# 2016/17 Annual Report

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## Stonnington Community Profile

Residents: 111,606 (Grown by 3,011 from 2015)	Density: 43.54 persons per hectare	Median age: 35	Household income: \$1,942 median per week
Home Ownership:			
	0.4.0/	fully own house	
3% social housing 9.45% not	stated		44.2% renting
Households:		Average	household size = $2.1$
19,5% couples with children 25 couples child	without one parent	7% older couples without children 31, single p house	person ( medium and high )
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:	21% people volunteer of homes internet of c	:	r need assistance due to a disability

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### **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.

### 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.

### **Report of Operations**

Council is committed to transparent reporting and accountability to the community. Report of Operations 2016-17 is the primary means of advising the City of Stonnington community about Council's operations and performance during the financial year.

Visit youtube.com/cityofstonnington to watch a video about work happening across the municipality.

### Council

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

- Promote social, economic and environmental viability and sustainability
- Ensure resources are used efficiently and effectively and that Best Value principles are met
- · Improve the overall quality of life of people
- Promote appropriate business and employment opportunities
- Ensure equitable access to services and facilities
- Ensure equitable imposition of rates and charges, and
- Ensure transparent and accountable decisionmaking.

Council is committed to working in partnership with key stakeholders, residents and businesses to continually review our local laws, policies and meeting procedures to promote community consultation, advocate community needs and provide strong democratic leadership.

Council will strive for excellence, ensuring that it has the capacity to deliver timely and efficient services to meet community needs and continually improve standards of service delivery. For more information on how we deliver our services to the community see the Description of Operations section on page 19 and the Governance section on page 56.

#### Acknowledgement

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 and meaningful participation in decisions affecting their lives.

#### Social Inclusion

Council activities and programs recognise community diversity and encourage participation.

### Strategic Planning Framework

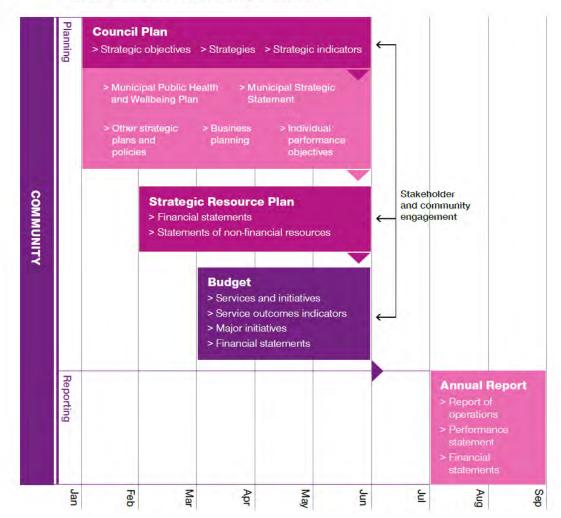
### Planning and Accountability Framework

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

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

The 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.

#### **Planning and Accountability Framework**



### **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.

The new Council Plan 2017–21 was adopted on 5 June 2017 alongside the 2017/18 Budget and articulates Council's vision, goals and strategic actions that guide decision-making over the next four-year term.

#### Performance

Council's performance for the 2016/17 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



### **Our City**

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

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

The estimated resident population in 2016/17 was 111,606. It is anticipated that the municipality will experience a population growth rate of approximately 26 percent over the next 20 years.

### **Our Community**

Stonnington has a relatively young population with 33 percent aged 20 to 34 years and a median age of 35 years.

Of the families in Stonnington, 19.5 percent are couples with children, 25 percent are couples without children and 5 percent are one parent families.

Of all households, 31.7 percent are single person households and 8.9 percent 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 Mandarin, Greek, Cantonese, Italian and Spanish. Over one-third of the community was born overseas and the top five nations of origin are the United Kingdom, China, Greece, Italy and Germany.

According to the 2016 Census, 3,463 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.

Just over a quarter (25.5 percent) of residents fully own their home, with a further 21 percent paying off a mortgage and 44.2 percent 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 highdensity housing and limited parking in the inner suburbs.

Stonnington is home to 17,333 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.

### Your Council

East Ward



### North Ward

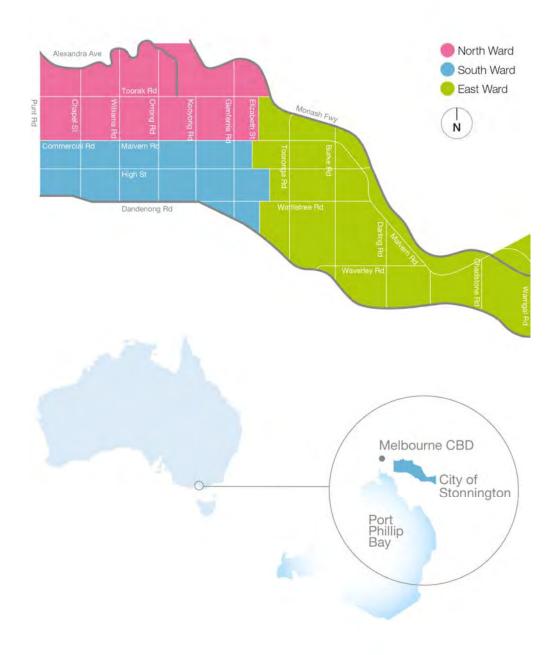


### South Ward



Stefanopoulos

### **Stonnington Ward Map**



### Mayor's Message



### We are fortunate in Stonnington to have a diverse, inclusive, vibrant and creative community.

Thanks to continued sound financial management, Council is able to initiate and deliver on a number of infrastructure projects, cultural events and services.

We have a wide range of operations and activities that include capital works projects, planning, social cohesion, environmental opportunities and an array of sporting and parks events.

In collaboration with my Council colleagues, I was thrilled to be part of the

launch of the \$60 million transformational Cato Square project. Stonnington is embarking on the construction of a landmark new public park in conjunction with two levels of underground car parking that will create a vibrant cultural heart for residents, traders and visitors. With construction to commence in 2018, the Cato Square project is one of the largest, most ambitious and exciting construction projects ever delivered in the City.

In August 2016, Council officially opened the Grattan Gardens refurbishment, marking the completion of Stage 1 of the Greville, King and Porter Streets public realm improvement project.

These important public amenity projects signal our commitment to improving our environment and open space for future generations. Careful planning and design creates welcoming spaces for the community and local traders to enjoy, along with a new amenity for local events and festivals.

As well as creating more open space, we are committed to improving and enhancing our natural environment and implementing sustainability initiatives, so it is pleasing that we have completed Stage 5 of the Yarra River Biodiversity Linkages Project, with construction of Stage 6 due to start in late 2017. The project seeks to improve water quality and native habitat of Melbourne's important waterway. It demonstrates Council's commitment to creating a healthy and sustainable City with enhanced natural and urban environments that are enjoyed and protected.

Each year Council hosts an extensive community events program. Prahran's heritage Victoria Gardens hosted the award-winning sustainability and gardening festival Spring into Gardening. Grattan Gardens played host to our magnificent Flavours Festival in March, celebrating the different cultures and traditions from around the world, and East Malvern's Central Park hosted the family-friendly Pets in the Park.

Stonnington's Glow Winter Arts Festival spectacularly illuminated the winter darkness. The festival saw Stonnington's iconic venues and public spaces lit up with glowing neon installations, architectural projections and larger than life illuminations. In its fourth year, the festival has grown to become an important community event, with visitor numbers growing year on year.

As well as Stonnington's community and cultural events, over the course of the year Council continued to provide an exciting program of events, activities and professional development opportunities that support and develop local businesses, including our popular Business Bootcamps.

Council continues to urge the State Government to capture the full benefits of the Metro Tunnel. Council continues to advocate on behalf of our community, for the State Government to include South Yarra as an interchange station and to give it a much needed upgrade. A Council-initiated study found the inclusion of South Yarra train station in the Metro Tunnel would potentially benefit an additional 65,000 commuters per day and would significantly improve the public amenity and pedestrian access in the area. Council has welcomed the State Government's \$2 million commitment to investigate the upgrade of South Yarra station and we will continue to advocate on behalf of our community.

Council is committed to sustainability initiatives to reduce energy and water consumption. Council has successfully met its greenhouse gas emissions target (20 percent below 2005 levels) and is on target to meet the 2020 target (30 percent below 2005 levels). This year, our energy-saving initiatives included energy-efficient lighting upgrades to the King Street car park and Chapel Off Chapel. We also delivered 25 sustainability sessions at 23 schools through Stonnington Green Schools' Network.

I would like to thank my fellow Councillors and Council officers for their support and dedication to serving the community. In particular, my special thanks to our CEO Warren Roberts who has been a great colleague and is a very capable leader of Stonnington Council.

The City of Stonnington is forever evolving. We are a community that is intensely proud of our history, protective of our present and excited for our future.

It has been an honour to serve as Mayor of Stonnington and I have enjoyed the opportunity immensely. I believe the City of Stonnington is well-placed for a bright and prosperous future.

Cr Jami Klisaris, Mayor City of Stonnington

### **CEO's Message**



Stonnington continued to deliver a great number of services to the community in 2016/2017. This confirms our position as a City that is committed to creating a connected and vibrant community that fosters the hopes, wellbeing and aspirations of our residents.

Stonnington is meeting the challenge of delivering a broad range of high quality services within a rate capping environment.

At the end of June 2017, Council's financial position remains strong with more

than \$2.62 billion of community assets under Council's stewardship. Operating expenditure for 2016/17 was tightly controlled and Council's underlying operating income and expenditure were within 8.4 per cent and 0.3 per cent respectively of the annual budget adopted in June 2016.

In the financial year 2016/17, Council achieved a surplus of \$42.26 million. Council's long-term financial strategy projects that surpluses will continue to be strong over the next decade reaching \$47.36 million in 2026/27. These surpluses are critical for providing a sustainable level of funding for the refurbishment and replacement of community assets at an average of \$55.06 million per annum.

Council continued its program of refurbishment of community assets throughout 2016/17 with Council completing improvement works at Victoria Gardens, Healey Pavilion, Toorak/South Yarra Library and the Harold Holt Swim Centre.

Stonnington continues to perform well in its annual customer satisfaction survey. In early 2017, 400 telephone interviews were completed with Stonnington residents aged 18 and over. The results show that Stonnington's performance (69) was largely stable and our overall performance is generally higher than state-wide and metropolitan Councils (index scores of 59 and 64 respectively).

Our community tells us the best aspects of Stonnington are our parks and gardens and public areas, closely followed by recreational/sporting facilities, road/street maintenance and customer service.

Open space is a highly valued community asset. It is becoming increasingly sought after as population growth and increasing development density in Stonnington continues to place pressure on all areas of the municipality.

While Stonnington is a great place to live, it has the second lowest amount of open space per capita of all Victorian Councils. Our 2015 resident survey showed that 91 per cent of respondents believe it is important for Council to create open space in Stonnington.

As part of Council's long-term strategy for establishing more open space, Stonnington is set to create almost 10,000 square metres of additional public park land by undergrounding the Cato Street car park. The project will see the existing car park replaced with a new two-level underground carpark and public open space at ground level.

This is one of the largest, most ambitious and exciting construction projects ever delivered in the City of Stonnington, and the new park land will become a cultural and recreational destination. The \$60 million project is being fully funded by Stonnington, with construction due to commence in early 2018.

The City of Stonnington continues to promote activities that support and develop local businesses with a focus on neighbourhood retailers. Council initiated, and held, the Your Business Bootcamp – six sessions over six weeks in six Stonnington businesses that covered a range of marketing topics, with around 150 attendees over the course of the series.

Our inaugural International Women's Day lunch was an outstanding success, with more than 150 people from the local community attending and the event sold out in just three days from its launch.

In 2016, Council launched a new training program for our staff management group designed to build leadership capability in the area of coaching and developing our workforce. Building a coaching culture is an organisation-wide approach to support staff and build peak performance. It helps support current leaders and grow future leaders, strengthen organisational cohesion and engagement, and instil a positive energy in our workplace.

Stonnington offers an exciting range of services, facilities and events for our community to enjoy and I am very proud of what we have achieved in 2016/17.

I would like to thank our Mayor Cr Jami Klisaris and Councillors for their continued commitment to ensuring Stonnington maintains its vibrancy and is a great community in which to live, work and visit. I also extend my gratitude to our dedicated and hardworking staff, without whom none of this would be possible.

Warren Roberts Chief Executive Officer

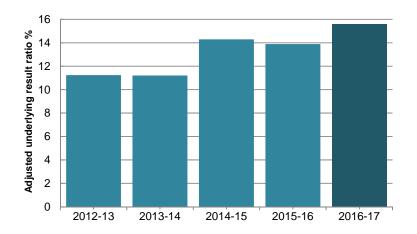
### **Financial Summary**

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

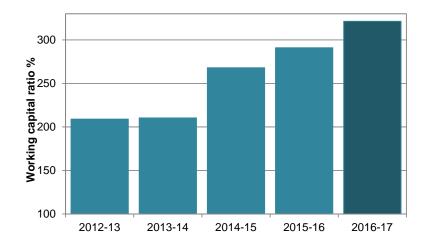
### **Operating Position**

Council achieved a surplus of \$42.26 million in 2016/17. This surplus compares favourably to the prior year surplus of \$33.11 million. Around \$5.60 million of total revenue growth is attributable to open space contributions, which will be used to fund future investments in open space realm expansions in response to population growth. Increases in rates and charges income of \$5.10 million (capped at 2.5 percent rate in the dollar and 2.37 percent number of assessments increases) and statutory fees and fines of \$2.18 million offset expenditure increases in employee costs \$1.80 million and materials and services \$2.74 million. The adjusted underlying surplus of Council, after removing non-recurrent capital grants and cash capital contributions, is \$26.08 million or 15.48 percent when compared to adjusted underlying revenue. This is within the expected range of -20 percent to 20 percent. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$2.62 billion of community assets under Council's control.



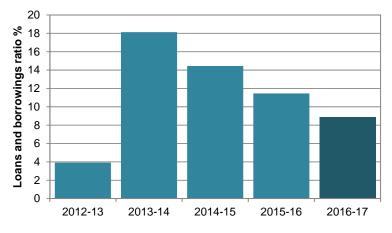
#### Liquidity

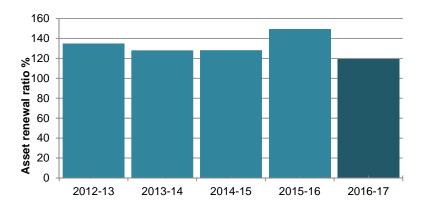
Cash and cash equivalents has increased by \$1.54 million from the prior year partly due to the higher level of cash contributions in the year 2016/17 of \$5.36 million. Council's current assets includes investments in term deposits which has grown from \$98.05 million in 2015/16 to \$106.0 million in 2016/17. 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 321 percent is an indicator of excellent financial position and is within the expected range of 100 percent to 400 percent.



### Obligations

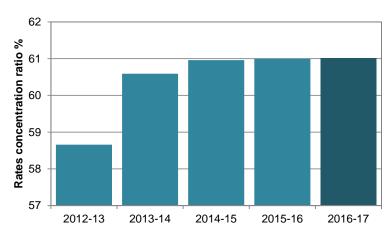
Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$20.26 million in renewal works during the 2016/17 year. This was funded from cash from operations. At the end of the 2016/17 year Council's debt ratio which is measured by comparing interest-bearing loans and borrowings to rate revenue was 8.85 percent which was within the expected range of 0 -70 percent. Council's asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation was 119 percent, which was well within the expected range of 40 percent-130 percent. This was mainly due to the renewal of the Chapel Street precinct (\$1.45 million), Harold Holt Swim Centre pool tiling (\$0.60 million), Malvern Town Hall Precinct Public Realm Spatial Improvements (\$0.18 million), roads, footpaths and bridges works (\$4.27 million) and drainage works (\$1.37 million).

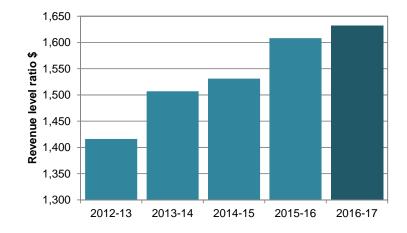




### Stability and Efficiency

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 percent for the 2016/17 year, which is midway of the expected range of 30-80 percent. Council has focused on broadening its revenue base and for the 2016/17 year was able to maintain its service delivery while deriving levy at a capped general rate in the dollar increase of 2.5 percent. This resulted in an average residential rate per residential assessment of \$1,632, which compares favourably to similar councils in the inner metropolitan area.





### **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, 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 2013-17 (Year Four), the Budget 2016/17 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 2016/17 the overall cost of capital works was \$46.23 million and included:

- Open space (\$14.42 million) including strategic land purchase and park developments around the municipality
- Cato Square development project (\$2.34 million) a three year project which commenced in 2016/17, including redevelopment of Council owned high-value land with opportunities to incorporate public plaza/park in an urban setting
- Road, Footpath and Bridges (\$4.96 million) including Allenby Avenue road reconstruction (\$0.68 million)
- Drainage improvements (\$3.05 million) including road drainage replacement works
- Buildings (\$8.19 million) including Dunlop Pavilion redevelopment (\$0.28 million), Chapel Off Chapel toilet upgrade (\$0.35 million), Harold Holt Swim Centre pool tiling (\$0.60 million), Malvern Valley Golf Course Hub redevelopment (\$0.59 million), Prahran Market works (\$0.70 million) and Civic Precinct works (\$0.26 million)
- Recreation, Leisure and Community Facilities (\$2.54 million) including sportsground improvement works (\$0.79 million), park floodlight upgrade (\$0.11 million) and tennis facilities renewal (\$0.23 million)
- Parks, open space and streetscape excluding Cato Square development (\$5.29 million) Yarra River Biodiversity project (\$1.15 million), Forrest Hill Masterplan implementation (\$0.96 million), Windsor Siding Masterplan implementation (\$0.33 million) and Chapel Street Streetscape Masterplan Implementation (\$1.45 million)
- Bicycle strategy and path improvement (\$0.26 million), and
- Plant and equipment (\$4.40 million) including information technology (\$0.40 million), scheduled replacement of Council's fleet and equipment (\$1.06 million), library materials (\$0.79 million) and art and sculpture acquisition program (\$0.07 million).

#### **Major Achievements**

- Finalised plans and conducted consultation with the community regarding Cato Square
- · Upgraded and restored of Chapel Off Chapel, and
- Restored the indoor 25 metre pool at Harold Holt Swim Centre.

#### Major Changes

In 2016/17, Council made some minor departmental realignment changes, including, moving the Production functions from the Venues and Production Unit to the Cultural Development Unit, and renaming Events and Production. The Events and Production Unit was then incorporated into the Children and Family Services Department. The Venues Unit was relocated to the Community Facilities Department. In addition, the Economic Development Unit added art acquisitions and was renamed Economic Development, Arts and Tourism; this Unit now reports directly to the General Manager Community and Culture. The Friends of Baguia and Reconciliation functions were moved to the Cultural Diversity Unit.

### **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
- Delivering \$80+ million Capital Works program on time and on budget
- Developing and delivering infrastructure in a built-up urban environment
- Encouraging appropriate development while maintaining the character of local streets, while working within the State Planning system
- Increasing investment in the maintenance of ongoing community infrastructure assets
- Maintaining the character and amenity of our neighbourhoods under pressure for higher density residential development, through heritage planning and endeavoring to achieve appropriate development outcomes
- Improving and increasing open space across the City and continuing to implement the Recreation Strategy to deliver sustainable sportsground and create recreation opportunities
- Implementing sustainability initiatives to reduce energy and water consumption; ensuring sustainable design principles and practices across all projects; enhancing greening and providing opportunities for community education and participation
- Securing State and Commonwealth Governments contribution funding for services and programs such as the Prahran Child and Youth Community Wellbeing Hub (formerly known as the Prahran Adventure Playground) and recurrent funding for programs such as Maternal and Child Health, which does not keep pace with the increasing costs and for which the State Government does not meet its commitment to fund 50 percent of the costs of the services, and
- Defining Council's future role in Aged Services after the Commonwealth Government assumed funding and administrative responsibility for Aged Services from 1 July 2016. Although funding levels and targets have been guaranteed to 30 June 2019, the future impacts are uncertain.

#### **Future Outlook**

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

#### **Economic Factors**

Government grants, as a proportion of total Council revenue, increased from 5.2 percent in 2015/16 to an estimated 6.3 percent in 2016/17.

The reduction in the Reserve Bank of Australia official cash rate during the year from 1.75 percent in June 2016 to 1.5 percent in June 2017 resulted in the average weighted investment rate earned by City of Stonnington for the year reducing from 2.96 percent in June 2016 to 2.57 percent by June 2017. Despite this reduction, a higher level of cash and investment holdings over the year resulted in a consistent level in interest income earned during 2016/17 compared to 2015/16.

Community

### Community

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

### Achievements

- The Environmental Health Unit undertook 1,099 food premises inspections, 165 health premises inspections, and investigated 502 complaints
- Active Living Program provided free activities including: Yoga, Thai Chi, Qigong, and Mums and Bubs Fitness, which attracted 2,690 participants
- Council provided 34,630 hours of Domestic Assistance/Home Care, 18,538 hours of Personal Care, 6,549 hours of Respite Care and delivered/served 27,551 meals
- A Poolpod access platform installed at Harold Holt Swim Centre
- The Domestic Animal Management Plan 2016/2021 endorsed 22 August 2016
- Building and Local Laws permits now available online
- Municipal Health and Wellbeing Plan community consultation undertaken
- Youth Services delivered events and programs, including the annual VIVA Youth Festival which achieved approximately 2,500 attendees
- Six citizenship ceremonies conducted by Council
- Over 1.8 million page views on the City of Stonnington website and more than 1 million people reached through our social media posts
- 3,887 completed repairs/replacements on road signage, street seats and other furniture
- 3,110 tonnes of garden waste collected through our kerbside garden waste service
- Stonnington has over 25,000 valued deciduous street trees which collectively drop enough leaves each year to fill 50 Olympic swimming pools
- Aged Services received a 100 percent score following the Commonwealth Government's Home Care Standards Review.

### Strategic Indicators

The following table reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators 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.		Vaccines administered to a total of 9736 to infants and students. Convened Homelessness Round Table with relevant service providers. Completed social impact assessments for planning permits with a liquor license component as required.		
Provide community services ensuring they meet the current and future needs for all stages of life.	100%	Programs and services delivered at the Child and Youth Community Hub continue to attract 100 percent attendance across all programs. Aged Services received a 100 percent score following the Commonwealth Government's Home Care Standards Review.		
Implement community safety initiatives that address real and perceived safety issues.	100%	Successfully facilitated the Stonnington Liquor Accord and offered training in mental health first aid. Community education on responsible pet ownership undertaken through social and print media. Building Act 1993 and Regulations 2006 enforced through investigations and compliance issues responses and prosecutions administered. Building permit applications were responded to within statutory timeframes.		

Strategic Indicator	Result	Comment		
Continue to enhance community engagement and the involvement of the community in decision-making	100%	The Stonnington website which is now a key communication tool and information platform provides access to a wide range of new e-services. Council is active and responsive across a wide range of social media channels. Council achieved a score of 58 for community satisfaction with community consultation compared to the metro average of 57 and the state average of 55. Over 1.8 million page views on the City of Stonnington website and more than 1 million people reached through our social media posts.		
Develop strategic alliances to provide coordinated responses to community needs and support local community organisations	100%	Advocated on local issues - Victoria Police crime, Level Crossing Removal Authority project impacts to community amenity, Punt Road carpark, Prahran High School Tree Replacement, Proposed State Government Planning Reforms on Social Housing and Homelessness.		
Encourage community connectedness by supporting local community organisations with facilities, training and resources	94%	Provided arts and cultural grants to support artistic programs that enhance the cultural, community and economic development of the City. Chapel Off Chapel continues to support new and emerging talent, with 36,557 attendees at 300 ticketed events.		
Continue to strengthen the quality and enhance the use of our facilities, amenities and open space	100%	The electrical switchboards at ten Council properties have been upgraded. Works undertaken at Grosvenor Child Care Centre, Hornbrook Child Care Centre, Princes Close Child Care Centre, Phoenix Park Library and Pollack Pavilion, as well as Prahran RSL, Grattan Gardens Community Centre. Accessible facilities reconstructed and expanded at Chapel Off Chapel, Malvern Town Hall Foyer and Wattletree Early Learning Centre. Foundation works for accessible facilities at Hedgley Dene Gardens and Malvern Gardens undertaken.		
Strengthen Council's commitment to social justice and equity with the delivery of support and services which advance a fair and just community	100%	Stonnington's Overall Performance index score of 69 is in line with our 2016 result and remains a significant 10 points higher than the State-wide average. Actions achieved from the Access and Inclusion Plan include: participation in the review of Council's Footpath Trading guidelines, supporting Council's Finance Department in the appointment of a work experience person with an intellectual disability, production of the quarterly Access News, supporting the Access Stonnington Committee to provide feedback to Council on polices and plans, celebrations on International Day of People with Disabilities and participation on the steering group for the development of the Road Safety Plan.		

### **Major Initiatives**

The following table reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiative	Progress
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 \$10,000; Budget \$500,000 net cost).	Deferred
Upgrade Council's pavilions in accordance with the Pavilion Redevelopment Strategy 2009 (Actual -\$343,000; Budget \$4,500,000 net cost).	Deferred
Engage with the community on future development and land use (Actual \$520,000; Budget \$600,000 net cost).	In Progress
Upgrade Council's Children's Services facilities in accordance with the Early Years Infrastructure Improvements Plan (Actual \$154,000; Budget \$20,000 net cost).	Completed

### **Description of Services**

The following table provides information in relation to the services funded in the 2016/17 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost (\$'000)
		Actual
		<u>Budget</u>
		Variance Favourable/(Unfavourable)
Aged, Diversity and Disability Services	This service provides a range of services for the aged and culturally diverse including home delivered meals, personal care, transport,	3,093
Disability Services	home maintenance, housing support and senior citizen clubs.	<u>3,108</u>
		15
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	155
Services	administration service.	<u>140</u>
		(15)
Aquatic Services	This service provides a range of recreational facilities including indoor and outdoor swimming pools, a fully equipped gymnasium,	1,024
	aqua aerobics, aerobics, pump, circuit and yoga.	<u>595</u>
		(429)
Children and Family Services	This service provides family oriented support services including child care, pre-schools, a toy library, maternal and child health, pre-	3,033
Octvices	school dental, counselling and support, youth services,	<u>2,665</u>
	immunisation, family day care, holiday programs and health and safety.	(368)
Chapel Off Chapel	This service provides theatre services including technical staging	630
	advice and performance operations, facilities for presentations including events for children, families and older people, exhibitions	<u>566</u>
	of works by local artists and function and catering services for seminars, meetings and conferences.	(64)
Customer and Civic	This service provides a range of governance, statutory and	1,783
Services	corporate support services and acts as the main customer interface with the community. Services include the coordination of council	<u>1,698</u>
	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.	(85)

Service	Description	Net Cost (\$'000)
		Actual <u>Budget</u> Variance <sup>Favourable/(Unfavourable)</sup>
Communications and Community Planning	This service is responsible for the management and provision of advice on external communication, in consultation with relevant	2,360
	stakeholders, on behalf of Council.	<u>2,625</u>
		265
Environmental Health	This service protects the community's health and wellbeing by coordinating food safety support programs, Tobacco Act activities	(76)
	and smoke free dining and gaming venue issues. The service also	<u>11</u>
	works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	87
Library and Local	This service provides public library services at four locations and	3,427
History Services	local history services that cater for the cultural, educational and recreational needs of residents and provides a focal point for the	<u>3,412</u>
	community where they can meet, relax and enjoy the facilities and services offered.	(15)
Malvern Valley Golf	This service provides public open space, an 18 hole public golf	(251)
Course	course and pristine environmental areas.	<u>(289)</u>
		(38)
Recreation Services	This service is responsible for the management and use of sporting	407
	grounds and pavilions and community centres with meeting, function and activity space. The service provides advice to Council	<u>50</u>
	on local leisure needs and assists community groups with funding applications, event management and promotion and issues relating to license agreements with Council.	(357)

### Performance Indicators

Service Performance Indicators	Result 2014/15	Result 2015/16	Result 2016/17	Comments
Aquatic Facilities Satisfaction User satisfaction with aquatic facilities (optional) [User satisfaction with how council has performed on provision of aquatic facilities]	NA	NA	NA	This is an optional measure, no data is 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	2.00	Council ensures aquatic facilities are maintained and managed in accordance with Public Health and Wellbeing Act 2008. In 2016/17, Council increased the frequency of authorised inspections.
Health and Safety Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	2.00	0.00	5.00	Council is committed to reporting all incidents to ensure maximum safety for residents, visitors and employees. In 2016/17, Council changed its incident reporting procedures for the Prahran and Harold Holt aquatic facilities to embed a safe workplace culture.
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	\$1.52	The cost of aquatic facilities includes both indoor and outdoor facilities. Visitation increased by 25,000 bringing average cost per visit down. The result is consistent with previous years.
Service Cost Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	NA	NA	NA	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 previous measure (cost of indoor aquatic facilities).
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	5.24	4.85	4.96	The result is consistent with previous years. Visitation to Council's aquatic facilities increased by 25,000.

Service Performance Indicators	Result 2014/15	Result 2015/16	Result 2016/17	Comments
Animal Management				
<i>Timeliness</i> Time taken to action animal management requests				In 2016/17 Council received 51 percent increase in the number of requests for animal management services.
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	NA	1.30	2.61	
Service Standard				In 2016/17, Council increased the
Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	78.00%	61.24%	78.28%	number of animals reclaimed by owners.
Service Cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$60.80	\$65.09	\$68.50	The result is consistent with 2015/16. Council responded to a 51 percent increase in the number of community requests for animal management services.
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	1.00	3.00	6.00	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				
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	NA	1.00	1.00	The result is consistent with 2015/16. Complaints that are likely to be an imminent risk to public health are investigated within three hours of receipt.
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 Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	99.00%	94.66%	88.64%	The Victorian Food Act 1984 requires that all businesses requiring registration under this Act are inspected for compliance at least once every calendar year. Whilst result is lower than 2015/16, Council acquired an increase of 10 percent new food premises.

Result 2014/15	Result 2015/16	Result 2016/17	Comments
A740.47	<b>A</b> 00405		The result is consistent with 2015/16.
\$716.17	\$694.05	\$696.15	
			The result is consistent with previous years.
80.00%	84.42%	89.57%	
5.54	5.96	4.42	Library borrowing trends continue to evolve. In 2016/17, borrowing of items declined by 13 percent. During the same period, Council increased its extensive collection available to the public by 26,700 new items.
			In 2016/17, Council invested 26,700 new items to upgrade the library collection and be responsive to community expectation for modern and
58.00%	65.10%	83.21%	contemporary library facilities.
			The result is consistent with 2015/16.
\$9.05	\$7.54	\$7.21	
18.00%	18.20%	17.32%	The number of active library members is consistent with 2015/16. The result is also influenced by a 2.43 percent increase in population.
	2014/15 \$716.17 80.00% 5.54 58.00% \$9.05	2014/15       2015/16         \$716.17       \$694.05         80.00%       84.42%         5.54       5.96         58.00%       65.10%         \$9.05       \$7.54	2014/15       2015/16       2016/17         \$716.17       \$694.05       \$696.15         80.00%       84.42%       89.57%         5.54       5.96       4.42         58.00%       65.10%       83.21%         \$9.05       \$7.54       \$7.21

Service Performance Indicators	Result 2014/15	Result 2015/16	Result 2016/17	Comments
Maternal and Child Health	n (MCH)			
Satisfaction Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	104.00%	102.02%*	99.91%	Result is consistent with the past three years of reporting. High participation rates demonstrate the importance of first home visits for newborns and families.
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%	100.87%*	101.05%	Result remains consistent with the past three years of reporting. High participation rates demonstrate the importance of maternal and child health services for infants and families.
Service Cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	NA	80.36*	\$79.65	The result is consistent with 2015/16.
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%	70.72%*	75.02%	Family participation in maternal and child health services will vary significantly between years, as every enrolled child is not required to attend the service on an annual basis.
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%	69.81%*	68.42%	The City of Stonnington has a small Indigenous community and family participation in maternal and child health services will vary significantly between years. This figure was provided by the Municipal Association of Victoria.

\* Figures updated due to transition to new reporting software post 2015/16 Annual Report.



### Environment

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

### **Achievements**

- Yarra River Biodiversity Linkages Project stage five complete
- Urban Forest Strategy adopted by Council
- Reformed residential zones now incorporate Garden Area requirements in Neighbourhood Residential and General Residential Zones
- Council has successfully met its 2015 greenhouse gas emissions target (20 percent below 2005 levels), and is on target to meet the 2020 target (30 percent below 2005 levels)
- Delivered 25 sustainability sessions at 23 schools through Stonnington Green Schools' Network.
- Scotchmans Creek stage two complete
- Energy saving initiatives also include upgrading the King Street Carpark to include energy efficient LEDs, replacing high energy consuming lights at Chapel Off Chapel, upgrading Council's computer servers to the cloud and improving energy data monitoring systems
- Major irrigation system upgrades, to improve watering efficiency have been undertaken at Victoria Gardens, DW Lucas Oval and Central Park
- The launch of Cato Square will enhance the open space available for Stonnington residents.
- Amendment C212 included the Malvern Road-Burke Road Urban Design Framework as a reference document to guide new development and increased open space opportunities in this area.

### Strategic Indicators

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

Strategic Indicator	Result	Comment		
Support the shift towards the use of sustainable transport options.	100%	Car Share locations installed at Darling Street car park, South Yarra; Princes Street car park, Prahran; Cato Street car park, Prahran; Windsor car park, Windsor. High St Cycle Underpass and TH King Oval connection project completed. Council actively encourages staff to travel using sustainable transport modes with initiatives including the installation of bicycle parking facilities, provision of Myki cards for staff travel by public transport for work meetings, subsidised Myki passes for commuting and promotion of sustainable transport initiatives.		
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.	100%	Council continues to deliver its annual environmental education program for schools and early learning centres and a free program of environmental sustainability education and events for the wider Stonnington community.		
Demonstrate waste minimisation and the efficient use of water and energy, through the implementation of innovative and best practice initiatives.		Council delivered the Energy Efficiency Implementation Plan, including significant energy efficiency measures, such as, additional PV solar systems, LED lighting upgrades, double glazing and temperature control. Approximately 37 percent kerbside waste diverted from landfill.		

Strategic Indicator	Result	Comment
Initiate behavioural change within the community to adopt sustainable practices.	100%	Delivered a comprehensive annual environmental education program for schools and early learning centres and a free program of environmental sustainability education with 221 environmental education sessions, including 23 schools and early learning centres involving 2,115 kindergarten, primary and secondary students. Thirteen environmental events were held with 275 residents attending.
Manage, strengthen and develop local bio- diversity and protect and increase flora and fauna.	100%	Completed Stage 5 of the Yarra River Bio-diversity Project and detailed bio-diversity measurement of the Lower Yarra River Precinct.
Support Council and the community to respond to, mitigate and adapt to climate change.	100%	Improvement to the energy efficiency of Council buildings and facilities including the Harold Holt Aquatic Centre delivering a 20 percent saving daily.
Improve Council's own environmental performance and practices through a whole of Council commitment.	100%	Council engaged experts in the field of sustainable procurement to provide advice and systems to support an increase in the proportion of sustainable goods and services obtained by Council. Review of fuel consumption/size and type of fleet continues, currently focusing on diesel fuel replacements and more fuel efficient vehicles.

### Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiative	Progress
Implement the Stonnington Cycling Strategy to enhance the physical and social environments to encourage more people to cycle and more often (Actual \$553,000; Budget \$630,000 net cost).	Completed
Implement 'Strategies for Creating Open Space' to expand open space across the municipality and enhance connectivity (Actual \$17,142,000; Budget \$3,410,000 net cost).	Completed
Implement the Urban Forest Strategy to enhance the protection and management of new and existing trees to reduce the 'heat island' effect (Actual \$627,000; Budget \$1,060,000* net cost) *note budget value typographical correction of 2016/17 Adopted Budget \$1,660,000.	Deferred
Deliver the Energy Efficiency Implementation Plan to reduce energy consumption and greenhouse gas emissions (Actual \$49,000; Budget \$500,000 net cost).	Deferred
Implement the Lower Yarra Biodiversity Linkages Project to improve habitat, amenity, liveability and recreational opportunities (Actual \$1,191,000; Budget \$990,000 net cost).	Completed

### **Description of Services**

The following table provides information in relation to the services funded in the 2016/17 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost (\$'000)
		Actual
		<u>Budget</u>
		Variance Favourable/(Unfavourable)
Environmental	This service develops environmental policy, coordinates and	718
Planning	implements environmental projects and works with other services to improve Council's environmental performance. Reducing	<u>636</u>
	greenhouse gas emissions within Council operations and the community are a key priority of Council.	(82)
Public Spaces	This service prepares policies and strategies relating to open space	826
Design and Development	and urban design issues and prepares and implements an annual capital works program. The service also provides landscape and	289
Development	urban design advice and is actively involved in setting service standards for parks maintenance activities.	(537)
Parks and	This service includes arboriculture and horticulture services such as	8,104
Environment	tree pruning, planting, removal, planning and street tree strategies, parks and sports ground mowing and maintenance.	7,660
		(444)
Waste Collection and	······································	13,015
Management	waste, recycling and green waste from all households and commercial properties in Stonnington.	<u>13,419</u>
		404

### **Performance Indicators**

Service Performance Indicators	Result 2014/15	Result 2015/16	Result 2016/17	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	140.35	Result reflects Council's commitment to increase diversion from landfill. A promotional education period in May/June 2017 resulted in higher collection requests which increased uptake of green waste kerbside 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	3.58	The result is consistent with 2015/16 and reflects Council's high quality bin collection service.

Service Performance Indicators	Result 2014/15	Result 2015/16	Result 2016/17	Comments
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	\$122.23	The result is consistent with previous years. Council's waste collection service costs are influenced by narrow residential streets, signification- on-street parking, heavy day-time traffic conditions, specialised wast collection vehicles, manual collect processes and extensive after-hout 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	\$18.41	The result is consistent with previc years. Council provides a fortnight recyclables collection service for th 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%	36.89%	The result is consistent with previous years. Council maintains a strong focus on reducing the amount of waste going to landfill.

Liveability

### Liveability

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

### Achievements

- Successful mid-cycle review of the Rainbow Tick in Aged Care Services, which lets LGBTQI customers and the community know that our services are committed to being an inclusive service within the community
- Amendment C222 (Inter-War Houses) approved and gazetted
- Completed four Footpath Trading Compliance Audits to ensure a balance between the needs of pedestrians and traders in the access and use of Council's footpaths
- Developed a 'New Resident Kit' to be provided to new residents of Stonnington
- Completed a policy neutral review, at the request of the Minister for Planning, of Amendment of C172 Chapel Street Activity Centre Zone Schedule 1 to align it with the current state government direction.

### Strategic Indicators

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

Strategic Indicator	Result	Comment
Continue to improve, maintain and provide safe, accessible and attractive public places and streets.	98%	Amenity and accessibility impacts from construction, footpath trading and non-compliance with Council's Local Laws are investigated and responded to in a timely manner. Road Safety Audits provided for major projects, including Claremont Avenue and Soudan Street Malvern Blackspot project, Dandenong Road Blackspot project, Toorak Road/Elizabeth Street intersection, TH King Oval/High Street shared underpath, Scotchmans Creek shared path, Daly Street, South Yarra, Yarra Biodiversity Project – Stage 5 and Greville Street.
Preserve Stonnington's heritage architecture and balance its existing character with complementary and sustainable development.	96%	Council's heritage buildings preserved through works, including Chapel Theatre at Chapel Off Chapel slate roof repair and renovation of the 25 metre pool at Harold Holt Swim Centre. Design is underway for redevelopment and restoration of Prahran Town Hall.
Balance the competing demands of maintaining residential amenity and population growth through appropriate planning.	96%	Plan Melbourne 2017-2050 released in March 2017. Reformed Residential Zones released in March 2017.
Develop public spaces as desirable places for the community to gather, connect and enjoy.	100%	Numerous events delivered successfully, including, the Classics series, Sunset Sounds events, and Stonnington Jazz. Greville Street works commenced.
Enhance the quality of infrastructure and services necessary for the efficient and sustainable operation of the city.	99%	Wayfinding map artwork completed and installed. Rapid Response and after hours field services delivered in a timely manner.
Recognise Stonnington's diverse culture through programs and activities that observe traditions and heritage.	94%	The Flavours festival delivered in March 2017 – positive satisfaction rating achieved however opportunities for increased attendances needs to be explored for future events. Local Greek Raising Event held in March 2017.

Strategic Indicator	Result	Comment
Facilitate programs and events that educate and connect with Stonnington's indigenous community and history.	100%	A series of events were held for Reconciliation and NAIDOC Weeks at Prahran Market. These included an art show, cooking demonstrations, indigenous dance, fashion show and story-telling. Information on both Reconciliation and NAIDOC Weeks was also available on Council's website and distributed via social media.

# Major Initiatives

The following table reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiative	Progress
Preserve Council's significant heritage buildings through the systematic implementation of conservation work identified in Conservation Management Plans and Building Condition Audits (Actual \$268,000; Budget \$2,600,000 net cost).	Deferred
Implement infrastructure and public realm improvement works in accordance with the Forrest Hill Precinct Masterplan (Actual \$839,000; Budget \$500,000 net cost).	Completed
Implement infrastructure and public realm improvements works in accordance with the Chapel Street Masterplan (Actual \$1,981,000; Budget \$2,000,000 net cost).	Completed
Delivery of identified public realm improvements in accordance with adopted masterplans (Actual \$803,000; Budget \$400,000 net cost).	Completed

# **Description of Services**

The following table provides information in relation to the services funded in the 2016/17 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost (\$'000)
		Actual
		<u>Budget</u>
		Variance Favourable/(Unfavourable)
Building Control and	This service provides statutory building services to the Council	469
Amenity Services	community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of	<u>678</u>
	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.	209
Facilities Maintenance	This service prepares long term maintenance management	3,088
	programs for Council's property assets in an integrated and prioritised manner in order to optimise their strategic value and	<u>2,615</u>
	service potential. These include municipal buildings, pavilions and other community buildings.	(473)

Service	Description	Net Cost (\$'000)
		Actual
		<u>Budget</u>
		Variance Favourable/(Unfavourable)
Infrastructure	This service conducts capital works planning for Council's main civil	2,812
Planning, Design and Management	infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. Undertakes	<u>1,915</u>
Managoment	design, tendering, contract management and supervision of various works within Council including roads, laneways, car parks, foot/bike paths, drains and bridges.	(897)
Major Projects and	This service conducts capital works planning for Council's properties	394
Property Improvements	to renew and improve the condition, performance and value of Council's existing buildings, develop new facilities, ensure that all	<u>564</u>
	are safe, compliant and sustainable and fit for delivering services that meet the needs of the community.	170
Streets, Roads and	This service provides street cleaning, leaf collection, weed removal,	3,929
Drains Cleaning and Maintenance	drainage pit cleaning and street litter bins throughout Council.	<u>3,701</u>
		(228)
Urban Development	This service processes all planning applications, provides advice	(11,537)
	and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian	<u>(1,753)</u>
	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 Council Planning Scheme.	9,784
Venue Facilities	This service provides venues and service at Malvern Town Hall,	1,700
	Functions On Chapel and Armadale meeting rooms. The venues support Council's civic functions and activities and are available for	<u>1,429</u>
	commercial hire and community use.	(271)

# Performance Indicators

Service Performance Indicators	Result 2014/15	Result 2015/16	Result 2016/17	Comments
Roads				
Satisfaction of Use Sealed local road requests				Improved record management processes and systems allows Council to accurately respond and report sealed
[Number of sealed local road requests / Kilometres of sealed local roads ] x100	90.77	25.60	63.25	local road requests received by the community.
<b>Condition</b> Sealed local roads maintained to condition standards				The result is consistent with previous years. Council maintains a strong focus on asset renewal, including local roads.
[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%	99.40%	

Service Performance Indicators	Result 2014/15	Result 2015/16	Result 2016/17	Comments
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	\$133.07	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, therefore, the total cost of reconstruction relative to area constructed has dropped compared to the previous year.
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	\$24.15	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. Due to the location of some of the roads, additional traffic management and project management have been necessary to carry out the resurfacing program. This has correspondingly increased the overall 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	66.00	Satisfaction with sealed local roads, whilst lower than 2016, is not a significant decline and is still thirteen (13) points higher than the state average.
Statutory Planning <i>Timeliness</i> <i>Time taken to decide planning</i> <i>applications</i> [The median number of days between receipt of a planning application and a decision on the application]	72.00	83.00	88.00	The time taken is influenced by the complexity of planning applications and the requirement to provide community consultation and referrals to authorities.
Service Standard Planning applications decided within required time frames [Number of planning application decisions made within time / Number of planning application decisions made] x100	68.00%	67.00%	57.07%	The time taken is influenced by the complexity of planning applications and the requirement to provide community consultation and referrals to authorities. VicSmart applications received by Council doubled in 2016/17 impacting the overall result.
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	\$3,497.25	The methodology of calculating this measure has changed from 2015/16 and direct comparison is not advised.

Service Performance	Result	Result	Result	Comments
Indicators	2014/15	2015/16	2016/17	
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%	66.67%	The increased percentage of planning decisions upheld at VCAT demonstrates that Council makes planning decisions that are consisten with the planning scheme and associated planning policy.

# Prosperity

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# Prosperity

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

# Achievements

- Chapel Off Chapel Theatres well utilised with 36,557 attendances at 300 ticketed events hosted
- Developed a partnership with the Inner Melbourne Action Plan (IMAP) Councils to increase Stonnington's profile with Destination Melbourne
- Inaugural Your Business Connect Breakfast held, featuring Adam Ferrier with attendance of 140 people
- The Economic Development Strategy 2017-2021 draft framework presented to Council
- 178,133 Infringement and Official Warning Notices issued to illegally parked vehicles which resulted in 92 percent compliance with posted parking restrictions
- Planning Department has processed and approved over 1,513 applications.

# **Strategic Indicators**

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

Strategic Indicator	Result	Comment
Develop long-term plans to ensure the sustainability of Stonnington's activity centres.	93%	Structure plan advice provided for the High Street, Glenferrie Road, strip shopping centre precincts, King Street/Greville Street project, and Forrest Hill (in regards to Melbourne Metro). Cato Street Project continues with community engagement processes undertaken.
Advocate for access to increased public transport and infrastructure to major activity centres to enhance economic growth.	100%	Successfully evaluated the Night Network trial to determine success through the Stonnington Liquor Accord and its impact on community safety and the night time economy.
Promote Stonnington as a premier retail and visitor destination.	100%	Successfully assessed and reviewed action plans and quarterly reports received from the Special Rates precincts all within the required timeframes. Profiled and promoted City of Stonnington in Sydney at the David Jones 'Getting to Know Melbourne' Expo to 820 employees who will be transferred to Melbourne.
Promote activities that support and develop local business with a focus on neighbourhood retailers.	100%	Initiated and held inaugural 'Your Business Bootcamp' - six sessions over six weeks in six Stonnington businesses that covered a range of marketing subjects. Support provided to Greville Street trial, Activity Centre Strategy, Roola Boola Children's Arts Festival and Glow Winter Festival to enable participation by Stonnington businesses and Business Associations.
Develop relationships with key business stakeholders to foster opportunities that will provide positive outcomes for the community, including social justice and equity.	100%	Events held to support the community - Your Business Breakfast; Your Business Bootcamp and Your Business Forum - Retail Series. Plans are underway for the International Women's Day Women in Business Luncheon, Your Business Mentoring, and Your Business Forum - How to Go Global.
Improve the quality of Stonnington's retail precincts to match the aspirations of being a premier retail and visitor destination.	100%	IMAP meetings attended, programs implemented that arise including: Urban Manufacturing, Visitor Wayfinding Signage, Cultural Guide – which included 14 Stonnington businesses/attractions.

Strategic Indicator	Result	Comment
Continue to develop strategic partnerships to deliver economic and community benefit.	100%	Successfully collaborated with Destination Melbourne and Visit Victoria, featuring in two Official Visitor Guides. Participated in the Melbourne Tourism Exchange, Melbourne Official Visitor Guide and the Visiting Friends and Family Guide. Successfully hosted the Mainstreet Australia Awards, Virgin Australia Melbourne Fashion Festival contracts signed.
Support the continued viability of the retail sector and other businesses to adapt to changing macro-economic trends.	100%	Small Business mentoring contract finalised, with 48 mentoring sessions held between July and December. Significant input provided regarding Melbourne Metro Rail impact on Stonnington businesses during construction phase.

# **Major Initiatives**

The following table reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiative	Progress
Develop design options and tender documentation and engage the community on the redevelopment of the Cato Street car park (Actual \$2,520,000; Budget \$21,240,000 net cost).	Deferred
Promote key attractions and events to raise the profile of Stonnington as a tourist destination (Actual \$346,000; Budget \$350,000 net cost).	Completed
Implement the Economic Development Strategy 2012-2016 and prepare for the new Plan which improves economic prosperity and vibrancy of the community for residents and businesses (Actual \$59,000; Budget \$70,000 net cost).	Completed

# **Description of Services**

The following table provides information in relation to the services funded in the 2016/17 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost (\$'000)
		Actual
		<u>Budget</u>
		Variance Favourable/(Unfavourable)
Arts and Cultural	This service provides a varied ongoing program of arts and cultural	2,421
Planning	events and activities, plans and develops arts and cultural facilities	<u>3,140</u>
	and infrastructure and develops policies and strategies to facilitate art practice.	719
Economic	This service assists the organisation to facilitate an environment that	2,854
Development	is conducive to a sustainable and growing local business sector and	<u>2,394</u>
	provides opportunities for local residents to improve their skill levels and access employment.	(460)
Traffic and Parking	This service provides strategic planning, policy development and	(8,795)
Services	day to day management of traffic and transport related issues in	(8,088)
	Council. It includes the management of Council's various car parks within activity centres.	707

# **Performance Indicators**

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

Strategic Resource Plan 

# **Strategic Resource Plan**

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

#### Achievements

- Council Plan and Budget adopted
- Recertification of AS/NZS4801 achieved
- Developed an Innovation Framework to celebrate and share innovative ideas implemented across the organisation
- Worked in partnership with Swinburne University to conduct a Diploma in Leadership and Management
- Updated Council's Asset Management documentation to bring asset management practices in line with best practices.

# **Strategic Indicators**

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

Strategic Indicator	Result	Comment
Governance	98%	Councillors completed major induction training in November with minor training, seminars and conferences attended over the remainder of the year. Councillors and CEO attended National Australian Local Government Assembly. Council joined the Alliance for Gambling Reform. Worked with the Municipal Association Victoria (MAV) and Local Government Victoria (LGV) as opportunities arise (ie Local Government Act Review, Better Apartment Guidelines, community satisfaction surveys, 'End the Freeze' federal assistance grant campaign, and submission to MAV Strategic Action Plan).
People	100%	Executive Management Team, Managers and Coordinators involved in 'Building a Coaching Culture'. Successful Wellbeing program delivered. Human Rights legislation training provided to new staff, and refresher courses provided for existing staff.
Asset Management	85%	Council facilities improved at a number of locations including, Victoria Gardens, Healy Pavilion, Toorak/South Yarra Library and Harold Holt Swim Centre. Works commencing at Menzies Pavilion and Malvern Library façade, relocation of Council's Record Department, Lux Pavilion and Grosvenor Child Care Centre.
Business Systems and Technology	100%	Corporate Information Technology Strategy developed. New mobile solution for Tree Register and customer requests developed. Additional WiFi access points deployed within Council's buildings.
Risk	100%	Policies, processes and systems in place to drive compliance with Section 186 of the <i>Local Government Act 1989.</i> Risk identification and mitigation policies reviewed.

# **Major Initiatives**

The following table reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiative	Progress
Continue the upgrade of Prahran Market with the Market Board (Actual \$701,000; Budget \$420,000 net cost).	Completed
Adopt digital communications, engagement tools and social media channels and develop e-services and the public Geographic Information System (GIS), to enable better accessibility to Council information and services (Actual \$193,000; Budget \$200,000 net cost).	Completed

# **Description of Services**

The following table provides information in relation to the services funded in the 2016/17 Budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost (\$'000)
		Actual
		<u>Budget</u>
		Variance Favourable/(Unfavourable)
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.	5,748 <u>6,105</u> <b>357</b>
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.	(2,286) <u>1,432</u> <b>3,718</b>
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.	756 <u>740</u> (16)
Geographical Information System	To provide a Geographic Information System and associated services that support strategic and operational decision-making across the organisation.	293 <u>310</u> <b>17</b>
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.	2,647 <u>2,389</u> <b>(258)</b>
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</i> <i>Government Act 1989</i> and Council's Procurement Policy.	1,268 <u>1,544</u> <b>276</b>
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.	1,553 <u>1,815</u> <b>262</b>

# Performance Indicators

Service Performance Indicators	Result 2014/15	Result 2015/16	Result 2016/17	Comments
Governance	-			
<b>Transparency</b> Council decisions made at meetings closed to the public				In 2016/17, Council reduced the number of confidential resolutions by 3 percent compared to 2015/16. In 2016/17, all Confidential Business matters are listed in the open Notice
[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%	9.47%	Paper. Commercial-in-confidence matters such as property purchases, public acquisition overlays, contracts, legal matters and external financial reports attributed to 67 percent of all confidential resolutions. Citizen of the Year and CEO contract items are publicly released in Council Meeting minutes. All property purchases are recorded in the Annual Statements after completion or nearing completion of acquisition.
Consultation and Engagement Satisfaction with community consultation and engagement	63.00	60.00	58.00	Satisfaction with community consultation and engagement, whilst lower than 2016, is not a significant decline and is still one point higher tha the metropolitan average and three
Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement				points higher than the state average.
Attendance Councillor attendance at Council meetings				Councillor attendance increased in 2016/17.
[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%	91.88%	
Service Cost				Cost of governance increased due to
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	\$60,078.78	Council election held in November 2016. Higher operating expenses are directly related to the activities of the elected Councillors such as allowances (set by the Minister), Councillor induction, issuing of new technology, training and professional development, conferences, seminars, memberships of professional bodies and other incidental expenses.

Service Performance	Result	Result	Result	Comments
Indicators	2014/15	2015/16	2016/17	
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	60.00	Community satisfaction with Council decisions is consistent with 2016, and two points higher than the metropolital average and six points higher than the state average.



# **Our People**

# **Council Staff**

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

#### **Staff Profile by Division**

Employment Type - Gender	Assets and Services FTE	CEO FTE	Community and Culture FTE	Corporate Services FTE	Planning and Amenity FTE	Total FTE
Permanent Full Time - F	28.00	5.00	106.00	23.00	36.00	198.00
Permanent Part Time - F	3.48	0.00	86.32	5.53	9.19	104.52
Casual - F	1.43	0.00	15.91	0.67	0.30	18.31
Permanent Full Time - M	125.00	2.00	46.00	37.00	34.00	244.00
Permanent Part Time - M	1.94	0.00	35.54	1.60	1.05	40.13
Casual - M	4.36	0.00	4.93	0.00	1.06	10.36
Total	164.21	7.00	294.70	67.80	81.61	615.32

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

#### **Staff Profile by Classification**

Employment Classification	FEMALE FTE	MALE FTE	Grand Total FTE
BAND 1	0.53	0.00	0.53
BAND 2	13.51	18.24	31.75
BAND 3	45.74	15.18	60.92
BAND 4	72.17	21.04	93.22
BAND 5	61.06	44.50	105.56
BAND 6	64.45	36.14	100.59
BAND 7	22.56	31.00	53.56
BAND 8	10.03	13.00	23.03
OTHER	30.78	115.37	146.15
Grand Total	320.83	294.49	615.32

# 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 (EO) training within six months of commencing. Target: 100%. Result: 98 percent
- Indicator: Percentage of employees receiving refresher training at least every three years. Target: 100%. Result: 90 percent
- Indicator: Number of contact officers per number of Council employees. Target: 1:50. Result: 1:55

#### **Ensuring Equal Opportunity**

	2016/17	15/16	14/15	13/14	12/13	11/12	10/11
Training sessions conducted	3*	12	30	7	14	20	8
Employees completing training sessions	127	213	389	86	166	250	122
No of EO reports	3	3	5	4	2	4	0
No of EO investigations reported to external bodies	2	2	1	0	0	0	0
No of EO complaints resolved internally	1	1	4	4	2	N/A	N/A

\* Trial conducted over 2016/17 to allocate learning via our online learning program (as opposed to conducting face to face sessions – EO training for new employees continues to run face to face)

#### 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.

#### WorkCover Claims Lodged 2016/17

	2016/17	15/16	14/15	13/14	12/13
Nil Time Lost	4	8	10	10	10
Time Lost-Weekly Compensation Paid	23	27	24	21	6
Total Claims Lodged	27	35	34	31	16
% Increase/ Decrease	-23%	3%	10%	94%	-64%
WorkCover Claims Closed 2016/17					
	2016/17	15/16	14/15	13/14	12/13
Stonnington	12	28	18	45	28
Street Cleaning Services	4	8	12	10	8
Total Claims Closed	16	36	30	55	36
% Increase/Decrease	-56%	20%	-45%	53%	-

#### Occupational Health and Safety

The major OHS achievements in 2016/17 include:

- Successful approval by WorkSafe Victoria of the MAV Self-Insurance Scheme
- Development of OHS Risk Registers across multiple Council divisions to identify at a high level, the OHS risks across business units and departments
- A review and update of Council's facility-specific Emergency Response Procedures
- A review of chemicals in use across Council, including obtaining Safety Data Sheets that meet the Globally Harmonised System for labelling chemicals
- Developed and rolled out the newly named CoS Moving Matters Programme to replace the High Risk Manual Handling project
- Celebrated Safety Month across multiple sites in October 2016 with the delivery of multiple activities for various user groups
- Delivered a comprehensive training program including Emergency Response exercises (annual evacuation drills for each individual facility) and OHS Management.

#### **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.

In 2016, Council launched a new training program for our management group designed to build leadership capability in the area of coaching and developing our workforce.

An important aspect of our Learning & Development @ Stonnington strategy is to create a true culture of learning.

Building a coaching culture is an organisation-wide approach to support and build peak performance. It involves leaders and staff at all levels improving performance through ongoing impactful coaching conversations. It encourages individuals at all levels to build on what they bring to the workplace and accept ownership and accountability for their work outcomes and relationships.

A well-developed coaching culture will help us to:

- · Develop and sustain performance
- · Support current leaders and grow future leaders
- Retain high potential staff
- Strengthen organisational cohesion and engagement
- Maximise staff motivation and instil a positive energy.

#### 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 integrating work and family priorities. The Wellbeing Program brings into focus elements that relate to physical health, healthy living and psychological wellbeing.

#### Innovation

In 2016, at a time when others were looking inwards and rationalising, Council introduced an innovation framework designed to drive change and embrace creativity with an aim to making a real difference in the community.

To kick-start change across the organisation, we focused on simple 'quick win' ideas from staff at the coalface because they are Council's greatest asset and, as highly skilled people, know how to best deliver improved services to our community.

To help facilitate change, we launched our new innovation framework, the Innovation Fwy, to help us make a real difference to our workplace and community. The idea behind the framework is that innovation is simple because: *Change and new ideas are a part of everyday life.* 

#### **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 2017 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.

The four General Managers are:

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

These obligations of employment under the Act also apply to the Managers and certain other staff. Further details on each Division are on the following page.

# **Organisational Structure**



# Governance

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
- 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."<sup>1</sup>

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 5 and not more than 12 Councillors. Stonnington Council has had nine since the amalgamation of Councils in the 1990s and subsequent internal boundaries reviews conducted at various legislative periods since then.

Council elections are held every four years at the end of October. The general Council election was held by postal ballot on 22 October 2016 with all nine Councillor positions being contested.

Cr Ullin retired from the Office of Councillor and did not contest his position. The remaining sitting Councillors contested their seats and of these four were returned with Cr Klisaris successful in changing from North to East Ward. Of the five new Councillors three have been on Council previously.

The new Council at a Special Meeting of Council held on 3 November 2016 took their Oath of Office and made a Declaration to abide by the Councillor Code of Conduct.

The new Council is:

East Ward	Cr Glen Atwell
	Cr Sally Davis
	Cr Jami Klisaris
South Ward	Cr Judy Hindle
	Cr Melina Sehr
	Cr Steve Stefanopoulos
North Ward	Cr John Chandler
	Cr Marcia Griffin
	Cr Matthew Koce

#### Mayor

The Mayor Cr Jami Klisaris was elected by the Councillors at a Special meeting on 9 November 2016 for a oneyear term. The Mayor takes precedence at all municipal proceedings within the municipality and takes the chair at all meetings of the Council at which she is present. Cr Klisaris is the youngest Mayor in the 22 years of the City of Stonnington. Cr Klisaris is also a member of the Board of the Municipal Association of Victoria (MAV) and also MAV Vice-President Metro.

# **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 paper and on Council's website.

Council meetings are often well attended by interested members of the public and commence at 7pm in the Council Chamber at the 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 on the Council's website.

The meeting procedure is outlined in Council's General Local Law 2008 (No.1). Voting is by a show of hands and 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.

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 discussions on strategic policy development, new and on-going projects and other matters.

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

#### **Councillor Meeting Attendance 2016/17**

Councillor	Council Meetings		Councillor Briefings	Planning Consultative Meetings #	
	Ordinary 8 Pre-election, 13 post-election	Special 5 post-election	6 Pre-election 13 post-election		
Total Meetings Held	21	5	19	52	
J. Athanasopoulos %	8		6	6	
T. Athanasopoulos %	8		6	4	
E. Davie %	8		6	6	
J. McMorrow %	7		5	6	
C. Ullin % (retired)	8		6	7	
G. Atwell *	12	4	10	5	
J. Chandler ^	19	4	15	8	
S. Davis *	12	3	11	8	
M. Griffin *	11	5	10	6	
J. Hindle *	13	5	9	8	
J. Klisaris ^	20	5	17	6	
M. Koce ^	18	5	17	10	
M. Sehr ^	21	5	14	5	
S. Stefanopoulos *	11	5	11	9	

% Councillors not re-elected or retired

\* New Councillors

^ Councillors returned at election

#### Number of Planning Consultative Meetings held by Ward

Ward	2016/17	2015/16	2014/15	2013/14	2012/13	
East	19	22	20	24	16	
South	13	19	16	21	21	
North	20	22	36	22	14	
TOTAL	52	63	72	67	51	

The 2016 election impacted on the number of Planning Consultative meetings that were held in 2016/17 as new Councillors to enable new Councillors to be trained in Planning before such meetings. A similar trend was evident in the 2012 election year.

#### **Advisory Committees**

Council has Advisory Committees as follows:

- Finance Advisory Committee
- Economic Development and Culture Advisory Committee
- Sustainability Advisory Committee
- Community Services Advisory Committee
- Strategic Planning Advisory Committee

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

	EDC	Finance	Community Services	Strategic Planning	Sustainability
No. of Meetings	9	4	6	10	3
J. Athanasopoulos*	1	1		4	
T. Athanasopoulos*	1				1
E. Davie*			1		
J. McMorrow*	4			1	
C. Ullin*	4				
G. Atwell			2	1	
J. Chandler		4		1	
S. Davis				3	
M. Griffin	5	2		5	
J. Hindle				4	
J. Klisaris	6	3	6	3	
M. Koce					3
M. Sehr	1			3	
S. Stefanopoulos	4		2	6	1

\* prior October 2016 Council Election

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
- 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 (IMAP)

This Special Committee is established under section 86 of *The Local Government Act (1989)* and is made up of representatives from the Cities of Port Phillip, Yarra, Melbourne, Maribyrnong and Stonnington. The administration support is provided through the City of Stonnington for this committee.

IMAP Implementation Committee held its quarterly meetings in August and December 2016, February and May 2017. Delegations to the IMAP Special Committees were reapproved by the five Councils during December-February following the local government election.

The Inner Melbourne Action Plan undertook the following during the period:

- · Four quarterly meetings and update of delegations
- Publication of the Annual Report 2015–16
- Approval of projects for the Three year Implementation Plan based on the new IMAP 2016-26
- · Establishment of new Steering Groups for assessment of project briefs
- Endorsement of the Wayfinding Signage Master Style Guide and discussions to adopt it Victoria-wide
- Collaboration with Cultural Tourism Victoria to publish "Experience Culture Victoria" with 70 new inner Melbourne listings
- Preliminary investigations to extend the Census for Landuse and Employment (CLUE) across the 5 IMAP Councils
- Partnering with University of Melbourne on Phase 2 of the Urban Manufacturing project; data gathering and establishment of the Policy Reference Group
- Completed data gathering for Regional Active Sport and Recreation Facilities Planning Study
- Updated the IMAP regional visitor map and participated in Destination Melbourne's Destination Management Plan development for metro Melbourne.

#### **Civic Functions**

Council conducts a number of civic functions each year such as Citizenship Ceremonies, Citizens of the Year and hosts a range of other events including:

- Mayor's Education Breakfast Forums
- Inner South Metropolitan Mayor's Group Meeting and Dinner
- Stonnington Business Roundtable events
- Greek Flag Raising Ceremony
- Centenarians Morning Tea.

#### Citizenship

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

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

#### **Citizenship Ceremony Details**

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
Number of ceremonies	6	6	6	6	5	6
Number of persons naturalised	654	700	691	643	492	475

# 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 2017-21 and the Employee Code of Conduct with other supporting policies.

The provisions of this Code also apply to:

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

The Code was formally reviewed, 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 13 February 2017 following the General election.

# **Conflict 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:

- a. act with integrity
- b. impartially exercise his/her responsibilities in the interests of the local community, and
- c. 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.

#### Remuneration

#### Councillors

The Mayor and Councillors receive an allowance for undertaking the duties of Councillor. Stonnington Council is classified as a Category 3 Council under *The Local Government Act 1989*. 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 late January to late February 2017 with no submissions received. Council at its meeting held on 6 March 2017 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:

	01/07/16 – 30/11/16	01/12/16 – 30/6/17	
Mayor	\$92,333	\$94,641	
Councillors	\$28,907	\$29,630	

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

The following table contains a summary of the allowances paid to Councillors during 2016/17.

Councillor	Allowance	
Cr J. Athanasopoulos (to 22 October 2016)	\$8,859	
Cr T. Athanasopoulos (to 22 October 2016)	\$8,859	
Cr E. Davie (to 22 October 2016)	\$8,859	
Cr J. Chandler	\$28,311	
Cr J. Klisaris (Mayor from 9 November 2016)	\$69,934	
Cr M. Koce	\$28,311	
Cr J. McMorrow (to 22 October 2016)	\$8,859	

Councillor	Allowance
Cr M. Sehr	\$28,311
Cr C. Ullin (Mayor from 11 November 2015 to 22 October 2016)	\$28,296
Cr G. Atwell	\$19,452
Cr S. Davis	\$19,452
Cr M. Griffin	\$19,452
Cr J. Hindle	\$19,452
Cr S. Stefanopoulos	\$19,452

# Councillor Expenses

	TR (IS)	TR (LC)	СМ	СС	IC	СТ	OE	Total
Councillors	\$	\$	\$	\$	\$	\$	\$	\$
Mayor Cr Jami Klisaris	1,221	1,285			5,971	1,908	792	11,177
Cr Jim Athanasopoulos					915	50		965
Cr John Chandler	1,199	447			4,306	1,782		7,734
Cr Judy Hindle					1,381	1,232		2,613
Cr Melina Sehr	889	106		292	4,322	1,355		6,964
Cr Claude Ullin	1,035	1,260			2,009	388		4,692
Cr Steven Stefanopoulos		100			1,745			1,845
Cr Erin Davie				2,360	1,557			3,917
Cr John McMorrow	1,601	250			1,687	922		4,460
Cr Matthew Koce		14			5,015	75		5,104
Cr Tini Athanasopoulos					950	25		975
Cr Marcia Griffin	362	300			1,883	1,302		3,847
Cr Glen Atwell		160			2,276	115		2,551
Cr Sally Davis		11			1,888	3,419		5,318

TR (IS)	Travel Interstate
TR (LC)	Travel Local
СМ	Car Mileage
CC	Child Care
IC	Information and Communication expenses
СТ	Conferences and Training expenses
OE	Other Expenses

# Management

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 2016/17 was Mr Bruce Potgieter and Deputy Chair was Mr David Ashmore.

Council elected Cr. Melina Sehr and Cr. John McMorrow as Council representatives on 14 December 2015 and following Council elections on 22 October 2016, Cr. Sally Davis and Cr. Marcia Griffin were elected as Council Representatives at the Council meeting on 21 November 2016.

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 2016/17 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:

- Asset Management
- Social Media
- Contract Management, Capital Expenditure and Project Delivery
- Cash Handling
- Risk Management
- Follow-up of Closed Audit Recommendations
- · Procurement and Purchasing Cards
- Councillors' Expenses
- Operational Expenditure Budgeting
- Business Continuity & Disaster Recovery Planning
- OHS Incident Recording, Monitoring and Reporting.

# **External Audit**

Council is externally audited by the Victorian Auditor-General. For the 2016/17 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 in general.

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

The triennial recertification audit of Council's OHS Management System under the AS/NZS4801 Standard was successfully undertaken in June 2017. 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. Council achieved an excellent result with zero non-conformances.

Ongoing maintenance and improvement of the OHS Management System is however a key focus for Council as it demonstrates its commitment to providing a safe work environment for its employees, contractors and the wider community.

During 2016/17, 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 2016/17, 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 this period to ensure they remain up-to-date and in line with industry trends and community expectations.

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. Quarterly and half yearly performance reports were delivered to the Executive, the Audit Committee and to Council respectively.

# **Emergency Management**

During 2016-17, 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 Pandemic Exercise to test planning and preparedness
- Undertook a Community Emergency Risk Assessment (CERA) to identify and assess key risks for the municipality to inform ongoing planning
- Provided 'response and recovery' services in relation to a construction gas leak, transport chemical spill, residential balcony collapse, various flash flooding events and vehicle accidents
- Made a submission in response to the Department of Environment, Land, Water and Planning Councils and Emergencies Direction Paper.

# 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 on telephone 03 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).

#### Summary of Information Privacy Complaints Received

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
Internal Reviews	3	2	2	2	1	1
Review by Privacy Commissioner	1	0	0	1	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.

# Training

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

Staff training sessions were conducted during the year with 38 participants from across Council as part of Council's ongoing commitment to the Charter.

The core contents include:

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

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

Human Rights training was also conducted for all Councillors as part of their Councillor Induction program.

# 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 investigates administrative actions taken by a Government department or public statutory body or by any member of staff of a municipal council.

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

	2016/17	2015/16	2014/15	2013/14
Complaints referred to Council by the Ombudsman for investigation	21	3	6	16

# Governance and Management Checklist

Gov	ernance 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 4 financial years)	Plan adopted in accordance with section 126 of the Act: 5 June 2017
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: 5 June 2017
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: 5 June 2017
7	Risk policy ( policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation: Adopted 18 March 13 Reviewed 17 November 2015
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation: 9 February 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</i> <i>Management Act 1986</i> : 2 September 2014
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</i> <i>Government Act:</i> 1 July 2017
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: 5 December 2016
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: 5 December 2016
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation: Adopted 18 March 2013 Reviewed 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 <i>Local Government Act</i> <i>1989</i> effective from 30 January 1995. Meetings held: 23 August 2016, 29 November 2016, 16 February 2017, 11 May 2017
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: 30 June 2016
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
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 November 2016

Gov	ernance and Management Item	Adopted / Prepared
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: 21 November 2016 20 February 2017 22 May 2017 4 September 2017
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: 1 August 2016 20 March 17
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: 5 September 2016 2 May 2017
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: 17 October 2016
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: 20 February 2017
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: 13 June 2017
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

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

and V

Warren Roberts Chief Executive Officer Dated:

2. ~ Cr Jami Klisaris

Cr Jami Klisai Mayor Dated:

# **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. Council 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 for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

# **Disability Action Plan**

During 2016/2017, Council implemented the following actions:

- Hosted the second professional development legal rights forum with St Kilda Legal Service, focusing on Breaking down the barriers for Women with disabilities who are affected by violence
- Undertook a survey seeking community opinions on accessibility and pedestrian safety
- Participated in activities to support positive transitions from school into employment for young people with disability
- Installation of an accessible passenger lift at Chapel Off Chapel
- Replacement of an automatic sliding doors at Harold Holt Swim Centre and the Chris Gahan Centre.

# Documents Available for Public Inspection

In accordance with Clause 12 of the Local Government (General) Regulations 2015 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* (the Act) at Stonnington City Centre 311 Glenferrie Road Malvern if they are not published on the Internet website of Council:

- a) document containing details of overseas or interstate travel (with exceptions) undertaken in an official capacity by any Councillor or any member of Council staff in the previous 12 months, including the names of the Councillors, or member of Council staff and the dates on which the travel began and ended, destination, purpose and total cost of the overseas or interstate travel, including accommodation costs;
- b) agendas for, and minutes of, ordinary and special meetings held in the previous 12 months kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act (Note: Council Minutes and agendas are on the Council website)
- c) minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meetings which was closed to members of the public under section 89 of the Act; and are confidential information within the meaning of section 77(2) of the Act. (Note: Minutes and agendas on its website for the IMAP Committee)
- d) a register of delegations kept under sections 87(1), and 98(4) of the Act, including the dates on which the last review under sections 86(6) and 98(6) of the Act took place;
- e) a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;
- f) a register maintained under section 224(1A) of the Act of authorised officers appointed under this section;
- g) a list of donations and grants made by the Council during the previous twelve months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

In accordance with Section 222 of the *Local Government Act 1989*, inspection of any of these documents can be arranged by contacting the Civic Support Officer on telephone 03 8290 1331. Fees may apply.

# **Domestic Animal Management Plan**

During 2016/17, Council:

- Found 204 dogs, with 122 impounded and 82 returned directly to owners
- Registered 11,574 pets
- Investigated 67 dog attack incidents
- Developed the Stonnington Domestic Animal Management Plan 2016-2021
- 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 *Freedom of Information Act 1982* can be lodged, in writing with the Freedom of Information Officer, City of Stonnington, PO 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 \$28.40 on 1 July 2017. General enquiries on lodging an application can be made through the Service Centre on 8290 1333 and details are also on Council's website.

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

Council processed 42 applications during the year, of which 36 were valid and proceeded. To be a valid request the application must be accompanied by the required fee.

#### **Summary of Freedom of Information Applications**

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
Valid Applications received and processed	36	25	40	33	48	34
External Reviews	2	1	2	3	3	1
Appeals to VCAT	0	1	0	0	0	0

# GENERAL LOCAL LAW 2008 (No.1)

Council's General Local Law 2008 (No.1) was adopted after a full review in 2008 with subsequent minor amendments conducted since then. In 2015/16 Council reviewed the Part Four Council Administration (Meeting Procedure) section of the Local Law and the insertion of a new clause of Film Permits, with the amendment adopted by Council in December 2015. With the sunset clause operative in 2018 Council has commenced a full review of the Local Law.

Council's General Local Law covers:

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

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

# 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 *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct and detrimental action by public officers and public bodies. It does so by providing certain protections for people who make a disclosure, or those who may suffer detrimental action in reprisal for making a disclosure. An essential part of this protection is to ensure that information connected to a protected disclosure, including the identity of a discloser and the contents of that disclosure, are kept strictly confidential.

Disclosures of 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 David Taylor–Manager Risk, Safety and Assurance 8290 1063 or
- The Protected Disclosure Officer Karen Watson General Manager Community & Culture 8290 1175

All correspondence, telephone calls and emails 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 discrete location away from the workplace.

An alternative contact may also be made directly to:

- Independent Broad-based Anti-Corruption Commission (IBAC) telephone 1300 735 135; or GPO Box 24234 Melbourne 3001, or personally at Level 1, 459 Collins Street (North Tower) Melbourne or ibac.vic.gov.au/report-corruption-or-misconduct/online-form
- Ombudsman Victoria, Level 2, 570 Bourke Street Melbourne 3000 telephone 9613 6222, or toll free 1800 806 314; or website: ombudsman.vic.gov.au/Complaints/Make-a-Complaint/Complaint/Form
- The Local Government Investigations and Compliance Inspectorate telephone: 1800 469 359, or PO Box 617 Collins Street West Melbourne 8007, or email inspectorate@lgici.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 People & Culture 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.

#### Summary of Protected Disclosures Made

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
Disclosures made	0	0	0	1	1	0
Disclosures referred to IBAC	0	0	0	1	0	0
Disclosures accepted by IBAC	0	0	0	0	0	0
Disclosures declined by IBAC	0	0	0	1	0	0
Disclosures referred to the Ombudsman for determination	0	0	0	0	0	0

### Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, a 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.

### Infrastructure and Development Contributions

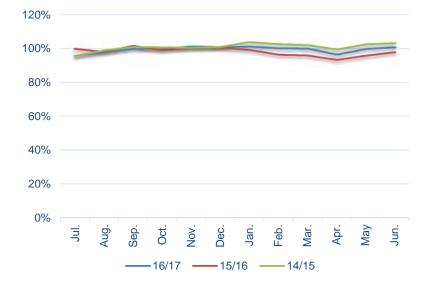
In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. No such infrastructure and development contributions were collected during the financial year.

# **Best Value**

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

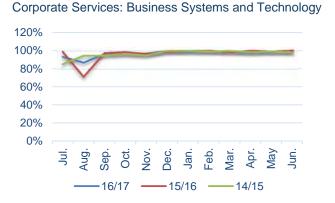
- All services meet quality and cost standards
- All services are responsive to local community needs
- · Each service is accessible to those for whom it is intended
- · Continuous improvement in the provision of services is achieved
- A program of regular consultation with the community in relation to the services provided by Council is developed.

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

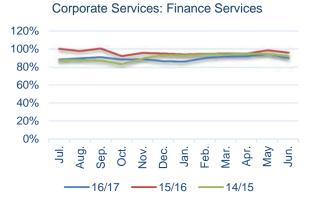


# Overall Performance: Organisation

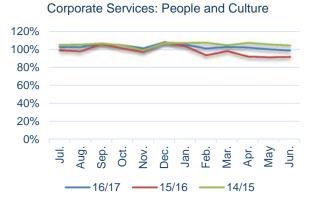
Council services contributing to perform well against Best Value targets, with individual unit performances contributing to the 2016/17 year-end result.



Business Systems & Technology continues to improve operational efficiency by streamlining the number of business systems used across Council.



The Best Value results indicate continued strong operating budget performance through increased investment income and employee costs underspend.

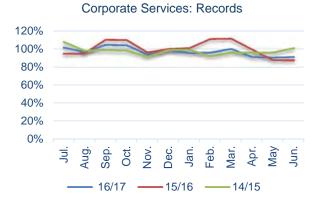


Results continue to show improvement during the year compared to last year. An Innovation Framework developed and introduced to celebrate and share innovative ideas.

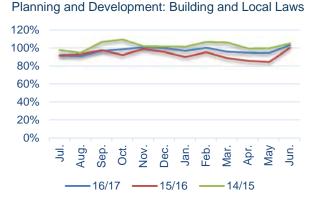
120% 100% 80% 60% 40% 20% 0% May Jul. Aug. Sep. Oct. Dec. Mar. Apr. Jun. VoV. Jan. Feb. **—**16/17 **—**—15/16 **—**—14/15

Corporate Services: Rates Management

Rates Management continues to improve on services, due to internal processes updated throughout the year.



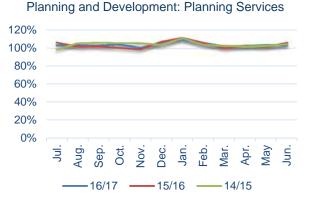
The Records Management Unit provides a high quality mail and internal courier, document and file, archives and specialist records management services. Increased training has improved usage and record retention rates.



Stonnington continues to receive increased numbers of permit applications, as such the result is impacted by cost with revenue exceeding expectations.

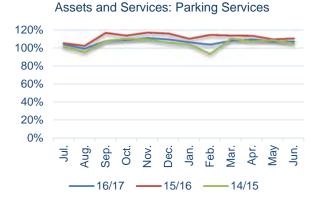


An improved result from last year, capturing outputs as well as associated costs involved in re-evaluation.

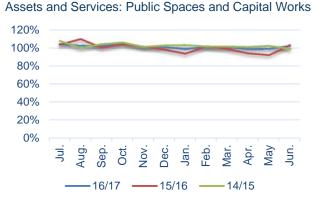


Planning Services processes 57percent of all applications within time. This is lower than previous year, due to the increase in complexity of applications

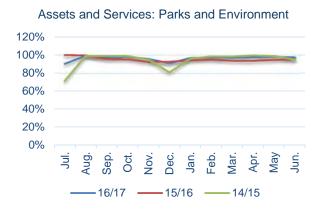
Corporate Services: Valuations



Parking Services continues to attribute success to the use of Automatic Number Plate Recognition technology, and people paying infringements prior to proceeding to court action.

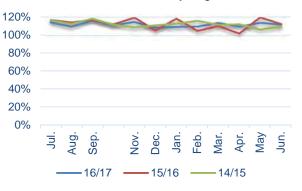


Capital Works program continuing to adopted schedule. Cato Square community consultation undertaken. Upgrades undertaken on Council properties.



Environmental Sustainability education and events provided to the wider Stonnington community including: 221 education sessions, 23 school/learning centre sessions catering for 2,115 students. 275 residents registered for 13 events during the year.

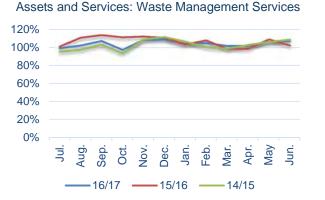
Assets and Services: Recycling Services



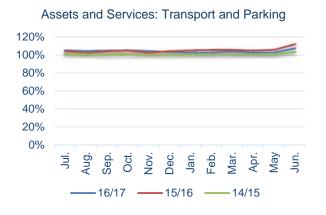
Council maintains a strong focus on reducing the amount of waste going to landfill resulting in lower weights overall being collected in recycling bins.



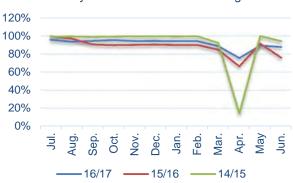
A consistently high level of service delivery was maintained, with all programmed schedules completed.



Waste Management Services provided 2.82 million household waste bin collections, along with the biannual hard waste collection service.

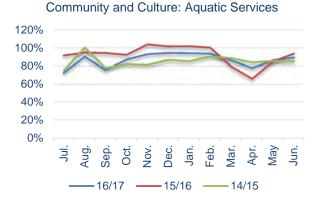


Specialist safety advice offered on a number of projects, Including: Metro Rail project, Level Crossing and Car Share options.

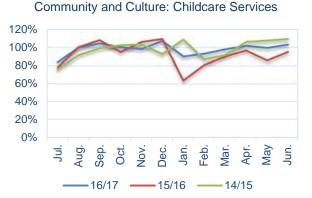


The Animal Management Unit continues to have a high percentage of lost dogs reclaimed. As per previous years, the April anomaly reflects the receipt of registration fee income, which does not affect overall result.

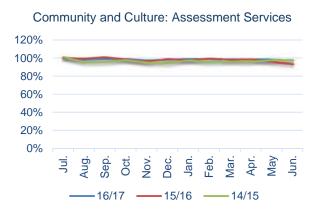
Community and Culture: Animal Management



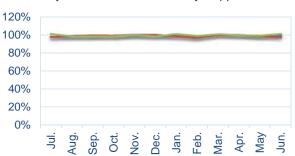
Attendances at Harold Hold Swim Centre increased in 2016/17, and the Learn to Swim Program also increased to 2,750.



Council's childcare centres have continued to deliver a high quality service to the community. As per last year, services experienced lower participation rates during key holiday periods.



Assessment Services continue to undertake timely, personal assessments to meet the needs of aged residents, people with disabilities, their families and carers.



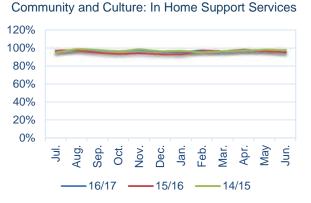
-16/17 ----- 15/16 ----- 14/15

Community and Culture: Community Support Services

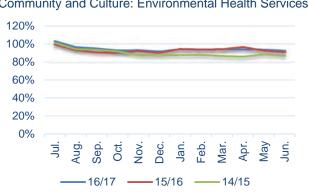
Community Based Support Services provides opportunities for older residents to be socially engaged within the community. Leadership is shown in areas of Access and Inclusion, and engagement with Cultural and Diverse communities and partnerships.



Customer Services showed an improvement on previous year results. Higher rate of calls being received as well as increased social media and email requests.

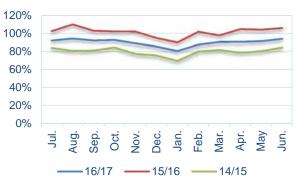


A range of support programs are offered to older people, people with disabilities and their carers. Council provided 34,630 hours of Domestic Assistance/Home Care, 18.538 hours of Personal Care, 6,549 hours of Respite Care and delivered/served 27,551 meals.



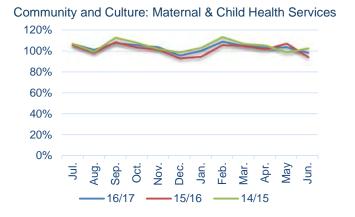
Consistent performance results for the past three years. Officers inspected 1,099 food premises and investigated 502 complaints.

Community and Culture: Library and History Services



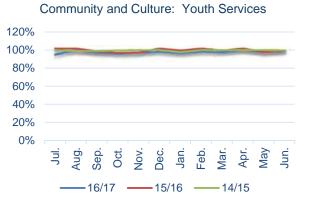
The library service has 19,147 active library members with a total of 813,383 loans taken out in the year.

# Community and Culture: Environmental Health Services



Community and Culture: Recreation Services 120% 100% 80% 60% 40% 20% 0% Sep. Dec. Jul. Aug. Oct. NoV. Jan. Feb. Mar. Apr. May Jun. **—**16/17 **—**15/16 **—**14/15

Performance result remains consistent with the past three years of reporting. High participation rates demonstrate the importance of maternal and child health services for infants and families.



Youth Services provides 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.

Organised sport and recreation participation continues to increase. Active Living Program free activities included: Yoga, Thai Chi, Qigong, and Mums and Bubs Fitness well attended.

Performance Statement

# **Performance Statement**

# **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 estimates resident population of the City of Stonnington, at 30 June 2016 was 110,569\*. It is anticipated that the municipality will grow to 145,333 by 2036 (.id, Population and household forecasts, 2011 to 2036)

Stonnington is home to 17,333 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.

\*note – Australian Bureau Statistics data used for reporting purposes differs to data sourced from .id – the population experts on page 2

# Sustainable Capacity Indicators For the year ended 30 June 2017

	Results	Results	Results	
Indicator/measure	2015	2016	2017	Comments
Population				
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,218.86	\$1,275.48	\$1,287.44	Council is delivering its services in accordance with its 10 year long term plan.
				The 2015/16 result for this indicator has been updated to ensure consistency between Council's Annual Report and the Know Your Council website.
Infrastructure per head of municipal	\$4,489.93	\$5,066.86	\$5,224.19	No material variance.
population				
[Value of infrastructure / Municipal population]				
Population density per length of road	319.22	325.12	333.04	As an inner urban municipality,
				Stonnington's population will continue
[Municipal population / Kilometres of local roads]				to grow significantly while the length of the local roads will remain unchanged.
Own-source revenue				
Own-source revenue per head of municipal population	\$1,327.34	\$1,405.46	\$1,422.79	No material variance. The 2015/16 result for this indicator has been updated to ensure consistency
[Own-source revenue / Municipal population]				between Council's Annual Report and the Know Your Council website.
Recurrent grants				
Recurrent grants per head of municipal population	\$94.33	\$74.45	\$99.91	50 percent of the 2017/18 General Purpose and Local Roads Funding grants received in 2016/17 resulted in a
[Recurrent grants / Municipal population]				favourable variance compared to prior year.
Disadvantage				
Relative socio-economic disadvantage	10	10	10	Stonnington's SEIFA rating indicates a low level of disadvantage however
[Index of Relative socio-economic disadvantage by decile]				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 2017

Service/indicator/measure201520162017CommentsAquatic FacilitiesUtilisationUtilisationUtilisationService/InternationThe result is consistent with previous years. Visitation to Council's aquatic facilities increase by 25,000.Number of visits to aquatic facilities / Municipal population5.244.854.96The result is consistent with previous years. Visitation to Council's aquatic facilities increase by 25,000.Animal Management Health and safety1.003.006.00Council pursues matters through the Magistrates' Court as appropriate. For that reason, the number of animal presecutionsFood Safety Health and safety Critical and major non-compliance outcome notifications and major non-compliance outcome notifications and major non-compliance outcome notifications and major non-compliance outcome notifications and major non-compliance notifications and major non-compliance59.0060.0060.00Community satisfaction with Council decisions is consistent with previous years, and two points higher than the here subta average.Row council has performed in making decisions in the interest of the community19.00%28.77%N/AReporting on HACC seased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programsMumber of criticationHACC service J19.00%21.46%N/AReporting on HACC ceased on 1 Ju		Results	Results	Results	
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Participation in HACC service19.00%28.77%N/AReporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programsImage: Number of people that received a HACC service / Municipal target population for HACC services] x10022.00%21.46%N/AReporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programsParticipation22.00%21.46%N/AReporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programsImage: Number of CALD people who receive a HACC service / Municipal target population in relation to22.00%21.46%N/AReporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs	Home and Community Care (HACC)				
[Number of people that received a HACC service / Municipal target population for HACC services] x1002016 due to the introduction of the Commonwealth Government's NDIS and CHSP programsParticipation Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to22.00%21.46%N/AReporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs	Participation				
/ Municipal target population for HACC services]       and CHSP programs         x100       Participation         Participation in HACC service by CALD people       22.00%         21.46%       N/A         Reporting on HACC ceased on 1 July         2016 due to the introduction of the         [Number of CALD people who receive a HACC         service / Municipal target population in relation to	Participation in HACC service	19.00%	28.77%	N/A	, ,
x100       Participation         Participation       22.00%         Participation in HACC service by CALD people       22.00%         21.46%       N/A         Reporting on HACC ceased on 1 July         2016 due to the introduction of the         [Number of CALD people who receive a HACC         service / Municipal target population in relation to					
Participation in HACC service by CALD people22.00%21.46%N/AReporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs					and CHSP programs
[Number of CALD people who receive a HACC2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs	-				
service / Municipal target population in relation to and CHSP programs		22.00%	21.46%	N/A	2016 due to the introduction of the
	CALD people for HACC services] x100				

	Results	Results	Results	
Service/indicator/measure	2015	2016	2017	Comments
Libraries				
Participation				
Active library members	18.00%	18.20%	17.32%	The number of active library
[Number of active library members / Municipal				members is consistent with previous years. The result is also influenced by
population] x100				a 2.43 percent increase in population.
Maternal and Child Health (MCH)				
Participation	000/	70 700/	75.000/	
Participation in the MCH service	80%	70.72%	75.02%	Family participation in maternal and child health services will vary
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100				significantly between years, as every enrolled child is not required to attend the service on an annual basis.
Participation				
Participation in the MCH service by Aboriginal children	86%	69.81%	68.42%	The City of Stonnington has a small indigenous community and family participation in maternal and child
[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				health services will vary significantly between years. This figure was provided by the MAV.
Roads				
Satisfaction				
Satisfaction with sealed local roads	70.00	68.00	66.00	Satisfaction with sealed local roads, whilst lower than previous years, is not a significant decline and is still thirteen (13) points higher than the state average.
Statutory Planning				
Decision making				
Council planning decisions upheld at VCAT	45.00%	57.63%	66.67%	The increased percentage of planning decisions upheld at VCAT
[Number of VCAT decisions that did not set aside				demonstrates that Council makes
council's decision in relation to a planning application / Number of VCAT decisions in				planning decisions that are consistent with the planning scheme and
relation to planning applications] x100				associated planning policy.
Waste Collection				
Waste diversion				
Kerbside collection waste diverted from landfill	35.00%	35.66%	36.89%	The result is consistent with previous
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100				years. Council maintains a strong focus on reducing the amount of waste going to landfill.

### 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.

"class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act "class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act

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

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

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

"food premises" has the same meaning as in the Food Act 1984

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

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

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

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

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

"population" means the resident population estimated by council

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

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

# **Financial Performance Indicators**

# For the year ended 30 June 2017

		Results			Fore	casts		
Dimension/indicator/measure	2015	2016	2017	2018	2019	2020	2021	Material Variations
Efficiency								
Revenue level								
Average residential rate per residential property assessment	\$1,530.88	\$1,608.26	\$1,632.21	\$1,682.98	\$1,711.93	\$1,741.46	\$1,771.60	Council is delivering its services in accordance with its 10 year long term plan.
[Residential rate revenue / Number of residential property assessments]								
Expenditure level								
Expenses per property assessment	\$2,233.34	\$2,336.24	\$2,338.30	\$2,278.60	\$2,312.07	\$2335.64	\$2,362.67	Council is delivering its services in accordance with its 10 year long term plan.
[Total expenses / Number of property assessments]								The 2015/16 result for this indicator has been updated to ensure consistency between Council's Annual Report and the Know Your Council website.
Workforce turnover								
Resignations and terminations compared to average staff	7.29%	11.93%	14.43%	15.09%	15.09%	15.09%	15.09%	Higher permanent part time staff departure experienced in 2016/17 in Community Facilities in particular due
[Number of permanent staff								to high number of part time staff members leaving for other
resignations and terminations / Average number of permanent								commitments.
staff for the financial year] x100								

		Results			Forec	casts		
Dimension/indicator/measure	2015	2016	2017	2018	2019	2020	2021	Material Variations
Liquidity Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	268.20%	291.00%	321.42%	236.45%	213.53%	216.51%	231.42%	Increased operating cash inflows, particularly from open space contributions and advance receipt of 50% of 2017/18 operating grants from VGC, contributed to the improved working capital in 2016/17. It is difficult to predict with accuracy, the level of contributions and grants receivable in forecast years.
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	-118.61%	-139.54%	-196.58%	103.79%	80.84%	73.44%	78.25%	Forecasts assume all term deposits as having original maturity less than 90 days and included in unrestricted cash and completion of capital works on time without deferrals, whereas term deposits with maturity over 90 days are classified outside of unrestricted cash in other financial assets in 2015-2017 actual results. The reduced unrestricted cash in 2017 is due to an increase in unused contributions placed in reserve for future strategic property acquisition, together with a number of major capital project deferrals, including Cato Square and Dunlop Pavilion redevelopments. However, the total level of cash, including long term deposit investments (Other financial assets), will more than cover this unrestricted cash deficit. 2014/15 and 2015/16 results for this indicator have been updated to ensure consistency between Council's Annual Report and the Know Your Council website.

		Results		Forecasts				
Dimension/indicator/measure	2015	2016	2017	2018	2019	2020	2021	Material Variations
Obligations								
Asset renewal								
Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	128.28%	149.50%	119.44%	125.60%	109.59%	104.51%	99.85%	A number of capital renewal projects have been delayed into 2017/18, including part of the Dunlop Pavilion redevelopment, Harold Holt Swim Centre dive tower and masterplan implementation, right of ways renewals, Malvern Valley Golf Course refurbishment, and library air conditioning replacements.
Loans and borrowings								
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	14.44%	11.46%	8.85%	25.59%	37.06%	35.47%	33.53%	Current year loan repayments resulted in a more favourable indicator compared to the prior year. New loan borrowings budgeted for 2017/18 (\$20 million), 2019 (\$17 million), 2020 (\$5 million) and 2021 (\$5 million) will supplement operational cash to fund capital works, including the Cato Square project.
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%	2.66%	2.36%	4.37%	6.02%	6.31%	Budgeted new loans in 2018 to 2021 are planned to be repaid in 10 year terms, commencing in 2018 consistent with Council's long term financial plan.

### City of Stonnington Annual Report 2016/17

		Results			Forec	casts		
Dimension/indicator/measure	2015	2016	2017	2018	2019	2020	2021	Material Variations
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	10.57%	8.46%	7.06%	16.86%	23.61%	22.39%	20.94%	Current year loan repayments resulted in a more favourable indicator compared to the prior year. New loan borrowings budgeted for 2018 (\$20 million), 2019 (\$17 million), 2020 (\$5 million) and 2021 (\$5 million) supplement operational cash to fund capital works, including the Cato Square project. The 2015/16 result for this indicator has been updated to ensure consistency between Council's Annual Report and the Know Your Council website.
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	14.29%	13.89%	15.48%	15.25%	14.71%	14.90%	15.05%	The improved result in 2016/17 was due to: advance receipt of 50% of 2018 General Purpose and Local Roads Funding grants; increased Statutory fees and fines revenue, particularly Town planning and Permit fees; increased User fee revenue, particularly for Building services and Waste management services; and reduced borrowing costs. Cost pressures from increased borrowing costs, merchant fees and utility costs are forecast to impact future adjusted underlying results. The 2015/16 result for this indicator has been updated to ensure consistency between Council's Annual Report and the Know Your Council website.

		Results			Forec	casts		
Dimension/indicator/measure	2015	2016	2017	2018	2019	2020	2021	Material Variations
Stability								
Rates concentration								
Rates compared to adjusted underlying revenue	60.96%	61.00%	61.01%	62.79%	63.35%	63.66%	63.90%	No material variance. The 2015/16 result for this indicator has been updated to ensure consistency
[Rate revenue / Adjusted underlying revenue] x100								between Council's Annual Report and the Know Your Council website.
Rates effort								
Rates compared to property values	0.15%	0.16%	0.13%	0.14%	0.14%	0.15%	0.15%	During 2016/17, a number of major developments have resulted in increased municipal property values by
[Rate revenue / Capital improved value of rateable properties in the municipality] x100								26.25% from 2015/16.

## 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

# 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.

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Scott Moore CPA Principal Accounting Officer Dated: 4 September 2017

In our opinion, the accompanying performance statement of the City of Stonnington for the year ended 30 June 2017 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.

**Jam**PKlisaris

Councillor Dated: 4 September 2017

John Chandler Councillor Dated: 4 September 2017

Warren Roberts Chief Executive Officer Dated: 4 September 2017



# Independent Auditor's Report

# To the Councillors of City of Stonnington

Opinion	I have audited the accompanying performance statement of City of								
	Stonnington (the council) which comprises the:								
	<ul> <li>description of municipality for the year ended 30 June 2017</li> </ul>								
	<ul> <li>sustainable capacity indicators for the year ended 30 June 2017</li> <li>service performance indicators for the year ended 30 June 2017</li> </ul>								
	<ul> <li>financial performance indicators for the year ended 30 June 2017</li> </ul>								
	other information and								
	<ul> <li>the certification of the performance statement.</li> </ul>								
	In my opinion, the performance statement of City of Stonnington in respect of								
	the year ended 30 June 2017 presents fairly, in all material respects, in								
	accordance with the performance reporting requirements of Part 6 of the								
	Local Government Act 1989.								
Basis for Opinion	I have conducted my audit in accordance with the Audit Act 1994 which								
	incorporates the Australian Standards on Assurance Engagements. My								
	responsibilities under the Act are further described in the Auditor's								
	responsibilities for the audit of the performance statement section of my								
	report.								
	My independence is established by the Constitution Act 1975. I and my staff								
	are independent of the council in accordance with the ethical requirements of								
	the Accounting Professional and Ethical Standards Board's APES 110 Code of								
	Ethics for Professional Accountants (the Code) that are relevant to my audit of								
	the performance statement in Australia and have also fulfilled our other								
	ethical responsibilities in accordance with the Code.								
	I believe that the audit evidence I have obtained is sufficient and appropriate								
	to provide a basis for my opinion.								
Councillors'	The Councillors is responsible for the preparation and fair presentation of the								
responsibilities for the	performance statement in accordance with the performance reporting								
performance	requirements of the Local Government Act 1989 and for such internal control								
statement	as the Councillors determines is necessary to enable the preparation and fair								
	presentation of the statement of performance that is free from material								
	misstatement, whether due to fraud or error.								

Level 31 / 35 Collins Street, Melbourne Vic 3000

T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the performance statement As required by the Audit Act 1994, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the overall presentation, structure and content of the statement of performance, including the disclosures, and whether the statement of performance represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Low

Tim Loughnan as delegate for the Auditor-General of Victoria

MELBOURNE 8 September 2017

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Annual Financial Report

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Certification of the Financial Statements

# Comprehensive Income Statement For the Year Ended 30 June 2017

		Cour	ncil	Cons	Consolidated	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	
Income						
Rates and charges	3	104,495	99,396	104,495	99,396	
Statutory fees and fines	4	21,362	19,187	21,362	19,187	
User fees	5	20,059	20,292	20,059	20,292	
Grants - operating	6	10,440	7,428	10,440	7,428	
Grants - capital	6	1,272	1,413	1,272	1,413	
Contributions - monetary	7	15,582	10,240	15,582	10,240	
Fair value adjustments for investment property	21	121	225	121	225	
Share of net profit of joint operation accounted for by the equity						
method	15	-	190	-	190	
Other income	8	11,280	12,417	14,378	15,594	
Total income		184,610	170,787	187,708	173,964	
Expenses						
Employee costs	9 (a)	61,494	59,699	62,303	60,534	
Materials and services	7 (a) 10	56,062	53,321	58,093	55,305	
Bad and doubtful debts	10	61	17	61	17	
Depreciation and amortisation	12	17,946	17,554	18,213	17,824	
Borrowing costs	12	324	469	324	469	
Share of net loss of joint operation accounted for by the equity		521	107	021	107	
method	15	233	-	233	-	
Net loss on disposal/write off of property, infrastructure, plant a		200		233		
equipment	27	1,014	1,462	1,014	1,462	
Other expenses	14	5,218	5,155	5,233	5,168	
Total expenses		142,351	137,677	145,473	140,780	
Surplus for the year		42,259	33,110	42,235	33,184	
Other comprehensive income						
Net asset revaluation increment	28 (a)	267,376	287,551	267,376	287,551	
Total comprehensive result		309,634	320,662	309,611	320,735	

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

# Balance Sheet As at 30 June 2017

		Coun	cil	Con	olidated
	Note	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	16	11,078	9,538	11,753	11,152
Trade and other receivables	18	9,429	9,872	9,581	10,185
Other financial assets	17	101,000	90,052	101,000	90,052
Other assets	19	1,571	1,805	1,575	1,813
Total current assets	_	123,078	111,267	123,910	113,201
Non-current assets					
Other financial assets	17	245	245	245	245
Investments in joint operations and subsidiaries	15	2,963	3,286	963	1,286
Property, infrastructure, plant and equipment	20	2,619,898	2,325,558	2,626,052	2,330,630
Investment property	21	8,850	6,471	8,850	6,471
Intangible assets	22	2,575	2,815	2,611	2,855
Total non-current assets		2,634,531	2,338,375	2,638,721	2,341,488
Total assets		2,757,609	2,449,642	2,762,631	2,454,689
Liabilities					
Current liabilities					
Trade and other payables	23	16,255	17,329	16,407	17,501
Trust funds and deposits	24	6,117	5,013	6,117	5,013
Provisions	25	14,406	13,828	14,479	13,903
Interest-bearing loans and borrowings	26	1,514	2,067	1,514	2,067
Total current liabilities		38,292	38,237	38,517	38,484
Non-current liabilities					
Provisions	25	2,069	2,170	2,128	2,207
Interest-bearing loans and borrowings	26	7,577	9,109	7,577	9,109
Other liabilities	15 (a)	1,463	1,553	1,463	1,553
Total non-current liabilities		11,109	12,832	11,168	12,869
Total liabilities		49,401	51,069	49,685	51,353
Net assets		2,708,209	2,398,573	2,712,947	2,403,336
Equity					
Accumulated surplus		1,021,247	980,172	1,025,986	984,935
Reserves	28	1,686,962	1,418,401	1,686,961	1,418,401
Total Equity		2,708,209	2,398,573	2,712,947	2,403,336

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

# Statement of Changes in Equity For the Year Ended 30 June 2017

Council	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves
2017		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		2,398,574	980,173	1,357,686	60,715
Surplus for the year		42,259	42,259	-	-
Net asset revaluation increment	28 (a)	267,376	-	267,376	-
Transfers from other reserves	28 (b)	-	18,628	-	(18,628)
Transfers to other reserves	28 (b)	-	(19,813)	-	19,813
Balance at end of the financial year		2,708,209	1,021,247	1,625,062	61,900
2016			_		
Balance at beginning of the financial year		2,076,821	959,019	1,070,135	47,667
Gifted asset	20	1,091	1,091	-	-
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		2,398,573	980,172	1,357,686	60,715
Consolidated					
2017					
Balance at beginning of the financial year		2,403,336	984,935	1,357,686	60,715
Surplus for the year		42,235	42,235	-	-
Net asset revaluation increment	28 (a)	267,376		267,376	-
Transfers from other reserves	28 (b)	-	18,628	-	(18,628)
Transfers to other reserves	28 (b)	-	(19,813)	-	19,813
Balance at end of the financial year		2,712,947	1,025,986	1,625,062	61,900
2016					
Balance at beginning of the financial year		2,081,510	963,708	1,070,135	47,667
Gifted assets	20	1,091	1,091	-	-
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	-	2,403,336	984,935	1,357,686	60,715

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 2017

		C	ouncil	Consolidated		
		2017 Inflows/ (Outflows)	2016 Inflows/ (Outflows)	2017 Inflows/ (Outflows)	2016 Inflows/ (Outflows)	
	Note	\$'000	\$'000	\$'000	\$'000	
Cash flows from operating activities						
Rates and charges		104,467	99,187	104,467	99,187	
Statutory fees and fines		21,424	19,507	21,424	19,507	
User fees		21,365	19,544	25,677	25,123	
Grants - operating		10,489	7,461	10,489	7,461	
Grants - capital		1,301	1,423	1,301	1,423	
Contributions - monetary		15,642	10,280	15,642	10,280	
Interest received		2,835	2,709	2,848	2,727	
Other receipts		9,143	11,360	9,143	11,360	
Net GST refund		6,242	7,583	6,233	7,443	
Trust funds and deposits taken		20,959	20,876	20,959	20,881	
Employee costs		(60,306)	(59,188)	(61,091)	(59,779)	
Materials and services		(64,353)	(61,512)	(67,457)	(65,754)	
Trust funds and deposits repaid		(19,856)	(19,102)	(19,866)	(19,102)	
Other payments		(5,649)	(5,479)	(5,649)	(5,479)	
Net cash provided by operating activities	29	63,702	54,649	64,118	55,278	
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(49,760)	(40,828)	(51,121)	(40,895)	
Proceeds from sale of property, infrastructure, plant and equipme	ent	1,281	504	1,288	504	
Payments for investments		(59,000)	(55,000)	(59,000)	(55,000)	
Receipts from investments		48,052	43,948	48,052	43,948	
Net cash used in investing activities		(59,427)	(51,376)	( 60,781 )	(51,443)	
Cash flows from financing activities						
Borrowing costs		(327)	(473)	(327)	(473)	
Repayment of borrowings		(2,409)	(2,324)	(2,409)	(2,324)	
Net cash used in financing activities	_	(2,736)	(2,797)	(2,736)	(2,797)	
Net increase/(decrease) in cash and cash equivalents		1,540	475	601	1,038	
Cash and cash equivalents at the beginning of the financial year		9,538	9,063	11,152	10,114	
Cash and cash equivalents at the end of the financial year	16	11,078	9,538	11,753	11,152	
Financing arrangements	30					

Restrictions on cash assets

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

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# Statement of Capital Works For the Year Ended 30 June 2017

	Council	
	2017	2016
	\$'000	\$'000
Property		
Land	14,421	613
Total land	14,421	613
Buildings	7,447	12,628
Heritage buildings	745	2,252
Total buildings	8,192	14,880
Total property	22,614	15,494
Plant and equipment		
Heritage plant and equipment	68	225
Plant, machinery and equipment	2,770	2,076
Fixtures, fittings and furniture	374	843
Computers and telecommunications	399	531
Library books	787	794
Total plant and equipment	4,398	4,470
Infrastructure		
Roads	3,486	5,809
Bridges	215	215
Footpaths and cycleways	1,255	582
Drainage	3,046	1,643
Recreational, leisure and community facilities	2,548	2,180
Parks, open space and streetscapes	7,627	6,146
Other infrastructure	1,039	1,007 17,581
Total infrastructure	46,228	37,545
Total capital works expenditure	40,220	37,345
Represented by:		
New asset expenditure	19,716	2,228
Asset renewal expenditure	20,263	25,082
Asset expansion expenditure	2,625	366
Asset upgrade expenditure	3,624	9,869 37,545
Total capital works expenditure	40,220	57,545

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

# Notes to the Financial Report For the Year Ended 30 June 2017

#### 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, and Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complex 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 (k))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (I))
- the determination of employee provisions (refer to note 1 (r)).

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.

# Notes to the Financial Report For the Year Ended 30 June 2017

#### Note 1 Significant accounting policies (cont.)

#### (c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2017, 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.

The Prahran Market Pty Ltd is the only subsidiary and controlled entity consolidated into Council.

#### (d) 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.

#### 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.

# Notes to the Financial Report For the Year Ended 30 June 2017

#### Note 1 Significant accounting policies (cont.)

#### (e) 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.

#### Note 1 Significant accounting policies (cont.)

#### (f) 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.

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.

## (g) 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.

### (h) Trade and other receivables

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method and would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

## (i) 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.

## (j) 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.

#### Note 1 Significant accounting policies (cont.)

#### (k) 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(I) 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.

## Note 1 Significant accounting policies (cont.)

(I)

Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

Buildings, 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.

Asset recognition thresholds and depreciation periods	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

#### Note 1 Significant accounting policies (cont.)

#### (m) 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.

## (n) Investment property

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

Investment property, Malvern City Square, is held to generate long-term rental yields and increased capital value. All tenant leases are on an arm's length basis. Investment property is carried at fair value \$8.85 million (2016, \$6.47 million), determined annually by Council's valuers. Changes to fair value are recorded in the Comprehensive Income Statement. (refer to note 21).

## (o) 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.

## (p) 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).

## (q) 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.

#### Note 1 Significant accounting policies (cont.)

### (r) Employee costs and benefits

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

## Wages and salaries and annual leave

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

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

## 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.

#### (s) 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. Leased assets are currently 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).

#### Note 1 Significant accounting policies (cont.)

## (t) 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.

## (u) 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.

## (v) 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.

## (w) Pending accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

#### Revenue from contracts with customers (AASB 15) (applies 2018/19)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income. Management will make an assessment of the financial impact on grant income prior to the required application of the standard in 2018/19.

## Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Management cannot currently quantify the value of assets and liabilities to be recognised at this point, but will make an assessment prior to the application of the standard in 2019/20.

#### (x) 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 6 June 2016. 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.

### a) Income and Expenditure

Actual 2017 \$'000 104,495 21,362 20,059	Variance 2017 \$'000 827	Ref
<b>\$'000</b> 104,495 21,362	\$'000	
104,495 21,362		
21,362	827	
21,362	827	
	021	
20,059	2,243	1
	701	
10,440	1,732	2
1,272	207	
15,582	8,094	3
121	121	
11,280	446	
184,610	14,370	-
	-	-
61,494	891	
56,062	( 1,529 )	4
61	(41)	
17,946	916	
324	521	5
233	(233)	
1,014	(1,025)	6
5,218	30	
	1 (468)	
	13,902	
		3 142,351 (468)

Reclassification to the adopted budget during the year include:

\* User fees of \$6.54 million reclassified to Other income.

\*\* Other expenses of \$2.46 million reclassified to Materials and services.

#### Note 2 Budget comparison (cont.)

## (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Traffic enforcement revenue was \$0.65 million above budget, due to: improved collection rates prior to Court lodgement; food and health permits income higher than budget \$0.59 million, as a result of increased number of premises including Chadstone redevelopment; and applications for statutory planning \$1.04 million higher than budget, as a result of increased statutory fees effective October 2016.
2	Grants - operating	50% of the 2017/18 general purpose grant and local roads funding from Victorian Grants Commission was received in advance \$1.37 million, unbudgeted family education Engagement Support program \$0.11 million, higher than budgeted grants from Department of Health and Human Services \$0.17 million.
3	Contributions - monetary	Open space contributions exceeded budget due to a higher level of developments in South Yarra, Armadale, Toorak and Glen Iris. This income source is difficult to estimate.
4	Materials and services **	There were budget overspends in: Parking Control costs due to an increase in PIN (parking infringement notice) cost \$0.54 million; heavy fleet vehicle servicing \$0.21 million; merchant fees \$0.14 million due to an increase in online payments; water charges in Parks and Environment \$0.23 million; and Property maintenance \$0.38 million, due to an increased level of proactive and reactive works.
5	Borrowing costs	Budgeted new loan borrowings for the Cato Square development were deferred due to construction being rescheduled to 2018.
6	Net (gain)/loss on disposal/write off of property, infrastructure, plant and equipment	The unfavourable variance is due to the write off of road assets, as a result of the road renewals program \$1.71 million and demolition of buildings for reconstruction \$0.11 million, offset by proceeds from sale of parts of roads and laneway during the year of \$0.86 million.

# Note 2 Budget comparison (cont.)

b) Capital Works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Property				
Land	3,000	14,421	(11,421)	1
Total Land	3,000	14,421	( 11,421 )	
Buildings	11,736	7,447	4,289	2
Heritage buildings	4,890	745	4,145	3
Total Buildings	16,626	8,192	8,434	
Total Property	19,626	22,614	( 2,988 )	
Plant and Equipment				
Heritage assets - arts and antiques	260	68	192	
Plant, machinery and equipment	2,448	2,770	(322)	
Fixtures, fittings and furniture	533	374	159	
Computers and telecommunications	502	399	103	
Library books	923	787	136	
Total Plant and Equipment	4,666	4,398	268	
Infrastructure				
Roads	5,586	3,486	2,100	
Bridges	280	215	65	
Footpaths and cycleways	3,249	1,255	1,994	
Drainage	2,532	3,046	(514)	
Recreational, leisure and community facilities	5,710	2,548	3,162	4
Parks, open space and streetscapes	24,600	7,627	16,973	5
Other infrastructure	1,991	1,039	952	
Total Infrastructure	43,948	19,216	24,732	
Total Capital Works Expenditure	68,240	46,228	22,012	
Represented by:				
New asset expenditure	27,472	19,716	7,756	6
Asset renewal expenditure	23,342	20,263	3,079	
Asset expansion expenditure	7,319	2,625	4,694	
Asset upgrade expenditure	10,107	3,624	6,483	
Total Capital Works Expenditure	68,240	46,228	22,012	

## Note 2 Budget comparison (cont.)

# (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	As a part of the Open Space strategy, Council purchased several new properties. Council funded these purchases from the Open Space Reserve fund. The opportunity to purchase properties to enhance public realm is dependent on market availability and difficult to predict, resulting in the unfavourable variance.
2	Buildings	Capital works carried forward to 2017/18, mainly Dunlop Pavilion \$4.68 million and Malvern Valley Golf Course \$1.34 million, resulted in the favourable variance.
3	Heritage buildings	Capital works have been carried forward to 2017/18 due to design consultation and project scoping delays for the Harold Holt Swim Centre dive tower project \$0.47 million and Prahran Town Hall Masterplan \$2.40 million.
4	Recreational, leisure and community facilities	Capital projects of \$0.62 million carried forward from 2015/16 were completed in the current financial year. Gardiner Park budget of \$1.88 million was carried forward to 2017/18, due to project design and consultation delays. Capital expense of \$0.49 million was transferred to operating expense.
5	Parks, open space and streetscapes	Council commenced work on the Cato Square project, which will be delivered over three financial years. Funds worth \$18.59 million have been carried forward to 2017/18 to deliver the program.
6	New asset expenditure	The Cato Square project has a carryover of \$18.59 million to 2017/18. Council purchased land as a part of the Open Space Strategy, which resulted in unbudgeted purchases of \$11.42 million funded from Open Space Reserves.

		Council		Consolidated		
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	
Note 3	Rates and charges					
	Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land plus buildings and other improvements.					
	The Capital Improved Value (CIV) used to calculate general rates for 2016/2017 was \$76.104 billion (2015/2016, \$63.773 billion). The 2016/2017 rate in the CIV dollar was 0.001077 (2015/2016, 0.0012542).					
	General rates	81,860	78,301	81,860	78,301	
	Service rates and charges	18,986	18,156	18,986	18,156	
	Special rates and charges	1,740	1,693	1,740	1,693	
	Supplementary rate and rate adjustments	1,763	1,075	1,763	1,075	
	Interest on rates and charges *	146	170	146	170	
	Total rates and charges	104,495	99,396	104,495	99,396	
	* Interest on rates and charges was classified under Interest in Other Income in the prior year.					
	The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.					
lote 4	Statutory fees and fines					
	Infringements and costs	14,187	13,936	14,187	13,936	
	Court recoveries	3,069	2,887	3,069	2,887	
	Town planning fees	2,023	1,261	2,023	1,261	
	Land information certificates	169	171	169	171	
	Permits	1,914	931	1,914	931	
	Total statutory fees and fines	21,362	19,187	21,362	19,187	
lote 5	User fees					
	Aged and health services	660	713	660	713	
	Leisure centre and recreation	4,676	4,675	4,676	4,675	
	Child care/ children's programs	4,346	4,155	4,346	4,155	
	Parking	4,097	4,031	4,097	4,031	
	Registration and other permits	568	947	568	947	
	Building services	2,633	2,095	2,633	2,095	
	Green fees	955	981	955	981	
	Waste management services	854	725	854	725	
	Other fees and charges	1,270	1,969	1,270	1,969	
	Total user fees	20,059	20,292	20,059	20,292	
	Grants					
lote 6						
lote 6	Grants were received in respect of the following:					
lote 6	Summary of grants					
lote 6	Summary of grants Commonwealth funded grants	5,962	1,999	5,962	1,999	
lote 6	Summary of grants	5,962 5,750 11,712	1,999 6,842 8,841	5,962 5,750 11,712	1,999 6,842 8,841	

		Council		Consolidated	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Note 6	Grants (cont.)				
	Operating Grants				
	Recurrent - Commonwealth Government				
	Victorian Grants Commission - General	3,288	1,082	3,288	1,082
	Victorian Grants Commission - Local roads funding	633	208	633	208
	Aged care	1,314	-	1,314	-
	Recurrent - State Government				
	Veteran affairs - Home care	200	193	200	193
	Aged care	2,605	3,741	2,605	3,741
	School crossing supervisors	180	176	180	176
	Libraries	675	657	675	657
	Maternal and child health	589	525	589	525
	Community partnership & youth programs	557	434	557	434
	Child care & immunisation	330	302	330	302
	Municipal emergency response	-	16	-	16
	Total recurrent operating grants	10,372	7,336	10,372	7,336
	Non-recurrent - Commonwealth Government				
	Other minor grants	-	1	-	1
	Non-recurrent - State Government				
	Community safety	31	-	31	-
	Learner to probation L2P	38	38	38	38
	Other minor grants	-	54	-	54
	Total non-recurrent operating grants	69	92	69	92
	Total operating grants	10,440	7,428	10,440	7,428
	Capital Grants				
	Recurrent - Commonwealth Government				
	Roads to recovery Recurrent - State Government	637	608	637	608
	HACC - minor capital	25	80	25	80
	Premier Reading Challenge	12	12	12	12
		675	700	675	700
	Total recurrent capital grants Non - recurrent - Commonwealth Government	075	700	075	700
		90	100	90	100
	Plant, machinery and equipment Non - recurrent - State Government	90	100	90	100
	Heritage assets - arts and antiques	-	100	-	100
	Recreational, leisure and community facilities	352	374	352	374
	Other infrastructure	155	139	155	139
	Total non-recurrent Capital Grants	597	713	597	713
	Total capital grants	1,272	1,413	1,272	1,413
		· · · ·		· · ·	
	Unspent grants received on condition that they be spent in a specific manner	10.5	4 475	10.1	
	Balance at start of year	436	1,475	436	1,475
	Received during the financial year and remained unspent at balance date	508	405	508	405
	Received in prior years and spent during the financial year	155	1,444	155	1,444
	Balance at year end	789	436	789	436

		Council		Consoli	dated
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Note 7	Contributions - monetary				
	Open space	14,989	9,386	14,989	9,386
	Open space Development contributions	119	649	119	649
	Capital works contributions	474	152	474	152
	Operating contributions		52	-	52
	Total contributions - monetary	15,582	10,240	15,582	10,240
Note 8	Other income				
	Interest *	2,651	2,655	2,662	2,675
	Dividends	3	3	3	3
	Investment property rental	438	409	438	409
	Council works cost recovery	907	2,059	907	2,059
	Insurance recovery	-	26		26
	Fire services property levy administration	78	76	78	76
	State Revenue Office - valuation cost recovery	717	224	717	224
	Transport clearway towing	95	80	95	80
	Gain in other financial asset - Regional Kitchen	-	-		-
	Other rent	5,743	5,733	8,751	8,866
	Other	648	1,152	728	1,177
	Total other income	11,280	12,417	14,378	15,594
Note 9 (a)	has resulted in the adjustment of the prior year figure. Employee costs				
	Wages and salaries	44,932	43,414	45,652	44,160
	WorkCover	797	760	801	765
	Casual staff	2,995	3,053	2,995	3,053
	Annual leave and long service leave	6,593	6,357	6,613	6,374
	Superannuation (note 9 (b))	4,760	4,671	4,824	4,738
	Fringe benefits tax	663	651	663	651
	Other	754	793	754	793
	Total employee costs	61,494	59,699	62,303	60,534
Note 9 (b)	Superannuation				
	Council made contributions to the following funds: Defined benefit fund				
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	593	637	593	637
	Employer contributions - other funds	-	-	-	-
		593	637	593	637
	Accumulation funds				
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,865	3,769	3,928	3,837
		3,865	3,769	3,928	3,837
	Employer contributions - other funds	4,167	4,034	4,231	4,102
	Employer contributions payable at reporting date.	1,107		1,201	7,102
			_	-	-
	Total superannuation	4,760	4,671	4,824	4,738
	Refer to note 33 for further information relating to Council's superannuation	· · · · · · · · · · · · · · · · · · ·			

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

		Council		Consolidated		
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	
Note 10	Materials and services					
	Contract payments	26,805	24,162	26,805	24,162	
	Legal and consulting fees	3,763	4,131	3,763	4,131	
	Stamp duty on summons and registration searches	2,351	1,877	2,351	1,877	
	Building maintenance	1,877	2,028	1,877	2,028	
	General maintenance	844	832	1,288	1,286	
	Utilities	4,282	4,316	4,282	4,316	
	Fire services	191	174	191	174	
	Office administration/supplies	1,841	1,985	1,841	1,985	
	Insurance	1,188	1,194	1,188	1,194	
	Tipping fees & waste removal	3,780	3,701	3,780	3,701	
	Activities & events	3,379	3,343	3,379	3,343	
	Other	5,761	5,578	7,348	7,108	
	Total materials and services	56,062	53,321	58,093	55,305	
Note 11	Bad and doubtful debts					
	Parking infringement debtors	57	-	57		
	Other debtors	3	17	3	17	
	Total bad and doubtful debts	61	17	61	17	
Note 12	Depreciation and amortisation					
	Property	4,588	4,381	4,761	4,549	
	Plant and equipment	3,586	3,459	3,677	3,559	
	Infrastructure	8,790	8,937	8,790	8,937	
	Total depreciation	16,964	16,777	17,228	17,045	
	Intangible assets	982	777	985	779	
	Total depreciation and amortisation	17,946	17,554	18,213	17,824	
	Refer to Notes 20 and 22 for a more detailed breakdown of depreciation and amortisation charges.					
Note 13	Borrowing costs					
	Interest - borrowings	294	428	294	428	
	Interest - finance leases	30	41	30	41	
	Total borrowing costs	324	469	324	469	
Note 14	Other expenses					
	Auditors' remuneration - VAGO - audit of the financial statement, performance	71	94	04	100	
	statement and grant acquittals	143	94 122	86 143	108 122	
	Auditors' remuneration - Internal Councillors' allowances	347	346	347	346	
		512	453	512	453	
	Operating lease rentals			3,489	3,369	
	Community grants	3,489 655	3,370 771	655	3,307 771	
	Sundry other					
	Total other expenses	5,218	5,155	5,233	5,168	

		Соц	ıncil	Consc	olidated
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Note 15	Investments in joint operations and subsidiary				

## (a) Investment in joint operation

#### **Regional Landfill Clayton South**

### Background

The Regional Landfill Clayton South Investment is a joint council initiative comprising the municipalities of Stonnington, Glen Eira, Monash, Boroondara and Whitehorse for the sole purpose of owning and operating a putrescible landfill (rubbish tip) to the benefit of the owner Councils. The City of Stonnington has a 12.76% interest in the assets, liabilities, and operating result of this Investment. Council's share of the financial result in the Investment is brought to account using the equity accounting method as an investment in joint operation based on 2017 unaudited accounts (2016 unaudited accounts).

Council's share of accumulated surplus				
Council's share of accumulated surplus/(deficit) at start of year	(479)	(669)	(479)	(669)
Reported surplus /(deficit) for year	(233)	190	(233)	190
Council's share of accumulated surplus/(deficit) at end of year	(712)	(479)	(712)	(479)
Council's share of reserves				
Council's share of reserves at start of year	212	212	212	212
Share of asset revaluation decrement	-	-	-	-
Council's share of reserves at end of year	212	212	212	212
Movement in carrying value of specific investment				
Carrying value of investment at start of year	1,286	1,570	1,286	1,570
Share of surplus/(deficit) for the year excluding revaluation of provision for environmental rehabilitation	(69)	21	(69)	21
Share of environment rehabilitation provision used	(253)	(304)	(253)	(304)
Carrying value of investment at end of year	963	1,286	963	1,286
Council's share of environmental rehabilitation provision				
Carrying value of environment rehabilitation provision at start of year	1,553	2,027	1,553	2,027
Share of revaluation of provision	164	(170)	164	(170)
Share of provision used	(253)	(304)	(253)	(304)
Carrying value of environment rehabilitation provision at end of year	1,463	1,553	1,463	1,553

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 2017 for the purposes of updating the Clayton Landfill rehabilitation provision. The resultant provision for rehabilitation within the Regional Landfill Clayton 2017 unaudited accounts of \$11.5 million (\$12.2 million, 2016) 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 year, and then 'aftercare' costs (active monitoring and site management) for a 28 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 \$1.5 million (2016, \$1.6 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.

## 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 licence at 30 June 2017 is nil (2016, nil) and infrastructure assets as at 30 June 2017 is valued at nil (2016, nil).

## Note 15 Investment in joint operations and subsidiaries (cont.)

## (b) Subsidiaries

## Prahran Market Pty Ltd

Prahran Market Pty Ltd is a wholly owned subsidiary, incorporated within Australia, of the City of Stonnington. Prahran Market Pty Ltd manages the retail activities of the Prahran Market for the City of Stonnington on terms set out in a management agreement between both parties dated 30 March 2008. The assets, liabilities, and operating result based upon 2017 unaudited financial statements (2016 unaudited financial statements) are included in Council's consolidated financial accounts, as follows:

## Summarised financial information

	2017 \$'000	2016
		¢1000
Summarized statement of comprehensive income	\$ 000	\$'000
Summarised statement of comprehensive income	4.57.4	4 / 47
Total income	4,564	4,647
Total expenses	4,587	4,574
Surplus for the year	(24)	73
Summarised balance sheet		
Current assets	892	1,988
Non-current assets	6,191	5,113
Total assets	7,083	7,101
Current liabilities	286	304
Non-current liabilities	59	37
Total liabilities	345	340
Net Assets	6,738	6,761
Equity		
Accumulated Funds	4,738	4,761
Issued Capital	2,000	2,000
Total Equity	6,738	6,761
Summarised statement of cash flows		
Net cash provided by / (used in) operating activities	416	627
Net cash provided by / (used in) investing activities	(1,353)	(67)
Net cash provided by / (used in) financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(937)	560

		Council		Consolidated	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Note 16	Cash and cash equivalents				
	Cash on hand	9	9	10	11
	Cash at bank	6,069	1,529	6,743	3,141
	Term deposits (note 1(g))	5,000	8,000	5,000	8,000
	Total cash and cash equivalents	11,078	9,538	11,753	11,152
	Other financial assets - Term deposits over 90 days (note 17)	101,000	90,052	101,000	90,052
	Total cash, cash equivalents and term deposits	112,078	99,590	112,753	101,204
	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)	6,117	5,013	6,117	5,013
	- Public open space, developers contribution and off-street parking reserves (note 28)	46,387	48,472	46,387	48,472
	Total restricted funds	52,504	53,485	52,504	53,485
	Total unrestricted cash, cash equivalents and term deposits	59,574	46,105	60,249	47,719
	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	33,060	9,005	33,060	9,005
	- Employee leave entitlement provisions (note 25)	16,275	15,798	16,407	15,910
	<ul> <li>Future Fund held for future strategic property purchase (note 28 (b))</li> <li>Infrastructure reserve fund held for future road damage reinstatement</li> </ul>	14,529	11,729	14,529	11,729
	(note 28 (b))	272	274	272	274
	- Park reinstatement reserve (note 28 (b))	710	240	710	240
	- Conditional grants unspent (note 6)	789	436	789	436
	- IMAP monies held under payables	704	650	704	650
	Total funds subject to intended allocations	66,339	38,133	66,471	38,244
	Total unrestricted cash, cash equivalents and term deposits adjusted for intended allocations $^{\ast}$	( 6,765 )	7,972	(6,222)	9,474

\*The under - funding of external restrictions and intended allocation amounts will be covered by a \$20.0 million loan borrowings budgeted for 2018, primarily for the Cato Square project component of the carried forward capital works. It is highly unlikely that settlement of all restricted funds and intended allocations will be required within the next twelve months

## Note 17 Other financial assets

101,000	90,052	101,000	90,052
101,000	90,052	101,000	90,052
230	230	230	230
15	15	15	15
245	245	245	245
101,245	90,297	101,245	90,297
	101,000 230 15 245	101,000         90,052           230         230           15         15           245         245	101,000         90,052         101,000           230         230         230           15         15         15           245         245         245

 $^{\ast}$  At balance date, Council holds 24 of the 324 shares in Regional Kitchen Pty Ltd.

		Coun	cil	Consol	idated
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Note 18	Trade and other receivables				
	Current				
	Statutory receivables				
	Rates debtors	2,339	2,350	2,339	2,349
	Special rate assessment	31	52	31	52
	Parking infringement debtors	15,422	14,404	15,422	14,404
	Provision for doubtful debts - parking infringements	(11,426)	(10,350)	(11,426)	(10,350)
	Non statutory receivables				
	Other debtors	1,618	2,084	1,747	2,397
	Provision for doubtful debts - other debtors	(100)	(100)	(100)	(100)
	Net GST receivable	1,546	1,433	1,568	1,433
	Total trade and other receivables	9,429	9,872	9,581	10,185
	(a) Ageing of other Receivables At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's other receivables (excluding statutory receivables) was:				
	Current (not yet due)	974	1,916	981	2,088
	Past due by up to 30 days	338	78	396	119
	Past due between 31 and 180 days	253	58	317	159
	Past due between 181 and 365 days	26	19	26	19
	Past due by more than 1 year	27	13	27	13
	Total other receivables	1,618	2,084	1,747	2,397
	(b) Movement in provisions for doubtful debts				
	Balance at the beginning of the year	10,450	9,781	10,450	9,781
	New Provisions recognised during the year	61	17	61	17
	Amounts already provided for and written off as uncollectible	(3)	(2)	(3)	(2)
	Amounts provided for but recovered during the year	1,018	654	1,018	654
	Balance at end of year	11,526	10,450	11,526	10,450
	(c) Ageing of individually impaired Receivables At balance date there were no other debtors representing financial assets that				

were impaired (2016, Nil).

## Note 19 Other assets

Accrued income	850	930	854	932
Prepayments	571	785	571	790
Other	150	90	150	90
Total other assets	1,571	1,805	1,575	1,813

#### Property, infrastructure, plantand equipment Note 20

## Council

Buildings

Total

Infrastructure

Plant and Equipment

## Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016 \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2017 \$'000
Land	1,777,545	-	-	250,117	-	-	14,602	2,042,264
Buildings	184,583	-	-	(289)	(4,588)	(106)	6,554	186,154
Plant and Equipment	20,918	-	-	-	(3,586)	(479)	4,483	21,337
Infrastructure	335,081	-	-	17,548	(8,790)	(1,713)	17,418	359,543
Work in progress	7,430	46,228	-	-		-	(43,057)	10,601
	2,325,557	46,228	-	267,375	(16,964)	(2,298)	-	2,619,898

Summary of Work in Progress	
	Opening WIP
	\$'000
Land	181

5	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Write Offs \$'000	Closing WIP \$'000
	181	14,421	(14,602)	-	-
	1,107	8,192	(6,554)	-	2,746
	86	4,398	(4,483)	-	-
	6,056	19,216	(17,418)	-	7,855
	7,430	46,228	(43,057)	-	10,601

## Consolidated

## Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016 \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2017 \$'000
Land	1,777,545			- 250,117	-	-	14,602	2,042,264
Buildings	189,146	-		- (289)	(4,761)	(106)	7,887	191,878
Plant and Equipment	21,428	-			(3,676)	(479)	4,494	21,767
Infrastructure	335,081	-		- 17,548	(8,790)	(1,713)	17,418	359,543
Work in progress	7,430	47,572			-	-	(44,402)	10,601
	2,330,630	47,572		- 267,375	(17,228)	(2,298)	-	2,626,052

Summary of Work in Progress					
	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Land	181	14,421	(14,602)	-	-
Buildings	1,107	9,526	(7,887)	-	2,746
Plant and Equipment	86	4,409	(4,494)	-	-
Infrastructure	6,056	19,216	(17,418)	-	7,855
Total	7,430	47,572	(44,402)	-	10,601

Council

(a) Land and Buildings	Note	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land \$'000	Heritage buildings \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2016		1,651,705	125,840	-	1,777,545	65,745	103,320	15,519	184,583	1,288	1,963,416
Accumulated depreciation at 1 July 2016		-	-	-	-	-	-	-	-	-	-
		1,651,705	125,840	-	1,777,545	65,745	103,320	15,519	184,583	1,288	1,963,416
Movements in fair value Acquisition of assets at fair value		-		-	-	-	-	-	-	22,614	22,614
Revaluation increments/(decrements)		229,648	20,469	-	250,117	-	(289)	-	(289)	-	249,828
Fair value of assets disposed/written off			-		-	-	(136)	-	(136)	-	(136)
Transfers		14,602	-	-	14,602	1,268	4,526	760	6,554	(21,156)	-
		244,250	20,469		264,719	1,268	4,101	760	6,129	1,457	272,305
Movements in accumulated depreciation											
Depreciation and amortisation		-	-	-	-	(977)	(3,187)	(423)	(4,588)	-	(4,588)
Accumulated depreciation of disposals		-	-		-	-	30	-	30	-	30
Revaluation movement		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
			-	-	-	(977)	(3,157)	(423)	(4,558)		(4,558)
At fair value 30 June 2017		1,895,955	146,309		2,042,263	67,013	107,421	16,279	190,712	2,746	2,235,722
Accumulated depreciation at 30 June 2017		-	-	-	-	(977)	(3,157)	(423)	(4,558)	-	(4,558)
		1,895,955	146,309	-	2,042,263	66,036	104,263	15,855	186,154	2,746	2,231,164

## Council

(b) Plant and Equipment	Note	Heritage plant & equipment \$'000	Plant machinery, motor vehicles and equipment \$'000	Leased plant & equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Library books \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2016		5,229	19,181	776	7,983	6,129	18,868	86	58,253
Accumulated depreciation at 1 July 2016		(53)	(10,644)	(498)	(5,026)	(4,913)	(16,116)	-	(37,250)
		5,176	8,538	279	2,957	1,216	2,753	86	21,004
Movements Acquisition of assets at fair value		-		-				4,398	4,398
Revaluation increments/(decrements) Fair value of assets disposed/written off		-	- (1,226)	- (3)	-	- (769)	-	-	- (1,998)
Transfers		- 153	2,770	(3)	374	(709) 399	- 787	(4,483)	(1,990)
Tunsicis		153	1,544	(3)	374	(370)	787	(86)	2,400
Movements in accumulated depreciation			.,	(-)		(0.0)		()	_,
Depreciation and amortisation		(57)	(1,498)	(187)	(503)	(521)	(820)	-	(3,586)
Accumulated depreciation of disposals		-	754	-	-	765	-	-	1,519
Revaluation movement		-	-	-	-	-	-	-	-
		(57)	(745)	(187)	(503)	245	(820)	-	(2,067)
At fair value 30 June 2017		5,382	20,725	773	8,357	5,759	19,656		60,653
Accumulated depreciation at 30 June 2017		(110)	(11,388)	(684)	(5,529)	(4,669)	(16,936)	-	(39,316)
		5,272	9,337	89	2,828	1,091	2,720	-	21,337

Council

(c) Infrastructure	Note	Roads \$'000	Bridges \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Parks, open space and streetscapes \$'000	Road Extras \$'000	Work In Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2016*		337,037	5,640	140,792	15,252	47,851	27,814	6,056	580,443
Accumulated depreciation at 1 July 2016		(151,498)	(1,852)	(70,177)	(3,211)	(4,547)	(8,020)	-	(239,305)
		185,539	3,788	70,615	12,041	43,304	19,794	6,056	341,137
Movements in fair value									
Acquisition of assets at fair value		-	-	-	-	-	-	19,216	19,216
Revaluation increments/(decrements)		32,094	242	-	-	-	-	-	32,336
Fair value of assets disposed/written off		(4,274)	-	-	-	-	-	-	(4,274)
Reclassification of Asset class**		-	377	-	-	(377)	-	-	-
Transfers		7,680	215	3,046	1,314	4,124	1,039	(17,418)	-
		35,500	834	3,046	1,314	3,747	1,039	1,799	47,278
Movements in accumulated depreciation									
Depreciation and amortisation		(3,808)	(274)	(1,738)	(680)	(1,038)	(1,253)	-	(8,790)
Accumulated depreciation of disposals		2,561	-	-	-	-	-	-	2,561
Revaluation movement		(15,459)	670	-	-	-	-	-	(14,789)
Reclassification of Asset class**		-	(75)	-	-	75	-	-	-
		(16,706)	321	(1,738)	(680)	(962)	(1,253)	-	(21,018)
At fair value 30 June 2017		372,536	6,475	143,838	16,567	51,598	28,853	7,855	627,721
Accumulated depreciation at 30 June 2017		(168,204)	(1,531)	(71,916)	(3,891)	(5,509)	(9,272)	-	(260,324)
		204,332	4,943	71,922	12,676	46,089	19,580	7,855	367,397

\* Gifted bridge \$1.09 million adjusted to opening balance.

\*\* One board walk transferred from Parks, open space and streetscapes to Bridges.

## Consolidated

Land - Land - Land - Land - Note         Land - Land - Note          Land - Note         L									Buildings -			
At fair value 1 July 2016         1.651,705         125,840         -         1.777,545         71,831         103,320         15,519         190,669         1.288         1.969,502           Accumulated depreciation at 1 July 2016         -         -         -         -         -         (1,523)         -         (1,523)           Movements in fair value         -         -         -         -         -         -         23,947           Revaluation increments//Getrements)         229,648         20,469         -         -         -         -         -         23,947           Revaluation increments//Getrements)         229,648         20,469         -         250,117         -         (289)         -         23,947           Transfers         14,602         -         -         -         -         249,828           Fair value of assets disposed/written off         -         -         -         -         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         -         -         -         -         -	/ · · · · · · · · · · · · · · · · · · ·	<b>.</b>	Land -	Land - non	Land	<b>.</b>	Heritage	Buildings -	non		Work In	T I.D
At fair value 1 July 2016       1,651,705       125,840       1,777,545       71,831       103,320       15,519       190,669       1,288       1,969,502         Accumulated depreciation at 1 July 2016       1,651,705       125,840       -       1,777,545       70,308       103,320       15,519       189,146       1,288       1,969,502         Movements in fair value       1,651,705       125,840       -       1,777,545       70,308       103,320       15,519       189,146       1,288       1,969,502         Acquisition of assets at fair value       -       -       -       -       -       23,947       23,947         Revaluation increments/(decrements)       229,648       20,469       -       -       -       -       23,947         Transfers       14,602       2.601       4.1602       2.601       4.162       7.68       7.887       7.483       7.433       7.462       7.433       7.462       <	(a) Land and Buildings	Note	·	•	•		0	•		0	9	
Accumulated depreciation at 1 July 2016       . <th></th> <th></th> <th>\$'000</th>			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated depreciation at 1 July 2016       . <td></td>												
Movements in fair value         1,651,705         125,840         -         1,777,545         70,308         103,320         15,519         189,146         1,288         1,967,980           Acquisition of assets at fair value         -         -         -         -         -         -         -         -         -         -         -         -         -         23,947         23,947           Revaluation increments/(decrements)         229,648         20,469         -         250,117         -         (289)         -         (289)         -         249,828           Fair value of assets disposed/written off         -         -         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         244,950         20,469         -         264,719         2,601         4,101         76,02         1,457         273,639           Depreciation and amortisation	At fair value 1 July 2016		1,651,705	125,840	-	1,777,545	71,831	103,320	15,519	190,669	1,288	1,969,502
Movements in fair value         Acquisition of assets at fair value         .	Accumulated depreciation at 1 July 2016		-		-	-	(1,523)	-	-	(1,523)	-	(1,523)
Acquisition of assets at fair value         -         -         -         -         -         23,947         23,947           Revaluation increments/(decrements)         229,648         20,469         -         250,117         -         (289)         -         (289)         -         249,828           Fair value of assets disposed/written off         -         -         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -         (136)         -			1,651,705	125,840	-	1,777,545	70,308	103,320	15,519	189,146	1,288	1,967,980
Revaluation increments/(decrements)         229,648         20,469         250,117         (289)         (289)         249,828           Fair value of assets disposed/written off         -         -         (136)         -         (136)         -         (136)           Transfers         14,602         -         14,602         2,601         4,526         760         7,887         (22,489)         -           Movements in accumulated depreciation         244,250         20,469         -         264,719         2,601         4,101         760         7,462         1,457         273,639           Movements in accumulated depreciation of disposals         -	Movements in fair value											
Fair value of assets disposed/written off       -       -       -       -       -       (136)       -       (136)       -       (136)         Transfers       14,602       -       14,602       2,001       4,526       760       7,887       (22,489)       -         Movements in accumulated depreciation       244,250       20,469       -       264,719       2,601       4,101       760       7,462       1,457       273,639         Movements in accumulated depreciation and amortisation       -       -       -       (1,150)       (3,187)       (423)       (4,761)       -       (4,761)         Accumulated depreciation of disposals       -       -       -       -       30       -       30       -       30       -       30       -	Acquisition of assets at fair value		-	-	-	-		-	-	-	23,947	23,947
Transfers       14,602       -       -       14,602       2,601       4,526       760       7,887       (22,489)       -         Movements in accumulated depreciation       244,250       20,469       -       264,719       2,601       4,101       760       7,887       (22,489)       -         Movements in accumulated depreciation       -       -       -       -       (1,150)       (3,187)       (423)       (4,761)       -       (4,761)         Accumulated depreciation of disposals       -       -       -       -       -       30       -       30       -       30       -       30       -       30       -	Revaluation increments/(decrements)		229,648	20,469	-	250,117	-	(289)	-	(289)	-	249,828
Movements in accumulated depreciation         244,250         20,469         -         264,719         2,601         4,101         760         7,462         1,457         273,639           Movements in accumulated depreciation         -         -         -         -         (1,150)         (3,187)         (423)         (4,761)         -         (4,761)           Accumulated depreciation of disposals         -         -         -         -         30         -         30         -         30         -         30         - <td< td=""><td>Fair value of assets disposed/written off</td><td></td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>(136)</td><td>-</td><td>(136)</td><td>-</td><td>(136)</td></td<>	Fair value of assets disposed/written off		-	-	-	-	-	(136)	-	(136)	-	(136)
Movements in accumulated depreciation         -         -         -         (1,150)         (3,187)         (423)         (4,761)         -         (4,761)           Accumulated depreciation of disposals         -         -         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         -         30         - <td>Transfers</td> <td></td> <td>14,602</td> <td>-</td> <td>-</td> <td>14,602</td> <td>2,601</td> <td>4,526</td> <td>760</td> <td>7,887</td> <td>(22,489)</td> <td>-</td>	Transfers		14,602	-	-	14,602	2,601	4,526	760	7,887	(22,489)	-
Depreciation and amortisation       -       -       -       (1,150)       (3,187)       (423)       (4,761)       -       (4,761)         Accumulated depreciation of disposals       -       -       -       30       -       30       -       30       -       30       -       30       -       30       -       30       -       30       -       30       -       30       -       30       -       30       -       30       -       30       -       30       -<			244,250	20,469	-	264,719	2,601	4,101	760	7,462	1,457	273,639
Accumulated depreciation of disposals       -       -       -       -       -       30       -       100       30       -       100       <	Movements in accumulated depreciation											
Revaluation movement       -	Depreciation and amortisation		-	-	-	-	(1,150)	(3,187)	(423)	(4,761)	-	(4,761)
Transfers       -	Accumulated depreciation of disposals		-		-	-	-	30	-	30	-	30
-       -       -       (1,150)       (3,157)       (423)       (4,731)       -       (4,731)         At fair value 30 June 2017       1,895,955       146,309       - <b>2,042,264</b> 74,432       107,421       16,279 <b>198,131</b> 2,746 <b>2,243,141</b> Accumulated depreciation at 30 June 2017       -       -       -       (2,673)       (3,157)       (423)       (6,254)       -       (6,254)	Revaluation movement		-	-	-	-	-	-	-	-	-	-
At fair value 30 June 2017       1,895,955       146,309       -       2,042,264       74,432       107,421       16,279       198,131       2,746       2,243,141         Accumulated depreciation at 30 June 2017       -       -       -       (2,673)       (3,157)       (423)       (6,254)       -       (6,254)	Transfers		-	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 30 June 2017 (2,673) (3,157) (423) (6,254) - (6,254)			-	-	-	-	(1,150)	(3,157)	(423)	(4,731)	-	(4,731)
Accumulated depreciation at 30 June 2017 (2,673) (3,157) (423) (6,254) - (6,254)												
	At fair value 30 June 2017		1,895,955	146,309	-	2,042,264	74,432	107,421	16,279	198,131	2,746	2,243,141
1,895,955 146,309 - 2,042,264 71,759 104,263 15,855 191,878 2,746 2,236,887	Accumulated depreciation at 30 June 2017		-	-	-	-	(2,673)	(3,157)	(423)	(6,254)	-	(6,254)
			1,895,955	146,309	-	2,042,264	71,759	104,263	15,855	191,878	2,746	2,236,887

## Consolidated

(b) Plant and Equipment	Heritage p Note equipme		Plant machinery, motor vehicles and equipment \$'000	Leased plant & equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Library books \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2016	!	,229	20,369	776	8,128	6,329	18,868	86	59,786
Accumulated depreciation at 1 July 2016		(53)	(11,380)	(497)	(5,170)	(5,057)	(16,116)	-	(38,273)
		5,177	8,989	279	2,958	1,272	2,752	86	21,513
Movements in fair value Acquisition of assets at fair value		-		-	-	-		4,409	4,409
Revaluation increments/(decrements)		-	-	-	-	-	-	-	-
Fair value of assets disposed/written off Transfers		- 153	(1,226) 2,781	(3)	- 374	(769) 399	- 787	-	(1,998)
Transiers		153		(3)	374		787	(4,494)	
Movements in accumulated depreciation		100	1,555	(3)	374	(370)	/0/	(86)	2,411
Depreciation and amortisation		(57)	(1,565)	(187)	(503)	(545)	(820)	-	(3,676)
Accumulated depreciation of disposals		-	754	-	-	765	-		1,519
Revaluation movement		-	-	-	-	-	-	-	-
		(57)	(811)	(187)	(503)	221	(820)	-	(2,157)
At fair value 30 June 2017		5,383	21,924	773	8,502	5,960	19,656	-	62,197
Accumulated depreciation at 30 June 2017		(110)	(12,191)	(684)	(5,673)	(4,836)	(16,936)	-	(40,431)
		6,273	9,733	89	2,829	1,123	2,720	-	21,767

## Consolidated

(c) Infrastructure	Note	Roads \$'000	Bridges \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Parks, open space and streetscapes \$'000	Road Extras \$'000	Work In Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2016		337,036	5,640	140,792	15,252	47,851	27,814	6,056	580,443
Accumulated depreciation at 1 July 2016		(151,498)	(1,852)	(70,177)	(3,211)	(4,547)	(8,020)	-	(239,305)
		185,538	3,788	70,615	12,041	43,304	19,794	6,056	341,137
Movements in fair value									
Acquisition of assets at fair value		-	-	-	-	-	-	19,216	19,216
Revaluation increments/(decrements)		32,094	242	-	-	-	-	-	32,336
Fair value of assets disposed/written off		(4,274)	-	-	-	-	-	-	(4,274)
Impairment losses recognised in operating result		-	377	-	-	(377)	-	-	-
Transfers		7,680	215	3,046	1,314	4,124	1,039	(17,418)	-
		35,500	834	3,046	1,314	3,747	1,039	1,799	47,278
Movements in accumulated depreciation									
Depreciation and amortisation		(3,808)	(274)	(1,738)	(680)	(1,038)	(1,253)	-	(8,790)
Accumulated depreciation of disposals		2,561	-	-	-	-	-	-	2,561
Revaluation movement		(15,459)	670	-	-	-	-	-	(14,789)
Transfers		-	(75)	-	-	75	-	-	-
		(16,706)	321	(1,738)	(680)	(962)	(1,253)	-	(21,018)
At fair value 30 June 2017		372,536	6,475	143,838	16,567	51,598	28,853	7,855	627,721
Accumulated depreciation at 30 June 2017		(168,204)	(1,531)	(71,916)	(3,891)	(5,509)	(9,272)	-	(260,324)
		204,332	4,943	71,923	12,676	46,089	19,580	7,855	367,398

## Valuation Basis

#### Valuation of Land & Buildings

Land and Land under roads were based on indexation, which has been developed on the basis of comparative sales in the postcodes that has been undertaken by the valuation department (Mr P. Fitzgerald AAPI CPV) based on sales until April 30, 2017. 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.

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

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 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land - non specialised		146,309	-
Land - specialised	-	-	1,274,605
Land under roads	-	-	621,350
Buildings - non specialised		15,855	-
Buildings - specialised	-	-	170,299
Total	-	162,164	2,066,254

#### 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 bridge assets was conducted based on conditional assessment and stocktake performed by independent valuer, which has been verified by Mr. Simon Thomas, B.Eng. (Civil), MIE CP Eng. The valuation was performed based on current condition and replacement cost. The effective date of the valuation is 30 June 2017.

Council's assessment of the Road assets as per the Australian Bureau of Statistics (ABS) indexation movement 31 March 2017 data require a change to carrying amount. The index was used as an indicator, but actual contract rates have been used to compare the movement in unit costs and applied across the asset class, the 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 2017.

## Valuation Basis (cont.)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads		-	204,332
Bridges	-	-	4,943
Footpaths and cycleways			-
Drainage		-	71,922
Road extras	-	-	19,580
Recreational, leisure and community facilities			12,676
Parks, open space and streetscapes	-	-	46,089
Total	-		359,543

No transfers between levels occurred during the year.

Description of significant unobservable inputs into level 3 valuations	2017 \$′000	2016 \$′000
<i>Specialised land and land under roads is</i> 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.	\$ 000	
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 \$18to \$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.		
Reconciliation of specialised land		
Land under roads	621,350	549,050
Land	1,274,605	1,102,655
Total specialised land	1,895,955	1,651,705

	Council			Consolidated		
	2017	2016	2017	2016		
	\$'000	\$'000	\$'000	\$'000		
Note 21 Investment property						
Balance at beginning of the financial year	6,471	5,750	6,471	5,750		
Additions	2,258	496	2,258	496		
Fair value adjustments	121	225	121	225		
Balance at end of financial year	8,850	6,471	8,850	6,471		

## Valuation of investment property

Valuation of investment property has been determined annually by Council Valuers. All tenant leases are on arm's length basis. Investment property is carried at fair value being \$8.85 million (2016, \$6.47 million), based on the current market value of the property.

	Council			Consolidated	
	2017	2016	2017	2016	
	\$'000	\$'000	\$'000	\$'000	
Note 22 Intangible assets					
Software	2,575	2,815	2,575	2,815	
Tenant lease incentives	-	-	36	39	
Total intangible assets	2,575	2,815	2,611	2,855	

Council	Software \$'000	Total \$'000
Gross carrying amount		
Balance at 1 July 2016	10,451	10,451
Opening WIP	248	248
Other Additions	455	455
Closing WIP	286	286
Balance at 30 June 2017	11,440	11,440
Accumulated amortisation and impairment		
Balance at 1 July 2016	(7,883)	(7,883)
Amortisation expense	( 982 )	(982)
Balance at 30 June 2017	( 8,865 )	( 8,865 )
Net book value at 30 June 2016	2,815	2,815
Net book value at 30 June 2017	2,575	2,575

Note 22 Intangible assets (cont.)

		Tenant		
		Lease		
Consolidated	Software	Incentives	Total	
	\$'000	\$'000	\$'000	
Gross carrying amount				
Balance at 1 July 2016	10,451	41	10,492	
Opening WIP	248	-	248	
Additions from internal developments	455	-	455	
Closing WIP	286	-	286	
Balance at 30 June 2017	11,440	41	11,482	
Accumulated amortisation and impairment				
Balance at 1 July 2016	(7,883)	(3)	(7,886)	
Amortisation expense	( 982 )	(3)	(984)	
Balance at 30 June 2017	( 8,865 )	(5)	(8,870)	
Net book value at 30 June 2016	2,815	39	2,855	
Net book value at 30 June 2017	2,575	36	2,611	

	Coun	Council		dated
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Note 23 Trade and other payables				
Trade payables	9.716	11.091	9.834	11,217
Accrued expenses	5,189	4,865	5,189	4,865
Other	1,350	1,373	1,384	1,420
Total trade and other payables	16,255	17,329	16,407	17,501

## Note 24 Trust funds and deposits

Refundable building deposits	4	8	4	8
Refundable contract deposits	645	782	645	782
Fire Service Property Levy	1,264	1,207	1,264	1,207
Retention amounts	852	792	852	792
Other refundable deposits	3,351	2,224	3,351	2,224
Total trust funds and deposits	6,117	5,013	6,117	5,013

#### 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	Long service leave	Gratuity	Time in lieu / Accrued day off	Total
(a) Employee Provisions	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2017 Council					
Balance at beginning of the financial year	4,627	10,550	154	467	15,798
Additional provisions	3,531	882	1	1,006	5,420
Amounts used	(3,205)	(676)	-	(1,028)	(4,909)
Change in the discounted amount arising because of					
time and the effect of any change in the discount rate	(13)	(21)	-	-	(34)
Balance at the end of the financial year	4,940	10,735	155	445	16,275
2017 Consolidated					
Balance at beginning of the financial year	4,685	10,603	154	467	15,910
Additional provisions	3,573	905	1	1,006	5,485
Amounts used	(3,250)	(676)	-	(1,028)	(4,954)
Change in the discounted amount arising because of					
time and the effect of any change in the discount rate	(13)	(21)	-	-	(34)
Balance at the end of the financial year	4,996	10,812	155	445	16,407
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)
Change 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)
Change 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

	Council		Consolidated	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
(a) Employee provisions				
Current provisions expected to be wholly settled within 12 months				
Annual leave	2,476	2,514	2,520	2,546
Long service leave	311	288	311	297
Time in lieu	64	57	64	57
Accrued day off	381	410	381	410
	3,231	3,269	3,275	3,309
Current provisions expected to be wholly settled after 12 months				
Annual leave	2,464	2,113	2,476	2,140
Long service leave	8,510	8,246	8,527	8,254
	10,974	10,359	11,003	10,394
Total current employee provisions	14,206	13,628	14,279	13,703
Non-current				
Long service leave	1,915	2,016	1,973	2,053
Retirement gratuity	155	154	155	154
Total non-current employee provisions	2,069	2,170	2,128	2,207

		Council		Consolidated		
		2017	2016	2017	2016	
		\$'000	\$'000	\$'000	\$'000	
Note 25	Provisions (cont.)					
	Aggregate carrying amount of employee provisions:					
	Current	14,206	13,628	14,279	13,703	
	Non-current	2,069	2,170	2,128	2,207	
	Total aggregate carrying amount of employee provisions	16,275	15,798	16,407	15,910	
	The following assumptions were adopted in measuring the present value of long service leave and retiring gratuity:					
	Weighted average increase in employee costs	2.50%	2.50%	2.50%	2.50%	
	Weighted average discount rates	1.68%	1.59%	1.68%	1.59%	
	Weighted average settlement period	12 months	12 months	12 months	12 months	
	(b) Insurance Excess Provision					
	Current	200	200	200	200	
	Aggregate carrying amount of total provision:					
	Current	14,406	13,828	14,479	13,903	
	Non-current	2,069	2,170	2,128	2,207	
	Total provisions	16,475	15,998	16,607	16,110	

		Cound	cil	Consolidated		
		2017	2016	2017	2016	
Note 26	Interest-bearing loans and borrowings	\$'000	\$'000	\$'000	\$'000	
	Current					
	Finance leases	14	170	14	170	
	Borrowings - secured (1)	1,500	1,897	1,500	1,897	
		1,514	2,067	1,514	2,067	
	Non-current					
	Finance leases	77	109	77	109	
	Borrowings - secured (1)	7,500	9,000	7,500	9,000	
		7,577	9,109	7,577	9,109	
	Total	9,091	11,176	9,091	11,176	
	(1) Borrowings are secured by rates income of the Council.					
	a) The maturity profile for Council's borrowings is:					
	Not later than one year	1,500	1,897	1,500	1,897	
	Later than one year and not later than five years	4,500	6,000	4,500	6,000	
	Later than five years	3,000	3,000	3,000	3,000	
		9,000	10,897	9,000	10,897	
	b) The maturity profile for Council's finance lease liabilities is:					
	Not later than one year	14	170	14	170	
	Later than one year and not later than five years Later than five years	77	123	76 -	123	
	Minimum lease payments	91	292	91	292	
	Less: Future finance charges	- 01	(14)		(14)	
	Present value of minimum lease payments	91	279	91	279	
	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	14	170	14	170	
	Non-current					
	Leases	77	109	77	109	
	Total	91	279	91	279	
	c) Aggregate carrying amount of interest-bearing loans and borrowings:					
	Current	1,514	2,067	1,514	2,067	
	Non-current	7,577	9,109	7,577	9,109	
		9,091	11,176	9,091	11,176	
Note 27	Net gain / (loss) on disposal/write off of property, infrastructure, plant and equipment					
	Proceeds from sales	1,281	504	1,281	504	
	Written down value of assets disposed/written off	(2,295)	(1,966)	(2,295)	(1,966)	
	Total net gain / (loss) on disposal/write off of property, infrastructure, plant and equipment	(1,014)	(1,462)	(1,014)	(1,462)	

Note 28 Reserves

ote 28	Reserves			Share of	
		Balance at beginning of financial year	Increment (decrement)	increment (decrement) on revaluation by joint operation	Balance at end of financial year
(a)	Asset revaluation reserves	\$'000	\$'000	\$'000	\$'000
	2017 Property				
	Land	849,218	177,817		- 1,027,035
	Land under roads	168,460	72,300	)	- 240,760
	Buildings	172,664	(289)	1	- 172,375
	Heritage buildings	15,267			- 15,267
		1,205,610	249,828		- 1,455,438
	Infrastructure				
	Roads, streets, rights of way & bridges	102,241	17,548		- 119,789
	Road extras	12,182			- 12,182
	Drainage	29,120			- 29,120
	Recreational, leisure and community	1,672			- 1,672
	Parks, open space and streetscapes	5,927			- 5,927
		151,142	17,548	1	- 168,690
	Plant and equipment				
	Heritage plant & equipment	934			- 934
	Total Asset revaluation reserve	1,357,686	267,376		- 1,625,062
	2016				
	Property				
	Land	656,359	192,859		- 849,218
	Land under roads	75,250	93,210		- 168,460
	Buildings	174,697	(2,033)		- 172,664
	Heritage buildings	19,198	(3,931)		- 15,267
		925,504	280,106	1	- 1,205,610
	Infrastructure				
	Roads, streets, rights of way & bridges	102,241			- 102,241
	Road extras	12,182			- 12,182
	Drainage	24,453	4,667		- 29,120
	Recreational, leisure and community	1,061	611		- 1,672
	Parks, open space and streetscapes	3,760	2,167		- 5,927
		143,697	7,445		- 151,142
	Plant and equipment				
	Heritage plant & equipment	934	-		- 934
	Total Asset revaluation reserve	1,070,135	287,551		- 1,357,686

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

		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
(b)	Other reserves	\$'000	\$'000	\$'000	\$'000	\$'000
	2017					
	Open Space Reserve	46,396	16,363	(18,288)	44,471	44,471
	Off-Street Parking Reserve	1,027	30	-	1,057	1,057
	Developer Contributions	1,049	150	(339)	859	859
	Future Fund Reserve	11,729	2,800	-	14,529	14,529
	Infrastructure - Roads Damaged Reserve	274	-	(2)	272	272
	Park Reinstatement Reserve	240	470	-	710	710
	Total other reserves	60,715	19,813	( 18,628 )	) 61,899	61,899
	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

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

		Coun	cil	Consoli	dated
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Note 29	Reconciliation of cash flows from operating activities to surplus				
	Surplus for the year	42,259	33,110	42,235	33,184
	Depreciation/amortisation	17,946	17,554	18,219	17,824
	(Gain)/Loss on disposal of property, infrastructure, plant and equipment	(808)	33	(805)	33
	Assets written off	1,821	1,429	1,821	1,429
	Share of net (profit)/loss of joint operation accounted for by the equity method	-	(190)	-	(190)
	Fair value adjustments for investment property	(121)	(225)	(121)	(225)
	Change in assets and liabilities:				
	(Increase)/decrease in trade and other receivables	814	(820)	969	(586)
	(Increase)/decrease in prepayments	214	(344)	218	(341)
	Increase/(decrease) in accrued income	(29)	60	(29)	60
	Increase/(decrease) in trade and other payables	(355)	2,610	(357)	2,634
	(Decrease)/increase in other liabilities	1,483	657	1,470	667
	Increase in provisions	477	777	497	789
	Net cash provided by operating activities	63,702	54,649	64,118	55,278
Note 30	Financing arrangements				
	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	(16,559)	(16,550)	(16,559)	(16,550)
	Unused facilities	274	284	274	284

# Note 31 Commitments

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

2017	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	<b>\$ 000</b>	<b>\$ 000</b>	<b>\$ 000</b>	÷ 000	<b>\$ 000</b>
Municipal turf maintenance and mowing services	2,468	2,437	2,221		7,126
Consultancies	135	-	-	-	135
Parking enforcement and car parks	7,991	8,231	8,478	-	24,700
Central record services	439	-	-	-	439
Management of car parks	100	103	106	-	309
Hard & green waste collection	841	881	369	-	2,091
Cleaning of municipal buildings & aquatics centres	844	764	-	-	1,607
Recycling Collections	990	-	-	-	990
Building Maintenance Services	1,620	-	-	-	1,620
Other contractual obligations	2,045	1,838	4,935	-	8,818
Total	17,473	14,254	16,109	-	47,835
Capital					
Buildings	2,186	588	-	-	2,774
Roads	69	-	-	-	69
Drainage	-	-	-	-	-
Cato Street car park redevelopment	890	1,137	59	-	2,086
Other capital works	6,361	54	38		6,453
Total	9,506	1,779	97	-	11,382

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	+ 000	+ 000	+ 000	+ 000	+ 000
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
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

Cou	ıncil	Conso	lidated
2017	2016	2017	2016
\$'000	\$'000	\$'000	\$'000

#### Note 32 Operating leases

#### (a) Operatinglease 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	574	519	574	519
Later than one year and not later than five years	982	1,205	982	1,205
	1,556	1,724	1,556	1,724

## (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	2,109	2,011	603	467
Later than one year and not later than five years	1,042	4,605	1,042	1,518
	3,151	6,617	1,645	1,985

## 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 2017, 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.

#### Note 33 Superannuation (cont'd)

#### 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 2017 was 103.1%.

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 2016 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 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). 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 an 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 three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

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

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

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

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

#### 2016 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$40.3 million; and

A total service liability surplus of \$156.0 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 2016. 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 2017 VBI during August 2017.

## Note 33 Superannuation (cont'd)

## 2017 Full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

## Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$1.02 million.

# Note 34 Contingent liabilities and contingent assets

#### Defined superannuation benefit

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 33. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

#### 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 2016, same position).

#### Contingent assets

#### Legal Matters

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. Judgement has been made in Council's favour in respect of one of these matters. However as the cost order on this matter is yet to be determined, and the remaining matters are not yet finalised, the financial outcome of these matters cannot be reliably estimated and no allowance for these contingencies has been made in the financial report (30 June 2016, nil).

#### 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 council financial instruments will fluctuate because of changes in market prices. The Council's exposure 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 Council 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.

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.

#### Note 35 Financial instruments (cont'd)

#### (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 + 1% and -1% in market interest rates (AUD) from year-end rates of 2.62%. These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

#### Note 36 Related party disclosures

# (i) Related Parties

(iii)

Parent Entity Stonnington City Council is the parent entity.

#### Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 15.

#### (ii) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are: Councillors Councillor Jami Klisaris (1 July 2016 - Current; Mayor 9 November 2016 - Current) Councillor Claude Ullin (1 July - 2 November 2016; Mayor 1 July - 2 November 2016) Councillor John Chandler Councillor Melina Sehr Councillor Matthew Koce Councillor Erin Davie (1 July - 2 November 2016) Councillor John McMorrow (1 July - 2 November 2016) Councillor Tini Athanasopoulos (1 July - 2 November 2016) Councillor Jim Athanasopoulos (1 July - 2 November 2016) Councillor Glen Atwell (3 November 2016 - Current) Councillor Judy Hindle (3 November 2016 - Current) Councillor Marcia Griffin (3 November 2016 - Current) Councillor Sally Davis (3 November 2016 - Current) Councillor Steve Stefanopoulos (3 November 2016 - Current) **Chief Executive Officer** Mr. Warren Roberts General Managers Mr Geoff Cockram General Manager Corporate Services Ms Karen Watson General Manager Community and Culture Mr Simon Thomas General Manager Assets and Services Mr Stuart Draffin General Manager Planning and Amenity 2017 No. **Total Number of Councillors** 14 5 Chief Executive Officer and other Key Management Personnel 19 **Total Key Management Personnel** Remuneration of Key Management Personnel 2017

	+ 000
Total remuneration of key management personnel was as follows:	
Short-term benefits	1,536
Post-employment benefits	117
Other long-term benefits	30
Termination benefits	-
Total remuneration	1,683

\$'000

# Note 36 Related party disclosures (cont'd)

## (iii) Remuneration of Key Management Personnel (cont.)

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2017
	\$'000
\$1 - \$9,999	4
\$20,000 - \$29,999	5
\$30,000 - \$39,999	4
\$70,000 - \$79,999	1
\$230,000 - \$239,999	2
\$240,000 - \$249,999	2
\$360,000 - \$369,999	1
	19

# (iv) Transactions with related parties

During the period Council entered into the following transactions with related parties.

Type of transaction	Terms	Aggregate Amount (incl GST) \$'000
Rental, garbage collection fees and reimbursements from Prahran Market Pty Ltd	Management agreement	1,551
Base rent paid to Prahran Market	Rental agreement	26

# (v) Outstanding balances with related parties

The following balance is outstanding at the end of the reporting period in relation to transactions with related parties.

Type of transaction	Terms	Aggregate Amount (incl GST) \$'000
Amounts receivable from Prahran Market Pty Ltd	Memorandum of understanding	61

# (vi) Loans to/from related parties

There are no outstanding loans to/from related parties.

# (vii) Commitments to/from related parties

Prahran Market Pty Ltd has a Management Agreement with the Stonnington City Council for the period 1 July 2013 to 30 June 2018. A related parties commitment for rent from the Market is \$1,505,961.

## Note 37 Senior officer remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who: a) has management responsibilities and reports directly to the Chief Executive; or b) whose total annual remuneration exceeds \$142,000

The number of Senior Officers are shown below in their relevant income bands	number of Senior Officers are shown below in their relevant income bands: Council		Consolidated		
	2017	2016	2017	2016	
Income Range:	No.	No.	No.	No.	
< \$142,000	-	1	-	1	
\$142,000 - \$149,999	-	2	-	2	
\$150,000 - \$159,999	5	5	5	5	
\$160,000 - \$169,999	6	10	6	10	
\$170,000 - \$179,999	9	3	9	3	
\$180,000 - \$189,999		1	-	1	
	20	22	20	22	
	\$'000	\$'000	\$'000	\$'000	
Total Remuneration for the reporting year for Senior Officers included above, amounted to	3,339	3,555	3,339	3,555	

# Note 38 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

# Certification of the Financial Statements

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 Date : 4 September 2017 Malvem

In our opinion the accompanying financial statements present fairly the financial transactions of Stonnington City Council for the year ended 30 June 2017 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.

Jami Klisaris

Councillor Date : 4 September 2017 Malvern

John Chandler Councillor Date : 4 September 2017 Malvern

Warren Roberts

Chief Executive Officer Date : 4 September 2017 Malvern



# Independent Auditor's Report

Opinion	I have audited the financial report of City of Stonnington (the council) which comprises the:
	balance sheet as at 30 June 2017
	<ul> <li>comprehensive income statement for the year then ended</li> </ul>
	<ul> <li>statement of changes in equity for the year then ended</li> </ul>
	<ul> <li>statement of cash flows for the year then ended</li> </ul>
	<ul> <li>statement of capital works for the year then ended</li> </ul>
	<ul> <li>notes to the financial statements, including a summary of significant accounting policies</li> </ul>
	certification of the financial statements.
	The financial report is the consolidated financial statements of the consolidated entity, comprising Stonnington City Council and the entity it controlled at the years end or from time to time during the year as disclosed in note 1 (c) to the consolidated statements.
	In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for
	the year then ended in accordance with the financial reporting requirements of Part 6 of the Local Government Act 1989 and applicable Australian Accounting Standards.
Basis for	I have conducted my audit in accordance with the Audit Act 1994 which incorporates the
Opinion	Australian Auditing Standards. My responsibilities under the Act are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report.
	My independence is established by the Constitution Act 1975. My staff and I are
	independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional
	Accountants (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.
	I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors'	The Councillors of the council are responsible for the preparation and fair presentation of
responsibilities	the financial report in accordance with Australian Accounting Standards and the Local
for the	Government Act 1989, and for such internal control as the Councillors determine is
financial	necessary to enable the preparation and fair presentation of a financial report that is free
report	from material misstatement, whether due to fraud or error.
	In preparing the financial report, the Councillors are responsible for assessing the council's
	ability to continue as a going concern, and using the going concern basis of accounting
	unless it is inappropriate to do so.

# To the Councillors of City of Stonnington

Level 31 / 35 Collins Street, Melbourne Vic 3000

T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report As required by the Audit Act 1994, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of
  accounting and, based on the audit evidence obtained, whether a material
  uncertainty exists related to events or conditions that may cast significant doubt on
  the council's ability to continue as a going concern. If I conclude that a material
  uncertainty exists, I am required to draw attention in my auditor's report to the
  related disclosures in the financial report or, if such disclosures are inadequate, to
  modify my opinion. My conclusions are based on the audit evidence obtained up to
  the date of my auditor's report. However, future events or conditions may cause the
  council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

7. J. Loughan

MELBOURNE 8 September 2017

Tim Loughnan as delegate for the Auditor-General of Victoria

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**City of Stonnington T** 8290 1333 **F** 9521 2255 council@stonnington.vic.gov.au PO Box 21, Prahran Victoria 3181

**Service Centres** 

311 Glenferrie Road, Malvern Corner Chapel and Greville Streets, Prahran 293 Tooronga Road, Malvern

# STONNINGTON.VIC.GOV.AU



