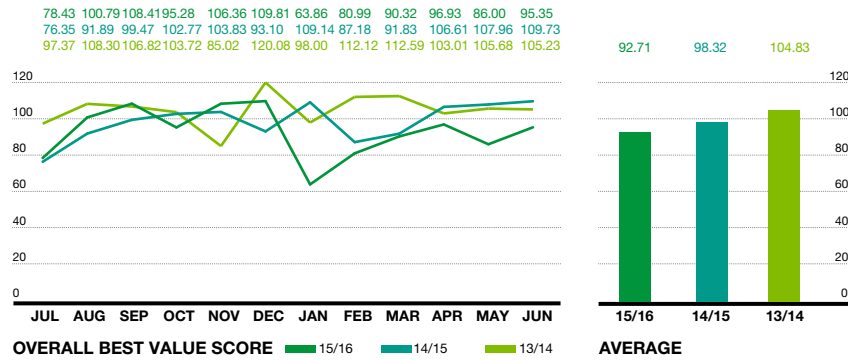
the Learn to Swim program recorded high levels of participation (2,700). Attendances at Prahran Aquatic Centre met visitation forecasts after last year's pool improvement works.

Community and Culture: Assessment Services



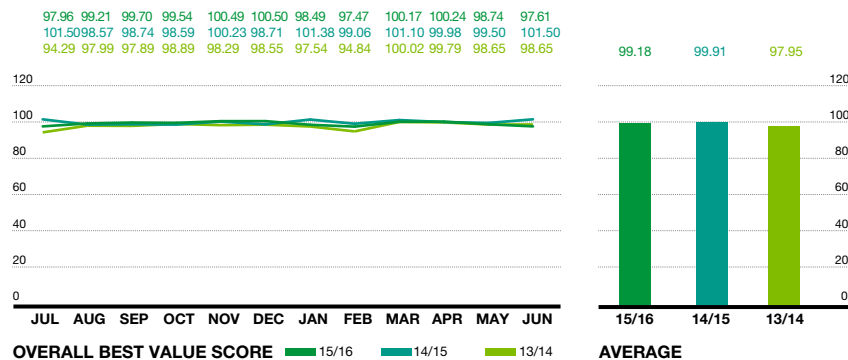
Assessment Services continue to undertake timely, personal assessments to meet the needs of aged residents, people with disabilities, their families and carers. Council also delivered its annual Carers' Forum.

Community and Culture: Childcare Services



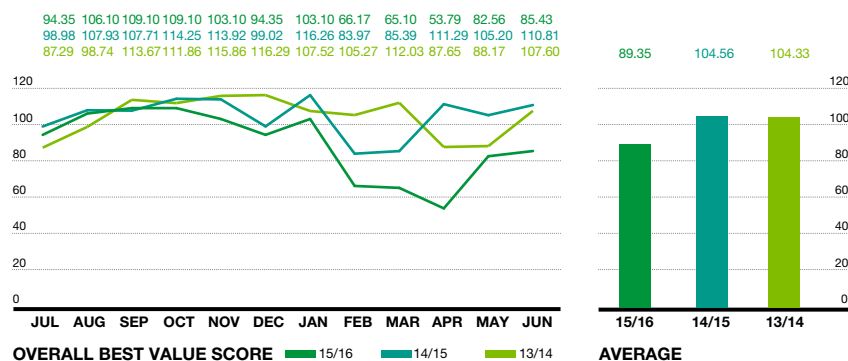
Council's four childcare centres have continued to deliver a high quality service to the community. Not unusually, services experienced lower participation rates during key holiday periods.

Community and Culture: Community Based Support Services



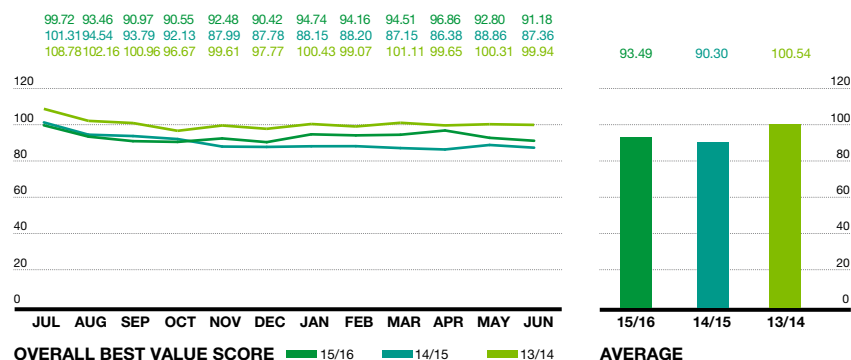
Community Based Support Services provides opportunities for older residents to be socially engaged within the community. Leadership is shown in areas of Access and Inclusion, and ensures engagement with Cultural and Diverse communities and partnerships continued to support organisations such as U3A, Probud and the Grattan Garden Community Centre.

Community and Culture: Customer Service



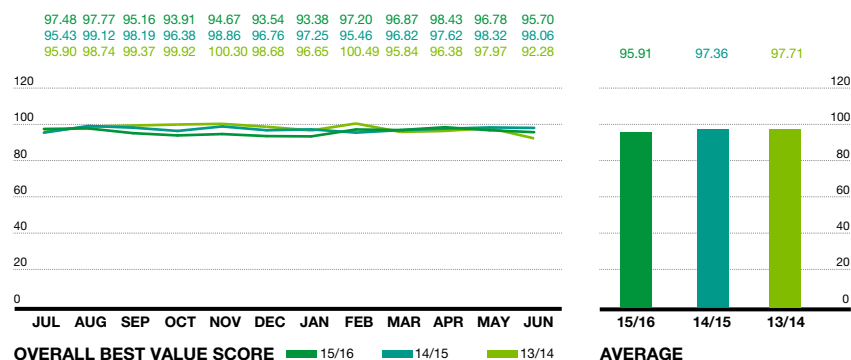
Calls to Council's telephone contact centre have been consistent, however, system improvements are in progress with Telstra to accurately record customer service metrics. Council received an increase in social media and email enquiries.

Community and Culture: Environmental Health Services



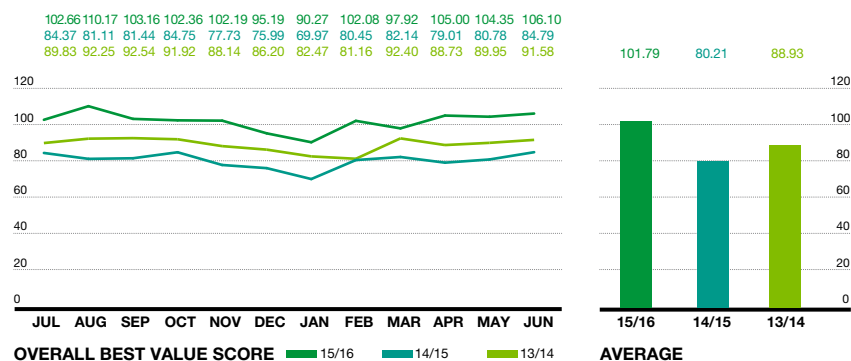
During the course of the year, the number of food premises increased by 14.5% or 172 premises. EHO's investigated 448 complaints, an increase of 11% from the previous year.

Community and Culture: In Home Support Services



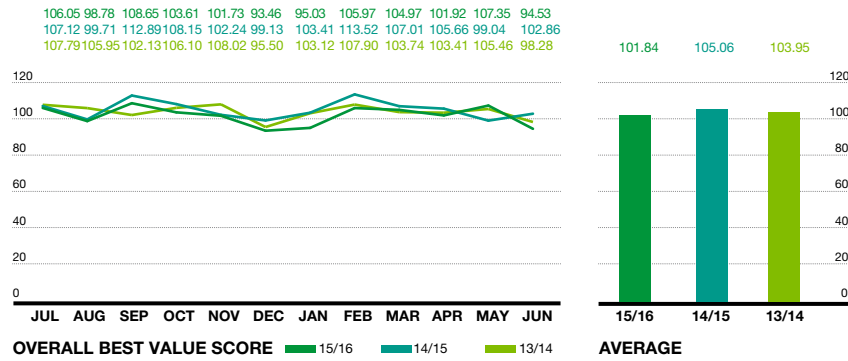
In Home Support Services continued to provide a range of support to older people, people with disabilities and their carers in the community. The introduction of computer tablets for care workers reduced paperwork and increased customer service levels.

Community and Culture: Library and History



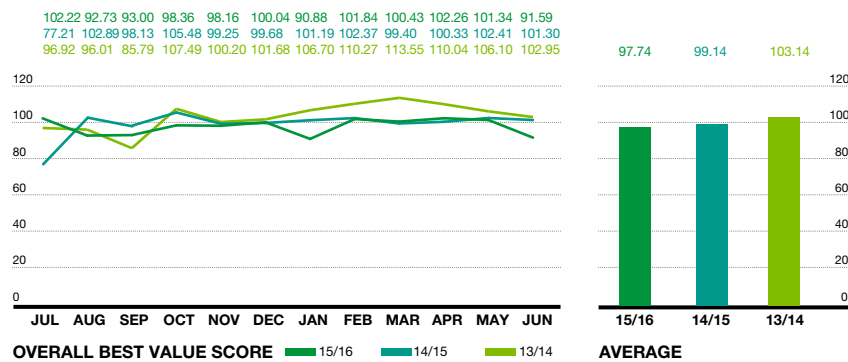
The library service has 19,647 active library members. A total of 938,659 loans taken out in the year and 622,948 individual visits were made to libraries.

Community and Culture: Maternal and Child Health Services



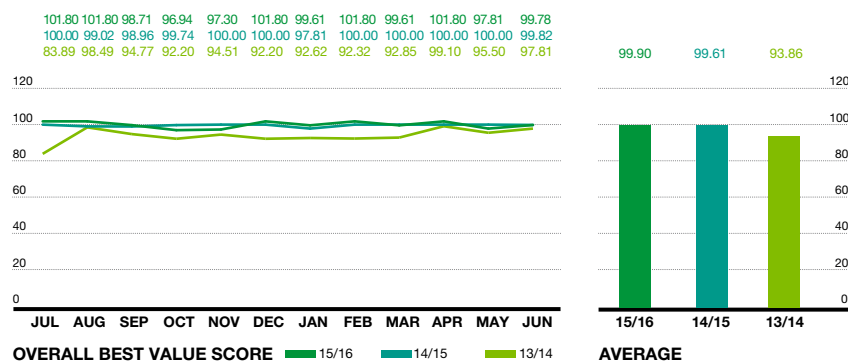
The Maternal and Child Health Service is a universal primary care service for Stonnington families with children from birth to school age. The service continues to take a comprehensive approach to the early detection, intervention and prevention of physical, emotional and social issues affecting young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

Community and Culture: Recreation Services



Council is committed to increasing participation in organised sport and recreation across its range of indoor and outdoor sport and recreation facilities. Participation includes 274 teams using sportsgrounds for various summer and winter sports, 2,202 tennis club members using the 28 courts at club facilities, and 6,230 hours of use of the two indoor courts at Orrong Romanis Recreation Centre.

Community and Culture: Youth Services



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. Collaborative partnerships with local agencies and young people have been a priority for 2015/16.

COMMUNITY

Since 1995, Chapel Off Chapel has been Stonnington's premier venue for the arts.

PERFORMANCE STATEMENT

For the year ended 30 June 2016

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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 ABS estimated resident population of the City of Stonnington, released March 2016, was 107,941. It is anticipated that the municipality will grow to 126,525 by 2036 (*.id, Population and household forecasts, 2011 to 2036*)

Stonnington is home to 17,139 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.

Sustainable Capacity Indicators

For the year ended 30 June 2016

INDICATOR / Measure	Results 2015	Results 2016	Comments
POPULATION			
Expenses per head of municipal population (Total expenses / Municipal population)	\$1,218.86	\$1,261.94	
Infrastructure per head of municipal population (Value of infrastructure / Municipal population)	\$4,489.93	\$5,066.86	Net revaluation increments of non-current asset classes (land under roads; land and buildings; drainage; parks, open space and streetscapes; and recreational, leisure and community facilities) in 2015/16 reflects Council's commitment to capital works that improve the conditions of non-current assets.
Population density per length of road (Municipal population / Kilometres of local roads)	319.22	325.12	As an inner urban municipality, Stonnington's population will continue to grow significantly while the length of the local roads will remain unchanged.
OWN-SOURCE REVENUE			
Own-source revenue per head of municipal population (Own-source revenue / Municipal population)	\$1,327.34	\$1,391.91	2014/15 included a \$1.7m share of loss in joint operation compared to a \$0.2m gain in 2015/16. Increases in 2015/16 income: total general rates (4.3% rate in the dollar and 1.9% number of assessments increases); special rates 18%; and statutory fees and fines 9%.
RECURRENT GRANTS			
Recurrent grants per head of municipal population (Recurrent grants / Municipal population)	\$94.33	\$74.45	In 2014/15 Council received advance payment of 50% of the 2015/16 Victorian Grants Commission general purpose and local road funds
DISADVANTAGE			
Relative socio-economic disadvantage (Index of Relative socio-economic disadvantage by decile)	10	10	Stonnington's SEIFA rating indicates a low level of disadvantage however there are pockets of significant disadvantage in Prahran, South Yarra and Windsor.

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 2016

SERVICE / INDICATOR / Measure	Results 2015	Results 2016	Material Variations and Comments
AQUATIC FACILITIES			
UTILISATION			
Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population)	5.24	4.85	Attendances at Harold Holt Swim Centre declined in 2015/16. Increasing competition in the fitness industry combined with the popularity of 24/7 and low cost gyms has impacted memberships and attendances across many similar leisure facilities. Despite this, the Learn to Swim program recorded high levels of participation (2,700). Attendances at Prahran Aquatic Centre met visitation forecasts.
ANIMAL MANAGEMENT			
HEALTH AND SAFETY			
Animal management prosecutions (Number of successful animal management prosecutions)	1.00	3.00	Council pursues matters through the Magistrates' Court as appropriate. For that reason, the number of animal prosecutions within a twelve month period can be highly variable.
FOOD SAFETY			
HEALTH AND SAFETY			
Critical and major non-compliance outcome notifications (Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises) x100	80.00%	84.42%	In 2015/16 Council reviewed the Policy (and food assessment ratings), including definitions of what constitutes satisfactory, critical, minor and major ratings for each assessable item within the food standards code to provide greater consistency in assessments. The revised policy resulted in an improved service standard.
GOVERNANCE			
SATISFACTION			
Satisfaction with council decisions (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	59.00	60.00	Community satisfaction with Council decisions is one point higher than 2015, and six points higher than the state average.
HOME AND COMMUNITY CARE (HACC)			
PARTICIPATION			
Participation in HACC service (Number of people that received a HACC service / Municipal target population for HACC services) x100	19.00%	28.77%	The results indicate that a growing number of residents within the target population are choosing to receive Council services to assist them to remain living in their own homes. This may be attributed to Council offering a range of complementary services, including centre based activity programs and community transport.

PARTICIPATION

Participation in HACC service by CALD people	22.00%	21.46%	Participation in Council's Home and Community Care service by people from culturally and linguistically diverse (CALD) backgrounds is consistent.
(Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services) x100			

LIBRARIES

PARTICIPATION

Active library members	18.00%	18.20%	In 2015/16 Council included e-book resources in the performance calculation resulting in a marginal increase. Whilst library borrowing declined, engagement and participation with Council's library programs (e.g. Story Time, author talks and cultural events) increased, which is consistent with State trends.
(Number of active library members / Municipal population) x100			

MATERNAL AND CHILD HEALTH (MCH)

PARTICIPATION

Participation in the MCH service	80%	–	In 2016 there was a state-wide initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/2016 financial year.
(Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x100			

PARTICIPATION

Participation in the MCH service by Aboriginal children	86%	–	In 2016 there was a state-wide initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore, Council is unable to report this data for the 2015/2016 financial year.
(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			

ROADS

SATISFACTION

Satisfaction with sealed local roads	70.00	68.00	Satisfaction with sealed local roads, whilst lower than 2015, is not a significant decline and is still 14 points higher than the state average.
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STATUTORY PLANNING

DECISION MAKING

Council planning decisions upheld at VCAT	45.00%	57.63%	The increased percentage of planning decisions upheld at VCAT demonstrates that Council makes planning decisions that are consistent with the planning scheme and associated planning policy.
(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			

WASTE COLLECTION

WASTE DIVERSION

Kerbside collection waste diverted from landfill	35.00%	35.66%	The results are consistent to 2014/15. Council maintains a strong focus on reducing the amount of waste going to landfill. A decrease in consumption and associated disposal of paper in recycling bins, along with lighter weight glass and plastics, is resulting in lower weights overall being collected in recycling bins.
(Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100			

Service Performance Indicators (continued)

For the year ended 30 June 2016

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*

“CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English.

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

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

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

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

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

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

“major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an 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

Financial Performance Indicators

For the year ended 30 June 2016

Results			Forecasts				Material Variations
DIMENSION / INDICATOR / Measure	2015	2016	2017	2018	2019	2020	
EFFICIENCY							
REVENUE LEVEL							
Average residential rate per residential property assessment (Residential rate revenue / Number of residential property assessments)	\$1,530.88	\$1,608.26	\$1,618.74	\$1,629.82	\$1,641.49	\$1,653.74	
EXPENDITURE LEVEL							
Expenses per property assessment (Total expenses / Number of property assessments)	\$2,233.34	\$2,311.43	\$2,364.66	\$2,407.00	\$2,445.07	\$2,481.63	
WORKFORCE TURNOVER							
Resignations and terminations compared to average staff (Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year) x100	7.29%	11.93%	10.91%	10.91%	10.91%	10.91%	For the first time in 2015/16, Council's enterprise agreement required all aquatic centre staff to transfer to part-time permanent status. Almost half of Council's staff turnover is attributed to aquatic services, which is not unusual within the sector due to the short-term and transient nature of the industry.
LIQUIDITY							
WORKING CAPITAL							
Current assets compared to current liabilities (Current assets / Current liabilities) x100	268.20%	291.00%	239.80%	195.77%	199.39%	199.81%	Council continues to demonstrate that it has strong working capital to pay bills as and when they fall due. New loan borrowings of \$14.0 million planned for 2016/17 will supplement operational cash to fund significant capital works.

Financial Performance Indicators (continued)

For the year ended 30 June 2016

UNRESTRICTED CASH							
Unrestricted cash compared to current liabilities (Unrestricted cash / Current liabilities) x100	96.82%	95.97%	68.38%	45.01%	49.63%	51.91%	Cash from operations is higher than forecast years due to significant capital works in 2016/17 and 2017/18 relating to Cato Street redevelopment, Harold Holt Swim Centre masterplan implementation, Prahran Town Hall redevelopment, Yarra River biodiversity project, Prahran Aquatic Centre redevelopment and various pavilion upgrades
OBLIGATIONS							
ASSET RENEWAL							
Asset renewal compared to depreciation (Asset renewal expense / Asset depreciation) x100	128.28%	149.50%	135.02%	166.54%	112.48%	113.17%	Some significant renewals in 2017/18 include Harold Holt Swim Centre masterplan implementation, pavilion function upgrades, roads refurbishments, and other building upgrades.
LOANS AND BORROWINGS							
Loans and borrowings compared to rates (Interest bearing loans and borrowings / Rate revenue) x100	14.44%	11.46%	22.74%	40.53%	41.13%	36.81%	New loan borrowings of \$14.0 million planned for 2016/17, \$21.0 million for 2017/18 and \$5.0 million for 2018/19 respectively will supplement operational cash to fund capital works.
LOANS AND BORROWINGS							
Loans and borrowings repayments compared to rates (Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x100	3.37%	2.87%	2.78%	2.71%	4.11%	4.39%	Variation to last year was due to the increase in rates income and lower repayments in 2015/16 as an existing loan was fully repaid. Repayments for new loan borrowings of \$40.0 million planned for 2016/17 to 2018/19 will commence from 2018/19.

INDEBTEDNESS							
Non-current liabilities compared to own source revenue (Non-current liabilities / Own source revenue) x100	11%	8.54%	15.45%	26.73%	27.00%	23.74%	Variation to last year was due to the increase in own source revenue and lower loan repayments in 2015/16 as an existing loan was fully repaid. New loan borrowings of \$14.0 million planned for 2016/17, \$21.0 million for 2017/18 and \$5.0 million for 2018/19 will supplement operational cash to fund capital works.
OPERATING POSITION							
ADJUSTED UNDERLYING RESULT Adjusted underlying surplus (or deficit) (Adjusted underlying surplus (deficit) / Adjusted underlying revenue) x100	14%	14.02%	12.61%	12.07%	11.86%	11.87%	Extraordinary recoveries such as carbon pricing scheme refunds, fair value adjustments for investment properties and share of profit on joint operations are not forecast due to difficulty in predicting such events. Forecasts also reflect the differential between capped rates and increasing materials and services and employee costs.
STABILITY							
RATES CONCENTRATION Rates compared to adjusted underlying revenue (Rate revenue / Adjusted underlying revenue) x100	61%	61.56%	62.78%	63.20%	63.50%	63.68%	
RATES EFFORT Rates compared to property values (Rate revenue / Capital improved value of rateable properties in the municipality) x100	0.15%	0.16%	0.13%	0.14%	0.14%	0.15%	

Financial Performance Indicators (continued)

For the year ended 30 June 2016

Definitions

“adjusted underlying revenue” means total income other than:

- (a) non-current 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 paragraph (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 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 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.

Other information

For the year ended 30 June 2016

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*.

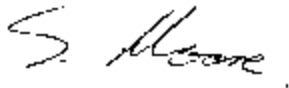
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the 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. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 6 June 2016 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.

CERTIFICATE OF THE PERFORMANCE STATEMENT

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

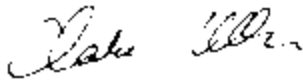
Dated: 5 September 2016

In our opinion, the accompanying performance statement of the City of Stonnington for the year ended 30 June 2016 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.



Claude Ullin

Councillor

Dated: 5 September 2016



John McMorrow

Councillor

Dated: 5 September 2016



Geoff Cockram

Acting Chief Executive Officer

Dated: 5 September 2016

INDEPENDENT AUDITOR'S REPORT



Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@aud.vic.gov.au
Website www.aud.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Stonnington City Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Stonnington City Council which comprises the statement, the related notes and the certification of the performance statement.

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

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Independent Auditor's Report (continued)

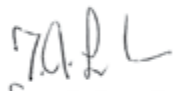
Independence

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, I and my 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 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
15 September 2016


Dr Peter Frost
Acting 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.

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2016

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Comprehensive Income Statement

For the year ended 30 June 2016

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		Council		Consolidated	
		2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000	\$'000
Income					
Rates and charges	3	99,226	93,297	99,226	93,297
Statutory fees and fines	4	19,187	17,608	19,187	17,608
User fees	5	20,292	19,651	20,292	19,651
Grants - operating	6	7,428	10,019	7,428	10,019
Grants - capital	6	1,413	369	1,413	369
Contributions - monetary	7	10,240	9,983	10,240	9,983
Fair value adjustments for investment property	21	225	242	225	242
Share of net profit of joint operation accounted for by the equity method	15	190	–	190	–
Other income	8	12,587	12,208	15,765	15,593
Total income		170,787	163,376	173,964	166,762
Expenses					
Employee costs	9 (a)	59,699	55,347	60,534	56,090
Materials and services	10	53,321	50,494	55,305	52,798
Bad and doubtful debts	11	17	11	17	11
Depreciation and amortisation	12	17,554	18,047	17,824	18,330
Borrowing costs	13	469	624	469	624
Share of net loss of joint operation accounted for by the equity method	15	–	1,691	–	1,691
Net loss on disposal/write off of property, infrastructure, plant and equipment	27	1,462	722	1,462	729
Other expenses	14	5,155	4,653	5,168	4,668
Total expenses		137,677	131,589	140,780	134,942
Surplus for the year		33,110	31,787	33,184	31,820
Other comprehensive income					
Net asset revaluation increment	28 (a)	287,551	173,242	287,551	173,242
Total comprehensive result		320,662	205,028	320,735	205,062

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

Balance Sheet

As at 30 June 2016

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		Council		Consolidated	
		2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	16	9,538	9,063	11,152	10,114
Trade and other receivables	17	9,872	8,943	10,185	9,540
Other financial assets	18	90,052	79,000	90,052	79,000
Other assets	19	1,805	1,346	1,813	1,361
Total current assets		111,267	98,352	113,201	100,015
Non-current assets					
Other financial assets	18	245	245	245	245
Investments in joint operations and subsidiaries	15	3,286	3,570	1,286	1,570
Property, infrastructure, plant and equipment	20	2,324,467	2,018,114	2,329,539	2,023,388
Investment property	21	6,471	5,750	6,471	5,750
Intangible assets	22	2,815	2,327	2,855	2,370
Total non-current assets		2,337,285	2,030,007	2,340,397	2,033,323
Total assets		2,448,552	2,128,358	2,453,598	2,133,338
Liabilities					
Current liabilities					
Trade and other payables	23	17,329	17,785	17,501	17,978
Trust funds and deposits	24	5,013	3,239	5,013	3,239
Provisions	25	13,828	13,666	13,903	13,744
Interest-bearing loans and borrowings	26	2,067	1,981	2,067	1,981
Total current liabilities		38,237	36,671	38,484	36,942
Non-current liabilities					
Provisions	25	2,170	1,555	2,207	1,578
Interest-bearing loans and borrowings	26	9,109	11,284	9,109	11,282
Other liabilities	15 (a)	1,553	2,027	1,553	2,027
Total non-current liabilities		12,832	14,866	12,869	14,887
Total liabilities		51,069	51,537	51,353	51,829
Net assets		2,397,483	2,076,821	2,402,245	2,081,510
Equity					
Accumulated surplus		979,082	959,019	983,844	963,708
Reserves	28	1,418,401	1,117,802	1,418,401	1,117,802
Total Equity		2,397,483	2,076,821	2,402,245	2,081,510

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

Statement of Changes in Equity

For the year ended 30 June 2016

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				Asset	
		Total	Accumulated	Revaluation	Other
Council	Note	\$'000	Surplus	Reserve	Reserves
			\$'000	\$'000	\$'000
2016					
Balance at beginning of the financial year		2,076,821	959,019	1,070,135	47,667
Surplus for the year		33,110	33,110	–	–
Net asset revaluation increment	28 (a)	287,551	–	287,551	
Transfers from other reserves	28 (b)	–	1,105	–	(1,105)
Transfers to other reserves	28 (b)	–	(14,153)	–	14,153
Balance at end of the financial year		2,397,483	979,082	1,357,686	60,715
2015					
Balance at beginning of the financial year	1 (j)	1,865,913	933,914	896,893	35,106
Surplus for the year		31,787	31,787	–	–
Found assets	20	8,729	8,729	–	–
Assets lost/not owned by Council	20	(2,850)	(2,850)	–	–
Net asset revaluation increment	28 (a)	173,242	–	173,242	–
Transfers from other reserves	28 (b)	–	613	–	(613)
Transfers to other reserves	28 (b)	–	(13,174)	–	13,174
Balance at end of the financial year		2,076,821	959,019	1,070,135	47,667
				Asset	
		Total	Accumulated	Revaluation	Other
Consolidated	Note	\$'000	Surplus	Reserve	Reserves
			\$'000	\$'000	\$'000
2016					
Balance at beginning of the financial year		2,081,510	963,708	1,070,135	47,667
Surplus for the year		33,184	33,184	–	–
Net asset revaluation increment	28 (a)	287,551	–	287,551	–
Transfers from other reserves	28 (b)	–	1,105	–	(1,105)
Transfers to other reserves	28 (b)	–	(14,153)	–	14,153
Balance at end of the financial year		2,402,245	983,844	1,357,686	60,715
2015					
Balance at beginning of the financial year		1,870,569	938,570	896,893	35,106
Surplus for the year		31,820	31,820	–	–
Found assets	20	8,729	8,729	–	–
Assets lost/not owned by Council	20	(2,850)	(2,850)	–	–
Net asset revaluation increment	28 (a)	173,242	–	173,242	–
Transfers from other reserves	28 (b)	–	613	–	(613)
Transfers to other reserves	28 (b)	–	(13,174)	–	13,174
Balance at end of the financial year		2,081,510	963,708	1,070,135	47,667

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 2016

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	Note	Council		Consolidated	
		2016	2015	2016	2015
		Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000
Cash flows from operating activities					
Rates and charges		99,187	93,233	99,187	93,233
Statutory fees and fines		19,507	17,610	19,507	17,610
User fees		19,544	20,265	25,123	26,046
Grants - operating		8,884	10,452	8,884	10,452
Contributions - monetary		10,280	9,992	10,280	9,992
Interest received		2,709	2,780	2,727	2,805
Other receipts		11,360	10,156	11,360	10,156
Net GST refund		7,583	5,852	7,443	5,686
Trust funds and deposits taken		20,876	18,904	20,881	18,899
Employee costs		(59,188)	(54,684)	(59,779)	(55,188)
Materials and services		(61,512)	(57,244)	(65,754)	(61,781)
Trust funds and deposits repaid		(19,102)	(18,508)	(19,102)	(18,508)
Other payments		(5,479)	(7,101)	(5,479)	(7,101)
Net cash provided by operating activities	29	54,649	51,706	55,278	52,299
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment		(40,828)	(28,721)	(40,895)	(28,791)
Proceeds from sale of property, infrastructure, plant and equipment		504	308	504	321
Payments for investments		(55,000)	(57,000)	(55,000)	(57,000)
Receipts from investments		43,948	29,000	43,948	29,000
Net cash used in investing activities		(51,376)	(56,413)	(51,443)	(56,470)
Cash flows from financing activities					
Borrowing costs		(473)	(632)	(473)	(632)
Repayment of borrowings		(2,324)	(2,463)	(2,324)	(2,463)
Net cash used in financing activities		(2,797)	(3,095)	(2,797)	(3,095)
Net increase/(decrease) in cash and cash equivalents		475	(7,803)	1,038	(7,266)
Cash and cash equivalents at the beginning of the financial year		9,063	16,865	10,114	17,380
Cash and cash equivalents at the end of the financial year	16	9,538	9,063	11,152	10,114
Financing arrangements	30				
Restrictions on cash assets	16				

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 2016

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	Council	
	2016	2015
	\$'000	\$'000
Property		
Land	613	1,188
Total land	613	1,188
Buildings	12,628	5,009
Heritage buildings	2,252	1,880
Total buildings	14,880	6,889
Total property	15,494	8,077
Plant and equipment		
Heritage plant and equipment	225	645
Plant, machinery and equipment	2,076	2,027
Fixtures, fittings and furniture	843	888
Computers and telecommunications	531	748
Library books	794	908
Total plant and equipment	4,470	5,216
Infrastructure		
Roads	5,809	4,226
Bridges	215	316
Footpaths and cycleways	582	307
Drainage	1,643	2,290
Recreational, leisure and community facilities	2,180	1,314
Parks, open space and streetscapes	6,146	4,659
Other infrastructure	1,007	1,430
Total infrastructure	17,581	14,542
Total capital works expenditure	37,545	27,835
Represented by:		
New asset expenditure	2,228	2,352
Asset renewal expenditure	25,082	20,860
Asset expansion expenditure	366	817
Asset upgrade expenditure	9,869	3,806
Total capital works expenditure	37,545	27,835

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 2016

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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 311 Glenferrie Road, 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

There have been no changes in the accounting policies from the previous period.

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2016, 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.

Entity consolidated into Council include Prahran Market Pty Ltd.

(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

Associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Council has no investment in associates.

Notes to the Financial Report

For the year ended 30 June 2016

Note 1 Significant accounting policies (cont.)

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. 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.

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.

Notes to the Financial Report

For the year ended 30 June 2016

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Note 1 Significant accounting policies (cont.)

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 cost 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 Regional Kitchen Pty Ltd, RFK Pty Ltd, and MAPS are measured at cost.

In 2016, Council has changed its valuation method of its investment in Regional Kitchen Pty Ltd from fair value to cost valuation method. This will ensure the Council valuation of its investment is consistently valued and provide reliable and relevant information. The change involves moving from the equity method of valuation which determined fair value by calculating the Council's share of the net assets of each company to recording the Council's investments at cost.

As a result of the change the impact upon the financial statements is that the opening balance of the accumulated surplus is reduced by \$1,160,000 (refer to note 18).

(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.

Notes to the Financial Report

For the year ended 30 June 2016

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Note 1 Significant accounting policies (cont.)

(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.

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 20 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 2016

Note 1 Significant accounting policies (cont.)

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

<i>Asset recognition thresholds and depreciation periods</i>	Depreciation Period	Threshold Limit \$'000
Property		
land	Not depreciable	all land
Buildings		
buildings	50 years	5
heritage buildings	100 years	5
Plant and Equipment		
plant, machinery and equipment	3-10 years	1
fixtures, fittings and furniture	5-10 years	1
computers and telecommunications	4-10 years	1
heritage plant and equipment	100 years	1
library stocks	3-8 years	all holdings with life exceeding one year
Infrastructure		
road pavements and seals	30-60 years	10
road substructure	200 years	10
road kerb, channel and minor culverts	60-80 years	10
bridges	80 years	10
footpaths and cycleways	30-60 years	10
drains	100 years	10
drainage pits	50 years	10
rights of way	15-200 years	10
recreational, leisure and community facilities	20 years	5
park, open space and streetscapes	20 years	5
off street car parks	25-50 years	10
other infrastructure	10-25 years	10
Intangible assets		
software	4 years	1

Notes to the Financial Report

For the year ended 30 June 2016

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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 Council's qualified 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 \$6.47 million (\$5.75 million, 2015), determined annually by Council's valuers. Changes to fair value are recorded in the Comprehensive Income Statement (refer to note 21).

(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 24).

(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.

Notes to the Financial Report

For the year ended 30 June 2016

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Note 1 Significant accounting policies (cont.)

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

Long service leave

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

Current Liability - unconditional LSL 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 rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the assets and present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. 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 20 & 26).

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 32).

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) 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.

(x) 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 34 Contingent Liabilities and Contingent Assets.

Notes to the Financial Report

For the year ended 30 June 2016

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Note 1 Significant accounting policies (cont.)

(y) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 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 statements may not equate due to rounding.

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 \$1,000,000 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 1 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income 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 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
a) Income and Expenditure				
Income				
Rates and charges	98,416	99,226	810	
Statutory fees and fines	18,116	19,187	1,071	1
User fees	19,933	20,292	358	
Grants – operating	8,848	7,428	(1,420)	2
Grants – capital	750	1,413	663	3
Contributions - monetary	4,070	10,240	6,170	4
Fair value adjustments for investment property	–	225	225	5
Share of net profit of joint operation accounted for by using the equity method	–	190	190	6
Other income	10,199	12,587	2,388	7
Total income	160,332	170,787	10,455	
Expenses				
Employee costs	61,152	59,699	1,453	8
Materials and services	52,357	53,321	(964)	9
Bad and doubtful debts	25	17	8	10
Depreciation and amortisation	17,758	17,554	204	
Borrowing costs	543	469	74	11
Net (gain)/loss on disposal/write off of property, infrastructure, plant and equipment	(10)	1,462	(1,472)	12
Other expenses	5,333	5,155	178	
Total expenses	137,158	137,677	(519)	
Surplus for the year	23,174	33,110	9,936	

Notes to the Financial Report

For the year ended 30 June 2016

Note 2 Budget comparison (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Traffic enforcement revenue was \$0.64 million above budget due to improved collection rates prior to Court lodgement; Court income was \$0.19 million above budget due to improved vehicles/offenders detection; and applications for statutory planning were higher than anticipated \$0.25 million.
2	Grants - operating	The 50% of the 2016/17 general purpose grant and local roads funding from Victorian Grants Commission budgeted was not received and budgeted Roads to Recovery funding was received under capital grants.
3	Grants – capital	The favourable results are mainly due to unbudgeted grants for Chapel Street CCTV cameras program \$0.10 million, Chapel Street Taxi Zone \$0.44 million, VicRoads Black Spot program \$0.14 million, public artwork at Burke Road \$0.10 million, and Department of Health minor capital grant \$0.06 million. Roads to Recovery funding received but was budgeted under operating grant \$0.61 million and Dunlop Redevelopment grant has been delayed into next financial year \$0.41 million.
4	Contributions – monetary	Open space contributions exceeded budget due to a higher level of developments in Windsor/Prahran and South Yarra. This income source is difficult to estimate.
5	Fair value adjustments for investment property	Unbudgeted movement in fair value of investment property Malvern City Square.
6	Share of net profit of joint operation accounted for by using the equity method	Council recognised the share of equity of Council's investment in Regional Landfill Clayton South Joint Venture which was not budgeted as the movement is difficult to predict.
7	Other income	The favourable variance is due to: a refund received from South East Water for Claremont Drainage works of \$0.80 million, carbon tax pricing scheme reimbursement of \$0.56 million; reimbursement from VicRoads for Gardiners Park occupation \$0.72 million; contractor reimbursement related to the TH King redevelopment project \$0.11 million; reinstatement of PERIN court income of \$0.08 million previously written off; interest income \$0.36 million better than budget due to favourable cash from operations compared to budget; and community rental waiver, regular rental and casual rental income in Recreation Services higher than budget \$0.11 million.
8	Employee costs	Council budgeted \$1.7 million for a Defined benefit super call that did not eventuate and achieved budget underspends through position vacancies in In Home Services \$0.18 million and Statutory Planning \$0.05 million. Partly offsetting this were budget overspends in Child Care Services casual and contract staff \$0.23 million, Aquatic Services overtime \$0.13 million, and Business Systems and Technology casual staff \$0.12 million.

Notes to the Financial Report

For the year ended 30 June 2016

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Note 2 Budget comparison (cont.)

(i) Explanation of material variations

9	Materials and services	Expenses such as consulting (parks and building audits, bicycle strategies, roads and drains), maintenance (mainly roads and footpaths, drainage, buildings painting and repairs), library subscriptions and IT annual support fees funded by capital works budget were transferred to materials and services after not meeting capitalisation criteria and threshold. This resulted in an unfavourable variance for the year.
10	Bad and doubtful debts	The favourable variance is a result of effective debt recovery where budgeted bad debts were recovered.
11	Borrowing costs	Favourable variance from lower variable rate on loan \$0.52 million and savings from finance lease costs \$0.22 million.
12	Net gain on disposal/write off of property, infrastructure, plant and equipment	The unfavourable variance is due to write off of roads assets as a result of road renewals program \$1.14 million and demolition of Chadstone Pre School \$0.28 million.

Notes to the Financial Report

For the year ended 30 June 2016

Note 2 Budget comparison (cont.)

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	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
b) Capital Works				
Property				
Land	3,000	613	2,387	1
Total Land	3,000	613	2,387	
Buildings	13,083	12,628	455	2
Heritage buildings	7,203	2,252	4,951	3
Total Buildings	20,286	14,880	5,406	
Total Property	23,286	15,494	7,792	
Plant and Equipment				
Heritage assets – arts and antiques	280	225	55	4
Plant, machinery and equipment	1,993	2,076	(83)	
Fixtures, fittings and furniture	411	843	(432)	5
Computers and telecommunications	822	531	291	6
Library books	923	794	129	7
Total Plant and Equipment	4,429	4,470	(41)	
Infrastructure				
Roads	8,861	5,809	3,052	8
Bridges	300	215	85	9
Footpaths and cycle ways	500	582	(82)	
Drainage	1,928	1,643	285	10
Recreational, leisure and community facilities	2,108	2,180	(72)	
Parks, open space and streetscapes	7,475	6,146	1,328	11
Other infrastructure	2,303	1,007	1,296	12
Total Infrastructure	23,475	17,581	5,894	
Total Capital Works Expenditure	51,190	37,545	13,645	
Represented by:				
New asset expenditure	15,935	2,228	13,707	13
Asset renewal expenditure	20,060	25,082	(5,022)	14
Asset expansion expenditure	5,967	366	5,601	15
Asset upgrade expenditure	9,228	9,869	(641)	
Total Capital Works Expenditure	51,190	37,545	13,645	

Notes to the Financial Report

For the year ended 30 June 2016

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Note 2 Budget comparison (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	As a part of Open Space strategy, Council paid deposit \$0.47 million on a property in Malvern East which will be settled in 2016/2017 financial year and acquired property in South Yarra. Council funded these purchases from the Open Space Reserve fund. The properties are purchased as they become available, which resulted in the budget variance.
2	Buildings	Civic Centre project and Malvern Town Hall upgrade (budgeted under Heritage Buildings at \$4.50 million) was spent as a combined project from the Buildings category, thus leading to re-classification of assets. Capital works of \$3.25 million have been carried forward to 2016/17, mainly Dunlop Pavilion \$1.45 million, Malvern Valley Golf Course \$1.16 million, Prahran Market Annual Contribution \$0.28 million.
3	Heritage buildings	Capital works of \$2.10 million have been carried forward to 2016/17 due to design consultation and project scoping delays including: Harold Holt dive tower project \$0.50 million; Harold Holt water system treatment and pool tiling \$0.50 million, HHSC master plan \$0.43 million and PTH Masterplan \$0.67 million. Expenditure re-classified to Building assets and carried forward to 2016/17 include Malvern Valley Golf Course \$1.16 million and Dunlop Pavilion \$1.46 million.
4	Heritage plant and equipment	Council deferred and carried over funds worth \$0.13 million for public artworks and sculptures. Council received an unbudgeted grant of \$0.10 million from Vic Roads for a public artwork, majority of the grant money was spent in current financial year.
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. These include CCTV cameras worth \$0.27 million transferred from other asset classes, \$0.19 million from operating initiatives and \$0.08 million from building assets. Expenditure worth \$0.09 million budgeted under Fixtures, fittings and furniture was transferred to operating expense due to nature of the expense
6	Computers and telecommunications	Council had savings of \$0.12 million due to projects not commencing or savings compared to expected costs. Expenditure reclassification to a different asset class of \$0.10 million and to operating expenditure \$0.06 million due to nature of expenses.
7	Library books	Library Subscriptions of \$0.14 million was transferred to operating expense in line with the nature of expenses.
8	Roads	Capital expenses of \$2.5 million budgeted under roads was reclassified to land improvements and capital expenses of \$0.46 million budgeted under roads asset class was transferred to operating expense.

Notes to the Financial Report

For the year ended 30 June 2016

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Note 2 Budget comparison (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
9	Bridges	Some of the expenditure was transferred to operating in line with nature of expense.
10	Drainage	Some of the expenditure was re-classified to Roads and expenses worth \$0.14 million were transferred to operating expense.
11	Parks, open space and streetscapes	Council commenced design work on the Cato Street Redevelopment project, which will be delivered over three financial years. Funds worth \$2.61 million have been carried forward to 2016/17 to deliver the program.
12	Other infrastructure	Expenditure worth \$0.90 million was transferred to operating expenditure due to the nature of the expense and some expenditure was reclassified to other asset categories in line with the nature of expenses.
13	New asset expenditure	Cato Street Redevelopment project has a carry over of \$2.61 million for 2016/17. Civic centre building expenditure of \$8.6 million was re-classified to Upgrade consistent with the nature of expense.
14	Asset renewal expenditure	Various expenditures were re-classified from other categories in line with the nature of expenses.
15	Asset expansion expenditure	Capital works budget carried forward to 2016/17 of \$3.60 million including: Harold Holt expansion works \$0.93 million; Dunlop Pavilion re-development \$1.46 million; Malvern Valley Golf Course \$1.15 million. Some of the expenditure was re-classified to asset renewals.

Note 3 Rates and charges

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'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 2015/2016 was \$63.773 billion (2014/2015, \$62.569 billion). The 2015/2016 rate in the CIV dollar was 0.0012542 (2014/2015, 0.0012025).				
General rates	78,301	73,901	78,301	73,901
Service rates and charges	18,156	16,988	18,156	16,988
Special rates and charges	1,693	1,426	1,693	1,426
Supplementary rate and rate adjustments	1,075	982	1,075	982
Total rates and charges	99,226	93,297	99,226	93,297

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be applied in the rating year commencing 1 July 2016.

Notes to the Financial Report

For the year ended 30 June 2016

Note 4 Statutory fees and fines

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Infringements and costs	13,936	12,647	13,936	12,647
Court recoveries	2,887	2,767	2,887	2,767
Town planning fees	1,261	1,204	1,261	1,204
Land information certificates	171	150	171	150
Permits	931	840	931	840
Total statutory fees and fines	19,187	17,608	19,187	17,608

Note 5 User fees

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Aged and health services	713	757	713	757
Leisure centre and recreation	4,675	4,200	4,675	4,200
Child care/ children's programs	4,155	4,033	4,155	4,033
Parking	4,031	3,931	4,031	3,931
Registration and other permits	947	890	947	890
Building services	2,095	2,137	2,095	2,137
Green fees	981	1,001	981	1,001
Waste management services	725	691	725	691
Other fees and charges	1,969	2,011	1,969	2,011
Total user fees *	20,292	19,651	20,292	19,651

* Investment property rental and other rent now classified as User fees.
Other Income (Refer note 8) were classified as User fees in prior year.

Notes to the Financial Report

For the year ended 30 June 2016

Note 6 Grants

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	Council		Consolidated	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants *	1,999	3,886	1,999	3,886
State funded grants	6,842	6,502	6,842	6,502
Total grants received	8,841	10,388	8,841	10,388
* Victorian Grants Commission was classified as State funded grants in the prior year.				
Operating Grants				
<i>Recurrent – Commonwealth Government</i>				
Victorian Grants Commission - General	1,082	3,200	1,082	3,200
Victorian Grants Commission - Local roads funding	208	604	208	604
<i>Recurrent - State Government</i>				
Veteran affairs – Home care	193	191	193	191
Aged care	3,741	3,685	3,741	3,685
School crossing supervisors	176	170	176	170
Libraries	657	636	657	636
Maternal and child health	525	515	525	515
Community partnership & youth programs	434	455	434	455
Child care & immunisation	302	409	302	409
Municipal emergency response	16	16	16	16
Total recurrent operating grants	7,336	9,881	7,336	9,881
<i>Non-recurrent – Commonwealth Government</i>				
Other minor grants	1	9	1	9
<i>Non-recurrent – State Government</i>				
Community partnership & youth programs	–	11	–	11
Learner to probation L2P	38	18	38	18
Other minor grants *	54	100	54	100
Total non-recurrent operating grants	92	138	92	138
Total operating grants	7,428	10,019	7,428	10,019

* Other minor grants were classified as capital grant in the prior year.

Notes to the Financial Report

For the year ended 30 June 2016

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Note 6 Grants (cont.)

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Capital Grants				
<i>Recurrent – Commonwealth Government</i>				
Roads to recovery	608	55	608	55
<i>Recurrent – State Government</i>				
HACC – minor capital	80	50	80	50
Premier's Reading Challenge	12	11	12	11
Total recurrent capital grants	700	116	700	116
<i>Non-recurrent – Commonwealth Government</i>				
Heritage assets – arts and antiques	–	18	–	18
Plant, machinery and equipment	100	–	100	–
<i>Non-recurrent – State Government</i>				
Heritage Assets – arts and antiques	100	22	100	22
Land improvements	374	211	374	211
Other infrastructure	139	–	139	–
Other minor grants	–	2	–	2
Total non-recurrent Capital Grants	713	253	713	253
Total capital grants	1,413	369	1,413	369
Unspent grants received on condition that they be spent in a specific manner				
Balance at start of year	1,475	552	1,475	552
Received during the financial year and remained unspent at balance date	405	1,475	405	1,475
Received in prior years and spent during the financial year	1,444	534	1,444	534
Balance at year end	436	1,493	436	1,493

Notes to the Financial Report

For the year ended 30 June 2016

Note 7 Contributions – monetary

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Open space	9,386	9,634	9,386	9,634
Development contributions	649	180	649	180
Capital works contributions	152	169	152	169
Operating contributions	52	–	52	–
Total contributions - monetary	10,240	9,983	10,240	9,983

Note 8 Other Income

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest	2,826	2,643	2,846	2,668
Dividends	3	3	3	3
Investment property rental *	409	409	409	409
Council works cost recovery	2,059	787	2,059	787
Insurance recovery	26	771	26	771
Fire services property levy administration	76	74	76	74
State Revenue Office – valuation cost recovery	224	782	224	782
Transport clearway towing	80	96	80	96
Other rent *	5,733	5,740	8,866	9,025
Other	1,152	903	1,177	978
Total other income	12,587	12,208	15,765	15,593

* Investment property rental and other rent were classified under user fees in prior year.

Note 9 (a) Employee Costs

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Wages and salaries	43,414	39,516	44,160	40,191
WorkCover	760	526	765	529
Casual staff	3,053	3,921	3,053	3,921
Annual leave and long service leave	6,357	5,787	6,374	5,793
Superannuation	4,671	4,350	4,738	4,409
Fringe benefits tax	651	559	651	559
Other	793	688	793	688
Total employee costs	59,699	55,347	60,534	56,090

Notes to the Financial Report

For the year ended 30 June 2016

Note 9 (b) Superannuation

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Council made contributions to the following funds:				
Defined benefit fund				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	637	612	637	612
Employer contributions – other funds	–	–	–	–
	637	612	637	612
Accumulation funds				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,769	3,529	3,837	3,588
Employer contributions – other funds	265	208	265	208
	4,034	3,738	4,102	3,797
Employer contributions payable at reporting date	–	–	–	–

Refer to note 33 for further information relating to Council's superannuation obligations.

Note 10 Materials and services

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Contract payments	24,162	22,813	24,162	22,813
Legal and consulting fees	4,131	4,142	4,131	4,142
Stamp duty on summons and registration searches	1,877	1,603	1,877	1,603
Building maintenance	2,028	1,802	2,028	1,802
General maintenance	832	540	1,286	965
Utilities	4,316	3,985	4,316	3,985
Fire services	174	154	174	154
Office administration/supplies	1,985	2,008	1,985	2,008
Insurance	1,194	1,312	1,194	1,312
Tipping fees & waste removal	3,701	3,745	3,701	3,745
Activities & events	3,343	2,355	3,343	2,355
Other*	5,578	6,036	7,108	7,915
Total materials and services	53,321	50,494	55,305	52,798

* Other now includes materials, services and vehicle costs which were reported separately in prior year.

Notes to the Financial Report

For the year ended 30 June 2016

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Note 11 Bad and doubtful debts

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Other debtors	17	11	17	11
Total bad and doubtful debts	17	11	17	11

Note 12 Depreciation and amortisation

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Property	4,381	4,525	4,549	4,693
Plant and equipment	3,459	3,300	3,559	3,412
Infrastructure	8,937	9,497	8,937	9,497
Total depreciation	16,777	17,322	17,044	17,602
Intangible assets	777	725	779	728
Total depreciation and amortisation	17,554	18,047	17,824	18,330

Refer to Notes 20 and 22 for a more detailed breakdown of depreciation and amortisation charges.

Note 13 Borrowing costs

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest - borrowings	428	562	428	562
Interest - finance leases	41	62	41	62
Total borrowing costs	469	624	469	624

Note 14 Other expenses

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Auditors' remuneration – VAGO – audit of the financial statement, performance statement and grant acquittals	94	66	108	80
Auditors' remuneration – Internal	122	120	122	120
Councillors' allowances	346	336	346	336
Operating lease rentals	453	345	453	345
Community grants	3,370	3,028	3,369	3,028
Sundry other	771	758	771	758
Total other expenses	5,155	4,653	5,168	4,667

Notes to the Financial Report

For the year ended 30 June 2016

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Note 15 Investments in joint operations and subsidiaries

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(a) Investment in joint operation				
Regional Landfill Clayton South				
<i>Background</i>				
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 2016 unaudited accounts (2015 audited accounts).				
Council's share of accumulated surplus				
Council's share of accumulated surplus/(deficit) at start of year	(669)	1,022	(669)	1,022
Reported surplus /(deficit) for year	190	(1,691)	190	(1,691)
Council's share of accumulated surplus/(deficit) at end of year	(479)	(669)	(479)	(670)
Council's share of reserves				
Council's share of reserves at start of year	–	–	–	–
* Share of asset revaluation decrement	–	–	–	–
Council's share of reserves at end of year	–	–	–	–
Movement in carrying value of specific investment				
Carrying value of investment at start of year	1,570	1,234	1,570	1,234
Share of surplus/(deficit) for year	190	(48)	190	(48)
Share of site rehabilitation liability revaluation	–	–	–	–
Share of site rehabilitation liability movement	(474)	–	(474)	–
Share of site rehabilitation liability 2014 transferred to Non-current liabilities	–	383	–	383
Carrying value of investment at end of year	1,286	1,570	1,286	1,570
Council's share of expenditure liabilities				
Site rehabilitation cost	1,553	2,027	1,553	2,027

The landfill has reached capacity and ceased operations at the end of January 2016, with rehabilitation now in progress in accordance with EPA requirements. An assessment of the post closure aftercare management costs for the landfill undertaken by Golder Associates Pty Ltd civil/geotechnical and environmental consultants in June 2015 was reviewed in June 2016 for the purposes of updating the Clayton Landfill rehabilitation provision. The resultant provision for rehabilitation within the Regional Landfill Clayton 2016 unaudited accounts of \$12.2 million (\$15.9 million, 2015) now reflects the latest present value of the estimated costs for capping of the landfill cells and installation of additional gas extraction infrastructure over the next two years, and then 'aftercare' costs (active monitoring and site management) for a 29 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 \$1.6 million (2016, \$2.0 million reduction to Investment in joint operation) and an expense, Share of net profit or 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 2016

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Note 15 Investments in joint operations 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) at 30 June 2016 after the site ceased operation.

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 2016 is nil (2015, \$1.40 million) and infrastructure assets as at 30 June 2016 is valued at nil (2015, \$0.60 million). The revaluation decrement was debited to the impairment loss in the landfill joint operation comprehensive income statement.

(b) Subsidiaries

Prahran Market Pty Ltd

Prahran Market Pty Ltd is a wholly owned subsidiary, incorporated within Australia, of the City of Stonnington.

Summarised financial information

	2016 \$'000	2015 \$'000
Summarised statement of comprehensive income		
Total income	4,647	4,716
Total expenses	4,574	4,681
Surplus for the year	73	35
Summarised balance sheet		
Current assets	1,988	1,782
Non-current assets	5,113	5,318
Total assets	7,101	7,100
Current liabilities	304	272
Non-current liabilities	37	140
Total liabilities	340	412
Net Assets	6,761	6,688
Equity		
Accumulated Funds	4,761	4,688
Issued Capital	2,000	2,000
Total Equity	6,761	6,688
Summarised statement of cash flows		
Net cash provided by / (used in) operating activities	627	592
Net cash provided by / (used in) investing activities	(67)	(57)
Net cash provided by / (used in) financing activities	–	–
Net increase/(decrease) in cash and cash equivalents	560	535

Notes to the Financial Report

For the year ended 30 June 2016

Note 16 Cash and cash equivalents

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash on hand	9	10	11	11
Cash at bank	1,529	1,630	3,141	2,680
Term deposits *	8,000	7,423	8,000	7,423
	9,538	9,063	11,152	10,114

* Term deposits have been reclassified based on the original maturity of lesser than three months.

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 24)	5,013	3,239	5,013	3,239
– Public open space and developers contribution reserve (note 28)	48,472	38,346	48,472	38,346
Total restricted funds *	53,485	41,585	53,485	41,585
Total unrestricted cash and cash equivalents	(43,947)	(32,522)	(42,334)	(31,471)

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	9,005	9,498	9,005	9,498
– Employee leave entitlement provisions (note 25)	15,798	15,021	15,910	15,122
– Future Fund held for future strategic property purchase (note 28 (b))	11,729	9,029	11,729	9,029
– Infrastructure reserve fund held for future road damage reinstatement (note 28 (b))	240	292	240	292
– Park reinstatement reserve (note 28 (b))	274	–	274	–
– Conditional grants unspent (note 6)	405	1,475	405	1,475
Total funds subject to intended allocations *	37,451	35,315	37,563	35,416

* Total externally restricted funds and intended allocations amounts are funded by the cash and cash equivalents above and by other financial assets – current (2016, \$90.0 million; 2015, \$79.0 million) (note 18).

Notes to the Financial Report

For the year ended 30 June 2016

Note 17 Trade and other receivables

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	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Rates debtors	2,350	2,300	2,349	2,300
Special rate assessment	52	37	52	37
Parking infringement debtors	14,404	13,661	14,404	13,661
Provision for doubtful debts – parking infringements	(10,350)	(9,681)	(10,350)	(9,681)
Other debtors	2,084	1,052	2,397	1,649
Provision for doubtful debts – other debtors	(100)	(100)	(100)	(100)
Net GST receivable	1,433	1,674	1,433	1,674
Total trade and other receivables	9,872	8,943	10,185	9,540

(a) Ageing of other Receivables

At balance date other debtors representing financial assets were past due but not impaired.

These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's other receivables (excluding statutory receivables) was:

Current (not yet due)	1,916	864	2,088	1,315
Past due by up to 30 days	78	31	119	112
Past due between 31 and 180 days	58	83	159	147
Past due between 181 and 365 days	19	62	19	62
Past due by more than 1 year	13	12	13	12
Total other receivables	2,084	1,052	2,397	1,649

(b) Movement in provisions for doubtful debts

Balance at the beginning of the year	9,781	11,347	9,781	11,347
New Provisions recognised during the year	671	11	671	11
Amounts already provided for and written off as uncollectible	(2)	(11)	(2)	(11)
Amounts provided for but recovered during the year	–	(1,566)	–	(1,566)
Balance at end of year	10,450	9,781	10,450	9,781

(c) Ageing of individually impaired Receivables

At balance date there were no other debtors representing financial assets that were impaired (2015, Nil).

Notes to the Financial Report

For the year ended 30 June 2016

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Note 18 Other financial assets

	Council		Consolidated	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits (note 1(j)) *	90,052	79,000	90,052	79,000
Total current financial assets	90,052	79,000	90,052	79,000
Non-current				
Shares in Regional Kitchen Pty Ltd – At Cost *	230	230	230	230
MAPS Shareholding – At Cost	15	15	15	15
Total non-current other financial assets +	245	245	245	245
Total other financial assets	90,297	79,245	90,297	79,245

* Term deposits have been reclassified based on the original maturity of greater than three months.

* At balance date, RFK Pty Ltd t/as Community Chef became a wholly owned subsidiary of Regional Kitchen Pty Ltd. Regional Kitchen Pty Ltd intends to issue an additional share to each Council that was a shareholder of RFK Pty Ltd once Ministerial approval is received.

+ Shares in Prahran Market Pty Ltd now classified as Investment in subsidiaries were classified as Other financial assets - Non-current in prior year (note 1(j)).

Note 19 Other assets

	Council		Consolidated	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Accrued income	930	813	933	818
Prepayments	785	441	790	451
Other	90	92	90	92
Total other assets	1,805	1,346	1,813	1,361

Note 20 Property, infrastructure, plant and equipment

Council

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Accum. Deprec.	WDV 30 June 2016	At Fair Value 30 June 2015	Accum. Deprec.	WDV 30 June 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,777,545	–	1,777,545	1,491,043	–	1,491,043
Buildings	184,583	–	184,583	183,185	(4,525)	178,660
Plant and Equipment	58,168	(37,249)	20,919	55,413	(34,882)	20,531
Infrastructure	573,295	(239,305)	333,990	562,744	(238,541)	324,203
Work in progress	7,430	–	7,430	3,677	–	3,677
	2,601,021	(276,554)	2,324,467	2,296,062	(277,948)	2,018,114

Notes to the Financial Report

For the year ended 30 June 2016

Note 20 Property, infrastructure, plant and equipment (cont.)

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Council

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Land	–	613	(433)	–	181
Buildings	2,662	14,880	(16,553)	–	988
Plant and Equipment	–	4,470	(4,385)	–	86
Infrastructure	1,015	17,581	(12,421)	–	6,175
Total	3,677	37,545	(33,791)	–	7,430

Consolidated

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Accum. Deprec.	WDV 30 June 2016	At Fair Value 30 June 2015	Accum. Deprec.	WDV 30 June 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,777,545	–	1,777,545	1,491,043	–	1,491,043
Buildings	190,669	(1,523)	189,146	189,271	(5,880)	183,391
Plant and Equipment	59,701	(38,273)	21,428	56,880	(35,807)	21,073
Infrastructure	573,295	(239,305)	333,990	562,744	(238,541)	324,203
Work in progress	7,430	–	7,430	3,677	–	3,677
	2,608,639	(279,101)	2,329,539	2,303,615	(280,228)	2,023,388

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Land	–	613	(433)	–	181
Buildings	2,662	14,880	(16,553)	–	988
Plant and Equipment	–	4,470	(4,385)	–	86
Infrastructure	1,015	17,581	(12,421)	–	6,175
Total	3,677	37,545	(33,791)	–	7,430

Notes to the Financial Report

For the year ended 30 June 2016

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Note 20 Property, infrastructure, plant and equipment (cont.)

Council

(a) Land and Buildings	Note	Land – specialised \$'000	Land – non specialised \$'000	Land improvements \$'000	Total Land \$'000
At fair value 1 July 2015		1,382,850	108,193	–	1,491,043
Accumulated depreciation at 1 July 2015		–	–	–	–
		1,382,850	108,193	–	1,491,043
Movements in fair value					
Acquisition of assets at fair value		–	433	–	433
Revaluation increments/(decrements)		268,855	17,214	–	286,069
Fair value of assets disposed/written off		–	–	–	–
Transfers		–	–	–	–
		268,855	17,647	–	286,502
Movements in accumulated depreciation					
Depreciation and amortisation		–	–	–	–
Accumulated depreciation of disposals		–	–	–	–
Revaluation movement		–	–	–	–
Transfers		–	–	–	–
		–	–	–	–
At fair value 30 June 2016		1,651,705	125,840	–	1,777,545
Accumulated depreciation at 30 June 2016		–	–	–	–
		1,651,705	125,840	–	1,777,545

Notes to the Financial Report

For the year ended 30 June 2016

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Heritage Buildings \$'000	Buildings – specialised \$'000	Buildings – non specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
69,492	97,108	16,585	183,185	2,662	1,676,890
(1,024)	(3,088)	(413)	(4,525)	–	(4,525)
68,468	94,020	16,172	178,660	2,662	1,672,365
–	–	–	–	15,493	15,926
(5,999)	(7,325)	(1,066)	(14,391)	–	271,678
–	(764)	–	(764)	–	(764)
2,252	14,301	–	16,553	(16,986)	(433)
(3,747)	6,211	(1,066)	1,398	(1,493)	286,407
(1,044)	(2,305)	(1,032)	(4,381)	–	(4,381)
–	479	–	479	–	479
2,068	4,914	1,445	8,427	–	8,427
–	–	–	–	–	–
1,024	3,088	413	4,525	–	4,525
65,745	103,320	15,519	184,583	1,169	1,963,298
–	–	–	–	–	–
65,745	103,320	15,519	184,583	1,169	1,963,298

Notes to the Financial Report

For the year ended 30 June 2016

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Note 20 Property, infrastructure, plant and equipment (cont.)

Council

(b) Plant and Equipment	Note	Heritage plant & equipment \$'000	Plant machinery, motor vehicles and equipment \$'000	Leased plant & equipment \$'000
At fair value 1 July 2015		5,090	18,487	776
Accumulated depreciation at 1 July 2015		–	(10,073)	(281)
		5,090	8,414	495
Movements				
Acquisition of assets at fair value		140	2,076	–
Revaluation increments/(decrements)		–	–	–
Fair value of assets disposed/written off		–	(1,382)	–
Transfers		–	–	–
		140	694	0
Movements in accumulated depreciation				
Depreciation and amortisation		(53)	(1,420)	(217)
Accumulated depreciation of disposals		–	849	–
Revaluation movement		–	–	–
		(53)	(571)	(217)
At fair value 30 June 2016		5,229	19,181	777
Accumulated depreciation at 30 June 2016		(53)	(10,644)	(498)
		5,177	8,538	279

Notes to the Financial Report

For the year ended 30 June 2016

Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Library books \$'000	Work In Progress \$'000	Total plant and equipment \$'000
7,140	5,845	18,074	–	55,413
(4,561)	(4,682)	(15,285)	–	(34,882)
2,579	1,163	2,789	–	20,531
843	531	794	4,470	4,385
–	–	–	–	–
–	(247)	–	–	(1,629)
–	–	–	(4,385)	–
843	284	794	86	2,756
(465)	(474)	(831)	–	(3,459)
–	243	–	–	1,092
–	–	–	–	–
(465)	(231)	(831)	–	(2,367)
7,983	6,129	18,868	86	58,254
(5,026)	(4,913)	(16,116)	–	(37,249)
2,957	1,216	2,753	86	21,005

Notes to the Financial Report

For the year ended 30 June 2016

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Note 20 Property, infrastructure, plant and equipment (cont.)

Council

(c) Infrastructure	Note	Roads \$'000	Bridges \$'000	Drainage \$'000
At fair value 1 July 2015		334,948	4,493	129,733
Accumulated depreciation at 1 July 2015		(149,909)	(1,852)	(63,814)
		185,039	2,641	65,919
Movements in fair value				
Acquisition of assets at fair value		–	–	–
Revaluation increments/(decrements)		–	–	9,416
Fair value of assets disposed/written off		(3,673)	–	–
Transfers		5,762	56	1,643
		2,088	56	11,059
Movements in accumulated depreciation				
Depreciation and amortisation		(4,118)	–	(1,614)
Accumulated depreciation of disposals		2,530	–	–
Revaluation movement		–	–	(4,749)
Transfers		–	–	–
		(1,589)	–	(6,363)
At fair value 30 June 2016		337,037	4,549	140,792
Accumulated depreciation at 30 June 2016		(151,498)	(1,852)	(70,177)
		185,539	2,697	70,615

Notes to the Financial Report

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Recreational, leisure and community \$'000	Parks, open space and streetscapes \$'000	Road Extras \$'000	Work In Progress \$'000	Total Infrastructure \$'000
16,137	50,626	26,807	1,015	563,759
(6,539)	(9,259)	(7,168)	–	(238,541)
9,598	41,367	19,639	1,015	325,218
–	–	–	17,581	17,581
(1,840)	(5,773)	–	–	1,803
–	–	–	–	(3,673)
956	2,998	1,007	(12,421)	–
(885)	(2,775)	1,007	5,161	15,711
(974)	(1,379)	(852)	–	(8,937)
–	–	–	–	2,530
4,301	6,091	–	–	5,643
–	–	–	–	–
3,327	4,712	(852)	–	(764)
15,252	47,851	27,814	6,175	579,470
(3,211)	(4,547)	(8,020)	–	(239,305)
12,041	43,304	19,794	6,175	340,165

Notes to the Financial Report

For the year ended 30 June 2016

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Note 20 Property, infrastructure, plant and equipment (cont.)

Consolidated

(a) Land and Buildings	Note	Land – specialised \$'000	Land – non specialised \$'000	Land improvements \$'000	Total Land \$'000
At fair value 1 July 2015		1,382,850	108,193	–	1,491,043
Accumulated depreciation at 1 July 2015		–	–	–	–
		1,382,850	108,193	–	1,491,043
Movements in fair value					
Acquisition of assets at fair value		–	433	–	433
Revaluation increments/(decrements)		268,855	17,214	–	286,069
Fair value of assets disposed/written off		–	–	–	–
Transfers		–	–	–	–
		268,855	17,647	–	286,502
Movements in accumulated depreciation					
Depreciation and amortisation		–	–	–	–
Accumulated depreciation of disposals		–	–	–	–
Revaluation movement		–	–	–	–
Transfers		–	–	–	–
		–	–	–	–
At fair value 30 June 2016		1,651,705	125,840	–	1,777,545
Accumulated depreciation at 30 June 2016		–	–	–	–
		1,651,705	125,840	–	1,777,545

Notes to the Financial Report

For the year ended 30 June 2016

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Heritage Buildings \$'000	Buildings – specialised \$'000	Buildings – non specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
75,577	97,108	16,585	189,271	2,662	1,682,976
(2,379)	(3,088)	(413)	(5,880)	–	(5,880)
73,198	94,020	16,172	183,391	2,662	1,677,096
–	–	–	–	15,493	15,926
(5,999)	(7,325)	(1,066)	(14,391)	–	271,678
–	(764)	–	(764)	–	(764)
2,252	14,301	–	16,553	(16,986)	(433)
(3,747)	6,211	(1,066)	1,398	(1,493)	286,407
(1,212)	(2,305)	(1,032)	(4,549)	–	(4,549)
–	479	–	479	–	479
2,068	4,914	1,445	8,427	–	8,427
–	–	–	–	–	–
856	3,088	413	4,357	–	4,357
71,830	103,320	15,519	190,669	1,169	1,969,384
(1,523)	–	–	(1,523)	–	(1,523)
70,308	103,320	15,519	189,146	1,169	1,967,861

Notes to the Financial Report

For the year ended 30 June 2016

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Note 20 Property, infrastructure, plant and equipment (cont.)

Consolidated

(b) Plant and Equipment	Note	Heritage plant & equipment \$'000	Plant machinery, motor vehicles and equipment \$'000	Leased plant & equipment \$'000
At fair value 1 July 2015		5,090	19,612	776
Accumulated depreciation at 1 July 2015		–	(10,739)	(281)
		5,090	8,873	495
Movements in fair value				
Acquisition of assets at fair value		140	2,139	–
Revaluation increments/(decrements)		–	–	–
Fair value of assets disposed/written off		–	(1,382)	–
Transfers		–	–	–
		140	757	–
Movements in accumulated depreciation				
Depreciation and amortisation		(53)	(1,490)	(217)
Accumulated depreciation of disposals		–	849	–
Revaluation movement		–	–	–
		(53)	(641)	(217)
At fair value 30 June 2016		5,229	20,369	776
Accumulated depreciation at 30 June 2016		(53)	(11,380)	(498)
		5,177	8,989	279

Notes to the Financial Report

For the year ended 30 June 2016

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Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Library books \$'000	Work In Progress \$'000	Total plant and equipment \$'000
7,285	6,044	18,074	–	56,880
(4,704)	(4,798)	(15,285)	–	(35,807)
2,581	1,245	2,789	–	21,073
843	533	794	4,470	4,449
–	–	–	–	–
–	(247)	–	–	(1,629)
–	–	–	(4,385)	–
843	286	794	86	2,820
(466)	(502)	(831)	–	(3,557)
–	243	–	–	1,092
–	–	–	–	–
(466)	(259)	(831)	–	(2,466)
8,128	6,329	18,868	86	59,701
(5,170)	(5,057)	(16,116)	–	(38,273)
2,958	1,272	2,753	86	21,428

Notes to the Financial Report

For the year ended 30 June 2016

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Note 20 Property, infrastructure, plant and equipment (cont.)

Consolidated

(c) Infrastructure	Note	Roads \$'000	Bridges \$'000	Drainage \$'000
At fair value 1 July 2015		334,948	4,493	129,733
Accumulated depreciation at 1 July 2015		(149,909)	(1,852)	(63,814)
		185,039	2,641	65,919
Movements in fair value				
Acquisition of assets at fair value		–	–	–
Revaluation increments/(decrements)		–	–	9,416
Fair value of assets disposed/written off		(3,673)	–	–
Transfers		5,762	56	1,643
		2,088	56	11,059
Movements in accumulated depreciation				
Depreciation and amortisation		(4,118)	–	(1,614)
Accumulated depreciation of disposals		2,530	–	–
Revaluation movement		–	–	(4,749)
Transfers		–	–	–
		(1,589)	–	(6,363)
At fair value 30 June 2016		337,036	4,549	140,792
Accumulated depreciation at 30 June 2016		(151,498)	(1,852)	(70,177)
		185,538	2,697	70,615

Notes to the Financial Report

For the year ended 30 June 2016

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Recreational, leisure and community \$'000	Parks, open space and streetscapes \$'000	Road Extras \$'000	Work In Progress \$'000	Total Infrastructure \$'000
16,137	50,626	26,807	1,015	563,759
(6,539)	(9,259)	(7,168)	–	(238,541)
9,598	41,367	19,639	1,015	325,218
–	–	–	17,581	17,581
(1,840)	(5,773)	–	–	1,803
–	–	–	–	(3,673)
956	2,998	1,007	(12,421)	–
(885)	(2,775)	1,007	5,161	15,711
(974)	(1,379)	(852)	–	(8,937)
–	–	–	–	2,530
4,301	6,091	–	–	5,643
–	–	–	–	–
3,327	4,712	(852)	–	(764)
15,252	47,851	27,814	6,175	579,470
(3,211)	(4,547)	(8,020)	–	(239,305)
12,041	43,304	19,794	6,175	340,164

Notes to the Financial Report

For the year ended 30 June 2016

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Note 20 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 1 January 2016 by Mr P. Fitzgerald AAPI CPV. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement. The buildings are valued at fair value on the basis of the market approach, cost approach or income approach. As the majority of council buildings are specialised in their nature, cost approach has been adopted, which reflects the current replacement cost.

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.

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

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land – non specialised	–	125,840	–
Land – specialised	–	–	1,102,655
Land under roads	–	–	549,050
Buildings – non specialised	–	15,519	–
Buildings – specialised	–	–	169,065
Total	–	141,359	1,820,770

Valuation of infrastructure

Infrastructure is valued at fair value based on replacement cost less accumulated depreciation method. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the asset to an “as new” standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

A valuation of Council's infrastructure assets; open space parks and reserves was verified by Mr. Simon Thomas, B.Eng. (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 replacement cost of the asset. The effective date of the valuation is 30 June 2016.

Notes to the Financial Report

For the year ended 30 June 2016

Note 20 Property, infrastructure, plant and equipment (cont.)

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Valuation Basis (cont.)

Council's assessment of the Drainage assets as per the Australian Bureau of Statistics (ABS) indexation movement require a change to carrying amount. The index value was verified by Mr. Simon Thomas, B.Eng. (Civil), MIE CP Eng. The valuation is at fair value based on replacement cost less accumulated depreciation as at 30 June 2016.

Council's assessment of roads, bridges and road extras as per the ABS indexation movement indicates there is no material change required to be made to their carrying value.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	–	–	185,539
Bridges	–	–	2,697
Footpaths and cycleways	–	–	–
Drainage	–	–	70,615
Road extras	–	–	19,794
Recreational, leisure and community facilities	–	–	12,041
Parks, open space and streetscapes	–	–	43,304
Total	–	–	333,990

No transfers between levels occurred during the year.

Description of significant unobservable inputs into level 3 valuations

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 65%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$925 and \$6,200 per square metre.

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 \$1,000 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.

	2016 \$'000	2015 \$'000
Reconciliation of specialised land		
Land under roads	549,050	455,840
Land	1,102,655	927,011
Total specialised land	1,651,705	1,382,851

Notes to the Financial Report

For the year ended 30 June 2016

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Note 21 Investment property

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at beginning of the financial year	5,750	6,650	5,750	6,650
Transfer to land and building – non specialised	–	(1,142)	–	(1,142)
Additions	496	–	496	–
Fair value adjustments	225	242	225	242
Balance at end of financial year	6,471	5,750	6,471	5,750

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 \$6.25 million (2015, \$5.75 million), based on the current market value of the property.

Note 22 Intangible assets

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Software	10,699	9,434	10,699	9,434
Tenant lease incentives	–	–	42	45
Total intangible assets	10,699	9,434	10,741	9,479

Council	Software \$'000	Total \$'000
Gross carrying amount		
Balance at 1 July 2014	8,333	8,333
Acquisition of assets at fair value	718	718
Work in progress	383	383
Balance at 1 July 2015	9,434	9,434
Acquisition of assets at fair value	1,016	1,016
Work in progress	248	248
Balance at 30 June 2016	10,699	10,699
Accumulated amortisation and impairment		
Balance at 1 July 2014	(6,381)	(6,381)
Amortisation expense	(725)	(725)
Balance at 1 July 2015	(7,106)	(7,106)
Amortisation expense	(777)	(777)
Balance at 30 June 2016	(7,883)	(7,883)
Net book value at 30 June 2015	2,327	2,327
Net book value at 30 June 2016	2,815	2,815

Notes to the Financial Report

For the year ended 30 June 2016

Note 22 Intangible assets (cont.)

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Consolidated	Software \$'000	Tenant Lease Incentives \$'000	Total \$'000
Gross carrying amount			
Balance at 1 July 2014	8,333	47	8,380
Acquisition of assets at fair value	718	–	718
Work in progress	383	(2)	381
Balance at 1 July 2015	9,434	45	9,479
Acquisition of assets at fair value	1,016	(3)	1,014
Works in progress	248	–	248
Balance at 30 June 2016	10,699	42	10,741
Accumulated amortisation and impairment			
Balance at 1 July 2014	(6,381)	(2)	(6,383)
Amortisation expense	(725)	(1)	(726)
Balance at 1 July 2015	(7,106)	(3)	(7,109)
Amortisation expense	(777)	–	(777)
Balance at 30 June 2016	(7,883)	(3)	(7,886)
Net book value at 30 June 2015	2,327	43	2,370
Net book value at 30 June 2016	2,815	39	2,855

Note 23 Trade and other payables

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Trade payables	11,091	10,851	11,217	11,008
Accrued expenses	4,865	6,187	4,865	6,223
Other	1,373	747	1,420	747
Total trade and other payables	17,329	17,785	17,501	17,978

Notes to the Financial Report

For the year ended 30 June 2016

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Note 24 Trust funds and deposits

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Refundable building deposits	8	17	8	17
Refundable contract deposits	782	613	782	613
Fire Service Property Levy	1,207	570	1,207	570
Retention amounts	792	537	792	537
Other refundable deposits	2,224	1,502	2,224	1,502
Total trust funds and deposits	5,013	3,239	5,013	3,239

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 contractual obligations.

Note 25 Provisions

	Annual leave \$'000	Long service leave \$'000	Gratuity \$'000	Time in lieu / Accrued day off \$'000	Total \$'000
2016 Council					
Balance at beginning of the financial year	4,217	10,253	151	400	15,021
Additional provisions	3,488	934	3	1,046	5,471
Amounts used	(3,093)	(667)	–	(980)	(4,739)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	15	30	–	–	45
Balance at the end of the financial year	4,627	10,550	154	467	15,798
2016 Consolidated					
Balance at beginning of the financial year	4,280	10,290	151	400	15,121
Additional provisions	3,483	951	3	1,046	5,483
Amounts used	(3,093)	(667)	–	(980)	(4,739)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	15	30	–	–	45
Balance at the end of the financial year	4,685	10,603	154	467	15,910

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For the year ended 30 June 2016

Note 25 Provisions (cont.)

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	Annual leave \$'000	Long service leave \$'000	Gratuity \$'000	Time in lieu / Accrued day off \$'000	Total \$'000
2015 Council					
Balance at beginning of the financial year	4,070	10,151	146	396	14,763
Additional provisions	3,021	641	10	915	4,587
Amounts used	(2,893)	(562)	(5)	(911)	(4,371)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	19	23	–	–	42
Balance at the end of the financial year	4,217	10,253	151	400	15,021
2015 Consolidated					
Balance at beginning of the financial year	4,138	10,177	146	396	14,857
Additional provisions	3,044	653	10	915	4,622
Amounts used	(2,921)	(562)	(5)	(911)	(4,399)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	19	23	–	–	42
Balance at the end of the financial year	4,280	10,290	151	400	15,122

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(a) Employee provisions				
Current provisions expected to be wholly settled within 12 months				
Annual leave	2,514	2,311	2,546	2,343
Long service leave	288	229	297	236
Time in lieu	57	62	57	62
Accrued day off	410	338	410	338
	3,269	2,940	3,309	2,980
Current provisions expected to be wholly settled after 12 months				
Annual leave	2,113	1,906	2,140	1,937
Long service leave	8,246	8,620	8,254	8,627
	10,359	10,526	10,394	10,564
Total current employee provisions	13,628	13,466	13,703	13,544
Non-current				
Long service leave	2,016	1,404	2,053	1,427
Retirement gratuity	154	151	154	151
Total non-current employee provisions	2,170	1,555	2,207	1,578

Notes to the Financial Report

For the year ended 30 June 2016

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Note 25 Provisions (cont.)

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Aggregate carrying amount of employee provisions:				
Current	13,628	13,466	13,703	13,544
Non-current	2,170	1,555	2,207	1,578
Total aggregate carrying amount of employee provisions	15,798	15,021	15,910	15,122
(b) Insurance Excess Provision				
Current	200	200	200	200
Aggregate carrying amount of total provision:				
Current	13,828	13,666	13,903	13,744
Non-current	2,170	1,555	2,207	1,578
Total provisions	15,998	15,221	16,110	15,322

Note 26 Interest-bearing loans and borrowings

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Finance leases	170	109	170	109
Borrowings – secured (1)	1,897	1,872	1,897	1,872
	2,067	1,981	2,067	1,981
Non-current				
Finance leases	109	387	109	387
Borrowings – secured (1)	9,000	10,897	9,000	10,897
	9,109	11,284	9,109	11,284
Total	11,176	13,265	11,176	13,265

(1) Borrowings are secured by rates income of the Council.

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

Not later than one year	1,897	1,872	1,897	1,872
Later than one year and not later than five years	6,000	6,397	6,000	6,397
Later than five years	3,000	4,500	3,000	4,500
	10,897	12,769	10,897	12,769

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

Not later than one year	170	109	170	109
Later than one year and not later than five years	123	405	123	405
Later than five years	–	–	–	–
Minimum lease payments	292	514	292	514
Less: Future finance charges	(14)	(18)	(14)	(18)
Present value of minimum lease payments	279	496	279	496

Notes to the Financial Report

For the year ended 30 June 2016

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Note 26 Interest-bearing loans and borrowings (cont.)

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	170	109	170	109
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Non-current

Leases	109	387	109	387
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Total	279	496	279	496
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c) Aggregate carrying amount of interest-bearing loans and borrowings:

Current	2,067	1,981	2,067	1,981
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Non-current	9,109	11,284	9,109	11,284
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	11,176	13,265	11,176	13,265
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Note 27 Net gain / (loss) on disposal/write off of property, infrastructure, plant and equipment

Proceeds from sales	504	308	504	321
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Written down value of assets disposed/written off	1,966	1,030	1,966	1,050
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Total net gain / (loss) on disposal/write off of property, infrastructure, plant and equipment	(1,462)	(722)	(1,462)	(729)
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Notes to the Financial Report

For the year ended 30 June 2016

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Note 28 Reserves

	Balance at beginning of financial year \$'000	Increment (decrement) \$'000	Share of increment (decrement) on revaluation by joint operation \$'000	Balance at end of financial year \$'000
(a) Asset revaluation reserves				
2016				
Property				
Land	656,359	192,859	–	849,218
Land under roads	75,250	93,210	–	168,460
Recreational, leisure and community	1,061	611	–	1,672
Parks, open space and streetscapes	3,760	2,167	–	5,928
Buildings	174,697	(2,033)	–	172,664
Heritage buildings	19,198	(3,931)	–	15,267
	930,325	282,884	–	1,213,209
Infrastructure				
Roads, streets, rights of way & bridges	102,241	–	–	102,241
Road extras	12,182	–	–	12,182
Drainage	24,453	4,667	–	29,120
	138,876	4,667	–	143,543
Plant and equipment				
Heritage plant & equipment	934	–	–	934
Total Asset revaluation reserve	1,070,135	287,551	–	1,357,686
2015				
Property				
Land *	541,051	115,308	–	656,359
Land under roads	18,510	56,740	–	75,250
Recreational, leisure and community	1,061	–	–	1,061
Parks, open space and streetscapes	3,760	–	–	3,760
Buildings	174,697	–	–	174,697
Heritage buildings	19,198	–	–	19,198
	758,277	172,048	–	930,325
Infrastructure				
Roads, streets, rights of way & bridges	102,241	–	–	102,241
Road extras	11,922	260	–	12,182
Drainage	24,453	–	–	24,453
	138,616	260	–	138,876

Notes to the Financial Report

For the year ended 30 June 2016

Note 28 Reserves (cont.)

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	Balance at beginning of financial year	Increment (decrement)	Share of increment (decrement) on revaluation by joint operation	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000
Plant and equipment				
Heritage plant & equipment	–	934	–	934
Total Asset revaluation reserve	896,893	173,242	–	1,070,135

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

* Assets lost/not owned by Council resulted in the adjustment to the Land revaluation reserves opening balance of the 2015 comparative figure.

	Balance at beginning of financial year	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of financial year	Consolidated balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000
(b) Other reserves					
2016					
Open Space Reserve	36,932	10,520	(1,055)	46,396	46,396
Off-Street Parking Reserve	996	31	–	1,027	1,027
Developer Contributions	418	662	(31)	1,049	1,049
Future Fund Reserve	9,029	2,700	–	11,729	11,729
Infrastructure – Roads Damaged Reserve	292	–	(18)	274	274
Park Reinstatement Reserve	–	240	–	240	240
Total other reserves	47,667	14,153	(1,105)	60,715	60,715
2015					
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
Park Reinstatement Reserve	–	–	–	–	–
Total other reserves	35,106	13,174	(613)	47,667	47,667

Notes to the Financial Report

For the year ended 30 June 2016

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Note 28 Reserves (cont.)

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.

The Park Reinstatement Reserve is created for recording of funds received as a result of occupation of Gardiner Park by VicRoads.

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

- Trust funds and deposits (note 24)
- 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
- Park Reinstatement Reserve

Note 29 Reconciliation of cash flows from operating activities to surplus

	Council		Consolidated	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Surplus for the year	33,110	31,787	33,184	31,820
Depreciation/amortisation	17,554	18,047	17,824	18,330
Loss on disposal of property, infrastructure, plant and equipment	33	722	33	722
Assets written off	1,429	–	1,429	–
Share of net (profit)/loss of joint operation accounted for by the equity method	(190)	1,691	(190)	1,691
Fair value adjustments for investment property	(225)	(242)	(225)	(242)
Change in assets and liabilities:				
(Increase)/decrease in trade and other receivables	(820)	(1,103)	(586)	(871)
(Increase)/decrease in prepayments	(344)	(240)	(341)	(243)
Increase/(decrease) in accrued income	60	(31)	60	(31)
Increase/(decrease) in trade and other payables	2,610	(1,596)	2,634	(1,562)
(Decrease)/increase in other liabilities	657	2,413	667	2,419
Increase in provisions	777	259	789	264
Net cash provided by operating activities	54,649	51,706	55,278	52,299

Notes to the Financial Report

For the year ended 30 June 2016

Note 30 Financing arrangements

	Council		Consolidated	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Bank overdraft	250	250	250	250
Credit card facilities	40	40	40	40
Finance lease	1,543	1,543	1,543	1,543
Borrowings	15,000	15,000	15,000	15,000
Total facilities	16,833	16,833	16,833	16,833
Used facilities	(16,550)	(16,547)	(16,550)	(16,547)
Unused facilities	284	287	284	287

Note 31 Commitments

The Council has entered into the following commitments. Prahran Market Pty Ltd has no material commitments.

2016	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
Operating					
Municipal turf maintenance and mowing services	1,887	1,445	513	–	3,846
Consultancies	412	253	215	–	880
Parking enforcement and car parks	7,959	8,237	17,350	–	33,546
Central record services	1,036	505	333	–	1,874
Management of car parks	323	–	–	–	323
Hard & green waste collection	475	150	450	–	1,075
Cleaning of municipal buildings & aquatics centres	891	844	764	–	2,499
Recycling Collections	1,040	900	–	–	1,940
Building Maintenance Services	668	–	–	–	668
Other contractual obligations	4,109	2,621	1,899	–	8,629
Total	18,801	14,956	21,524	–	55,280

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For the year ended 30 June 2016

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Note 31 Commitments (cont.)

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital					
Buildings	2,205	243	138	–	2,585
Roads	100	100	100	–	300
Drainage	2,603	285	–	–	2,888
Cato Street car park redevelopment	2,245	–	–	–	2,245
Other capital works	110	50	200	–	360
Total	7,262	678	438	–	8,377

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2015					
Operating					
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 & 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 & 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
Total	14,048	13,076	30,670	–	57,795
Capital					
Buildings	11,259	–	–	–	11,259
Roads	175	–	–	–	175
Drainage	1,555	900	–	–	2,455
Other capital works	1,721	223	415	–	2,359
Total	14,710	1,123	415	–	16,249

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For the year ended 30 June 2016

Note 32 Operating leases

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	Council		Consolidated	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
(a) Operating lease commitments				
At the reporting date, the Council had the following obligations under non-cancellable operating leases for equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):				
Not later than one year	519	394	519	394
Later than one year and not later than five years	1,205	1,351	1,205	1,351
	1,724	1,745	1,724	1,745

(b) Operating lease receivables

The Council has entered into commercial property leases on:

- 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.
- The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes.
These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

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

Not later than one year	2,011	1,677	467	1,677
Later than one year and not later than five years	4,605	5,539	1,518	5,539
	6,617	7,215	1,985	7,215

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Note 33 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions 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, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	7.0% pa
Salary information	4.25% pa
Price inflation (CPI)	2.5% pa

Vision Super has advised that the estimated VBI at 30 June 2016 was 102%.

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 2015 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the 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%.

Notes to the Financial Report

For the year ended 30 June 2016

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Note 33 Superannuation (cont.)

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.

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$130.8 million; and

A total service liability surplus of \$239 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 2015. 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 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$1.03 million.

Note 34 Contingent liabilities and contingent assets contingent liabilities

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 2015, same position).

Insurance

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. As such matters are complex and often protracted in their resolution, a number of open claims remain against Council in this regard. The City of Stonnington carried an appropriate level of insurance with the Liability Mutual Insurance Scheme (Municipal Association of Victoria, Insurance) for the 2015/2016 year and is unaware of any claim or instance that would fall outside the terms of this insurance policy.

Notes to the Financial Report

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Note 34 Contingent liabilities and contingent assets contingent liabilities (cont.)

Professional Indemnity

As a local authority with statutory and regulatory responsibilities, including the responsibility for issuing permits and approvals, Council occasionally receives demands allegedly arising from decisions, actions or inaction of Council or its officers. The City of Stonnington carried an appropriate level of Professional Indemnity Insurance with the Liability Mutual Insurance Scheme (Municipal Association of Victoria, Insurance) for the 2015/2016 year and is unaware of any claim or instance that would fall outside the terms of this insurance policy.

Note 35 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.

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.

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Note 35 Financial instruments (cont.)

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 34.

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 34, 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 26.

e) 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.

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

(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 1.75%.

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.

Notes to the Financial Report

For the year ended 30 June 2016

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Note 36 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors	Councillor Claude Ullin	(Mayor 11 November 2015 - Current)
	Councillor John Chandler	
	Councillor Melina Sehr	(Mayor 12 November 2014 - 10 November 2015)
	Councillor Matthew Koce	
	Councillor Erin Davie	
	Councillor John McMorrow	
	Councillor Jami Klisaris	
	Councillor Tini Athanasopoulos	
	Councillor Jim Athanasopoulos	(31 August 2015 - Current)
Chief Executive Officer	Warren Roberts	

(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	
	2016 No.	2015 No.	2016 No.	2015 No.
\$1 – \$9,999	–	–	1	1
\$10,000 – \$19,999	–	2	2	4
\$20,000 – \$29,999	1	–	2	1
\$30,000 – \$39,999	6	6	6	6
\$50,000 – \$59,999	1	1	1	1
\$70,000 – \$79,999	1	1	1	1
\$180,000 – \$189,999	–	–	1	1
\$360,000 – \$369,999	–	1	–	1
\$370,000 – \$379,999	1	–	1	–
	10	11	15	16
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	723	706	991	981

(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 \$139,000 (2014/15 \$136,000).

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

Notes to the Financial Report

For the year ended 30 June 2016

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Note 36 Related party transactions (cont.)

	Council		Consolidated	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Income Range:				
<\$139,000	1	2	1	2
\$140,000 – \$149,999	2	1	2	1
\$150,000 – \$159,999	5	7	5	7
\$160,000 – \$169,999	10	9	10	9
\$170,000 – \$179,999	3	2	3	2
\$180,000 – \$189,999	1	–	1	–
\$220,000 – \$229,999	–	1	–	1
\$230,000 – \$239,999	1	5	1	5
\$240,000 – \$249,999	4	–	4	–
	27	27	27	27
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to	4,752	4,453	4,752	4,453

(iv) Responsible persons retirement benefits

No retirement benefits have been made by the Council to a Responsible Person (2014/2015 - 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 (2014/2015 - Nil).

(vi) Transactions with responsible persons

During the period no transactions were entered by Council with any responsible persons or related parties of responsible persons.

Note 37 Events occurring after balance date

Council has entered into agreements to purchase properties at:

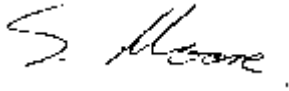
Property address	Settlement Amount	Date Deposit Paid	Settlement Date
1. 9-13 Ellison Street, Malvern East	\$ 4,700,000	19 January 2016	To be determined
2. 14 Aubrey Street, Armadale	\$ 1,400,000	12 July 2016	25 August 2016
3. 15 Izett Street, Prahran	\$ 2,200,000	27 July 2016	6 October 2016
4. 10 Aubrey Street, Armadale	\$ 1,850,000	30 August 2016	29 September 2016
5. 55 Porter Street, Armadale	\$ 4,000,000	To be determined	To be determined
6. 1A Fulton Street, Armadale	\$ 1,750,000	31 August 2016	30 September 2016

The above acquisitions would be funded from the open space and future fund reserves in the 2017 financial year.

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: 5 September 2016

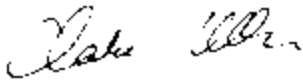
Date: 5 September 2016

Malvern

In our opinion the accompanying financial statements present fairly the financial transactions of Stonnington City Council for the year ended 30 June 2016 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.



Claude Ullin

Councillor

Date: 5 September 2016

Malvern



John McMorrow

Councillor

Date: 5 September 2016

Malvern



Geoff Cockram

Acting Chief Executive Officer

Date: 5 September 2016

Malvern

Auditor General's Report on the Financial Report

VAGO

Victorian Auditor-General's Office

Level 34, 35 Collins Street
Melbourne VIC 3000Telephone 61 3 8631 7000
Facsimile 61 3 8631 7010Website: www.pudg.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Stonnington City Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2010 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.

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.

Auditing in the Public Interest

Auditor General's Report on the Financial Report

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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, I and my staff and delegates complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

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 2016 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
15 September 2016


Dr Peter Frost
Acting Auditor-General

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