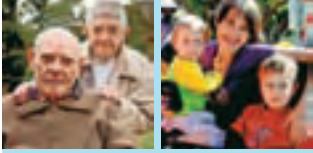


# Annual Report



2005–2006



年度報告

ΕΤΗΣΙΑ ΑΝΑΦΟΡΑ

ROCZNE SPRAWOZDANIE

ГODOBOЙ ОТЧЕТ





# Annual Snapshot

## 2005 – 2006

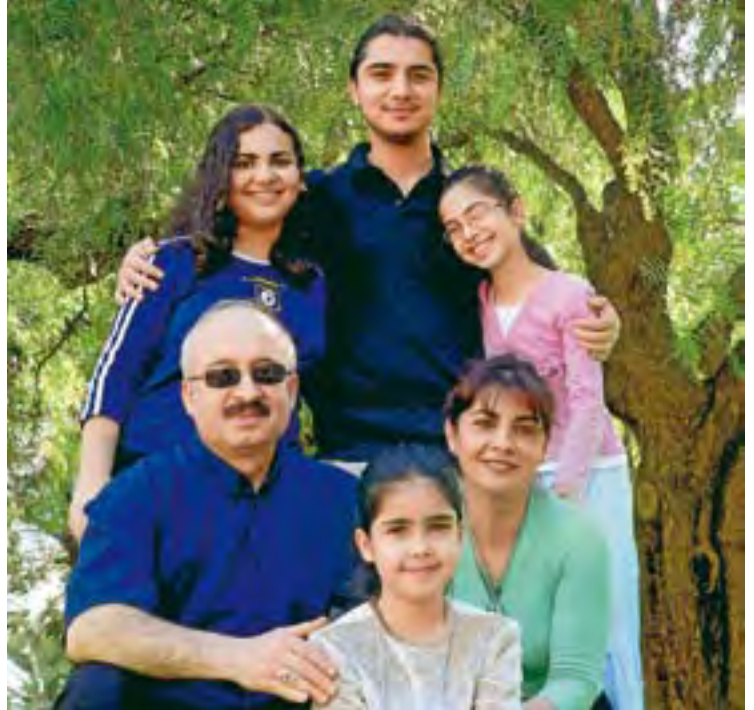


### One city, many neighbourhoods

The City of Port Phillip is home to almost 80,000 people living in Port Melbourne, South Melbourne, Albert Park, Middle Park, St Kilda, St Kilda Road, East St Kilda, Elwood and Ripponlea.

### Welcome to the neighbourhood

The Dabarakov family became Australian citizens at a ceremony hosted by Port Phillip in the St Kilda Botanic Gardens.



### Gelato rivals cakes

Thousands enjoyed the new wider footpath along Acland Street's cake and gelato strip. The council and traders also teamed up to better cleanup the street with wind proof ashtrays and daily cleaning. Acland Street, like all Port Phillip shopping centres, is cleaned twice daily.

### New beach at Beacon Cove

A new beach and promenade was opened to the public at Beacon Cove.

### Daily before dawn

Over summer, mechanical beach cleaners work every day from 4 am! Working north from Elwood, the tide line is cleaned daily to pick up flotsam. Other parts of the beach are cleaned weekly – every week of the year.



### Cut, colour and consultation on Carlisle

Hairdressers at Simrod Salon in Carlisle Street were part of a unique consultation about the future of their street. Hundreds of locals had their say about hot topics like parking, the mix of activities and getting around. Local hairdressers were 'briefed' about the issues so they could pass on the information to their customers.

### Here to ASSIST you

Either by telephone, email, fax or a friendly face at the ASSIST service counters in the three town halls, Port Phillip responded to over 200,000 enquiries.

### Childcare tops the list

The council committed over \$5.4 million to create 127 new places and save 100 places in existing centres. But with 1935 children waiting for care in Port Phillip, much more needs to be done by the private sector and government.

The council organised a childcare forum attended by representatives of the federal and state government to press the case for more action.

### Shipwrecked in St Kilda

The artist's impression of the shipwrecked Lady of St Kilda started as part of the Commonwealth Games cultural program and became a popular (albeit temporary) addition to the foreshore landscape.



### Home for the homeless

Spiralling real estate values and rents has threatened to squeeze out on many long term Port Phillip residents. The council helped to provide low income housing with the opening of Excelsior Hall (pictured), Woodstock and the development of the Enfield House.

### Commonwealth of sport

Port Phillip played host to the triathlon, marathon and road cycling events. Thousands of locals joined millions worldwide as Emma Snowsill took the Women's triathlon gold after running, swimming and riding through the streets of St Kilda.

Pic: Paul Harris/ The Age



### Games for all

Locals learned how to dance Cook Island style at the Commonwealth Games Welkam in O'Donnell Gardens.



### Pier for a Prince

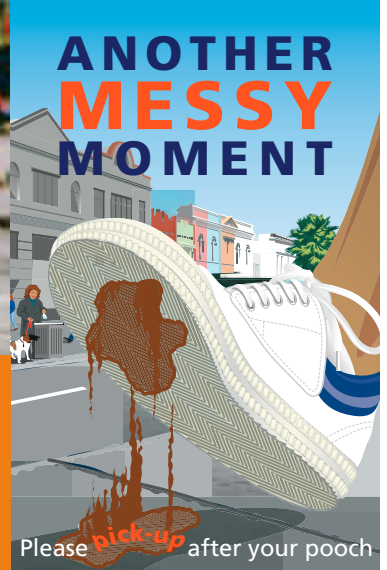
The State Government allocated \$14 million to refurbish Princes Pier in Port Melbourne.

### Beachside resuscitation

Middle Park Beach received over 20,000 cubic metres of sand in time for summer. Ironically most of the sand came from the St Kilda spit and Port Melbourne Beach where it went after last year's big storm.

### Messy business

With 8000 registered pets in our city, dog poo is a problem. The council urged owners to do the right thing.



Carry some plastic bags  
FREE bag holders are available  
from the council. Phone 9209 6777



### Ride beside the seaside

The opening of the Sandridge Beach bike and pedestrian path means that cyclists can now ride from Mentone to Fishermans Bend on the scenic, safe Bay Trail.



### New bus has room for everyone

A new 18 seat bus with wheelchair access now runs a free service along three routes every week day. It connects residents to local shopping centres, libraries, town halls, community centres and the Alma Road pool – and, for the very first time, both to and from the Alfred Hospital.



### Happy holidays

Hands up who wants a ride on a real fire engine? Ned, Hunter and Annie raced around St Kilda on a vintage fire engine as part of the school holiday activities. Other fun holiday happenings featured reptiles and aboriginal history.



### Skate Park starts rolling

After six years of community consultation, the council approved plans for a skate park in Albert Park Reserve near Fitzroy Street.

### Elwood heritage recognised

A comprehensive heritage study of Elwood and Ripponlea recommended heritage protection for four precincts and 57 individual properties.



### Raindrops keep falling on my head

The St Kilda rain man is the perfect Melbourne sculpture – when the sun shines the rain pours! The solar pump responds to the sun and recycles more water through the sculpture. Not only does he look good, but he helps keep the pond free of toxic algal blooms.



### Senior service

The council helps about 2000 residents to stay in their own home with home help, meals on wheels and home maintenance. The council decided to loan up to \$3 million to the South Port Community Residential Home to help it buy a new site. Pictured: David and Ethel Turnbull have lived locally for over 80 years.

# REPORT NON-CRIMINAL BEHAVIOUR NOW. CRIME RATES PLUMMET



1.7  
1.6  
1.5  
1.4  
1.2  
1.1



HELPED OLD PERSON  
ACROSS THE ROAD ✓

NON-CRIME  
HOTLINE  
REWARDS  
AVAILABLE **9209 6467**



### Longer, wider and safer

Plans were unveiled for a multi million dollar upgrade to the St Kilda foreshore promenade. Set to start in Autumn 2007, the promenade will have a 700 metre boardwalk featuring a mix of wood and paving.

### Write stuff

The St Kilda Writer's Festival was a real page turner with nearly 2000 people participating in literary murder and mayhem.



### Market is deli-luscious

It was business as usual as the South Melbourne Market enjoyed a facelift. The new lift, deli aisle and upgrade York Street car park have proved to be a hit with shoppers.

# One City, Many Neighbourhoods



## Old friend shines

The St Kilda Pier kiosk rose splendidly from the ashes to welcome the masses again. The heritage design combines well with a swanky new restaurant extension.



## Walk the talk

Walk & Talk tours of the city continued to be very popular. Tours look at the St Kilda Town Hall, historic Port Melbourne and the steamy streets of St Kilda.



## Sporty city

With Parks Victoria (at Albert Park), Port Phillip has 75 sporting clubs with over 14,000 members. Last summer's lifestyle and leisure program offered over 1200 opportunities to get active and involved.



## Women helping women

After the devastating Boxing Day 2004 tsunami, Port Phillip has contributed to the International Women's Development Agency program of reconstruction in Sri Lanka. The funds are supporting a women's community centre and trauma counselling over the next 3 years.

## Town Hall construction starts

Work started on a major construction at the St Kilda Town Hall. The heritage buildings will be supplemented with three levels of office accommodation, more community facilities and a restored great hall.



## Party in the streets

The council helped neighbours organise 26 street parties. The street party kit helps with road closures, insurance and BBQ equipment.

## Clean sweep

The council allocated about \$3.8 million to street and beach cleaning in 2005/06.



## Cool for cats

Four legged escapees now travel in style in new Mercedes Vito vans emblazoned with important messages about responsible pet ownership for their two legged owners.

Pick up the full Port Phillip Annual Report from any council office, ASSIST 9209 6777 or at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au)

# Contents

The Mayor	2	<b>4. Effective Governance</b>	<b>37</b>
The Chief Executive Officer	3	Effective Service Delivery	38
The City	4	Local Government Improvement Incentive Program (LGIP)	38
▪ What makes Port Phillip great	4	Best Value	38
▪ A brief history	4	National Competition Policy	38
▪ Local Government	4	Risk Management	40
The Services	5	▪ Risk Awareness	40
The Location	5	▪ Insurance and Risk Reduction	40
The Councillors	6	▪ Annual Liability Assessment Audit	40
		▪ Annual Property Audit	40
<b>1. 2005/2006 Performance</b>	<b>8</b>	Audit Committee and Internal Audit	41
Awards	9	Delegation to the Chief Executive Officer	41
Capital Works	10	Councillor Remuneration	41
Planning at Port Phillip	11	Freedom of Information	42
Community Vision	11	Public Documents	43
10 Year Focus - Community Plan	12	Privacy	43
4 Year Focus - Council Plan	12	Whistleblowers	44
7 Challenges Review Table	12		
Annual Focus - Highlights and 4 Pillars	16	<b>5. Financial Report</b>	<b>45</b>
Performance Statement (Audited)	18	Plain English Guide to the Financial Statements	46
Victorian Local Government Indicators	23	Financial Performance	48
		Standard Statements and Financial Report	53
<b>2. Decision Making &amp; Consultation</b>	<b>26</b>	Financial Statements	64
Decision Making	27		
Council Meetings	27	<b>6. Other</b>	<b>113</b>
Advisory Committees	27	Glossary	114
Neighbourhood forums	29	Contact Us	116
Consultation opportunities	29		
		<b>7. Best Value Annual Report</b>	<b>117</b>
<b>3. The Organisation</b>	<b>30</b>		
Organisational Structure	31		
The Executive Directors	32		
Leadership and Culture	34		
Supporting and Developing our Employees	34		
Appreciating Diversity	35		
Health, Safety and Wellbeing	35		
Staff Breakdown	36		

## The Mayor



The role of the council is all about helping make the Port Phillip community a better place. We can only do this through open community conversations to set the city's vision and goals, and through transparent governance and rigorous accountability. This annual report is one part of the council's accountability to the community, giving us an opportunity to reflect on the past year.

There have been many highlights in 2005-2006. Middle Park Beach was replenished with 21,000 cubic metres of sand. After many years of advocacy by the council and local residents, state government funding was announced to restore Port Melbourne's Princes Pier and to build the Plummer Street bypass. The refurbishment of South Melbourne Market continued apace – making sure the market will stay a citywide drawcard for shopping and the community. We began discussions with local residents and traders about the future of Carlisle Street in East St Kilda/Balaclava. A heritage study of Elwood was completed which will help protect the beautiful architecture there.

Planning for long-term solutions is critical if we are going to keep Port Phillip a great place to live in, to trade in and to visit. A new child care policy was adopted and a capital works program started to create new child care places. I very much look forward to the opening of the new Elwood Family & Childrens Centre in Elwood in 2007. The council has also been working with South Port Community Residential Home and other aged care providers to safeguard the future of local aged care.

In the first half of 2006 we began a large city-wide conversation to develop a new ten-year Community Plan for Port Phillip. We are expecting at least 5,000 people will participate. This will help us work out together how Port Phillip can stay a beautiful, livable place into the future - with a lively and diverse community life.

I encourage you to participate in the community discussions to shape this city's future and keep the City of Port Phillip great.

A handwritten signature in black ink, appearing to read 'J Bolitho'.

**Councillor Janet Bolitho  
Mayor**



## The Chief Executive Officer



The population of the City of Port Phillip is changing – resident numbers are growing, and community needs are shifting. Making sure core services keep pace with these changes is critical.

Ageing community facilities need to be renewed and maintained, and brought up to date with contemporary needs. Social inclusion and diversity need to be supported. Underpinning all this is the need to deliver good value for money to ratepayers.

In order to drive high performing services and programs, the council traditionally aims high – and sets itself difficult performance targets. However, the council's achievements for the past year are impressive and are covered in more detail in this report.

We achieved over 80% of our annual initiatives and the balance will be largely completed by December 2006. Some initiatives are dependent on the actions of government and non-government partners. In these cases we seek to progress community outcomes as far as possible. We expect to be complete 85% of the outstanding exceptions in 2006/07.

The formal performance statement shows that the council achieved 42% of targets, but many of these projects have advanced considerably. At least 60% of the balance will be completed by early 2007.

Highlights of the past year include a significant capital works program to improve roads, footpaths and drains. We have also been working towards rejuvenating and refreshing Port Phillip's waterfront and foreshore, including the St Kilda's Edge group of projects. It is pleasing that while the council is addressing these long-term challenges, careful management has ensured Port Phillip is in a healthy financial position.

The council can only address the city's challenges through real conversation and input from residents, traders and ratepayers. If you have feedback about a council service or facility why not let us know? The council responds to 190,000 enquiries per year and we'd be delighted to receive more. To contact the council phone ASSIST on 9209 6777 or email [assist@portphillip.vic.gov.au](mailto:assist@portphillip.vic.gov.au)

A handwritten signature in black ink, appearing to read 'David Spokes'. The signature is stylized and cursive.

**David Spokes**  
**Chief Executive Officer**

# The City

## What makes Port Phillip great

The City of Port Phillip is located on the northern shore of Port Phillip Bay, south of the Melbourne Central Business District, Victoria, Australia.

One of the oldest areas of European settlement in Melbourne, Port Phillip is known for its many dynamic urban villages, a foreshore which stretches for over 9km, cultural diversity, magnificent heritage buildings, artistic expressions and beautiful parks and gardens.

Port Phillip is well served by a number of varied and substantial retail, entertainment and leisure precincts. These include Bay Street (Port Melbourne), Clarendon Street (South Melbourne), Fitzroy and Acland Streets (St Kilda), Carlisle Street (Balaclava), and Ormond Road (Elwood).

A number of significant employment areas sit within Port Phillip, including the St Kilda Road office district and industrial, warehousing and manufacturing districts in South Melbourne and Port Melbourne.

The city experienced a significant amount of residential development during the 1990s, particularly in areas close to the foreshore.

Port Phillip is well served by public transport with a substantial tram network, the St Kilda and Port Melbourne light rail lines and train stations at Balaclava and Ripponlea.

## A Brief History

The earliest inhabitants of the area now covered by the City of Port Phillip were the Yalukit-willam, one of the five clans of the Bunurong, known as the coastal tribe, and who were members of the Kulin nation. They inhabited the swampy areas below Emerald Hill and the sandy-ridged ti-tree covered coastline, which extended from St Kilda to Fishermans Bend (Port Melbourne).

The City of Port Phillip was established on 22 June 1994, following a state government review of Victorian local government boundaries.

Three former cities, St Kilda, South Melbourne and Port Melbourne, were amalgamated to form the City of Port Phillip. Between establishment in 1994 and the first council election for the City of Port Phillip in March 1996, three state government-appointed commissioners conducted the functions of the mayor and councillors.

## Local government

Australia has three tiers or three levels of government: federal, state and local. Local government, or council, is the closest tier of government and plays a key role in people's everyday lives, providing services and infrastructure to allow residents and businesses to prosper.

Local government is responsible for planning and delivering a wide range of services affecting residents, businesses, neighbourhoods and the local community. Councils have the power to make and enforce local laws and collect revenue to fund their activities.

In the City of Port Phillip, there are seven councillors, one for each of the seven wards (detailed on page 6). Councillors are elected every four years, and the next election is in November 2008.

Each Victorian council varies in some ways according to its community, but all councils must operate in accordance with the *Victorian Local Government Act*.

The neighbouring local councils to the City of Port Phillip are City of Melbourne, Bayside, Glen Eira and Stonnington.

More information about local government and the City of Port Phillip is available on the council's website, [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au).



# The City

## The Services

The City of Port Phillip provides a broad range of services for the city's residents, visitors and workers.

The council has responsibility for services under the ground (drains), on the ground (roads, kerbing, nature strips, footpaths and garbage collection), and above the ground (libraries, art spaces, parks and beaches, street lighting, furniture and trees). For example, during 2005/06 the City of Port Phillip

- Kept 9 kilometres of beach clean and safe,
- Emptied about 18,000 tonnes of garbage from 32,000 bins,
- Collected 10,000 tonnes of recyclables (glass, plastic and metal),
- Maintained an extensive network of roads, drains, and footpaths, including 222 kilometres of roads,
- Committed 60,000 hours to elderly and disabled people through Council's home care service, and
- Provided over \$175,000 in grants to community organisations.

## The Location

Area: 20.62 km<sup>2</sup>

## Neighbourhoods

Port Phillip is home to seven distinct neighbourhoods. The council uses the neighbourhood model to manage the delivery of council services and development of community strategies for the purposes of community consultation.

Detailed neighbourhood profiles are available on the council's website at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au)

## Wards

Neighbourhoods are different to municipal wards. The Port Phillip municipality is divided into wards for voting and election of councillors. One councillor is elected in each ward to represent those residents and businesses. Ward boundaries are periodically reviewed to ensure there is approximately the same number of people/voters in each ward. An electoral representation review will be conducted by the Victorian Electoral Commission prior to the next election in November 2008.

## Our service delivery points and facilities

Council's service delivery points and facilities are detailed in the map below:

- |                         |                                |
|-------------------------|--------------------------------|
| 🏛️ Town Hall            | 📖 Library                      |
| 🎮 Club Rooms            | 👶 Maternal Child Health Centre |
| 🎪 Adventure Playgrounds | 🏠 Community Centre             |
| 🌟 Childrens Centre      | 🌿 EcoCentre                    |
| 🎨 Cultural Centre       | 🌳 Open Spaces                  |



# The Councillors



## The Councillors

All Councillors were elected during 2004 for a period of 4 years.

### Janet Bolitho (Mayor Dec 05 - Dec 06)

Ward – Sandridge

Telephone – (03) 9209 6431 (business hours only)

Mobile – 0411 096 400 Fax – (03) 9536 2766

Email – [jbolitho@portphillip.vic.gov.au](mailto:jbolitho@portphillip.vic.gov.au)

First elected – 2004

- Strategy and Policy Review Committee
- Statutory Planning Committee
- Audit Committee
- Human Resources Committee
- Indigenous Forum
- Sustainable Environment Consultative Committee
- External Relations Taskforce
- Friends of Suai Community Taskforce
- St Kilda's Edge Committee
- Association of Bayside Municipalities
- Inner South Metropolitan Mayors Forum
- Municipal Association of Victoria Sustainable Environment Advisory Group
- Victorian Local Sustainability Accord Advisory Committee

### Janet Cribbes (Deputy Mayor Dec 05 – Dec 06)

Ward – Ormond

Telephone – (03) 9209 6705 (business hours)

Mobile – 0411 098 553 Fax – (03) 9536 2769

Email – [jcribbes@portphillip.vic.gov.au](mailto:jcribbes@portphillip.vic.gov.au)

First elected – 2004

- Strategy and Policy Review Committee
- Statutory Planning Committee
- Sustainable Environment Consultative Committee
- Young Persons Forum
- Civic Projects and Citizens of the Year Panel
- Community Grants Assessment Panel
- Elwood family and children's services hub reference group
- External Relations Taskforce
- Healthy & Safer Cities Alliance

#### Reserve

- Municipal Association of Victoria (MAV)
- Port Phillip Housing Association Inc. Committee of Management
- Drugs Round Table
- Community representative - Elwood Secondary College, School council

# The Councillors

## Dick Gross

Ward – **Blessington**

Telephone – (03) 9209 6705 (business hours only)

Mobile – 0411 446 167 Fax – (03) 9536 2708

Email – [dgross@portphillip.vic.gov.au](mailto:dgross@portphillip.vic.gov.au)

First elected – 1999

- Strategy and Policy Review Committee
- Statutory Planning Committee
- Gay Lesbian Bisexual Transgender and Intersex Forum
- Accommodation Strategy Task Force
- St Kilda's Edge Committee
- Metropolitan Transport Forum
- Municipal Association of Victoria (MAV)
- Western Regional Waste Management Group
- Interim Advisory Board of the Metropolitan Waste Group

## Peter Logan

Ward – **Emerald Hill**

Telephone – (03) 9209 6705 (business hours)

Mobile – 0412 697 074 Fax – (03) 9536 2708

Email – [plogan@portphillip.vic.gov.au](mailto:plogan@portphillip.vic.gov.au)

First elected – 2002

- Strategy and Policy Review Committee
- Statutory Planning Committee
- Human Resources Committee
- South Melbourne Market Management Committee
- Urban History Consultative Committee
- Accommodation Strategy Task Force
- Civic Projects and Citizens of the Year Panel
- South Melbourne Town Hall Redevelopment
- Community Reference Panel
- Melbourne Sports and Aquatic Centre Advisory Committee

### Reserve

- Inner Melbourne Community Road Safety Council
- Young Persons Forum

## Darren Ray

Ward – **Alma**

Telephone – (03) 9209 6705 (business hours)

Mobile – 0413 334 523 Fax – (03) 9536 2715

Email – [dray@portphillip.vic.gov.au](mailto:dray@portphillip.vic.gov.au)

First elected – 1999

- Strategy and Policy Review Committee
- Statutory Planning Committee
- Board Member Port Phillip Housing Association Inc.
- State Government Ministerial Housing Council
- Governor St Kilda Police & Citizens Youth Club
- MAV Professional Development Reference Group
- Melbourne 2030 Regional Housing Working Group

## Judith Klepner

Ward – **Albert Park**

Telephone – (03) 9209 6705 (business hours only)

Mobile – 0409 968 850 Fax – (03) 9536 2768

Email – [jklepner@portphillip.vic.gov.au](mailto:jklepner@portphillip.vic.gov.au)

First elected – 2004

- Strategy and Policy Review Committee
- Statutory Planning Committee
- South Melbourne Market Management Committee
- Multicultural Forum
- Older Persons Consultative Committee
- Community Grants Assessment Panel
- South Melbourne Town Hall Redevelopment Community reference Panel
- Drugs Round Table
- Victorian Local Governance Association
- Inner South Community Health board

### Reserve

- Melbourne Sports and Aquatic Centre Advisory Committee

## Karen Sait

Ward – **St Kilda**

Telephone – (03) 9209 6705 (business hours)

Mobile – 0411 098 477 Fax – (03) 9536 2767

Email – [ksait@portphillip.vic.gov.au](mailto:ksait@portphillip.vic.gov.au)

First elected – 2004

- Strategy and Policy Review Committee
- Chair, Statutory Planning Committee
- Fitzroy Street Precinct Traders Association
- Acland Street Precinct Traders Association
- Cultural Development Fund Committee
- Art Acquisition Committee
- Arts Advisory Committee
- Rupert Bunny Fellowship Award Committee
- MAV representative on Prostitution Control Advisory Committee
- Human Resources Committee
- Urban History Consultative Committee
- Accommodation Strategy Task Force
- Friends of Suai Community Taskforce
- St Kilda's Edge Committee
- Inner Melbourne Community Road Safety Council

### Reserve

- Victorian Local Governance Association
- Healthy & Safer Cities Alliance

# I. 2005/2006 Performance



## I. 2005/2006 Performance



### Awards

Awards won by the City of Port Phillip during 2005/2006 include:

#### **Bronze Medal 2006 Commonwealth Games Litter campaign,**

Sustainability Victoria Award for Excellence

#### **Finalist, National Work and Family Awards 2005**

The City of Port Phillip was acknowledged as an 'Employer of Choice' that genuinely values diversity and considers people as its most important asset.

#### **Commendation for StreetLife - Street Parties project,**

2005 Australian Government's National Awards for Local Government, Strong and Resilient Communities category.

The StreetLife project encourages streets and neighbourhoods to hold barbeques and parties to build social relationships

#### **Commendation for Council's Community Hubs 'Assets planning'**

2005 Australian Government's National Awards for Local Government.

The Community Hubs framework is about co-locating council and other community services, information and community meeting spaces.



StreetLife BBQ

## I. 2005/2006 Performance



### Capital Works

In 2005/2006 the City of Port Phillip directed over \$21.6 million towards the rehabilitation, improvement and creation of infrastructure such as roads, footpaths, drains, parks and open space as well as street furniture. The scope of these projects extended from horticultural improvement, planting of additional trees, road and street construction and building improvements to future project design. Following is a snapshot of the 2005/2006 capital works budget:

#### **St Kilda Town Hall Accommodation Strategy**

**\$6.5 million** – Alterations and additions to the Port Phillip municipal offices at St Kilda, to enhance service delivery to the community. Construction works commenced late in 2005. – Carried forward

#### **Childcare Centre compliance works**

**\$110,000** – Alterations arising from regulatory changes covering children's services were undertaken. These works included installation of shade structures, improved fencing, toilet and bathroom improvements.

**Elwood Family & Children's Centre \$1 million** – Design, development and provision for construction of a 90-place Child Care Centre and Maternal Health Centre at Poet's Grove.

#### **South Melbourne Market stage 2 compliance**

**\$1 million** – The deli aisles and Cecil street stalls are being upgraded. There are also improvements to the waste management areas. The installation of a fire sprinkler system together with stall improvements will bring the market up to date with the latest Food Act, Building and Occupational Health and Safety regulations. The project will create a better environment for the stallholders to present their wares to shoppers.

#### **Building Condition Audit Rectification**

**Works \$500,000** – Rectification of defects and major maintenance works to a range of CoPP buildings as identified by Council's Asset Management system.

**Sandridge Beach \$215,000** – Priority works identified in the masterplan were designed and implemented. The works included boulevard planting and foreshore landscaping to connect the Sandridge Foreshore from Beacon Cove to Webb Dock.

**St Kilda's Edge \$1.34 million** – Design, development and provision for construction of the first stages of foreshore works at St. Kilda as outlined in "St Kilda's Edge" – Carried forward

**Greening Port Phillip \$290,000** – Enhancement to streetscapes at various locations.

**Demolition of AW Walker House \$350,000** – Demolition of AW Walker House on foreshore and rehabilitation of the site.

#### **Footpaths \$980,000 -**

Resurfacing of various footpaths across Port Phillip.

#### **Road works -**

Road works including resurfacing on;

- Victoria Lane \$120,000
- Railway Place \$200,000
- Daley Street \$225,000
- Bridport Street \$495,000



# I. 2005/2006 Performance



## Planning at Port Phillip

The planning hierarchy at Port Phillip is based on the pyramid below.

At the top is the Port Phillip Community Plan, which is a ten-year plan developed with the Port Phillip community. It contains the community vision and key priority areas and provides a overarching framework that influences what council does.

The four year Port Phillip Council Plan is the plan of the current council and sets out the Council's strategic objectives, desired outcomes, strategies and the challenges that the council has set itself for its four-year term. It also includes the Strategic Resource Plan, which sets out how it will allocate its financial, and non- financial resources to achieve the four-year plan.

Each year the council develops an annual plan or budget which sets out the key strategic activities or top eleven (see page 18) and initiatives that it will undertake in the financial year. In the Annual Report each year the Council provides a Performance Statement which reports on achievements of the key strategic activities and comments on the targets set in May when the budget was prepared. Traditionally the council sets itself difficult to achieve targets rather than easy performance targets in order to drive performance. Results need to be viewed from the perspective of what has been achieved to progress matters of high importance.

## Community Vision

In the 1997 – 2006 Community Plan, the community vision was for the City of Port Phillip to be a city where diversity and harmony are sustained and encouraged. A place where all members of our community feel connected through a sense of belonging and pride in our city. There is a shared responsibility to ensure all people, regardless of age or cultural and socio-economic background enjoy the benefits of our city and participate in all it has to offer.

The community envisage a city where the environment is valued and protected; where our air and water are clean, and our parks and gardens are well maintained for the enjoyment of all. Our foreshore is protected and enhanced and provides a sanctuary for citizens and wildlife alike. We take pride in the responsibility we have for our environment and shall be seen as leaders in the field of environmental management.

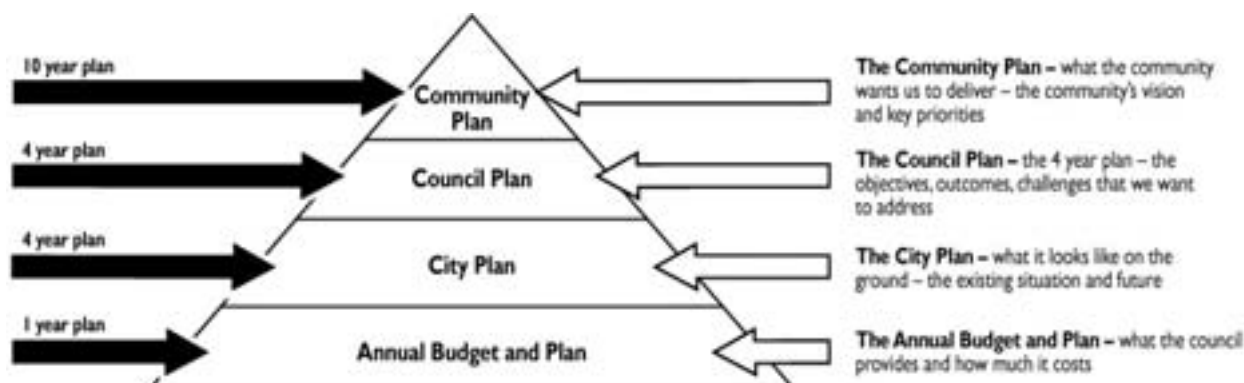
The city will be one in which the needs of residents, businesses and visitors are met through responsible planning and innovative development that is responsive to our unique heritage and identity. Inappropriate and poorly located high-rise development is restricted and a balance is maintained between everyone's needs.

Traffic and transport in the city shall be effectively managed to improve traffic flow and the benefits to public transport users, pedestrians and cyclists. Parking facilities are balanced to reduce traffic congestion and optimise public transport links whilst encouraging environmentally sustainable modes of travel.

We value a city that has dynamic neighbourhoods with distinct character and unique identities; a city within which we can move freely and safely. We see our local council as a leader in its field, particularly in the areas of community consultation and communication, strategic planning, financial management and implementing the community's wishes.

We envisage that our city's services match the people's needs, are innovative, responsive and continually improving. Our services are wide ranging and address the needs of our community on a physical, human and cultural level.

The community's vision is of a city where the council services provide support to the four key pillars of our community – environmental responsibility, economic viability, cultural vitality and social equity – to create a sustainable and harmonious future.



## I. 2005/2006 Performance

### 10 YEAR FOCUS – Community Plan

In 1997 the council developed a community plan in partnership with the Port Phillip community. The City of Port Phillip's community plan set out the community's vision and key priority areas for the next 10 years.

The community plan guides the council's planning and services delivery and is translated into the organisation's council plan and annual service plans and budgets. It is also used track our progress towards becoming a more sustainable community.

In 2006/2007 the Council will work with the community to develop a new Port Phillip Community Plan for 2007–2017.

### 4 YEAR FOCUS – Council Plan

The 2005/2009 Council Plan outlined four main goals, strategic objectives and strategies. A summary of the council's strategic resources plan was also included in the council plan, which explains allocation of our financial and non-financial resources to achieve our strategic objectives. The Council Plan also listed the major initiatives and key strategic activities from our 2005/2006 budget with performance targets and measures.

Looking back, our performance against commitments made in 2005/2006 is demonstrated in a number of ways throughout this Annual Report. The highlights table (page 16) summarises annual performance at a glance. And, the performance statement reports (page 18) on the key strategic activities selected to represent the top priorities for the organisation in 2005/2006.

### 7 Challenges Review Table

In the 2005/2009 Plan the Council set itself 7 challenges that it wanted to focus on during its current term, where it wanted to work towards making a real difference in the city. The review on the following pages lists the results of the strategic indicators that were set as well as some achievements made under each of the 7 challenges.

<b>Challenge 1 – Local Services and Community Centres</b>	
Challenge	<b>I. Better local services and consolidated community centres</b> – Are we building our community and providing better services? Are we providing popular, local community centres where people can access services and participate in community life?
Strategic Indicators	<ul style="list-style-type: none"> <li>▪ Volunteer vacancies that appeared in the volunteer register on council's website – 93 volunteer vacancies</li> <li>▪ Percentage of the community that rate the range of options for leisure, recreation and entertainment as adequate or better – 92%</li> <li>▪ Number of new additional groups and activities introduced into community centres – 29 new groups and 13 new activities</li> <li>▪ Community centres and community facilities usage – 75% across all centres</li> <li>▪ Percentage of community rating satisfaction for overall performance as adequate or better in health and human services – 73%</li> </ul>
Other achievements	<ul style="list-style-type: none"> <li>▪ low income subsidies for child care to support low income earners in the city</li> <li>▪ 106 community projects funded under Community Grants Scheme</li> <li>▪ 23 Cultural Development projects funded</li> <li>▪ Reviewed Multi cultural plan</li> <li>▪ Elwood Family &amp; Children's Services hub planning permit issued – work to commence late 2006.</li> <li>▪ Middle Park Community Centre redevelopment plans signed off by Community Reference Panel – work to commence Dec 2006</li> <li>▪ Commenced discussions on the future of the Mary Kehoe centre to be resolved in 2006/2007</li> <li>▪ Worked towards council's child care centres being fully certified</li> <li>▪ Focussed considerable effort in raising awareness of the community and volunteers sectors. The past 12 months has seen on average 316 hits to the Volunteer Register on the website per month which is a 10% increase from the previous year</li> <li>▪ Facilitating 26 street parties</li> </ul>
Way Forward	<p>We will continue to try in the areas of extending low income subsidies, delivering on current community hubs, and increasing the utilisation rates of key community centres and facilities.</p> <p>Next year will see a focus on resolving the future of the South Port Community Residential Home, building public understanding of the current performance of community facilities, evaluating performance of some Community Centres, and providing demographic data and service data, projections, trends and issues to the organisation and the community to aid in planning for the future.</p>

	Challenge 2 – A better environment	Challenge 3 – Our Special Places
Challenge	<b>2. Build a better environment</b> – Is the city’s ‘green’ performance improving and are sustainable transport choices increasing?	<b>3. Renewing our special places</b> – Are we looking after our special places such as the foreshores, town halls and commercial strips?
Strategic Indicators	<ul style="list-style-type: none"> <li>▪ City of Port Phillip corporate water consumption per annum 04/05 – 311 mega litres, 05/06 – 322 mega litres</li> <li>▪ Proportion of available places in the Sustainable Living at Home program that are taken up – 100% - 62 participants</li> <li>▪ Annual residential waste generation per capita (SCPI) – 249 kg</li> <li>▪ Annual residential recycling rate per capita (SCPI) - 36.1%</li> <li>▪ % Of primary aged school children as a percentage of all primary schools in the walking bus scheme that walk to school – 31%</li> <li>▪ Net increase in the number of street trees - 703 trees</li> <li>▪ The percentage of the community that rate the council’s addressing of environmental issues at the local level as adequate or better -79%</li> <li>▪ Percentage of the community that rate safety for pedestrians and cyclists as adequate or better – 74%</li> <li>▪ Percentage of the community that rate the ease of travelling around the area as adequate or better – 83%</li> <li>▪ Percentage of community rating satisfaction for overall performances as adequate or better: Appearance of public areas – 76% Traffic management and parking facilities – 53% Waste management – 81%</li> </ul>	<p>Significant progress on the following major projects:</p> <ul style="list-style-type: none"> <li>▪ St Kilda’s Edge – significant progress has been achieved with the expected appointment of a consortia to redevelop the triangle site in late 2006 following a competitive tender, design plans finalised for the reconstruction of the foreshore promenade, and considerable work on a number of key projects such as the harbour and the foreshore activities program</li> <li>▪ Port Melbourne waterfront – significant progress with State Government agreement to fund a \$14 million solution to Princes pier, further design work on Beach Street improvements linking to Bay Street, the opening of Sandridge Beach bike path</li> <li>▪ South Melbourne Central (includes South Melbourne Market) – progress on the SMC amendment, construction works at the market, approval of the South Melbourne Coles supermarket redevelopment</li> <li>▪ St Kilda Town Hall redevelopment –demolition commenced in December 2005 and building works have been underway since then.</li> <li>▪ Works on the South Melbourne Town Hall Community, Service and Cultural hub have been progressing at a slower pace</li> <li>▪ ST Kilda Junction has been earmarked as an opportunity under IMAP and over 160 people viewed various student designs for the junction as part of an ongoing plan to raise awareness of the junctions’ long term opportunities.</li> <li>▪ Percentage of community rating satisfaction for overall performances in key service areas and responsibilities in the following areas as adequate or better: Local roads and footpaths – 70% , and Town planning policy and approvals – 66%</li> </ul>
Other achievements	<ul style="list-style-type: none"> <li>▪ CoPP greenhouse emissions per annum decreasing – from 14,650.7 tonnes e-Co2 in 04/05 to 13,576.39 tonnes e-Co2 in 05/06</li> <li>▪ Obtained Vic Roads cooperation to introduce longer pedestrian crossing times to several crossings in the city</li> <li>▪ Won Bronze medal litter award for our Commonwealth games efforts</li> <li>▪ Adopted the 2005-2010 Cycle Plan and the Walk Plan, and new bicycle/walking paths, raised pavement, roundabout and tram stops were built to favour pedestrians.</li> <li>▪ Achieved a plastic free Ormond Road shopping centre</li> <li>▪ Obtained State Government and Yarra Trams support for new tram initiatives</li> <li>▪ Beach renourishment works commenced at Middle Park Beach</li> </ul>	<ul style="list-style-type: none"> <li>▪ Much work has focused on the foreshore with a number of foreshore initiatives detailed throughout the annual report</li> <li>▪ Approval of the Port Phillip Open Space Strategy to guide development and management of open space</li> <li>▪ Establishment of an urban arts data base to encourage urban improvements</li> <li>▪ Establishment of the Paul Hester walk to honour the late local musician</li> <li>▪ Progress on the Elwood Heritage Amendment</li> <li>▪ Repair work to the St Kilda Cemetery wall</li> </ul>
Way Forward	<p>We did well in terms of the council’s greenhouse emissions, the take up of the Sustainable Living at Home program, concluding a regional contract for the processing of recyclables, commitments by government and transport providers to pursue infrastructure improvements and community satisfaction with council addressing environmental issues at the local level.</p>	<p>We did well in terms of gaining government support, both in principle and financially, for some of the key place management initiatives.</p> <p>We will continue to progress the Town Hall works and the St. Kilda Edge project over the next year, with many exciting stages in these key projects.</p>

	Challenge 4 - Community engagement	Challenge 5 - Regional collaboration
Challenge	<b>4. Bringing people together to make our city better –</b> Are we promoting connection, inclusion and engagement? Are we encouraging people to contribute and participate? Are we doing enough about childcare and aged care issues for our community?	<b>5. Regional collaboration –</b> How well are we working with neighbouring councils and state government to get the best outcomes for our city?
Strategic Indicators	<ul style="list-style-type: none"> <li>▪ Percentage who feel encouraged to participate in decisions that affect them and their neighbourhood - 51% with 18% neither agreeing or disagreeing</li> <li>▪ Participation through Community Grants Scheme - 26% of the community</li> <li>▪ Percentage of residents of culturally linguistic and diverse backgrounds participating in the Community Meals Program – 50%</li> <li>▪ 100% of relevant actions in the Municipal Early Years plan were achieved</li> <li>▪ Number of additional childcare places available within the municipality - created 15 new spaces at the West St Kilda Children centre, saved 28 spaces through council involvement at 2 centres and facilitated planning approval for 245 spaces at private centres within the city.</li> <li>▪ Significant progress has been made on the South Port Community Residential Home (commentary on progress) and the Port Phillip Residential Care Sector in the Municipality (additional number of beds).</li> <li>▪ Number of community housing units in the community housing program – 389 units in 17 projects housing 460 persons</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regional Waste Management Group – this group is continuing to lobby for a resource recovery facility to be built in the western region, in tandem with completed regional waste and recycling facilities/services</li> <li>▪ Joint Councils Access for All Abilities (JCAAA) service works promotes partnerships between a range of community based sport, recreation and arts providers and services within the disability, health, education, government and community sectors.</li> <li>▪ Inner Melbourne Action Plan; agreement with 4 councils to set up Section 86 Committees to integrate and plan.</li> <li>▪ St Kilda Road Joint Action Plan – ongoing work to ensure that residents and businesses in both sides of St Kilda road enjoy seamless service provision and attention</li> <li>▪ Regional Working Group has developed the Regional Housing Statement which sets out clear directions on housing needs</li> <li>▪ Albert park Reserve MOU – continuing to ensure that the various user's needs and issues are addressed to the extent possible due to the cooperation between the Council, the Grand Prix Corporation and the Parks Victoria</li> <li>▪ Regional meals kitchen working group has met several times and is considering a proposal, which could include a significant number of municipalities</li> <li>▪ Review and development of a joint venture in street and beach cleaning with the City of Stonnington, under a mutual management model.</li> </ul>
Other achievements	<ul style="list-style-type: none"> <li>▪ Disability action plan initiatives</li> <li>▪ Conducted several large public events including the Commonwealth Games and the local support of the Papua New Guinean team and the Pride March</li> <li>▪ Facilities many community events including the O'Donnell Gardens night market, exercise programs</li> <li>▪ Brought the community together to start to work on major community issues such as child care, the future of the Mary Kehoe community centre</li> <li>▪ Rolled out the new community bus</li> <li>▪ Established the HEAT program – the non-crime hotline and the smiles per hour project to boost the sense of friendliness in the community</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collaboration with State government on public transport initiatives and support for Superstops in Fitzroy Streets, St Kilda Road, support for feasibility study into the Port Melbourne to St Kilda public transport link and the South Melbourne Park Street tram link</li> <li>▪ MAV (Municipal Association of Victoria) facilitated a “Future of Local Government Forum” – adopted a draft framework which promotes cooperation between Councils</li> <li>▪ Influential in the development of the Victorian Local Sustainability Accord, a partnership program developed between local and state government, with the objective of progressing local, regional and state-wide environmental sustainability (November 2005)</li> </ul>
Way Forward	<p>This is a long-term cultural change for the organisation and the community, which will take several years of committed effort to effect.</p> <p>We are well progressed in engaging the community in our new Community Plan, and have successfully created energy and debate around some of our big problems – like how to sustainably provide more child care places. We will continue to explore and understand notions of community leadership in the next phase of this work.</p>	<p>The implementation of the challenge has been achieved, within the first year of its program, which centred around; collecting information, building networks and increasing awareness and opportunities for shared service delivery.</p> <p>We will progress into the next phase by developing people skills in identifying business opportunities, seek potential partners and champions and be opportunistic in the possibilities for shared service delivery.</p>

	Challenge 6 – Effective Lobbying	Challenge 7 – Service and stewardship
Challenge	<b>6. Effective lobbying</b> – Are our top issues prominent in the Federal and State government’s agendas?	<b>7. Effective service and council stewardship</b> – Do we provide services where and when they are needed? Are we laying the foundations today for an even greater council in the future?
Strategic Indicators	<ul style="list-style-type: none"> <li>Percentage of community rating satisfaction for council’s advocacy and community representation on key local issues as adequate or better - 85%</li> <li>Percentage of external communication pieces, which promote or inform about council’s top priorities – 48%</li> <li>Proportion of media releases which have generated coverage in the media – 84%</li> <li>Progress on top priorities for the year as listed in the Annual Plan - a number of the council’s priorities have progressed due their prominence in the Federal and State Government’s agendas. These include the areas of cost shifting an inter-government agreement, support and funding of the St Kilda Festival (\$400,000 over 4 years), State government funding for the Princes pier redevelopment, further sustainable transport initiatives (\$150,000), State Government funding to assess the feasibility of the Park Street Tram initiative and State Government commitment to build the Plummer Street bypass (\$19.2 million), support for the St Kilda’s Edge Committee’s tender process for the triangle site and the foreshore promenade and support for addressing the child care crisis being experienced in the city with some funding contribution and government commitment to finding new solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Debt Commitment Ratio (Ratio of debt servicing and redemption costs to rate revenue)</li> <li>Percentage of community who consider value for money rates as adequate or better – 69%</li> <li>Percentage of community rating satisfaction with overall performance generally of the council as adequate or better – 85%</li> <li>Percentage of community rating satisfaction for council’s engagement in decision making on key local issues as adequate or better – 75%</li> <li>Percentage of customer requests closed each quarter within the allocated period under the Customer Request Management System guidelines – 94%</li> <li>Percentage of community rating satisfaction for overall performances as adequate or better: Enforcement of by laws – 74% and Economic development – 87%</li> </ul>
Other achievements	<ul style="list-style-type: none"> <li>Successful hosting of the State Government Community Cabinet enabling CoPP community members opportunities to discuss local projects with Ministers</li> <li>Carlisle St Activity Centre - community consultation process took place;</li> <li>St Kilda’s Edge - triangle site legislation to support triangle site redevelopment passed and significant support from state government partners on a whole range of activities</li> <li>Commonwealth Games - Successful program implementation providing good basis for inter-governmental relationship building and for future sporting activities</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of Customer Requests where initial customer contact was made within the agreed Same Day Service standard (2 working days) – 75%</li> <li>Public Liability insurance performance ranked 2<sup>nd</sup> in the State by Civic Mutual Plus</li> <li>Major improvement in satisfaction survey rankings across a range of internal services.</li> <li>A 9% improvement in Same Day Service over the last 2 years</li> </ul>
Way Forward	<p>The support obtained from the State Government for core infrastructure, service and livability improvements for our community in policy and financial terms of key was achieved by Council being very focused on ensuring its lobbying efforts are coordinated, targeted to serve the community’s interest and featuring in the Federal and State government’s agendas. We learnt that we are most successful in influencing government when we work with and provide a voice for the needs of our local community.</p> <p>Our focus will now be on collaborating and better communicating with our local community in the areas of general liveability and services. This includes aged care services, vibrant local shopping strips, parking and sustainable transport, street and beach cleaning and the development of a community plan to provide focus for council priorities.</p>	<p>Service development is advancing strongly in areas of online service access &amp; delivery with a number of parallel programs. Also service improvement is being experienced through integration of systems &amp; information.</p> <p>A large capital program supports the delivery of up to date services &amp; sets a strong base for future development within the City.</p> <p>Service efficiency &amp; sustainability are advancing through the implementation of service review recommendations. Financial sustainability is strong in industry terms as indicated above. We have improved our performance measurement capabilities &amp; this remains as an objective for 06/07.</p> <p>Asset management is an industry challenge &amp; an area where we will continue to refine systems &amp; so improve our investment judgement.</p>

## Annual Highlights – 4 Pillars

This table is a snapshot of the council's performance during 2005/2006.

Further information and supporting data and evidence is available elsewhere in this report and on the council's website. Information on corporate/council plan indicators is also available on the council's website at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au)

	Economic Viability	Environmental Responsibility
Goals	<i>To promote effective stewardship of the city's assets and promote positive economic development within Port Phillip that also supports the council's social, cultural and environmental goals.</i>	<i>To foster a liveable and attractive urban environment that uses fewer finite resources.</i>
Outcomes	The council has made considerable progress on projects within the St Kilda's Edge and Port Melbourne Waterfront foreshore areas including agreement on the final form of Princes Pier, successfully campaigned to obtain a higher profile for some of the city's major issues such as child care, St Kilda Festival funding and support for capital city functions, improved trader liaison and provided a more effective support for local businesses in shopping strips, increased the number of on-line services available to the community and commenced implementation of a public building management plan	The council concluded a regional contract for the processing of recyclables, progressed sustainable transport initiatives within the city including resolving the think tram project in Clarendon Street, implemented works at Sandridge Beach in accordance with the Sandridge Beach Masterplan, carried out many planting works under the Greening Port Phillip program, actively encouraged opportunities for people to use Port Phillip Bay, introduced a new asset protection service, increased legal youth public art opportunities and demolished the Harold Alexander Pavillion and A.W. Walker Pavilion and rehabilitated these sites as open space on the foreshore.
Outputs	<p>Initiatives planned – 16, Initiatives completed – 14 Some examples:</p> <ul style="list-style-type: none"> <li>▪ 69% of the community considered value for money rates as adequate or better</li> <li>▪ 87% of the community rate overall performance in economic development as adequate or better</li> <li>▪ 85% of the community rate the overall performance of the council as adequate or better – 85%</li> <li>▪ 3 new on line interactive services delivered</li> <li>▪ December 2005 saw the commencement of building works at St Kilda Town Hall</li> <li>▪ Net cost of the Commonwealth Games below approved financial commitment of \$500,000</li> <li>▪ \$1 million spent on South Melbourne Market compliance and upgrade works</li> </ul>	<p>Initiatives planned – 18, Initiatives completed – 18 Some examples:</p> <ul style="list-style-type: none"> <li>▪ 81% of the community rate overall performance in waste management as adequate or better</li> <li>▪ 89% of the community rate appearance of overall outdoor environment as adequate or better</li> <li>▪ 91% of the community rate appearance of parks and gardens as adequate or better</li> <li>▪ 83% of the community rate ease of travelling around the area as adequate or better</li> <li>▪ 74% of the community rate safety for pedestrians and cyclists as adequate or better</li> <li>▪ 89% of the community rate satisfaction with the council's addressing of environmental issues at the local level as adequate or better</li> <li>▪ 46% take public transport more than they used to</li> </ul>
Way Forward	<p>In 2006/2007 the council will focus on:</p> <ul style="list-style-type: none"> <li>▪ Our service to the community - improving customer service performance especially in areas of perceived poor service</li> <li>▪ Entertainment and leisure precincts - supporting the responsible use of these precincts by visitors, residents and businesses</li> <li>▪ Innovation - encouraging innovation that improve the council's service delivery and business services</li> <li>▪ South Melbourne Market – implementing review recommendations and completing market redevelopment works</li> <li>▪ St Kilda Town Hall – work towards completing building works by August 2007</li> </ul>	<p>In 2006/2007 the council will focus on:</p> <ul style="list-style-type: none"> <li>▪ Sustainable transport – delivering a number of projects such as the feasibility study of the Park Street tram connection in conjunction with Yarra Trams and encouraging walking, cycling and public transport trips within the city</li> <li>▪ Capital works – implementing the 2006/2007 capital works program of \$27.9m. With particular emphasis in 06/07 on \$4.7m in new projects for new community infrastructure</li> <li>▪ Middle Park Beach – securing a long-term beach protection solution for Middle Park Beach</li> <li>▪ Graffiti – exploring a regional graffiti clean up contract</li> <li>▪ South Port Community Residential Home - securing the site for continuing community enjoyment and finalising an approved site remediation plan by early 2007</li> </ul>

	<b>Cultural Viability</b>	<b>Social Equity</b>
Goals	<b>To support the conditions that allows communities within Port Phillip to express, experience and enjoy diversity of values, beliefs and aspirations.</b>	<b>To build a just, resilient, healthy and inclusive city with equitable access to responsive and relevant services and resources.</b>
Outcomes	The Council has successfully hosted the Commonwealth Games, progressed the St Kilda skate park proposal and identified a suitable location, undertaken several community building exercises across the city, obtained State Government support and funding for continuing the St Kilda Festival, progressed several major strategic planning projects in Carlisle Street, South Melbourne Central and Ormond Road, implemented the revised Advisory Committee framework, developed a strategic plan for the Esplanade Market and introduced simplification to the Port Phillip Planning Scheme	The council has strengthened and worked towards expanding child care opportunities and places in our municipality, conducted a Best Value child care service review, worked with the local community in the St Kilda Junction area to identify community meeting space, restructured the Port Phillip Community Housing Program, encouraged great volunteering in the community especially amongst business leaders, ensured further compliance with the Disability Action Plan to improve access for the disabled in the city and refocused the community bus to better assist those that are transport disadvantaged
Outputs	<p>Initiatives planned – 14 Initiatives completed – 6</p> <p>Some examples:</p> <ul style="list-style-type: none"> <li>▪ 80% of the community rate council's engagement in decision making on key local issues as adequate or better</li> <li>▪ 90% of the community rate overall performance in recreational facilities as adequate or better</li> <li>▪ 89% of the community rate the variety of arts and cultural events as adequate or better</li> <li>▪ 92% of the community rate the variety of sports and recreational activities as adequate or better</li> <li>▪ 92% of the community rate the range of options for leisure, recreation and entertainment as adequate or better</li> <li>▪ 85% of the community rate the council's advocacy and community representation on key local issues as adequate or better</li> </ul>	<p>Initiatives planned – 21 Initiatives completed – 18</p> <p>Some examples:</p> <ul style="list-style-type: none"> <li>▪ Planning approval for 245 new private child care places</li> <li>▪ 389 community housing units including the completion of the Woodstock Rooming house</li> <li>▪ 86% of the community feel they have a good or excellent quality of life</li> <li>▪ 77% feel safe when walking to local shops or using public transport during the evening</li> <li>▪ 91% of the community agree that Port Phillip is an accepting place for people from diverse cultures and backgrounds</li> <li>▪ 26 street parties held</li> <li>▪ 26% of the community participated in community activities through the community grants scheme</li> </ul>
Way Forward	<p>In 2006/2007 the council will focus on</p> <ul style="list-style-type: none"> <li>▪ New Community Plan and Community Leadership - develop the New 10 year Port Philip Community plan and initiating training in community leadership</li> <li>▪ St Kilda's Edge – finalising the future of the triangle site and commencing foreshore promenade construction works and the St Kilda Harbour renewal</li> <li>▪ Port Melbourne – encouraging Government commitment to restore Princes pier and lobbying for associated precinct improvement</li> <li>▪ Regional collaboration – supporting the Inner Melbourne Action Plan to drive shared objectives in the inner region</li> <li>▪ Shopping centres - improving cross council efforts to integrate planning, management and maintenance of local shopping centres in partnerships with local business and patrons</li> </ul>	<p>In 2006/2007 the council will focus on:</p> <ul style="list-style-type: none"> <li>▪ South Port Community Residential Home – finalising its future site, funding and development plan</li> <li>▪ Community facilities - building public understanding of their performance</li> <li>▪ New child care policy – implementing the policy in a fair and equitable way</li> <li>▪ Community centres - upgrading the Middle Park community centre and supporting Elwood St Kilda Learning Centre and South Melbourne Town Hall proposals</li> <li>▪ Reviewing the Health and Community Safety Plan "Creating a Healthy and Safer Port Phillip"</li> </ul>

## Performance Statement

Each year the City of Port Phillip prepares a performance statement to report on its achievement of the key strategic activities. This performance statement is subject to external audit.

This performance statement reports on these activities and comments on the performance measures and targets that we set ourselves in May 2005 when the 2005/2006 budget was prepared

No	Key Strategic Activity	Measure	Performance Target	Actual	Comment
1	Providing terrific services to residents and ratepayers	Good contact with council experiences	Percentage rate satisfaction on how a matter was handled when contacting the council as adequate or better (Port Phillip) – 80%	85%	Achieved. The City exceeded its target, due mainly to the focus on providing excellent customer service throughout the council.
		New on-line services	Percentage of people who say they have been contacted by council about their request/complaint – 90%	93%	Achieved
			All contacts with the person are recorded and all actions taken are recorded – 90%	97%	Achieved
			Number of new interactive on-line services delivered in 05/06 – 3 new services	3	Achieved. The three new on line services provide access to the CoPP financial system AXSOne, Land Information and Form 327 building certificates.
2	Addressing child care	New council position following children services review	Council report on Best Value Review of Children Services – January 06	Completed	Achieved
		Additional child care places in the municipality	Commence construction of Elwood Family Children's Services Centre – June 06	Not Achieved	The commencement of construction has been delayed and is now due to commence in late 2006.
			Planning approval secured for 55 additional child care places – June 06	245	Achieved. 245 additional child care places received planning approval in 05/06. The Council is very pleased that the private sector has responded to the significant community demand that exists for childcare places in the city and strong council support for new child care places.
			Implement actions of the Municipal Early Years Plan to move towards a child friendly city – 5 actions	18	Achieved. Considerable effort has been put into implementing actions from the plan. These actions range from completing the Children's Services Best Value Review, to commencing some new child care capital works and developing a central waiting list.
3	Making the most of our Town Halls	Management of St. Kilda Town Hall Redevelopment in accordance with approved milestones	Sign building contract for works at St Kilda Town Hall – October 2005	Achieved	Achieved. The contract was awarded to Kane constructions on 15 December 2005.
			Commence building physical works at St Kilda Town Hall - December 05	Achieved	Achieved
			Financial delivery of St Kilda Town Hall redevelopment works – within approved council budget	Achieved	Achieved. The project spans several years and is due to be completed August 2007. At the end of June 06 its financial delivery was within the approved 2005/06 council budget.
4	Rejuvenating the St Kilda foreshore	Significant progress on the redevelopment of the triangle site	Development plan for triangle site exhibited – March 06	Not achieved	This target should be achieved in early 2007.
			Harbour – agreed business plan for safe community harbour refurbishment by DSE - January 06	Not achieved	Harbour plan has been delayed and should be in place by early 2007.
			Foreshore promenade – Construction contract commences – April 06	Not achieved	Construction works have been delayed and are scheduled to commence in Spring 2006.
			West Beach Pavilion opened – June 06	Not achieved	West Beach opening has been delayed and should be opened in early 2007.



No	Key Strategic Activity	Measure	Performance Target	Actual	Comment
5	Improving environmental performance	Improved environmental performance	Number of street trees planted – 1000 trees	1032	Achieved
			Percentage who rate the council's performance in addressing environmental issues at the local level as adequate or better – 85%	79%	Not achieved. The result is consistent with previous years results of 80% (04/05) and 76% (03/04). This area will continue to be a priority area for the council.
			Percentage of community rating satisfaction with overall performance in waste management as adequate or better – 85%	81%	Not achieved
			Percentage who rate appearance and cleanliness of beaches and foreshores as adequate or better – 75%	75%	Achieved
			Secure Coastal Management Act consent to allow Middle Park beach renourishment works by Department of Sustainability and Environment – June 06	Achieved	Achieved
6	Improving sustainable transport	Sustainable transport improvements	Submit feasibility study on Park Street tram linkage for Government consideration - June 06	Not achieved	The target date was not achieved but the government has committed \$150,000 to conduct the feasibility which should be completed by early 2007
			State Government decision on Cleve and Acland Street super stops - May 06	Achieved	Achieved
			Beach Road bicycle lane - stage 2 Blessington Street to Shelley Street, outbound direction completed - June 06	Not achieved	Bicycle lane works were substituted for Nott Street to Phillipson street instead
			New signage to improve walk ability in South Melbourne completed - June 06	Not achieved	Works will be achieved by late 2006
			Percentage of community who perceive increased opportunities to take public transport within the municipality – 47%	40%	Not achieved. The community perception on opportunities is less than desired.
7	Implementing Melbourne 2030 and making Port Phillip more liveable	Significant progress on new structure plans to improve the municipality's liveability	South Melbourne Structure plan Amendment approved – March 06	Not achieved	Amendment approval has been delayed due to the length of time it is taking to proceed through the formal planning process. It is expected that the Amendment should be approved by the end of 2006.
			Carlisle Street structure plan on exhibition – March 06	Not achieved	Significant work has gone into the preparation of the Carlisle Street Structure plan, which is due to go on exhibition by early 2007.
			Bay Street Structure Plan – on exhibition – June 06	Not achieved	The Bay Street Plan was deferred to 2006/2007 and was replaced with the Ormond Road design guidelines, which had a more pressing priority.
8	Delivering local services through community centres	Significant progress on implementation of community centres/hubs within the municipality	Elwood family & children's services centre hub planning approval application - November 2005	Not achieved	The application was approved in April 06.
			Elwood family & children's services centre hub construction commenced - June 2006	Not achieved	The commencement of construction has been delayed and is now due to commence in late 2006.
			South Melbourne Town Hall community service hub planning approval - June 06	Not achieved	Planning for the hub is continuing but planning approval has not yet been sought.
			Utilisation rate of 4 key hubs target - 85% of capacity	76%	Not achieved. Utilisation was below target in part due to the lack of access associated with building works. The figures show a 3.5% increase in utilisation on last year's figures of 72.5%

No	Key Strategic Activity	Measure	Performance Target	Actual	Comment
9	Revitalising the Port Melbourne Waterfront/ Princes Pier precinct	Decisions on financial transfers, infrastructure improvement process and planning responsibility.	Minister for Planning decision on Princes pier that includes a net positive financial transfer to the precinct – December 05	Not achieved	The State Government made a commitment to fund a \$14 million solution to Princes Pier but this did not happen until early 2006.
			Agreed process with the Government to decide infrastructure improvements for Waterfront Place – February 06	Not achieved	The process to agree on infrastructure improvements has commenced but has not yet been finalised.
			Transfer of planning controls back to council – March 06	Not achieved	This has not progressed.
10	Maximising the positive legacies of the Commonwealth Games	Experience and conduct of Games	Delivery of responsibilities under Memorandum Of Understanding with Commonwealth Games Committee – June 06	Achieved	Achieved
			Net cost of the Games to council falls within approved financial commitment - \$500,000	\$480,000	Achieved. The net cost to the council was below the approved financial commitment by \$20,000
11	Targeting and engaging with areas and parts of the community that are less connected	Evidence of more engagement	Percentage of community rating satisfaction for council's engagement in decision making on key local issues as adequate or better – 80%	75%	Not achieved
			Participation through Community Grants Scheme – 25% community participation	25.80%	Achieved. Approximately 26% of the community participated in activities part funded through the Community Grants Scheme, which provides funds for local community groups
			Attendance at neighbourhood forums in 05/06 - 800 people	440 people	Not achieved. Attendance at Neighbourhood Forums was less than anticipated in the last financial year.
			No of street parties in 05/06 – 25 parties	26 parties	Achieved
			Percentage of the community that are a member of an organised group such as a sports or church group or another community organisation or professional organisation – 55%	39%	Not achieved. This is an indicator, which shows the level of community group membership. The figure was set quite high as it was thought that the community was very active in local groups. The council will continue to encourage local community groups and active membership.
			Percentage of the community that has attended a local community event in the past 6 months such as a fete, festival or school concert – 60%	55%	Not achieved
			Number of frail older people and people with disabilities attending the Ageing and Community Care Information Forums – 400 people	275 people	Not achieved. It was originally anticipated that there would be more forums held with a greater level of attendance than what eventuated.

## I. 2005/2006 Performance

---

### **COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT**

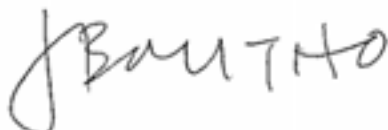
In our opinion, the accompanying performance statement of the Port Phillip City Council in respect of the 2005/2006 financial year is presented fairly in accordance with the *Local Government Act 1989*.

The statement outlines the performance targets and measures that Council is required by statute to publish as part of the annual report.

The Council Plan sets out these measures in relation to the achievement of the key strategic activities for the 2005/2006 financial year.

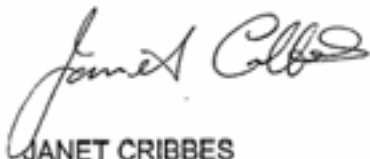
As at the time of signing, we are not aware of any circumstance that would render any particular in the statement to be misleading or inaccurate.

We were authorised by Council on 4 September 2006 to certify the Performance Statement in its final form on behalf of the Council.



JANET BOLITHO  
MAYOR & COUNCILLOR

Dated: 6/9/2006  
St Kilda



JANET CRIBBES  
DEPUTY MAYOR & COUNCILLOR

Dated: 6/9/2006  
St Kilda



DAVID SPOKES  
CHIEF EXECUTIVE OFFICER

Dated: 6/9/2006  
St Kilda



AUDITOR GENERAL  
VICTORIA

INDEPENDENT AUDIT REPORT

---

City of Port Phillip

**To the Councillors**

**Matters Relating to the Electronic Presentation of the Audited Performance Statement**

This audit report for the financial year ended 30 June 2006 relates to the performance statement of the City of Port Phillip included on its web site. The Councillors are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on this web site.

**Scope**

*The Performance Statement*

The accompanying performance statement for the year ended 30 June 2006 of the City of Port Phillip consists of the statement, the related notes and the council approval of the performance statement.

*Councillors' Responsibility*

The Councillors of the City of Port Phillip are responsible for the preparation and presentation of the performance statement and the information it contains.

*Audit Approach*

As required by the *Local Government Act* 1989, an independent audit has been carried out in order to express an opinion on the performance statement. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the performance statement is free of material misstatement.

*The audit procedures included:*

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the statement
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the statement.

These procedures, which did not extend to an assessment of the relevance or the appropriateness of the performance measures contained within the statement, have been undertaken to form an opinion as to whether, in all material respects, the performance statement is presented fairly in accordance with the *Local Government Act* 1989.

The audit opinion expressed in this report has been formed on the above basis.



AUDITOR GENERAL  
VICTORIA

**Independent Audit Report (continued)**

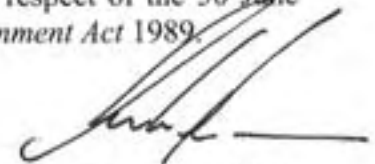
**Independence**

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

**Audit Opinion**

In my opinion, the performance statement of the City of Port Phillip in respect of the 30 June 2006 financial year is presented fairly in accordance with the *Local Government Act 1989*.

MELBOURNE  
13 September 2006



JW CAMERON  
Auditor-General

## I. 2005/2006 Performance



### Victorian Local Government Indicators

The following table outlines the City of Port Phillip's performance against the Victorian Local Government Indicators. All local governments within Victoria are required to assess their performance against these indicators and report the results in their annual report.

Category	Indicator	Definitions	Our Result 03/04	Our Result 04/05	Our Result 05/06
Overall performance	Community satisfaction rating for overall performance generally of the council	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart One: Summary of Results – Result No. 1), coordinated by the Department for Victorian Communities - Local Government Victoria.	69	68	69
Advocacy	Community satisfaction rating for council's advocacy and community representation on key local issues	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart One: Summary of Results – Result No. 4), coordinated by the Department for Victorian Communities - Local Government Victoria.	68	64	69
Engagement	Community satisfaction rating for council's engagement in decision making on key local issues	Council result from the Annual Community Satisfaction Survey for Local Governments (Chart One: Summary of Results – Result No. 5) coordinated by the Department for Victorian Communities - Local Government Victoria.	67	63	64
All rates	Average rates and charges per assessment	Rates and charges declared as being receivable, in the calculations for the adopted rates, at the beginning of the year, including: general rates and charges declared under ss.160, 161, 161A of the <i>Local Government Act 1989</i> municipal charges and service rates and charges (i.e. garbage services) levied under ss.159, 162 respectively supplementary rates declared, divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).	\$1,009	\$1,037	\$1,091
Residential rates	Average residential rates and charges per assessment	Rates and charges declared for all residential assessments (including vacant residential assessments) as defined in "all rates", except for residential assessments only, divided by the number of residential assessments used in the calculation of the adopted rate (that is, when the rate was struck).	\$820	\$867	\$953
Operating costs	Average operating expenditure per assessment	Operating expenditure per the statement of financial performance including asset sales and depreciation, divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck). Note: Where major factors of expenditure such as devaluations or transfers of assets are excluded, councils should provide a note explaining what has been excluded.	\$1,796	\$1,846	\$1,879
Capital expenditure	Average capital expenditure per assessment	Amount capitalised to the statement of financial position and contributions by a Local Government to major assets not owned by the Local Government, including expenditure on: capital renewal of existing assets which returns the service potential or the life of the asset to that which it had originally capital expansion which extends an existing asset at the	\$391	\$267	\$301

## I. 2005/2006 Performance



Category	Indicator	Definitions	Our Result 03/04	Our Result 04/05	Our Result 05/06
		<p>same standard as currently enjoyed by residents to a new group of users</p> <p>capital upgrade which upgrades an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally, divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).</p> <p>N.B. Exactly what is included as capital expenditure will vary according to the Local Government's policy in defining the 'asset' and its 'life'.</p>			
Infrastructure	Renewal	<p>Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset to that which it had originally to the long-term AAAC*, divided by useful life, and totalled for each and every infrastructure asset to give one ratio.</p> <p>* The Average Annual Asset Consumption (AAAC) is the amount of a Local Government's asset base consumed during a year based on current replacement cost (that is, cost or fair value).</p>	101%	104%	75%
Infrastructure	Renewal and maintenance	<p>Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset to that which it had originally plus current spending on maintenance to AAAC* plus planned maintenance (that is, the expected level of maintenance which was used in the calculation of the useful life of the asset), divided by useful life, and totalled for each and every infrastructure asset to give one ratio.</p>	103%	109%	90%
Debts	Average liabilities per assessment	<p>Total liabilities as per the statement of financial position less items held in trust (reflected in assets also held), divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).</p> <p>N.B. Items held in trust does not include employee leave entitlements such as long service leave.</p>	\$483	\$406	\$425
Operating result	Operating result per assessment	<p>Bottom line per statement of financial performance, divided by the number of assessments used in the calculation of the adopted rate (that is, when the rate was struck).</p> <p>A note should be provided to this indicator explaining any major factors including their dollar amount, which have contributed to the result. For example, capital grants, developers contributions, revaluations of non current assets and what the result would be excluding these factors.</p> <p>N.B. Surpluses should be shown as positive and losses or deficits as negatives.</p>	\$600	\$94	\$134

## I. 2005/2006 Performance



### **Certification of the Victorian Local Government Indicators**

In my opinion, the Victorian Local Government Indicators in the accompanying statement are presented fairly, and indicate the council's performance for the period ending 30 June 2006. I confirm that the indicators were calculated in accordance with the definitions as provided by the Local Government Victoria and Community Information Division.

I certify the accuracy of the indicators and confirm that there is a documented methodology and a reliable system to store the data.

As at the date of this certification, I am not aware of any circumstances which would render any particulars in the attached statement of indicators to be misleading or inaccurate.

**David Spokes**  
**Chief Executive Officer**

Dated: 4 September 2006



## 2. Decision Making & Consultation



## 2. Decision Making & Consultation



### Decision Making

Council decisions are made through a series of council and committee meetings. The current council/committee structure is explained below. Full details of the council's meeting procedures are outlined in Port Phillip City Council Local Law No. 2/2005. A copy of this local law is available on the council's website at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au), or contact the ASSIST Centre to request a printed copy.

### Council Meetings

12 council meetings were held in 2005/2006.

The purpose of Council meetings is to:

- adopt, amend or reject the recommendations from committees and address urgent business, subject to the provisions of the Port Phillip City Council Local Law No. 2/2005, which relates to council meeting procedures

### Statutory Planning Committee Meetings

11 Statutory Planning Committee meetings were held in 2005/2006.

This committee has been established under Section 86 of the Local Government Act 1989. The council has delegated certain powers to the committee, and that decisions made under that delegation are effectively decisions of the council.

The purposes of Statutory Planning Committee meetings are to:

- address urban planning issues, including planning applications and planning scheme amendments
- ensure planning applications are processed within statutory time limits and under appropriate delegations within council policies.

### Strategy and Policy Review Committee Meetings

11 Strategy and Policy Review Committee meetings were held in 2005/2006.

The Strategy and Policy Review Committee does not have delegated powers, however it can make recommendations, which are then referred to the council meeting for ratification.

The purposes of Strategy and Policy Review Committee meetings are to:

- set council's strategic direction and develop council policy
- determine all matters relating to the key result areas of the council plan
- address major organisational matters, important legal matters, deliberations about the budget and planning scheme amendments
- receive reports from councillors as delegates on external bodies

### Special Council Meetings

7 special council meetings were held in 2005/2006.

Special council meetings are held as required to consider specific matters.

### Advisory Committees

As part of its commitment to good governance, quality decision-making and community participation, the City of Port Phillip has a range of committees with community and external representation, which are listed below. To get in touch with a committee please contact ASSIST on 9209 6777.

#### Arts Advisory Committee

Provides advice on arts and cultural programs in the City of Port Phillip.

#### Community Grants Assessment Panel

Assesses applications for community grants.

#### Friends of Suai Community Taskforce

Promotes the Friends of Suai (East Timor) program across the Port Phillip community.

#### Indigenous Forum

Established by the 2002 Memorandum of Understanding between the City of Port Phillip and local indigenous communities.

## 2. Decision Making & Consultation



### **GLBTI Forum**

*(Gay, Lesbian, Bisexual, Transgender and Intersex)*

Advises on the development of policies and strategies to promote inclusiveness for gays and lesbians in all areas of council activity.

### **Multicultural Forum**

Brings together representatives of different ethnic community groups and agencies.

### **Older Persons Consultative Committee**

Advises on issues affecting the health and wellbeing of older residents in Port Phillip.

### **St Kilda's Edge Committee**

Oversees the implementation of the St Kilda's Edge Framework Plan and various sub-projects including budget and stakeholder issues. The St Kilda's Edge Committee is a "special committee" under the Local Government Act 1989 and it has been delegated decision-making powers by the council.

### **South Melbourne Market Management Committee**

Oversees the operation of the South Melbourne Market. The committee is a 'special committee' under the Local Government Act 1989 and has been delegated decision-making powers by the council.

### **Sustainable Community Progress Indicators Community Taskforce**

Contributes ideas to the Sustainable Community Progress Indicators (SCPI) project from a range of perspectives and experiences within council and across the community.

### **Sustainable Environment Consultative Committee**

Provides advice on an annual program of topics agreed by the committee and the council.

### **Urban History Consultative Committee**

Advises the council on policy development and planning of the council's local history and heritage services.

### **Young Persons Forum**

A means of providing young people with the opportunity to communicate directly with the Port Phillip council, and to participate in the development of youth initiatives.

## 2. Decision Making & Consultation



### Neighbourhood Forums

Neighbourhood Forums are hosted across the City and provide an important opportunity for people to meet their local Councillors, discuss issues, and raise questions with senior council staff and Councillors. Presentations by staff on topical local matters are included but a significant purpose of these meetings is for people to raise issues, express their opinions and ask questions. The forums also aim to foster neighbourhood connectedness, promote active citizenship, and improve council's responsiveness to issues raised by citizens.

The format introduced in 2005 sought to provide a more relaxed atmosphere, including reducing the amount of time spent on formal council presentations versus time for questions and discussion. An estimated 440 people attended across all forums with a majority of respondents reporting the forums as good or excellent.

Eight forums were held in 05/06 in the following neighbourhoods; St Kilda, (July 18<sup>th</sup>, 2005), East St Kilda / Balaclava, (Aug 15<sup>th</sup>, 2005), Middle Park/Albert Park, (Sept 19<sup>th</sup>, 2005), South Melbourne, (Oct 17<sup>th</sup>, 2005), St Kilda Road, (21<sup>st</sup> Nov, 2005), Port Melbourne, (18<sup>th</sup> April, 2006), Elwood, (15<sup>th</sup> May, 2006), Ripponlea, (19<sup>th</sup> June 2006)

### Consultation Opportunities

Council's Community Governance framework promotes active citizenship and seeks to strengthen community participation in council's decision-making processes to ensure transparent and accountable governance. Council provides information and consults with the community so that the community can understand and influence local government matters. Whilst time is always tight, the community expects to be consulted prior to council making important decisions, and to have been consulted early enough in the process to enable public debate to occur. During 2005/06, council has commenced work to improve the earlier identification and coordination of difficult and complex policy issues to enable effective and adequate consultation with the community.

**You're invited to the**  
**South Melbourne**  
neighbourhood forum

**CITY OF PORT PHILLIP**

**Monday 17 October 2005**  
South Melbourne Community  
Centre: Corner Park Street and  
Ferrars Place, South Melbourne  
RSVP essential by 13 October 2005

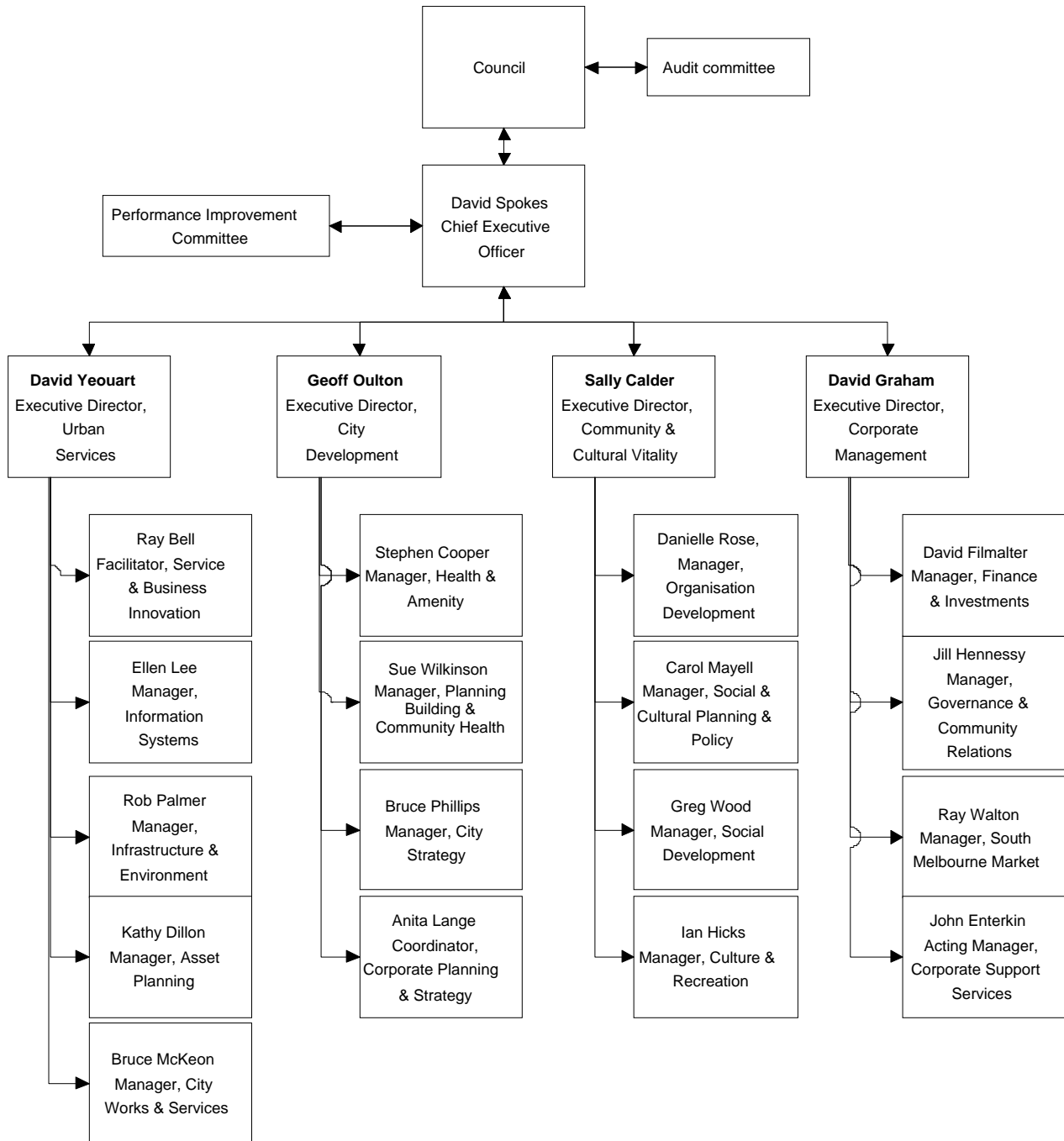
# 3. The Organisation



# 3. The Organisation



## Organisational Structure Including Senior Officers



## 3. The Organisation



### **David Spokes** **Chief Executive Officer**

David Spokes joined Port Phillip in 1995 as a general manager before being appointed Chief Executive Officer in March 2001. His professional experience includes over 22 years in a variety of local government settings in Victoria and New South Wales. He also worked in community health and ran his own planning consultancy for several years. David has degrees in Arts and Social work from the University of Melbourne, and has completed the Cranlana Foundation Leadership program. He is also a Fellow of the Institute of Public Administration Australia and an associate of the Australian Institute of Company Directors.



## **The Executive Directors**

### **David Graham** **Executive Director Corporate Management**

David Graham has extensive experience in local government stretching over 30 years. David held several management roles at Port Melbourne, Darebin and Kew councils, and was Chief Executive Officer of Port Melbourne Council before local government amalgamations in 1994. David has a Diploma of Local Government Administration, a Bachelor degree in Business (Accounting) and a Masters of Business Administration.

Services in this division:

- Finance, Payroll, ASSIST, Media & Marketing, Governance, Port Phillip on Line, South Melbourne Market, Facilities, Records, Rates, Property and Valuations, Risk Management, Sister Cities and Suai.



### **Sally Calder** **Executive Director Community and Cultural Vitality**

Sally Calder has been the Director of the Community and Cultural Vitality division at the City of Port Phillip since May 2001. Prior to moving into local government, Sally worked for over 10 years in a senior management role in health in New South Wales, and held a variety of executive roles in primary health care in regional and remote New South Wales. Sally also set up one of the first Skillshare programs for the long-term unemployed in rural New South Wales. Sally has a Masters of Arts and Diploma of Education from the University of Sydney, as well as a Graduate Diploma in Business Administration.

Services in this division:

- Family Services, Children Services, Home and Community Care, Libraries, Social & Cultural Planning & Policy, Youth, Recreation, Arts, Organisation development



### 3. The Organisation



#### **David Yeouart** **Executive Director Urban Services**

David Yeouart is a civil engineer by training and has had extensive experience in the management of infrastructure and environmental services. Prior to his appointment as Director in 2001, David managed the council's Infrastructure department. He has a long history in local government, both in Australia and the United Kingdom, managing traditional infrastructure services, and managing environmental issues and public assets.

Services in this division:

- Service & Business innovation, Information Technology, Infrastructure, Environment, Asset Planning, Parks and Open Space, Waste Management, Street and Beach Cleaning, Roads, Laneways and Drains



#### **Geoff Oulton** **Executive Director City Development**

Geoff Oulton has been with the City of Port Phillip since May 1995 and held several management roles before being appointed Director of the City Development division in 1997. Geoff has a Bachelor degree in Engineering, a Masters degree in Engineering Science and a Masters of Business Administration. Geoff previously worked in a small consulting firm, the City of Nunawading and the City of Whitehorse in a number of management roles.

Services in this division:

- Parking Enforcement & Systems, Sustainable Transport, Planning, Building Services, Health, Animal management, Local laws, Community development, Economic development, Corporate Planning and Strategy





## 3. The Organisation



### Leadership and Culture

At the City of Port Phillip, we don't just consider "what" we do as important, we consider "how" we do it to be just as vital. We aspire to model behaviour that encourages open dialogue, is free from blame and allows people to work across the organisation to get their job done. Essential to us are 3 simple rules:

1. Care for yourself
2. Care for each other, and
3. Care for this place

These guidelines provide a foundation upon which we can achieve our goals and provide service to our community in a sustainable way.

As an organisation the City of Port Phillip serves a diverse municipality and has worked to develop a unique culture to deliver the organisation's commitment to our community. Our key goals are:

1. Service
2. Sustainability
3. Less busyness
4. Fun and growth at work

Led by our Executive team and Management, all staff are encouraged to be leaders, to demonstrate personal judgment and to understand that service delivery in an ever changing world is complex and dynamic.

### Supporting and Developing our Employees

#### Professional Development and Training

Having an organisation that understands the importance of learning together is our commitment to improve service delivery. It is designed to foster a culture of personal responsibility and innovation.

An organisational training plan has been developed that is innovative and expands on traditional training methods. Our key training strategies are to:

1. Raise and improve the profile of training
2. Embed training as a cultural norm
3. Diversify our training products
4. Better utilize our information technology to ensure we capture skills and competency gaps
5. Keep training costs within our budget parameters.

Over 170 employees attended one of the 17 internal training sessions conducted in 2005/2006.

Another 12 participants also took part in an innovative program called "Energising Leaders", pictured below.

#### Accredited Training

The organisation delivered a number of accredited training programs through Swinburne University. These included Frontline Management attended by 18 participants, Certificate IV in Assessment and Workplace Training attended by 14 participants, Diploma in Business (Human Resources) attended by 5 Port Phillip employees and 7 others from other Councils and a Certificate IV in Statutory investigation and Enforcement attended by 14 participants.

#### Introduction to the City of Port Phillip – Induction of New Employees

The City of Port Phillip aims to provide new employees with practical support and information. This includes an overview of the structure and general operation of the City of Port Phillip as well as an opportunity to meet other new employees. The City of Port Phillip is also committed to ensuring that all employees understand the organisation's values and commitment to service culture and the role they play in making this happen.



## 3. The Organisation



### Appreciating Diversity

#### 'Respect for Others'

The City of Port Phillip's equal employment opportunity policy, 'Respect for Others', ensures that individuals receive fair and consistent treatment in a work place that is free from harassment, discrimination, bullying and unfair treatment. Our recruitment strategies include considering whether positions may be suitable for indigenous candidates or candidates that may have a disability.

No discrimination claims were made against the City of Port Phillip in 2005/2006.

#### Work and Life Balance

The City of Port Phillip is regarded as an 'Employer of Choice' that genuinely values diversity and considers people as its most important asset. This was acknowledged when Port Phillip was selected as a finalist in the National Work and Family Awards 2005. Port Phillip provides opportunities for its staff to grow through the Performance Dialogue & Feedback Program and offers a range of initiatives to ensure employees can maintain a healthy balance between work and all of the other elements of life, including:

- Flexible working arrangements including 48/52 model
- Education assistance and study leave
- 'Help Yourself to Health' program
- A vibrant and active Social Club

### Health, Safety and Wellbeing

The City of Port Phillip continues to work in partnership with employees to implement and encourage various health, safety and wellbeing initiatives and activities.

#### Help Yourself to Health

The ongoing and innovative Help Yourself to Health program aims to improve the general health and wellbeing of our employees. The program has covered a variety of health activities including yoga, lunchtime walking groups, healthy cooking demonstrations, onsite coaching and healthy living and eating tips.

#### Occupational Health and Safety

Each division within the organisation has in place a specific occupational health and safety work plan. These plans continue to build on our committed and effective occupational health and safety program that meets legislative requirements, reduces workplace injury and encourages a safe and healthy workplace.

#### WorkSafe

WorkSafe, the Victorian WorkCover Authority's occupational health and safety arm, continues to audit workplace practices in all local government organisations. In 2005/2006 WorkSafe undertook a number of visits to council departments including the community care, traffic enforcement, school crossings and local laws. To date WorkSafe are satisfied with the City of Port Phillip efforts and the systems we have in place and in some areas have commented that we have 'best practice'.

#### WorkCover

In 2005/2006, there were 13 standard WorkCover claims, of which 11 are now closed. Our WorkCover premium rate of 1.37% (averaged across all work sites), based on claims history, is lower than the average local government industry rate of 2.62%. The organisation is committed to providing injured employees with modified or alternative duties to assist in the rehabilitation process. The City of Port Phillip has a dedicated Occupational Health and Safety Consultant who is committed to continuous improvements in this area.

#### Employee Assistance

The wellbeing of our employees is supported through an employee assistance program. This counselling and consulting program is available to all staff and their immediate family members. It is a confidential service that may cover work or personal issues. Feedback from the provider is that 6.5% of employees used the service in 2005/2006, enabling them to address work life, morale and productivity issues.

### 3. The Organisation



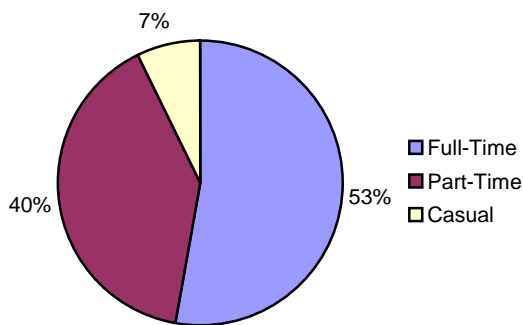
#### Staff Breakdown

The following table outlines the number, classification and types of jobs within the City of Port Phillip organisation, including the numbers of staff of both sex, and members of staff in designated groups. These numbers include an actual head count and also an indication of EFT (Equivalent Full Time) employees. Casuals include on-call and/or intermittent staff.

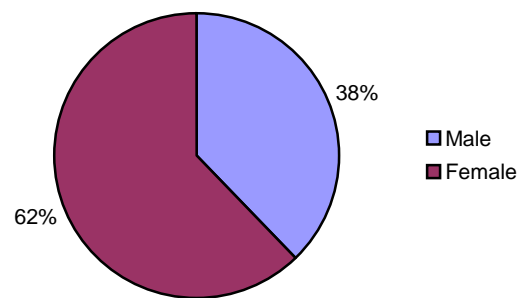
Division	Full-Time		Part-Time		Casual		Total head count	Total EFT
	Male	Female	Male	Female	Male	Female		
Chief Executive Officer's Office	1	1	0	0	0	0	2	2
City Development	70	33	20	24	0	6	153	122.43
Community and Cultural Vitality	31	91	47	158	11	31	369	250.90
Corporate Management	24	45	6	19	2	0	96	86.01
Urban Services	51	21	1	5	0	0	78	74.59
<b>Total</b>	<b>177</b>	<b>191</b>	<b>74</b>	<b>206</b>	<b>13</b>	<b>37</b>	<b>698</b>	<b>537.94</b>

These figures indicate the people paid in the last normal and off line pay runs for the 2005/2006 Financial year

Staff Breakdown by Status 2005/6



Staff Breakdown by Status 2005/6



## 4. Effective Governance



## 4. Effective Governance



### Effective Service Delivery

The City of Port Phillip has an ongoing continuous improvement program and conducts formal reviews of the services it provides. The City must also comply with several legislative requirements regarding its service delivery.

#### Two Way Communication

The council strives to have open and transparent communication with its community and the users of its services. It is important to us to be able to respond to callers in an informative and timely manner.

By receiving feedback and general information from the public we can also better identify service areas which may need improvement.

We always welcome input and comment from the community. To ease this process council's ASSIST centre provides the gateway to the organisation. If ASSIST cannot answer your query themselves, they will redirect you to the appropriate area within council, or record your issues in our request tracking system for further follow-up by the most appropriate department.

To ascertain our performance in the area of responding to requests, enquiries and complaints, council undertakes a number of community opinion surveys through the year. Overall satisfaction with Port Phillip's handling of issues has improved consistently since 1999.

### Local Government Improvement Incentive Program (LGIP)

In November 2002, the Victorian Government introduced the Local Government Improvement Incentive Program (LGIP) to regulate the distribution of the national competition policy compliance funding it receives from the federal government.

To qualify for incentive payments, councils are required to comply with the requirements of this program. This includes complying with the requirements of national competition policy and best value provisions, and demonstrating ongoing progress in the development and implementation of asset management plans.

To meet these compliance requirements, the City of Port Phillip has:

- complied with national trade practices legislation that

- prohibits certain forms of anti-competitive behaviour
- reviewed its local laws to ensure they do not restrict competition
- identified its significant businesses and applied competitive neutral pricing where appropriate
- instituted a program to review all of its services having regard to best value principles, and reported the outcomes of the reviews to its community
- set infrastructure planning targets to achieve a minimum standard of asset management

The council is also testing competitive neutrality during its best value review process.

### Best Value

A comprehensive City of Port Phillip 2005/2006 Best Value annual report is available at the back of this Annual Report.

### National Competition Policy

The federal government introduced its National Competition Policy (NCP) in 1995 in an effort to reform government monopolies, separate governments' regulatory and business functions, remove legislative restrictions on competition, and adopt pricing reforms to recognise and offset the public ownership advantages enjoyed by government businesses (competitive neutrality).

Government businesses are not subjected to a variety of taxes and imposts paid by private businesses, and therefore have a competitive advantage over private operators. Government businesses are now required to include these taxes and imposts in their pricing structures to negate the public ownership advantages.

Up until 2004/2005 the federal government allocated money annually to each state for compliance with national competition policy, and the states shared this funding with their respective local governments. Even though the federal funding has been discontinued, local governments are still required to comply with national competition policy requirements.

Certification of Compliance follows.

## 4. Effective Governance



### National Competition Policy Compliance – 2005/2006 Certification by Chief Executive Officer

Port Phillip Council has complied with the requirements of the Local Government Improvement Incentive Program in respect of:-

- National Competition Policy (in accordance with National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002));
- for the financial year 2005/06 as set out below:

National Competition Policy	
<p>A. Trade Practices Compliance State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</p>	Compliant
<p>B. Local Laws Compliance State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</p>	Compliant
<p>C. Best Value Competitive Neutrality Compliance State whether the Council is compliant or non-compliant for all significant businesses. If non-compliant, justify or cite actions to redress.</p>	Compliant for all significant businesses

I certify that:

This statement has been prepared in accordance with the 2005/06 Local Government Improvement Incentive guidelines issued in August 2006 for reporting on the three criteria :- National Competition Policy in accordance with *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*; and

This statement presents fairly the Council's implementation of the National Competition Policy.

Signed:

**DAVID SPOKES**  
Chief Executive Officer

## 4. Effective Governance



### Risk Management

Risk management is an essential part of the City of Port Phillip's culture. The City of Port Phillip is continually implementing strategies to minimise risk.

#### Risk Awareness

The City of Port Phillip's policy is to manage risk in accordance with best practice. We comply with the Australian standard for risk management (AS/NZS 4360:2004) and our risk management decisions and practices align with our established values and ethical standards.

Our risk management policy and risk management strategy are reviewed annually.

The main policy objectives of managing risk are to:

- ensure that the services provided by the organisation have a high level of integrity
- safeguard our assets – people, finances and property
- create a workplace culture where all staff will assume responsibility for managing risk in their day-to-day work activities
- maintain our capacity to deliver policy objectives and performance in a timely, efficient and effective manner
- deploy resources and operational capabilities in an efficient and responsible manner
- ensure the council can appropriately deal with risk
- demonstrate transparent and responsible risk management processes that align with best practice
- encourage the identification and reporting of potential risks

In short, all managers, service providers and employees are responsible for managing risk as part of their daily planning and operational processes.

#### Insurance and Risk Reduction

The Council's insurance policies provide coverage for the following areas: public liability, products liability and professional indemnity, industrial special risks, motor vehicle, councillors' and officers' liability, personal accident, machinery/computer breakdown and boiler explosion, marine hull, construction works and fidelity guarantee.

Increased risk management has assisted council in maintaining or reducing its insurance costs. The continued challenge is to ensure the council's risk management policy objectives are embraced sufficiently by staff such that risk management becomes an integral part of business planning and everyday business operations.

All council departments have undergone risk identification assessments and established

departmental risk management plans. These plans have assisted service areas in addressing risks identified as potential areas of exposure to the council, and enabled them to develop and implement suitable controls that can be integrated into the normal course of operations.

#### Annual Liability Assessment Audit

Each year, Council's liability insurer Civic Mutual Plus conducts an independent liability audit to ensure that the council has good risk management practices in place. The council receives a score for this audit, which is used in determining council's premium for the following financial year - a good score may result in significant cost savings ie reduced premiums. The Council also receives information regarding its State ranking compared to its peers.

We are happy to report that the City of Port Phillip has achieved a final score of 91% in the 2005/2006 audit. With this score, we finished equal 1st in our Eastern Metropolitan group ranking, and a fantastic **equal 2nd in the Victorian Council state rankings**, our highest ranking yet. 78 of the 79 Victorian councils participated in this years' audit.

#### Annual Property Audit

Each year council also undergoes an annual audit of its properties for insurance purposes focussing on overall property risk management at the council and targets those areas with proven losses, such as storm damage & arson. The objective remains to encourage councils to minimise exposures where realistically achievable.

We are happy to report that we were able to achieve a final score of 79.5% in the 2005/2006 audit, a significant improvement on previous years. In the Victoria Wide Benchmark, we rated 21st of 78 Councils; In the Regional Wide Benchmark (Suburban) we rated 4th of 22 Councils.

The results of both of these audits have contributed toward a reduction in council's insurance premiums.

## 4. Effective Governance



### Audit Committee and Internal Audit

As part of its duty to fulfill governance obligations to the community, the City of Port Phillip has established an audit committee. The audit committee is an advisory committee of the council and was established in December 1995, nearly eight years before the Victorian Government legislated that all councils must have an audit committee. The council has adopted a charter, terms of reference and documented responsibilities to govern the activities of the audit committee.

In consultation with council management, the audit committee develops an annual internal audit program to address the risks that the organisation may confront. This includes the effective management of financial risks, the credibility and objectivity of financial reports, and compliance with laws and regulations. The audit program is a dynamic strategy that can be continually developed and realigned to suit the needs of the organisation.

The audit committee membership consists of external and internal representatives. The Chief Executive Officer also attends the meetings and the Council's internal auditor attends to present audit reports and to provide advice to the audit committee.

External representatives:

- John Warburton - Mr John Warburton chairs the Audit Committee. He is a member of the Australian Society of Certified Practising Accountants, holds past and present directorships in a range of companies and as director of state government statutory corporations. He is a member of two state government audit committees and chair or member of five council audit committees. Mr Warburton receives \$4,500 per annum for his role on the City of Port Phillip's Audit Committee.
- Graham Lockwood - Mr Graham Lockwood is a retired Certified Practising Accountant and a previous Executive Director and Manager of a range of companies and organisations. He receives \$4,000 per annum for his role on the City of Port Phillip's Audit Committee.

Internal representatives:

- Mayor of the City of Port Phillip
- Executive Director of the Corporate Management division

During 2005/2006, the committee met on five occasions.

The audit committee and the internal auditor are key elements of the council's system of checks and balances. However, they are not the only elements. Councils are required to be externally audited

annually by the Auditor General or his/her representative, and the external auditor presents this audit of the accounts to the audit committee.

Councils must also comply with the requirements of the Local Government Act 1989 and many other pieces of legislation, and are required to provide the Minister for Local Government with detailed reports, including the annual report, budget and council plan.

These measures are in place to ensure that councils are accountable to their stakeholders including residents, ratepayers, business and government.

### Delegation to the Chief Executive Officer

The Council makes many decisions by resolution at council meetings. For reasons of administrative and operational efficiency, the Council has delegated a range of its powers, duties and functions to the Chief Executive Officer. The Council has also empowered the chief executive officer to delegate powers to appropriate members of council staff.

A formal register of delegations is available for the public

to inspect on request by contacting the City of Port Phillip's ASSIST Centre on (03) 9209 6777 or via email at [assist@portphillip.vic.gov.au](mailto:assist@portphillip.vic.gov.au)

The Chief Executive Officer is also responsible for the day-to-day management of the council's operations including: establishing and maintaining an appropriate organisational structure for the council; appointing, directing, managing and dismissing council staff and all other issues that relate to council staff; ensuring that the decisions of the council are implemented without undue delay; and providing timely advice to the council.

### Councillor Remuneration

The councillors of the City of Port Phillip received an annual allowance of \$18,000 in 2005/2006. The mayor of the City of Port Phillip received an annual allowance of \$57,500 in 2005/2006.



## 4. Effective Governance



### Freedom of Information

Freedom of Information (FOI) is associated with open government and the democratic process. It is crucial in giving citizens access to government information and enabling them to participate in how they are governed.

The Freedom of Information Act (Victoria) 1982 gives members of the public a legal right of access to certain documents held by the council. The word 'documents' covers a broad range of media including maps, films, microfiche, photographs, computer printouts, emails, computer discs, tape recordings and videotapes.

Alongside the freedom of information process, the City of Port Phillip responds to numerous informal requests for information.

Requests for access to council documents under this Act must be in writing and should provide sufficient information to identify the particular document(s) being sought. The Act also stipulates that an application fee must accompany each request. Enquiries regarding freedom of information can be directed to the City of Port Phillip's ASSIST Centre.

### Freedom of Information Statistics

	2002/2003	2003/2004	2004/2005	2005/2006
Freedom of information applications received	40	23	23	28
Access granted in full	14	7	4	7
Access granted in part	18	12	14	15
Access denied in full	4	1	1	1
Request withdrawn	0	1	3	2
Requests still under consideration at end of the financial year	1	2	0	1
No documentation found	2	0	3	4
Request transferred to another agency	1	0	0	0
Internal reviews sought	1	0	1	2
Appeals lodged with Victorian Civil and Administrative Tribunal	0	0	0	0
Application fees collected	\$740	\$420	\$408.50	\$503.00
Application fees waived	\$40	\$40	\$41	\$85.00
Charges collected (search and copy charges)	not available	\$80	\$162.20	\$84.20

Responsible Officer: Alli Griffin, Team Leader Statutory Functions

Principal Officer: David Spokes, Chief Executive Officer

## 4. Effective Governance



### Public documents

The following documents are available for public inspection.

To inspect accounts documents, contact the Finance unit. For all other documents, contact the Statutory Functions unit unless otherwise stated. These units can be reached by contacting the City of Port Phillip's ASSIST Centre on 9209 6777. In some instances, requests may need to be made in writing or on a specific form.

#### Accounts

- Operating statement
- Statement of financial position
- Notes to the financial statement

#### Other Documents

- Details of current allowances fixed for the mayor and councillors
- Details of senior officers' total salary packages for the current financial year and the previous year
- Details of overseas or interstate travel undertaken in an official capacity by councillors or any member of council staff in the previous 12 months
- Names of council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted
- Agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings that have been closed to members of the public
- A list of all special committees established by the council and the purpose for which each committee was established
- A list of all special committees established by the council that were abolished or ceased to function during the financial year
- Minutes of meetings of special committees held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public
- A register of delegations
- Submissions received in accordance with the *Local Government Act* during the previous 12 months
- Agreements to establish regional libraries (not applicable)
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the council as lessor or lessee

- A register of authorised officers
- A list of donations and grants made by the council during the financial year
- A list of the names of the organisations of which the council was a member during the financial year
- A list of contracts valued at \$100,000 or more which the council entered into during the financial year without first engaging in a competitive process
- A list of local laws, including any amendments during the financial year
- A register of returns of interest submitted by councillors
- A register of notice of recision motions
- A register of documents signed and sealed by the council
- A register of notices calling for a special council meeting

### Privacy

**The Victorian Information Privacy Act 2000** requires that Council follows information privacy principles when collecting, managing and using an individual's personal information.

**Council's Information Privacy Policy and Guidelines** is a public document available upon request and on the council's website. Information requests, and any questions or complaints regarding people's rights under the privacy legislation and council's information Privacy Policy, can be discussed with council's Privacy officer on 9209 6701.

## 4. Effective Governance



### Whistleblowers

The City of Port Phillip is committed to the aims and objectives of the *Whistleblowers Protection Act 2001*. It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

The *Whistleblowers Protection Act 2001* came into operation on 1 January 2002. The purpose of the Act is to encourage and facilitate disclosures of improper conduct by public officers and public bodies. The Act also provides protection for those who make the disclosures and those who may suffer reprisals in relation to those disclosures. The Act also provides for the matters disclosed to be properly investigated by the Ombudsman or the nominated investigator. The Act applies to all public bodies and public officers, including councillors and council staff.

In accordance with the *Whistleblowers Protection Act 2001*, the following specific reporting requirements have been included in the City of Port Phillip's annual report:

The number and types of disclosures made to the City of Port Phillip during the year	nil
The number of disclosures referred during the year by the City of Port Phillip to the Ombudsman for determination as to whether they are public interest disclosures	nil
The number and types of disclosed matters referred to the City of Port Phillip during the year by the Ombudsman	nil
The number and types of disclosed matters referred during the year by the City of Port Phillip to the Ombudsman to investigate	nil
The number and types of investigations of disclosed matters taken over by the Ombudsman from the City of Port Phillip during the year	nil
The number of requests made under Section 74 (relates to persons making requests to the Ombudsman) during the year to the Ombudsman to investigate disclosed matters	nil
The number and types of disclosed matters that the City of Port Phillip has declined to investigate during the year	nil
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	nil
Any recommendations of the Ombudsman under the Act that relate to the City of Port Phillip	nil

The council has adopted a detailed whistleblowers protection procedures manual and specific guidelines for ASSIST and records management staff. The current procedures established by the City of Port Phillip under Part 6 of the *Whistleblowers Protection Act 2001*, which relates to the establishment of procedures by public bodies, are available on the council's website at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au)

# 5. Financial Report



## 5. Financial Report

---

### Plain English guide to the Financial Statements

The Annual Report includes General Purpose Financial Reports, Standard Statements, and Performance Statement for the Port Phillip City Council for the year ended 30 June 2006. These statements have been prepared in accordance with Australian Accounting Standards, the Local Government Act, Local Government Regulations, and other mandatory reporting requirements.

### Introduction

This introduction has been prepared to assist the readers' understanding of the Financial Report and Standard Statements and provide readers with a summary of the circumstances and issues that have had a significant impact on information contained within those documents.

The financial report is a key component of the City of Port Phillip's Annual Report. It demonstrates how the Council performed financially during the 2005/2006 financial year (Income Statement) and summarises its overall position at the end of the financial year, 30 June 2006 (Balance Sheet).

The Council reports on its financial performance in accordance with the Australian Accounting Standards. Readers may not be familiar with some of the terminology used. The Council is a 'not for profit' organisation and a number of the generally recognised terms used in public company reports are not appropriate for the Council.

As part of its commitment to accountability, the Port Phillip City Council has developed this Plain English Guide to assist readers with their understanding of the Council's financial information.

### What are Standard Statements?

The Local Government Act 1989 as amended by the Local Government (Democratic Reform) Act 2003, requires Councils to include Standard Statements in each of their three key planning and reporting documents produced each year being the Council Plan, Annual Budget, and Annual Report. A complete suite of Standard Statements have been prepared this year (Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement, and Standard Statement of Capital Works) as required by this legislation and they have been audited as part of the annual external audit process.

The objective of the Standard Statements is to provide clear linkages and compatibility between the financial information contained in the three key planning and reporting documents produced each year; the Strategic Resource Plan, the Annual Budget, and the Annual Report. These statements have been presented in a consistent format with an emphasis on comparing actual results with planned financial performance (budget). Explanations for variations greater than 10% and other large absolute variances have been provided in the Notes to the Standard Statements.

### What is contained in the Annual Financial Reports?

The Council's Financial Report has two main sections: the Financial Statements and the accompanying notes. There are four Financial Statements and forty-five Notes.

The four Financial Statements are the:

- Income Statement;
- Balance Sheet;
- Statement of Changes in Equity; and
- Cash Flow Statement.

The accompanying notes to the financial statements detail the Council's accounting policies and the breakdown of values contained in the Statements.

The Financial Report is prepared by council staff, reviewed by the Manager, Finance and Investments, reviewed by Council's audit committee and then presented to the Auditor-General for Audit.

### Income Statement

The Income Statement presents:

- The sources of the Council's **Revenue** under various income headings, and
- The **Expenses** incurred in running the Council during the year.

The key figure to look at is the surplus / (deficit) for the year, which is equivalent to the profit or (loss) of the Council for the year.

A positive result (no brackets) means that the revenue is greater than the expenses.

### Balance Sheet

The Balance Sheet is a one page summary, presenting a snapshot of the financial position of the Council as at 30 June. It shows what the Council controls as **Assets** and what it owes as **Liabilities**. The 'bottom

## 5. Financial Report

---

line' of this Statement is the Net **Assets**. This is the net worth of Council, which has been built up over many years.

The assets and liabilities are separated into *Current* and *Non-current*. Current assets are realisable within the next 12 months, while current liabilities are those which Council does not have the right to defer settlement past 12 months.

The components of the Balance Sheet are described here.

### Current and Non-Current Assets

- **Cash** includes cash and cash equivalents i.e.: cash on hand, and cash held in the bank.
- **Other Financial Assets** are the cost value of the Council's financial investments.
- **Receivables** are monies owed to the Council for rates, parking, fines, GST refund and other services provided by the Council.
- **Accrued Income** represents income due to the Council, but not yet paid or billed. Prepayments are accounts that have been paid in advance by the Council.
- **Property, Infrastructure, Plant and Equipment** are the largest components of the Council's worth and represent the value of land, buildings, roads, drainage, equipment etc. which have been purchased by, or contributed to the Council over many years. It also includes those assets, which the Council does not own but has significant control over, and responsibility for, such as foreshore pavilions.

### Current and Non-Current Liabilities

- **Payables** are those to whom the Council owes money as at 30 June.
- **Trust Funds and deposits** represents monies held in Trust by the Council.
- **Employee benefits** are accrued Long Service and Annual Leave entitlements.
- **Interest Bearing Liabilities** are the borrowings (including finance leases) taken out by the Council.

### Net Assets

This term is used to describe the difference between the value of **Total Assets** and the value of **Total Liabilities**. It represents the net worth of the Council as at 30 June. The net value of the Council is also synonymous with Total Equity.

### Total Equity

This is the term used to describe the components of Net Assets. The components of Equity include:

- **Accumulated Surplus** is the results of all financial

years totalled and carried forward.

- **Asset Revaluation Reserve** is the difference between the previously recorded value of assets and their current valuations.
- **General Reserves** are allocations from the Accumulated Surplus for specific projects.

### Statement of Changes in Equity

During the course of the year the value of **Total Equity** as set out in the Balance Sheet changes. This Statement shows the values of such changes and how these changes arose.

The main reasons for a change in equity stem from:

- The 'surplus or deficit' from operations, as described in the Income Statement;
- Transfers to and from the Council's reserves; and
- Revaluation of assets.

### Cash Flow Statement

The Cash Flow Statement summarises the Council's cash payments and cash receipts for the year. The values differ from those shown in the Income Statement due to the requirement to include GST (which is not a cost to the Council as it is recovered from the ATO), and because it is prepared on a cash basis not an accrual basis.

Cash in this Statement refers to Bank Deposits and other forms of highly liquid investments that can readily be converted to cash.

The Council's cash arises from, and is used in, three main areas:

### Operating Activities

- **Receipts.** All cash received into the Council's bank account from Ratepayers and others who owed money to the Council. Receipts also include the interest earnings from the Council's cash investments.
- **Payments.** All cash paid by the Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.

### Investing Activities

- Relates to payments for, and proceeds from assets such as new capital plant and other long term revenue-producing assets.

### Financing Activities

- This is where the receipt and repayment of borrowed funds are recorded.

## 5. Financial Report

---

This statement provides the reader with an indication of the Council's liquidity and its capacity to pay its debts and other liabilities.

### Notes to the Accounts

The Notes are a very important and informative section of the report. They enable the reader to understand the basis upon which the values shown in the Statements are established and are necessary to provide details of the Council's accounting policies.

These are described in **Note 1**.

In addition to providing details of accounting policies, the Notes also give details behind many of the summary figures contained in the Statements. The Note cross references are shown beside the relevant items in the Income Statement, Balance Sheet, Statement of Changes in Equity and the Cash Flow Statement.

Where the Council wishes to disclose other information that cannot be incorporated into the Statements, then this is shown in the Notes.

Other Notes include:

- The cost of the various functions of the Council;
- The break down of expenses, revenues, reserves, and other assets;
- Contingent liabilities;
- Transactions with persons related to the Council; and
- Financial performance indicators.

The Notes should be read together with the other parts of the Financial Statements to get a clear picture of the accounts.

### Statements by Principal Accounting Officer and Councillors

The **Certification by the Principal Accounting Officer** is a statement made by the person responsible for the financial management of the Council that, in his opinion, the Financial Statements have met all the statutory and professional reporting requirements.

The **Certification by Councillors** is a statement made by two councillors on behalf of the Council that, in their opinion, the Financial Statements are fair and not misleading.

### Auditor General's Report

The Independent Audit Report is the external and independent opinion on the Financial Statements. It provides the reader with a totally independent opinion on the Financial Statements. The opinion covers both the statutory and professional requirements and also the fairness aspects of the Financial Statements.

### Financial Performance

Port Phillip City Council has reported as a surplus of \$7.728 million in 2005/2006 (2004/2005 - \$3.196 million surplus based on AIFRS).

The major factors that have underpinned the City's financial performance in 2005/2006 are:

#### Rate Revenue

Rate revenue has increased from \$58.696 million to \$62.771 million.

Included in rate revenue is \$432,000 derived during the year from supplementary valuation assessments issued as a result of adjusting the property valuations to reflect physical changes made to them.

#### Parking Fees and Fines

Income from parking fees and fines has increased by \$746,000 from \$19.575 million to \$20.321 million. Revenue from this source has however failed to meet budget projections. This year on year increase is due to additional income from parking fines and related charges of \$248,000, an increase of \$373,000 in parking permits, and \$125,000 in ticket machine income.

#### Other Revenue Items (User Charges, Grants, Contributions, Other revenue and Interest)

All of the other revenue items included in Council's Income Statement have reflected small increases that are in line with inflation except for rental income which decreased by \$468,000 due to decreased property rentals and South Melbourne Market stallholder income. Interest income has increased by \$278,000 to \$1.716 million due to extra funds being available to invest as a result of delays in expending Council's capital budget. Grants income has grown \$1.53 million due to increased capital grants received for Woodstock Rooming House. Developer contributions have grown to \$2.679 million as a result of a number of large contributions being received for major property developments during the financial

## 5. Financial Report

---

year. Statutory fees have increased by \$411,000 to \$2.257 million mostly due to a \$353,000 increase in kerbside permit revenue.

### Employee Expenses

There has been an increase of \$934,000 (2.5%) in employee expenses from \$37.947 million to \$38.881 million. This increase is less than would normally be expected and is due to:

- A reduction in agency and staff salaries of \$770,000 as a result of policy changes in relation to new employees and casual staffing levels; and
- A decrease in the employee entitlements for annual leave and long service leave liabilities – \$207,000.

### Non-Labour Operating Expenditure (Professional Services, Utility Payments, Other Expenses, and Contract Payments/Materials)

Non-Labour Operating Expenditure has decreased by \$3.609 million from \$55.623 million in 2004/2005 to \$52.014 million in 2005/2006.

There have been a number of notable year on year changes in expenditure:

- External contract payments decreased by \$786,000 as a result of a reduction of \$688,000 on the Vic Roads contract which is related to the reduction in the Vic Roads grant income, and a reduction of \$83,000 in street cleaning costs.
- Bad and doubtful debts have decreased by \$2.739 million in this financial year as a result of a change in the accounting policy that resulted in a large increase in prior year's provisions for parking doubtful debts, as shown in Note 2 and Note 11.
- Materials and consumables have decreased by \$1.398 million mainly as a result of the amount of capital expenditure expensed as an operating cost, declining by \$969,000 compared to the prior year.
- Professional service fees have increased by \$701,000 in the current financial year mainly as a result of consulting fees incurred relating to the St Kilda Foreshore, and Community Housing.

### Non-Current Assets

The Council discloses asset values in accordance with Australian Accounting Standards. Compliance with the standards means that the carrying values of the assets are either at cost or fair value and that the recorded values are regularly assessed to ensure they are kept up to date by reference to the cost of replacing the assets. When there is a change in cost across a class

of assets and that change is material to the existing carrying value, the Council revalues the entire class of assets. This process ensures that the carrying values are fair and kept up to date.

A fair value assessment of Council's roads, footpaths and bridges and land improvements was undertaken at 30 June 2006 and resulted in an increased valuation of total assets to bring the value to \$1,434.375 million (2004/05- \$1,417.545 million).

### Current Assets and Liabilities

Council's current assets balance of \$48.788 million is primarily made up of investments in short term deposits (\$28.532 million) and investments in longer dated deposits (\$8.5 million). Also included in current receivables this year is an amount of \$2.56 million, which is the amount due from Inkerman Developments that relates to the outstanding units that are due to the Council from the developer in the Oasis development. Completion of these units is expected in the 2006/2007 financial year so the balance has been moved from non current receivables where it has previously been reported. These assets are supplemented by receivables of \$10.287 million which include \$3.539 million net parking debtors and \$1.673 million due from rates debtors.

Council's current liabilities balance of \$15.126 million is primarily made up of accounts payable (\$7.192 million) and provisions (\$6.36 million).

### Non-Current Liabilities

Council's non-current liabilities of \$9.421 million consist of provisions (\$1.297 million) and a bank loan (\$9.107 million, of which \$983,000 has been included in current liabilities).

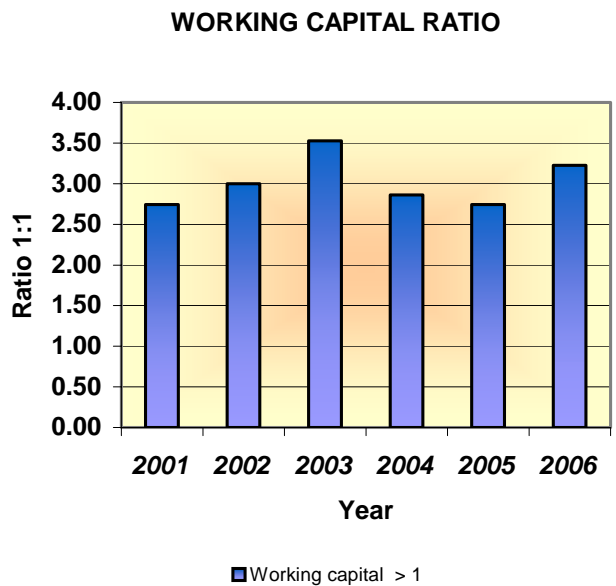
### Key Financial Indicators

Historical changes in a number of key financial indicators have been summarised in the graphs below. A brief commentary has been made next to each graph that highlights the current performance and factors giving rise to changes in the trend of these indicators.

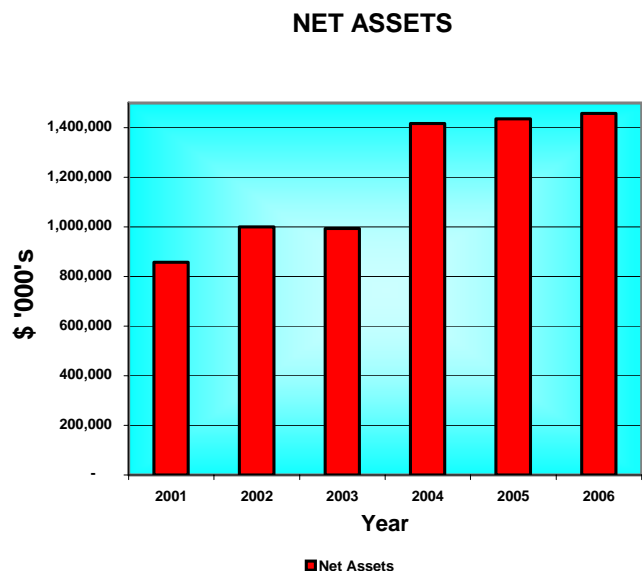


## 5. Financial Report

Council's short term financial strength or liquidity has shown a sustained improvement over the past five years as the movements in its year end working capital ratio confirm. The standard working capital ratio benchmark is a ratio of 2:1. The current working capital ratio of 3.23:1 indicates that Council has over three times more current (short-term) assets than current (short term) liabilities. The positive trend in this ratio is due to a combination of Council's commitment to debt reduction coupled with the delays in the progression of a number of large capital works projects that have received budget funding.

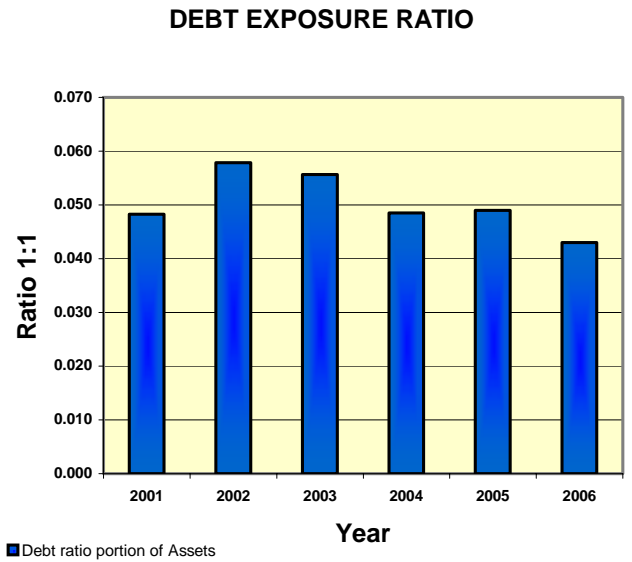


Council's net assets have reflected a stepped growth pattern over the past five years. This is due to the impact of asset revaluations. While Council is required to carry out a fair value assessment of its non-current assets every year, the major changes in these asset balances have occurred in years where there has been a municipal revaluation of its land and buildings (2002 and 2004). It needs to be noted that the increased net asset value is almost entirely attributable to increased asset revaluations and while cash balances have increased over this period, this has an insignificant impact when measured against the scale of the changed non-current asset valuations.

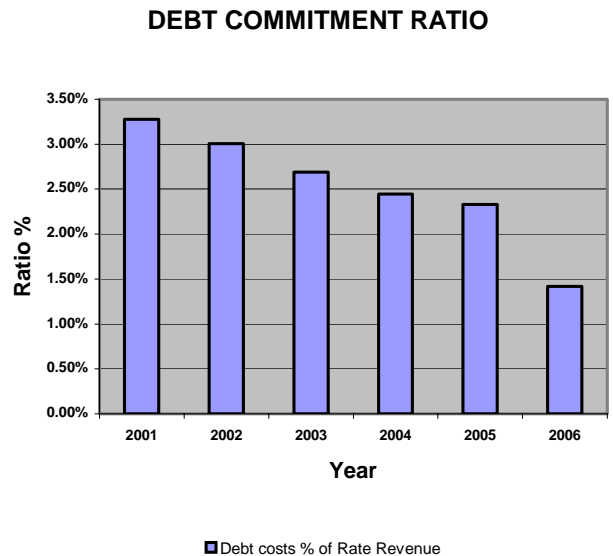


## 5. Financial Report

Council's exposure to debts as a proportion of realisable assets has shown a sustained ongoing reduction. This is due to a combination of its debt reduction program and increases in the value of its realisable assets.



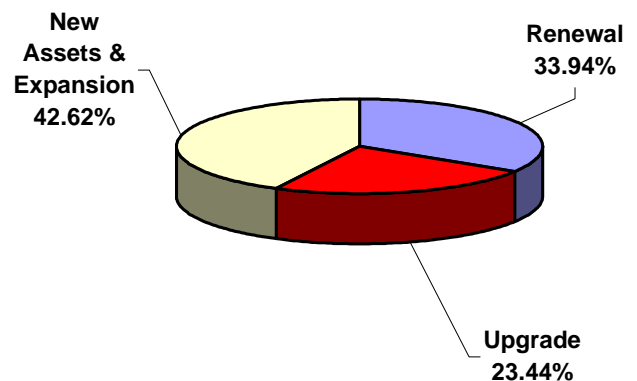
Council's debt commitment ratio which compares its debt commitment (principal and interest) to its rate revenue has reduced significantly in 2006 as it has continued to repay its borrowings.



## 5. Financial Report

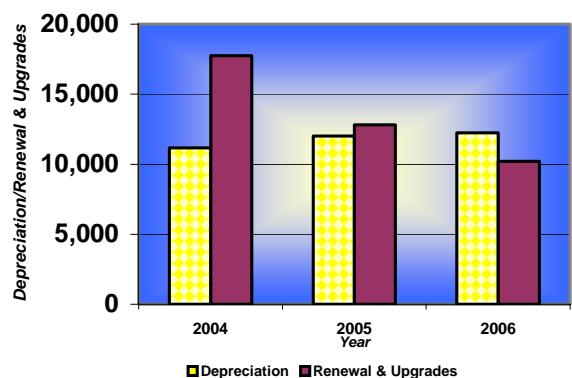
As the breakdown of Council's capital works and capital expenditure into the different categories of renewals and upgrades on existing assets, and new assets illustrates, there has been a significant amount of attention given to enhancements of existing assets which now account for over half of the total capital expenditure. This is attributable to the attention that has been placed by Council on carrying out improvements to a number of buildings that now have an increased service potential such as the St Kilda Town Hall, and the South Melbourne market. While there has been a reduction in the share of capital expenditure on asset renewals, this has remained constant in actual dollar terms as a result of the sustained increase in the capital expenditure vote over the past ten years and a portion of enhancement expenditure is also asset renewal.

**BREAKDOWN OF CAPITAL EXPENDITURE  
2006**



Council's expenditure on asset renewals and upgrades has exceeded its depreciation charge over the past two years. This implies that it is fully funding the wear and tear on its assets. It also needs to be noted that some \$2.8 million expenditure on major capital projects (notably parks and gardens landscaping) has been reclassified as operating expenditure in line with its asset accounting policy that does not recognise asset values for "green assets".

**CAPITAL RENEWAL/UPGRADES VS  
DEPRECIATION**



# Standard Statements & Financial Report



# Standard Income Statement

for the year 30 June 2006

	2006 Budget \$'000	2006 Actual \$'000	Variance \$'000	%	Note
<b>Revenue</b>					
Rates and garbage charge	61,852	62,771	919	1.5%	2.1
Operating grants and contributions	8,903	9,018	115	1.3%	
Capital grants and contributions	570	2,725	2,155	378.1%	2.2
Contributions	1,615	2,679	1,064	65.9%	2.3
Interest	1,050	1,716	666	63.4%	2.4
User charges and other fines	8,547	8,590	43	0.5%	
Statutory fees	1,554	2,257	703	45.2%	2.5
Parking fees and fines	21,639	20,321	(1,318)	(6.1%)	2.6
Other revenue	1,460	1,901	441	30.2%	2.7
Rent	4,702	4,320	(382)	(8.1%)	2.8
<b>Total Revenues</b>	<b>111,892</b>	<b>116,298</b>	<b>4,406</b>	<b>3.9%</b>	
<b>Expenses</b>					
Employee benefits	36,676	38,881	(2,205)	(6.0%)	2.9
Materials and consumables	13,771	15,213	(1,442)	(10.5%)	2.10
External contracts	29,937	26,853	3,084	10.3%	2.11
Bad and doubtful debts	1,210	584	626	51.7%	2.12
Utility payments	2,092	2,034	58	2.8%	
Professional services	2,809	3,682	(873)	(31.1%)	2.13
Borrowing costs	562	554	8	1.4%	
Depreciation	11,291	12,240	(949)	(8.4%)	
Loss on disposal of property, infrastructure, plant and equipment	-	5,435	(5,435)	-	2.14
Other expenses	3,543	3,094	449	12.7%	2.15
<b>Total Expenses</b>	<b>101,891</b>	<b>108,570</b>	<b>(6,679)</b>	<b>(6.6%)</b>	
<b>Surplus for the year</b>	<b>10,001</b>	<b>7,728</b>	<b>(2,273)</b>	<b>(22.7%)</b>	

# Standard Balance Sheet

as at 30 June 2006

	2006 Budget \$'000	2006 Actual \$'000	Variance \$'000	%	Note
<b>Current assets</b>					
Cash assets	23,922	28,532	4,610	19.3%	3.1
Other financial assets	-	8,500	8,500	-	3.1
Receivables	9,199	10,287	1,088	11.8%	3.2
Accrued income	264	817	553	209.5%	3.3
Prepayments	225	652	427	189.8%	3.4
<b>Total current assets</b>	<b>33,610</b>	<b>48,788</b>	<b>15,178</b>	<b>45.2%</b>	
<b>Non-current assets</b>					
Investment in joint venture	543	-	(543)	(100.0%)	3.5
Other financial assets	5	5	-	0.0%	
Receivables	20	2	(18)	(90.0%)	
Property, infrastructure, plant and equipment	1,424,823	1,434,375	9,552	0.7%	3.6
<b>Total non-current assets</b>	<b>1,425,391</b>	<b>1,434,382</b>	<b>8,991</b>	<b>0.6%</b>	
<b>Total assets</b>	<b>1,459,001</b>	<b>1,483,170</b>	<b>24,169</b>	<b>1.7%</b>	
<b>Current liabilities</b>					
Payables	8,853	7,192	(1,661)	(18.8%)	3.7
Trust funds	496	591	95	19.2%	
Provisions	2,771	6,360	3,589	129.5%	3.8
Interest-bearing liabilities	863	983	120	13.9%	3.9
<b>Total current liabilities</b>	<b>12,983</b>	<b>15,126</b>	<b>2,143</b>	<b>16.5%</b>	
<b>Non-current liabilities</b>					
Provisions	3,202	1,297	(1,905)	(59.5%)	3.10
Interest-bearing liabilities	7,769	8,124	355	4.6%	
<b>Total non-current liabilities</b>	<b>10,971</b>	<b>9,421</b>	<b>(1,550)</b>	<b>(14.1%)</b>	
<b>Total liabilities</b>	<b>23,954</b>	<b>24,547</b>	<b>593</b>	<b>2.5%</b>	
<b>Net assets</b>	<b>1,435,047</b>	<b>1,458,623</b>	<b>23,576</b>	<b>1.6%</b>	
<b>Equity</b>					
Accumulated surplus	560,143	555,802	(4,341)	(0.8%)	
Asset revaluation reserve	864,935	889,220	24,285	2.8%	3.11
Other reserves	9,969	13,601	3,632	36.4%	3.12
<b>Total equity</b>	<b>1,435,047</b>	<b>1,458,623</b>	<b>23,576</b>	<b>1.6%</b>	

# Standard Cash Flow Statement

for the year 30 June 2006

	2006 Budget \$'000	2006 Actual \$'000	Variance \$'000	%	Note
<b>Cash flows from operating activities</b>					
Receipts from customers	61,852	62,771	919	1.5%	
Payments to suppliers (inclusive of GST)	(36,049)	(34,430)	1,619	4.5%	4.1
<b>Net cash inflow / (outflow) from customers/suppliers</b>	<b>25,803</b>	<b>28,341</b>	<b>2,538</b>	<b>9.8%</b>	
Parking fees and fines	21,503	20,309	(1,194)	(5.6%)	4.2
Government grants (inclusive of GST)	8,903	9,740	837	9.4%	4.3
Contributions	1,615	2,679	1,064	65.9%	4.4
Capital Grants	743	2,362	1,619	217.9%	4.5
Interest received	1,050	1,463	413	39.3%	4.6
Other receipts (inclusive of GST)	17,164	17,882	718	4.2%	
Net GST refund	3,929	3,122	(807)	(20.5%)	4.7
Payments to employees	(36,434)	(38,480)	(2,046)	(5.6%)	4.8
Borrowing costs	(562)	(554)	8	(1.4%)	
Other payments	(21,667)	(19,920)	1,747	(8.1%)	4.9
<b>Net cash inflow from operating activities</b>	<b>22,047</b>	<b>26,944</b>	<b>4,897</b>	<b>22.2%</b>	
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment	-	454	454	100.0%	
Payments for property, infrastructure, plant and equipment	(24,510)	(17,938)	(6,572)	(26.8%)	4.10
Proceeds from sale of other financial assets	-	-	-		
Payments for other financial assets	-	(1,500)	(1,500)	100.0%	4.11
<b>Net cash (outflow) from investing activities</b>	<b>(24,510)</b>	<b>(18,984)</b>	<b>5,526</b>	<b>(22.5%)</b>	
<b>Cash flows from financing activities</b>					
Repayment of borrowings	(812)	(337)	(475)	(58.5%)	4.12
<b>Net cash (outflow) from financing activities</b>	<b>(812)</b>	<b>(337)</b>	<b>(475)</b>	<b>(58.5%)</b>	
<b>Net increase / (decrease) in cash held</b>	<b>(3,275)</b>	<b>7,623</b>	<b>(10,898)</b>	<b>332.8%</b>	
Cash at the beginning of the financial year	27,197	20,909	6,288	23.1%	
<i>Cash at the end of the financial year</i>	<i>23,922</i>	<i>28,532</i>	<i>(4,610)</i>	<i>(19.3%)</i>	
<b>Reconciliation of Operating Result and Net Cash Flows</b>					
Net surplus / (deficit) from operations	10,174	7,728	2,446		
Depreciation	11,291	12,240	(949)		
Loss on disposal of property, infrastructure, plant and equipment	-	5,435	(5,435)		
Net movement in current assets and liabilities	582	1,541	(959)		
<b>Net cash inflow from operating activities</b>	<b>22,047</b>	<b>26,944</b>	<b>(4,897)</b>		

# Standard Statement of Capital Works

for the year ending 30 June 2006

	2006 Budget \$'000	2006 Actual \$'000	Variance \$'000	%	Note
<b>Capital Works Areas</b>					
Roads, footpaths and bridges	5,233	2,733	(2,500)	(47.8%)	5.1
Drainage	1,900	300	(1,600)	(84.2%)	5.2
Buildings	10,745	10,372	(373)	(3.5%)	
Land improvements	3,460	1,629	(1,831)	(52.9%)	5.3
Plant and equipment	450	1,133	683	151.8%	5.4
Furniture and fittings	-	1,563	1,563	-	5.5
Heritage assets and works of art	-	40	40	-	
<b>Total capital works</b>	<b>21,788</b>	<b>17,770</b>	<b>(4,018)</b>	<b>(18.4%)</b>	
<b>Represented by:</b>					
Renewal	7,953	6,030	(1,923)	(24.2%)	5.6
Upgrade	11,060	4,168	(6,892)	(62.3%)	5.7
Expansion	-	-	-	-	
New Assets	2,775	7,572	4,797	172.9%	5.8
<b>Total capital works</b>	<b>21,788</b>	<b>17,770</b>	<b>(4,018)</b>	<b>(18.4%)</b>	

	2006 Budget \$'000	2006 Actual \$'000	Variance \$'000	%	Note
<b>Property, Infrastructure, Plant and Equipment movement reconciliation worksheet</b>					
The movement between the previous year and current year in property, infrastructure, plant and equipment as shown in the Balance Sheet links to the net of the following items:					
Total capital works	21,788	17,770	(4,018)	(18.4%)	5.9
Asset revaluation movement	-	12,675	12,675	-	
Depreciation and amortisation	(11,291)	(12,240)	(949)	8.4%	
Recognition of assets for the first time	-	4,343	4,343	-	
Written down value of assets disposed	-	(5,980)	(5,980)	-	
WIP write off to operating	-	(356)	(356)	-	
Joint venture assets consolidated	-	618	618	-	
<b>Net movement in property, infrastructure, plant and equipment</b>	<b>10,497</b>	<b>16,830</b>	<b>6,333</b>	<b>60.3%</b>	



# Notes to the Standard Statements

for the year ending 30 June 2006

---

## **Note 1      Basis of preparation of Standard Statements**

The City of Port Phillip is required to prepare and include audited Standard Statements within its Annual Report.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Report and the 2005/2006 Budget. The results reported in these Statements are consistent with those reported in the General Purpose Financial Report.

The Standard Statements are not a substitute for the General Purpose Financial Report, which is included in the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare the Council's financial plan, expressed through its annual budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent. 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 included in the Standard Statements are those adopted by the Council on 23 June 2005. The budget was based on the assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet the Council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Report. The detailed budget can be obtained by contacting Council or through the Council's web site. The Standard Statements must be read in conjunction with these documents.

# Notes to the Standard Statements

for the year ending 30 June 2006

## Explanation of material variances Standard Income Statement

### Note 2 Variance Explanation Report

Ref.	Item	Explanation
2.1	Rates & Garbage Charge	Additional income of \$919K due to receipt of unbudgeted special charges as well as additional interest on overdue rates, and supplementary rates.
2.2	Capital Grants and Contributions	Additional income of \$2.155M received during the year as a result of unbudgeted funding for Woodstock Rooming House \$1.42M; Elwood Family & Child Services Hub \$496K and Roads to Recovery project \$187K.
2.3	Contributions	\$1.06M additional income received throughout the year as a result of the receipt of a number of large developer contributions for major property developments.
2.4	Interest	Interest income of \$666K more than budget due to extra funds available for investment as a result of delays in expending Council's capital budget.
2.5	Statutory fees	Additional income of \$703K is attributable to the following: - Additional Crane/Tower permits of \$88K received due to the Red Bears Development site; - Increases in street occupation fees and kerbside permit rates, as well as additional usage, resulting in a \$580K increase.
2.6	Parking fees and fines	Parking income is \$1.3M unfavourable mainly due to fewer tickets being raised than anticipated during the Commonwealth Games. In addition lower income was raised through paid parking than was expected.
2.7	Other Revenue	Additional income of \$441K is mainly due to unbudgeted income from the sale of right of ways (\$558K).
2.8	Rent	Rental income shortfall of \$382K is due to rent relief offered to stallholders at South Melbourne as compensation for inconvenience caused by the refurbishment works.
2.9	Employee Benefits	Additional expenditure of \$2.205M is attributable to the impact of incorporating the Streetsahead joint venture into Council's accounts (\$2.15M)
2.10	Materials and Consumables	Additional expenditure of \$1.442M is attributable to: - Increased materials expenses \$339K, and motor vehicle lease charges \$403K as a result of the year end adjustment to incorporate the Streetsahead joint venture - The impact of a \$2.116M write off of non-capital expenses related to Capital Works projects, increasing maintenance costs. These overruns are offset by savings in: - Advertising \$363K due to a reduction in expenses related to the South Melbourne Market as a result of stallholder relocations during capital works. - Insurance \$310K due to a reduction in the number of outstanding claims and the final cost of insurance premiums being less than anticipated. - Contributions and donations \$328K due to less Council subsidies being provided to child care centres. - Printing and stationery \$210K due to cost savings across Council.
2.11	External Contracts	A saving of \$3.1M is attributable to: - The unbudgeted year end adjustment to incorporate the Streetsahead joint venture, reducing contract payments by \$2.59M - \$688K savings on the Vic Roads contract which is related to the reduction in Vic Roads grant income.
2.12	Bad and Doubtful Debts	\$626K savings relates to a change in accounting policy for the parking debtors doubtful debts allowance from the prior year, which led to a reduction in PERIN doubtful debts expense.
2.13	Professional Services	Additional expenditure of \$873K is attributable to consulting fees relating to the St Kilda's Edge project (\$318K), as well as Community Housing (\$74K), and Service and Business Innovation (\$123K).
2.14	Written down value of assets sold	The \$5.435M additional expenditure is attributable to: Disposals of signage assets (\$2.2M); Partial demolition of the Town Hall (\$1.9M); and Demolition of other assets totalling \$672K.
2.15	Other Expenses	Underexpenditure of \$387K is attributable to minor savings in various areas such as postage, rent and software costs.

# Notes to the Standard Statements

for the year ending 30 June 2006

---

## Explanation of material variances continued Standard Balance Sheet

### Note 3 Variance Explanation Report

Ref.	Item	Explanation
3.1	Cash and Other Financial Assets	All investments were budgeted as cash assets. The overall variance of \$13.11M is due to the delay in expending the capital works program that was planned for completion during 2006/07.
3.2	Receivables - Current	An increase of \$1.088M is due to the inclusion of Inkerman Oasis debtor (\$2.75M) in current assets this year. This was partially offset by the reassessment of the measurement for the provision for doubtful debts - parking, which resulted in a more conservative collection rate for parking fines.
3.3	Accrued Income	The increase of \$553K is largely due to the significant increase in cash available for investment, which in turn has increased the accrued interest on Council's cash investments.
3.4	Prepayments	The increase of \$427K relates to prepaid insurance for Civic Mutual Plus which was not included in the budget.
3.5	Investment in Joint Venture	The 2006 budget was struck before Council changed its method of accounting for the Streetsahead joint venture from the equity method to full consolidation of the results. Therefore, the variance is due to the investment value which was reported under the equity method in the budget is no longer reported as a separate item under full consolidation.
3.6	Property, infrastructure, plant and equipment	The increase of \$9.5M is due to the revaluation increments during the financial year that were not included in the budget relating to Land Improvements and Roads, Footpaths and Bridges.
3.7	Payables	The variance is due to reduced accounts payable commitments at year end.
3.8	Provisions - Current	The increase of \$3.589M is due to the introduction of Australian Equivalents to International Financial Standards (AIFRS) which has changed Council's measurement and disclosure requirements in regards to Employee Benefits which was not included in the budget.
3.9	Interest-bearing liabilities - Current	The increase of \$120K is due to the inclusion of Council's joint venture borrowings that are not included in budget.
3.10	Provisions - Non-current	The decrease of \$1.9M is due to the introduction of Australian Equivalents to International Financial Standards (AIFRS) which has changed Council's measurement and disclosure requirements in regards to Employee Benefits which was not included in the budget.
3.11	Asset Revaluation Reserve	The increase of \$24.285M is due to revaluation increments during the 2004/05 and 2005/06 financial years that were not factored into the 2005/06 budget.
3.12	Other Reserves	The increase of \$3.632M is due to the creation of the remediation reserve for \$2.9M that was not included in the 2005/06 budget.

# Notes to the Standard Statements

for the year ending 30 June 2006

---

## Explanation of material variances continued Standard Cash Flow Statement

### Note 4 Variance Explanation Report

Ref.	Item	Explanation
4.1	Payments to suppliers (inclusive of GST)	The decrease of \$1.6M is due to delays in expending the capital works budget.
4.2	Parking fees and fines	The decrease of \$1.2M is due to the poor recovery of PERIN parking debts for outstanding infringements lodged with the Department of Justice.
4.3	Government Grants	Increase of \$837K is attributable to additional grants for new and existing projects received during the year.
4.4	Contributions	\$1.06M additional income received throughout the year as a result of the receipt of a number of large developer contributions for major property developments.
4.5	Capital Grants	Additional income of \$1.62M received during the year as a result of unbudgeted funding being received for Woodstock Rooming House \$1.42M; Elwood Family & Child Services Hub \$496K and Roads to Recovery project \$187K.
4.6	Interest Received	The increase of \$413K is due to an increase in surplus cash available for investment as a result of delays in expending Council's capital program.
4.7	Net GST refund	The decrease of \$807K is due to delays in expending the capital works budget.
4.8	Payments to Employees	The increase of \$2.046M is due to the inclusion of the Streetsahead joint venture into Council's accounts (\$2.15M) which was not included in the budget.
4.9	Other Payments	The decrease of \$1.7M is due to savings on various items such as postage, rent, software costs and Vic Roads.
4.10	Payments for property, infrastructure, plant and equipment	The decrease of \$7.026M is attributable to the delays in expenditure for Council's capital works program.
4.11	Payments for other financial assets	The \$1.5M increase is due to additional funds being invested with maturities greater than three months.
4.12	Repayment of borrowings	The reduction of \$475K is due to the inclusion of the Streetsahead joint venture into Council's accounts which was not included in the budget.

# Notes to the Standard Statements

for the year ending 30 June 2006

---

## Explanation of material variances continued Standard Statement of Capital Works

### Note 5 Variance Explanation Report

Ref.	Item	Explanation
5.1	Roads, footpaths and bridges	A saving of \$2.5M due to delays in expending Council's capital works budget.
5.2	Drainage	A saving of \$1.6M primarily as a result of Montague Street drainage works not proceeding further.
5.3	Land Improvements	A saving of \$1.83M as a result of delays in Council expending the capital works budget.
5.4	Plant and equipment	Additional expenditure of \$683K is mainly due to the acquisition of new parking machines, which while budgeted was not reflected on the Budgeted Statement of Capital Works.
5.5	Furniture and Fittings	The increase of \$1.563M due to additional expenditure relating to information technology projects, which while budgeted was not reflected on the Budgeted Statement of Capital Works.
5.6	Renewal	The \$1.923M variance is as a result of delays in expending Council's capital budget.
5.7	Upgrade	The \$6.892M variance is due to delays in expending the capital works program.
5.8	New Assets	The variance of \$4.797M is due to unbudgeted expenditure on Community Housing of \$2.8M, as well as asset acquisitions of \$2.2M which while budgeted was not included in the budgeted capital works statement.
5.9	Total Capital works	Variance of \$4.018M is due to delays in expending Council's capital works budget.

# Certification of the Standard Statements

---

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



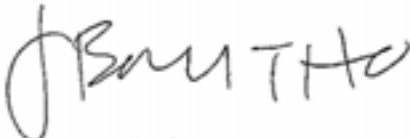
DAVID GRAHAM  
PRINCIPAL ACCOUNTING OFFICER

Date: 6/9/2006  
St Kilda

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

As at the date of signing, we are not aware of any circumstances which would render any particulars in the report to be misleading or inaccurate.

We were authorised by the Council, on 4 September 2006, to certify the standard statements in their final form on behalf of the Council.



JANET BOLITHO  
MAYOR & COUNCILLOR

Date: 6/9/2006  
St Kilda



JANET CRIBBES  
DEPUTY MAYOR & COUNCILLOR

Date: 6/9/2006  
St Kilda



DAVID SPOKES  
CHIEF EXECUTIVE OFFICER

Date: 6/9/2006  
St Kilda

# Financial Statements

---

	<b>Page</b>
<b>FINANCIAL REPORT</b>	
<b>Financial Statements</b>	
Income Statement	65
Balance Sheet	66
Statement of Changes in Equity	67
Cash Flow Statement	68
<b>Notes to Financial Statements</b>	
Introduction	
Note 1 Significant accounting policies	69 - 75
Note 2 First time adoption of Australian equivalents to International Financial Reporting Standards (AIFRS)	76 - 78
Note 3 Rates and garbage charge	79
Note 4 Parking fees and fines	79
Note 5 User charges and other fines	79
Note 6 Statutory fees	79
Note 7 Grants	80 - 81
Note 8 Contributions	82
Note 9 Other revenue	82
Note 10 Disposal of property, infrastructure, plant and equipment	82
Note 11 Employee benefits	83
Note 12 External contracts	83
Note 13 Materials and consumables	83
Note 14 Bad and doubtful debts	84
Note 15 Depreciation	84
Note 16 Other expenses	84
Note 17 Borrowing costs	84
Note 18 Cash and cash equivalents	85
Note 19 Other financial assets	85
Note 20 Receivables	85
Note 21 Prepayments	85
Note 22 Property, infrastructure, plant and equipment	86 - 89
Note 23 Payables	90
Note 24 Trust funds and deposits	90
Note 25 Provisions	90
Note 26 Interest-bearing liabilities	91
Note 27 Adjustments directly to equity	91
Note 28 Reserves	92 - 93
Note 29 Reconciliation of surplus for the year with net cash provided by operating activities	94
Note 30 Reconciliation of cash at year-end to cash and cash equivalents	94
Note 31 Financing arrangements	94
Note 32 Restricted assets	94
Note 33 Superannuation	95
Note 34 Commitments	96
Note 35 Operating lease commitments	97
Note 36 Contingent liabilities and contingent assets	98
Note 37 Financial instruments	99 - 102
Note 38 Auditors' remuneration	102
Note 39 Related party transactions	103
Note 40 Joint venture information	104
Note 41 Revenue, expenses and assets by function/activities	105
Note 42 Financial ratios	106
Note 43 Comparison of actual to budget - rate determination	107
Note 44 Capital expenditure	108
Note 45 Events occurring after balance date	109
Certification of the financial report	110
Auditor General's Report	111 - 112

# Income Statement

for the year ended 30 June 2006

---

	Note	2006 \$'000	2005 \$'000
<b>Revenue</b>			
Rates and garbage charge	3	62,771	58,696
Parking fees and fines	4	20,321	19,575
User charges and other fines	5	8,590	8,680
Statutory fees	6	2,257	1,846
Grants	7	11,743	10,213
Contributions	8	2,679	2,512
Other revenue	9	1,901	1,796
Interest		1,716	1,438
Rent		4,320	4,788
<b>Total Revenue</b>		<b>116,298</b>	<b>109,544</b>
<b>Expenses</b>			
Employee benefits	11	38,881	37,947
External contracts	12	26,853	27,639
Materials and consumables	13	15,213	16,611
Bad and doubtful debts	14	584	3,323
Depreciation	15	12,240	12,016
Professional services		3,682	2,981
Utility payments		2,034	1,785
Other expenses	16	3,094	2,680
Borrowing costs	17	554	604
<b>Total Expenses</b>		<b>103,135</b>	<b>105,586</b>
Loss on disposal of property, infrastructure, plant and equipment	10	5,435	762
<b>Surplus for the year</b>		<b>7,728</b>	<b>3,196</b>

---

The accompanying notes form part of this financial report



# Balance Sheet

as at 30 June 2006

	Note	2006 \$'000	2005 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	18	28,532	20,909
Other financial assets	19	8,500	7,000
Receivables	20	10,287	7,280
Accrued income		817	614
Prepayments	21	652	1,287
<b>Total current assets</b>		<b>48,788</b>	<b>37,090</b>
<b>Non-current assets</b>			
Other financial assets		5	5
Receivables	20	2	2,617
Property, infrastructure, plant and equipment	22	1,434,375	1,417,545
<b>Total non-current assets</b>		<b>1,434,382</b>	<b>1,420,167</b>
<b>Total assets</b>		<b>1,483,170</b>	<b>1,457,257</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	23	7,192	6,212
Trust funds and deposits	24	591	471
Provisions	25	6,360	6,025
Interest-bearing liabilities	26	983	812
<b>Total current liabilities</b>		<b>15,126</b>	<b>13,520</b>
<b>Non-current liabilities</b>			
Provisions	25	1,297	1,228
Interest-bearing liabilities	26	8,124	8,632
<b>Total non-current liabilities</b>		<b>9,421</b>	<b>9,860</b>
<b>Total liabilities</b>		<b>24,547</b>	<b>23,380</b>
<b>Net Assets</b>		<b>1,458,623</b>	<b>1,433,877</b>
<b>Equity</b>			
Accumulated surplus		555,802	542,718
Reserves	28	902,821	891,159
<b>Total Equity</b>		<b>1,458,623</b>	<b>1,433,877</b>

The accompanying notes form part of this financial report

# Statement of Changes in Equity

for the year ending 30 June 2006

2006	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves
		2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
		1,433,877	542,718	876,545	14,614
	27	4,343	4,343		
		7,728	7,728		
	28(a)	12,675		12,675	
	28(b)		(9,495)		9,495
	28(b)		10,508		(10,508)
<b>Balance at end of the financial year</b>		<b>1,458,623</b>	<b>555,802</b>	<b>889,220</b>	<b>13,601</b>

2005	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves
		2005 \$'000	2005 \$'000	2005 \$'000	2005 \$'000
		1,417,822	538,521	864,935	14,366
		3,196	3,196		
	28(a)	12,859		12,859	
	28(b)		(6,767)	(1,249)	8,016
	28(b)		7,768		(7,768)
<b>Balance at end of the financial year</b>		<b>1,433,877</b>	<b>542,718</b>	<b>876,545</b>	<b>14,614</b>

The accompanying notes form part of this financial report

# Cash Flow Statement

for the year ending 30 June 2006

	Note	2006 Inflows/ (Outflows) \$'000	2005 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and garbage charges		62,771	58,987
Parking fees and fines		20,309	20,323
User charges and other fines (inclusive of GST)		11,261	10,698
Grants (inclusive of GST)		12,102	10,213
Contributions		2,679	2,512
Interest		1,463	1,438
Rents (inclusive of GST)		4,320	4,788
Other receipts (inclusive of GST)		2,301	1,533
Net GST refund		3,122	3,596
Payments to suppliers (inclusive of GST)		(34,430)	(35,959)
Payments to employees (including redundancies)		(38,480)	(37,106)
Borrowing costs		(554)	(604)
Other payments		(19,920)	(25,670)
<b>Net cash provided by operating activities</b>	29	<b>26,944</b>	<b>14,749</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(17,938)	(13,951)
Proceeds from sale of property, infrastructure, plant and equipment		454	-
Proceeds from sale of other financial assets		-	8,178
Payments for other financial assets		(1,500)	-
<b>Net cash (used in) investing activities</b>		<b>(18,984)</b>	<b>(5,773)</b>
<b>Cash flows from financing activities</b>			
Repayment of interest bearing liabilities		(337)	(764)
<b>Net cash (used in) financing activities</b>		<b>(337)</b>	<b>(764)</b>
Net increase in cash and cash equivalents		7,623	8,212
Cash and cash equivalents at the beginning of the financial year		20,909	12,697
<b>Cash at the end of the financial year</b>	30	<b>28,532</b>	<b>20,909</b>
<b>Financing arrangements</b>	31		
<b>Restrictions on cash assets</b>	32		

The accompanying notes form part of this financial report

# Notes to the Financial Report

for the year ended 30 June 2006

---

## Introduction

---

The City of Port Phillip 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 99a Carlisle St, St Kilda.

The purpose of Council is to:

- provide for the peace, order and good government of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with Best Value Principles to best meet the needs of the local community;
- to improve the overall quality of life of people in the local community;
- to promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

This financial report is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Interpretations, the Local Government Act 1989 and the Local Government (Finance & Reporting) Regulations 2004.

*Financial report complies with AIFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Some Australian equivalents to IFRSs contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. The Council has analysed its purpose, objectives, and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within the AIFRS that are applicable to not-for-profit entities.

The Council is an entity to which AAS 27 "Financial Reporting by Local Governments" applies and the entity has applied a requirement of that Standard that overrides the requirements in an Australian equivalent to IFRS.

Except to the extent that these special provisions require, this financial report complies with the Australian equivalents to IFRS (AIFRS).

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly.

The Council has elected not to restate comparative information of financial instruments with the scope of AASB 132 "Financial Instruments and Disclosure Presentation" and AASB 139 "Financial Instruments Recognition and Measurement", as permitted on the first time adoption of AIFRS.

---

## Note 1 Significant accounting policies

---

### (a) Basis of accounting

This financial report has been prepared on the accrual and going concern bases.

This financial report has been prepared under the historical cost convention, except where specifically stated.

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

# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 1 Significant accounting policies (cont.)

---

has been made of any material changes to comparatives. Comparative information is included under AIFRS. Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 of this report.

All entities controlled by Council that have material assets or liabilities have been included in this financial report. All transactions between these entities and the Council have been eliminated in full.

### (b) Change in accounting policies

#### *Signage Assets*

Commencing 1 July 2005 signage assets, which have always been recorded as part of roads footpaths and bridges, will no longer be recorded as an asset. All signage assets as at 30 June 2005 have been de-recognised in the accounts and all signage purchases from 1 July 2005 onwards have been expensed.

### (c) Revenue recognition

#### *Rates, grants and contributions*

Rates, grants and contributions (including developer contributions) are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates. A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contributions, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants 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 at Note 7. 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.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

#### *User charges, fees and fines*

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

A provision for doubtful debts is recognised when collection in full is no longer probable.

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

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

#### *Interest and rents*

Interest and rents are recognised as revenue when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 1 Significant accounting policies (cont.)

---

### (d) Depreciation and amortisation of non-current assets

Buildings, land improvements, heritage assets, infrastructure and plant and equipment 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. Land is regarded as a non-depreciable asset.

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

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

Major asset lives used are listed below and are consistent with the prior year unless otherwise stated:

ASSET TYPE	PERIOD
<b>Land and buildings</b>	
Buildings	100 years
Land improvements	10 - 100 years
<b>Plant and equipment</b>	
Communications equipment	3 years
Furniture & fittings	5 years
Heritage assets	100 years
Information Technology	3 years
Library books	5 years
Motor vehicles	5 years
Office Equipment	5 years
Pay parking equipment	5 - 10 years
IT Software	3 years
Works of Art	100 years
<b>Infrastructure</b>	
Roads	
- Substructure	100 years
- Seal	
- Asphalt	18 years
- Spray	12 years
Footpaths	40 - 50 years
Kerb and channel	50 years
Drains	50 - 100 years
Bridges	
- Substructure	40 - 80 years
- Deck	20 - 80 years
Lanes (Right of Ways)	18 - 100 years

### (e) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is disposed.

# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 1 Significant accounting policies (cont.)

---

### (f) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

### (g) Recognition and measurement of assets

#### *Acquisition*

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

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

The following classes of assets have been recognised in Note 22. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

<b>ASSET CLASS</b>	<b>THRESHOLD LIMIT</b>
<b><i>Land and buildings</i></b>	
Land	All
Buildings	\$5,000
Land improvements	\$5,000
<b><i>Plant and equipment</i></b>	
Communications equipment	\$2,000
Furniture & fittings	\$2,000
Heritage assets	All
Information Technology	\$2,000
Library books	All
Motor vehicles	\$2,000
Office Equipment	\$2,000
Pay parking equipment	\$2,000
IT Software	\$10,000
Works of Art	All
<b><i>Infrastructure</i></b>	
Roads	\$5,000
Substructure	\$5,000
Seal	\$5,000
- Asphalt	\$5,000
- Spray	\$5,000
Footpaths	\$5,000
Kerb and channel	\$5,000
Drains	\$5,000
Bridges	\$5,000
- Substructure	\$5,000
- Deck	\$5,000
Lanes (Right of Ways)	\$5,000

# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 1 Significant accounting policies (cont.)

---

### (g) Recognition and measurement of assets (cont.)

#### *Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment (excluding heritage assets and works of art), are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction (being either market value or written down replacement cost). At balance date, the Council reviewed the carrying value of the individual classes of assets to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from its fair value at balance date the class of asset was revalued.

In addition, Council undertakes the formal revaluation of land, buildings, land improvements, works of art, heritage assets and infrastructure assets on a regular basis ranging from one to three years. The valuation is performed either by experienced Council officers or independent experts.

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. Revaluation increments and decrements within the year are offset within the same class of asset.

#### *Land under roads*

The Council has elected not to recognise land under roads as an asset in accordance with AASB 1045 Land under Roads, which extends the requirement to recognise and measure land under roads as an asset of Council until 30 June 2007.

### (h) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with short periods to maturity that are readily convertible to cash on hand at Council's option and are subject to insignificant risk of changes in values, net of outstanding bank overdrafts.

### (i) Other financial assets

Other financial assets are held to maturity and measured at cost.

### (j) Community Housing Agreements

During the year Council had interest in 15 properties (no change from 2004/2005), 12 of which are Council owned (no change from 2004/2005), two part-owned with the State Government's Office of Housing (no change from 2004/2005) and one wholly owned by the Office of Housing. These assets are included in the assets Land and Buildings in Note 22 and apart from one, Inkerman Oasis, all are subject to joint venture agreements with the Office of Housing.

At 30 June 2006 Council had commenced the process of transferring its community housing assets to the Port Phillip Housing Trust in accordance with a restructure of the Port Phillip Housing Program ('Housing Program Sustainability Project') as resolved by Council. Please refer to Note 45 'Events occurring after balance date' for further information.



# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 1 Significant accounting policies (cont.)

---

### (k) Tender deposits

Amounts received as tender deposits controlled by Council are recognised as Trust funds until they are returned or forfeited.

### (l) Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled. The liability for employee benefits include annual leave, long service leave and retirement gratuities. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of Council is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employee remuneration to the extent that the leave is likely to be taken during service rather than paid out on termination.

#### *Classification as current and non-current*

Employee benefit liabilities are classified as current if Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Consequently, all annual leave, retirement gratuities and unconditional long service leave entitlements are classified as current. All conditional long service leave entitlements are classified as non-current.

#### *Wages and salaries*

Liabilities for wages and salaries and rostered days off are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts such as superannuation and WorkCover charges.

#### *Annual leave*

All annual leave is deemed to be current. Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date and are measured at the amount expected to be paid with reference to estimated settlement of the leave as at 30 June 2006 taking into account attrition rates and pay increases through promotion and certified agreements and increments.

#### *Long service leave*

Long service leave accrued for an employee over the 10 year period of service is classified to be current, the amount under 10 years is classified as non-current. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

#### *Superannuation*

Where necessary, a liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. Any liability also includes applicable contributions tax.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in Note 33.

#### *Retirement gratuities*

Retirement gratuities were provided to certain employees who joined the Council prior to June 1995. The liability represents a set proportion of accumulated sick leave that is payable on retirement. At balance date, the liability is deemed to be current and is measured at the present value of estimated future cash flows to be made for this entitlement.

# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 1 Significant accounting policies (cont.)

---

### (m) Leases

#### *Operating leases*

Lease payments for operating leases are recognised as an expense in the years in which they are incurred.

#### *Finance leases*

Leases of assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are amortised on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter.

### (n) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being Council's operational cycle.

### (o) Web Site costs

Costs in relation to Council's web site are expensed in the year in which they are incurred.

### (p) Rounding

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

### (q) 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 expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

### (r) 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed.

# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 2 First-time adoption of Australian equivalents to International Financial Reporting Standards

---

Following the adoption of Australian equivalents to International Financial Reporting Standards (AIFRS), Council has presented its first financial report and other accountability statements in compliance with the AIFRS framework for the financial year ended 30 June 2006.

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly.

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. The Council has analysed its purpose, objectives, and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Council has elected to apply options and exemptions within the AIFRS that are applicable to not-for-profit entities.

With certain exceptions, Council has recorded transactions and events as though AIFRS had always applied. This practice has extended to any comparative information included within the financial report. Most accounting policy adjustments arising from the first time adoption of AIFRS apply retrospectively and have been adjusted against the accumulated surplus at 1 July 2004, being the opening balance sheet date for the comparative year.

Reconciliations of AIFRS surplus/(deficit), balance sheet and equity for 30 June 2005 to the balances reported in the 30 June 2005 financial report are detailed in the tables below.

**Table 1: Reconciliation of surplus/(deficit) as presented under previous Australian GAAP to that under AIFRS**

	Note	30 JUNE 2005 \$'000
<b>Surplus/(deficit) as reported under previous Australian GAAP</b>		5,281
<u>AIFRS impact on income</u>		
Net gain(loss) on disposal of property, infrastructure, plant and equipment	10	(762)
<u>AIFRS impact on expenses</u>		
Employee benefits	14	3
Bad and doubtful debts	11	(2,088)
Written down value of assets sold	10	762
Total AIFRS impact on surplus/(deficit)		<u>(2,085)</u>
<b>Surplus/(deficit) under AIFRS</b>		<u>3,196</u>

# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 2 First-time adoption of Australian equivalents to International Financial Reporting Standards (cont.)

---

<b>Table 2: Reconciliation of total assets and total liabilities as presented under previous Australian GAAP to that under AIFRS</b>		<b>30 JUNE 2005 \$'000</b>	<b>1 JULY 2004 \$'000</b>
	<b>Note</b>		
<b>Total assets under previous Australian GAAP</b>		1,459,345	1,443,352
<u>AIFRS impact on assets</u>			
Receivables - Provision for Parking Debtors	20	(2,088)	(1,695)
Total AIFRS impact on assets		<u>(2,088)</u>	<u>(1,695)</u>
<b>Total assets under AIFRS</b>		<u>1,457,257</u>	<u>1,441,657</u>
<b>Total liabilities under previous Australian GAAP</b>		23,383	25,530
<u>AIFRS impact on liabilities</u>			
Provisions	25	(3)	(118)
Total AIFRS impact on liabilities		<u>(3)</u>	<u>(118)</u>
<b>Total liabilities under AIFRS</b>		<u>23,380</u>	<u>25,412</u>

**Table 3: Reconciliation of equity as presented under previous Australian GAAP to that under AIFRS**

<b>Total equity under previous Australian GAAP</b>		1,435,962	1,417,822
<u>AIFRS impact on equity</u>			
Accumulated surplus	27	(2,085)	(1,577)
Total AIFRS impact on equity		<u>(2,085)</u>	<u>(1,577)</u>
<b>Total equity under AIFRS</b>		<u>1,433,877</u>	<u>1,416,245</u>

### Explanation of material adjustments to the cash flow statements

There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous Australian GAAP.

# Notes to the Financial Report

for the year ended 30 June 2006

---

**Note 2 First-time adoption of Australian equivalents to International Financial Reporting Standards (cont.)**

---

**Explanatory Notes:****a) Employee benefits**

AASB 119 *Employee Benefits* requires liabilities for short-term employee benefits to be measured at nominal amounts and liabilities for long-term employee benefits to be measured at present value. AASB 119 defines short-term employee benefits as benefits that fall due wholly within twelve months after the related period of service. Therefore, liabilities for short-term employee benefits are measured at present value where they are not expected to be settled within 12 months of reporting date.

The effect of the above requirement on the Council's Balance Sheet as at 1 July 2004 was a decrease in the current liability for employee benefits measured at nominal values by \$748K and a movement from non current employee benefits liability to the current liability measured at present value by \$630K. This adjustment would have resulted in an increase to opening retained earnings of \$118K as at 1 July 2004 as the present value discount on the liabilities for long-term employee benefits unwinds.

The effect of the above requirement on the Council's Balance Sheet as at 30 June 2005 was a decrease in the current liability for employee benefits measured at nominal values by \$633K and an increase in the current liability for employee benefits measured at present value by \$630K. For the year ended 30 June 2005, employee benefits expense decreased by \$3K as the present value discount on the liabilities for long-term employee benefits unwinds. This adjustment was made at 30 June 2005 to accumulated surplus.

**b) Financial instruments**

AASB 139 *Financial Instruments: Recognition and Measurement* requires impairment testing of all asset categories except financial assets measured at fair value through profit and loss. With the exception of receivables, the majority of financial assets and liabilities are valued in the Balance Sheet at market value with changes taken to the Income Statement.

Council assessed all asset categories for impairment indicators at 1 July 2004 and determine an adjustment necessary to parking receivables. This would have resulted in a decrease in parking receivables by \$1.695M and a increase in bad and doubtful debt expenditure by \$1.695M as at 1 July 2004.

Council assessed all asset categories for impairment indicators and subsequently made an adjustment to parking receivables. This resulted in a decrease in parking receivables by \$2.088M and a increase in bad and doubtful debt expenditure by \$2.088M as at 30 June 2005. This adjustment was made at 30 June 2005 to accumulated surplus.

# Notes to the Financial Report

for the year ended 30 June 2006

	2006	2005
	\$'000	\$'000
<b>Note 3</b>		
<b>Rates and garbage charge</b>		
<p>Council uses Net Annual Value (NAV) as the basis of valuation for rating purposes of all properties within the municipal district. The NAV of a property is its imputed rental value. The valuation base used to calculate general rates for 2005/2006 was \$1,397 million (2004/2005 was \$1,377 million). The 2005/2006 rate in the NAV dollar was 4.4626 cents (2004/2005: 4.212 cents ).</p>		
Residential	46,204	42,350
Commercial	12,512	11,775
Industrial	3,047	2,898
Supplementary rates and rate adjustments	432	919
Garbage bin charge	164	157
Interest on rates	412	597
	<b>62,771</b>	<b>58,696</b>
<p>The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2004 and this valuation has been applied to the rating period commencing 1 July 2005.</p> <p>The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2006 and the valuation will be applied in the rating year commencing 1 July 2006.</p>		
<b>Note 4</b>		
<b>Parking fees and fines</b>		
Parking fines and other charges	10,843	10,595
Parking fees - ticket machines	8,457	8,332
Parking permits	1,021	648
	<b>20,321</b>	<b>19,575</b>
<b>Note 5</b>		
<b>User charges and other fines</b>		
Aged services	1,320	1,283
Animal management services	305	284
Arts and Festivals	73	449
Building services	540	638
Child care/Children's Services and Programs	3,094	2,776
Derelict Vehicles	283	38
Fines and cost recoveries	139	256
Market fees	238	340
Planning fees	1,252	1,169
Re-instatement works	555	832
Services fees and charges	311	183
Waste management	354	334
Other fees and charges	126	98
	<b>8,590</b>	<b>8,680</b>
<b>Note 6</b>		
<b>Statutory fees</b>		
Crane permit fees	208	163
Health and food act fees	539	539
Kerbside permits	1,378	1,025
Land information certificates	132	119
	<b>2,257</b>	<b>1,846</b>

# Notes to the Financial Report

for the year ended 30 June 2006

Note 7	Grants	2006 \$'000	2005 \$'000
	Grants were received in respect of the following:		
	<b>Recurrent</b>		
	Commonwealth Government - Pre school	38	42
	Commonwealth Government - Child care centre	459	513
	Commonwealth Government - ConnectED	271	-
	Commonwealth Government - Roads to recovery	363	362
	Commonwealth Government - Adventure playground and leisure	271	293
	Commonwealth Government - Immunisation	112	19
	Commonwealth Government - Family support	30	34
	Commonwealth Government - Arts	39	48
	Commonwealth Government - Training	51	71
	Addas	223	213
	Beach clean	321	341
	Business Group Program	15	-
	Capital grants	2,362	519
	Child care centre	207	123
	Cultural and recreational services	38	85
	Cultural and recreational services (JACCC)	384	356
	Cultural and recreational services (Vic Health Metro Active)	70	70
	Dental program	5	10
	Drug strategy	54	69
	Employer Incentive	2	5
	Family support	102	100
	Grappling with Graffiti	20	14
	Home help - elderly	1581-2	1,421
	Home maintenance services	121	116
	Immunisation	16	19
	Library subsidy	448	441
	Maternal and child health	347	334
	Meals on wheels	203	214
	National competition policy	236	255
	Rooming house social meals	30	30
	School crossing	30	65
	School Walking Bus	9	-
	SES subsidy	5	-
	Social Support	74	70
	Social Support (ConnectED)	801	825
	Social Support (Diversity Program)	41	48
	Social Support (Isepich)	223	180
	Specific home care	349	333
	Tobacco Activity	20	6
	Urban planning	7	90
	VicRoads	195	770
	Victorian Grants Commission	1,676	1,614
		<b>11,483</b>	<b>10,116</b>

# Notes to the Financial Report

for the year ended 30 June 2006

Note 7	<b>Grants (continued)</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
	<b><i>Non-recurrent</i></b>		
	Commonwealth Government - Home Care	-	6
	Commonwealth Government - Water Conservation Program	28	-
	Arts	19	10
	Commonwealth Games	38	38
	Global Garden Party	-	5
	Pride of Place - Balaclava Walk	3	-
	Recycling Program	162	-
	Senior citizen centres	-	22
	SLAH - Sustainable Living at Home	-	5
	Sustainable Traders	-	12
	Training Grants	10	-
		<b>260</b>	<b>97</b>
		<b>11,743</b>	<b>10,213</b>
	<i>Conditions on Grants</i>		
	Grants recognised as revenue during the year that were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:		
	Cultural and recreational services	271	360
	Water conservation program	28	-
	Vic Roads	30	256
	Social support	112	265
	Recycling program	162	49
	Grappling with graffiti	20	14
	Child care centres	27	33
		<b>650</b>	<b>977</b>
	Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
	Capital grants	-	34
	Cultural and recreational services	259	132
	Drug strategy	4	99
	Sustainable Living at Home and Sustainable Traders	-	76
	Social support	182	150
	Urban planning	49	15
	Grappling with graffiti	24	-
	Meals on wheels	66	12
	Vic Roads	151	-
		<b>735</b>	<b>518</b>



# Notes to the Financial Report

for the year ended 30 June 2006

<b>Note 8</b>	<b>Contributions</b>		
	Capital contributions	387	12
	Developer contributions	2,292	2,478
	Car park contributions	-	22
		<b>2,679</b>	<b>2,512</b>
		<b>2006</b>	<b>2005</b>
<b>Note 9</b>	<b>Other revenue</b>	<b>\$'000</b>	<b>\$'000</b>
	Contributions and Donations	134	68
	Sales	169	205
	Insurance Recovery	118	183
	Sale of Derelict Vehicles	56	323
	Property and Valuations Income	35	320
	Sale of Right of Ways	816	429
	Sundry Income	573	268
		<b>1,901</b>	<b>1,796</b>
<b>Note 10</b>	<b>Disposal of property, infrastructure, plant and equipment</b>		
	<b>Land</b>		
	Proceeds from sale of assets	545	-
	Written down value of assets disposed/scrapped	(475)	-
	Net gain on disposal of land	70	-
	<b>Buildings</b>		
	Proceeds from sale of assets	-	-
	Written down value of assets disposed/scrapped	(2,585)	-
	(Loss) on disposal of buildings	(2,585)	-
	<b>Roads, footpaths and bridges</b>		
	Proceeds from sale of assets	-	-
	Written down value of assets disposed/scrapped	(2,920)	(496)
	(Loss) on disposal of roads, footpaths and bridges	(2,920)	(496)
	<b>Drainage</b>		
	Proceeds from sale of assets	-	-
	Written down value of assets disposed/scrapped	-	(154)
	(Loss) on disposal of drainage	-	(154)
	<b>Plant and equipment</b>		
	Proceeds from sale of assets	-	-
	Written down value of assets disposed/scrapped	-	(112)
	(Loss) on disposal of plant and equipment	-	(112)
	<b>SUMMARY</b>		
	Proceeds from sale of assets	545	-
	Written down value of assets disposed/scrapped	(5,980)	(762)
	<b>(Loss) on disposal of assets</b>	<b>(5,435)</b>	<b>(762)</b>

# Notes to the Financial Report

for the year ended 30 June 2006

	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 11</b>		
<b>Employee benefits</b>		
Wages and salaries	29,689	27,827
Casual staff	2,472	3,242
Annual leave and long service leave	2,712	2,919
Superannuation	2,735	2,693
Fringe benefits tax and WorkCover	859	965
Redundancy costs	414	301
	<b>38,881</b>	<b>37,947</b>
<b>Note 12</b>		
<b>External contracts</b>		
Cleaning	2,566	2,414
Health/Child care centres/Kindergartens/Schools	341	209
Festivals/Programs	437	656
Food production	586	527
Information systems	225	182
Maintenance and construction	5,128	6,327
Parking admin/Management	1,533	1,376
Parks/Gardens/Reserves	5,145	4,603
Perin lodgement fees	1,194	1,109
Recycling/Waste management	3,930	4,505
Revenue management/Rates	795	661
Community Service Agreements	804	468
Security services	853	920
Valuations	872	560
Relocation and Recruitment	135	468
Search fees	273	253
Corporate functions support	524	442
Insurance	59	57
Publications	63	38
Derelict Vehicles	256	312
Social/Community Services	276	110
Holiday Program	64	58
Environmental/Outdoor Design	155	82
Graffiti Removal	251	348
Election expenses	-	264
Other	388	690
	<b>26,853</b>	<b>27,639</b>
<b>Note 13</b>		
<b>Materials and consumables</b>		
Advertising	519	744
Contributions - Other	2,173	2,506
Insurance	1,754	1,679
Metropolitan Fire Brigade Levy	1,790	1,622
Operating Lease Expenses	2,339	2,468
Printing & Stationery	793	942
Telephone Charges	1,334	1,342
Training	503	419
Maintenance	2,510	3,479
Materials	1,498	1,410
	<b>15,213</b>	<b>16,611</b>

# Notes to the Financial Report

for the year ended 30 June 2006

---

	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 14</b>		
<b>Bad and doubtful debts</b>		
Parking fine debtors	(283)	1,043
Parking related debtors - PERIN Court	853	2,263
Other debtors	14	17
	<b>584</b>	<b>3,323</b>
<b>Note 15</b>		
<b>Depreciation</b>		
Buildings	2,180	2,129
Heritage and works of art	77	77
Plant and equipment	701	722
Furniture and fittings	1,311	1,457
Roads, streets, and bridges	5,853	5,712
Land improvements	1,144	1,072
Drainage	974	847
	<b>12,240</b>	<b>12,016</b>
<b>Note 16</b>		
<b>Other expenses</b>		
Activities / programs	584	405
Bank charges	319	326
Catering charges	465	394
Election expenses	2	6
General transport	238	207
Postage	202	235
Waste rebates	81	83
Software costs	406	266
Subscriptions	138	144
Travel	75	35
Other	584	579
	<b>3,094</b>	<b>2,680</b>
<b>Note 17</b>		
<b>Borrowing costs</b>		
Interest	554	604
	<b>554</b>	<b>604</b>

# Notes to the Financial Report

for the year ended 30 June 2006

	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 18</b>	<b>Cash and cash equivalents</b>	
	31	37
	2,901	1,572
	25,600	19,300
	<b>28,532</b>	<b>20,909</b>
<b>Note 19</b>	<b>Other financial assets</b>	
	8,500	7,000
	<b>8,500</b>	<b>7,000</b>
<b>Note 20</b>	<b>Receivables</b>	
	<b>Current</b>	
	1,673	1,673
	15,314	15,547
	(11,775)	(12,384)
	4,216	1,987
	(42)	(64)
	901	521
	<b>10,287</b>	<b>7,280</b>
	<b>Non-Current</b>	
	2	2,617
	<b>10,289</b>	<b>9,897</b>
<b>Note 21</b>	<b>Prepayments</b>	
	652	1,265
	-	22
	<b>652</b>	<b>1,287</b>

# Notes to the Financial Report

for the year ended 30 June 2006

Note 22	<b>Property, infrastructure, plant and equipment</b>	<b>2006</b>	<b>2005</b>
		<b>\$'000</b>	<b>\$'000</b>
	<i>Summary</i>		
	at cost	43,305	38,325
	at fair value as at 30 June 2003	-	22,502
	at fair value as at 30 June 2004	1,237,611	1,514,707
	at fair value as at 30 June 2005	95,989	95,992
	at fair value as at 30 June 2006	316,939	-
	Less accumulated depreciation	(259,469)	(253,981)
		<b>1,434,375</b>	<b>1,417,545</b>
	<b>Land and buildings</b>		
	<b>Land</b>		
	at cost	-	-
	at fair value as at 30 June 2004 <sup>1</sup>	270,716	271,191
	controlled land at fair value as at 30 June 2004 <sup>1</sup>	761,019	761,019
	Total	1,031,735	1,032,210
	<b>Land improvements</b>		
	at cost	-	4,202
	at fair value as at 30 June 2006 <sup>2</sup>	33,080	-
	at fair value as at 30 June 2003 <sup>2</sup>	-	22,502
	Less: accumulated depreciation	(10,626)	(13,296)
	Total	22,454	13,408
	<b>Buildings</b>		
	at cost	7,560	7,369
	at fair value as at 30 June 2004 <sup>1</sup>	115,246	119,637
	controlled buildings at fair value as at 30 June 2004 <sup>1</sup>	82,958	85,192
	Less: accumulated depreciation	(100,953)	(101,892)
	Total	104,811	110,306
	<b>Plant and equipment</b>		
	Plant and equipment		
	at cost	6,007	4,852
	Less: accumulated depreciation	(2,913)	(2,212)
	Total	3,094	2,640
	<b>Furniture and fittings</b>		
	at cost	10,674	9,695
	Less: accumulated depreciation	(7,789)	(7,211)
	Total	2,885	2,484
	<b>Heritage assets and works of art</b>		
	at cost	94	54
	at fair value as at 30 June 2004 <sup>3</sup>	7,672	7,672
	Less: accumulated depreciation	(154)	(77)
	Total	7,612	7,649

# Notes to the Financial Report

for the year ended 30 June 2006

Note 22	<b>Property, infrastructure, plant and equipment (cont.)</b>	<b>2006 \$'000</b>	<b>2005 \$'000</b>
<b>Infrastructure</b>			
	Roads, footpaths and bridges		
	at cost	-	4,538
	at fair valuation as at 30 June 2006 <sup>4</sup>	283,859	-
	at fair valuation as at 30 June 2004	-	269,996
	Less: accumulated depreciation	(93,736)	(86,966)
	Total	190,123	187,568
	Drainage		
	at cost	50	-
	at fair value as at 30 June 2005 <sup>5</sup>	95,989	95,992
	Less: accumulated depreciation	(43,298)	(42,327)
	Total	52,741	53,665
	Work in progress - at cost	18,920	7,615
	<b>Total property, infrastructure, plant &amp; equipment</b>	<b>1,434,375</b>	<b>1,417,545</b>

1 Land and buildings valuations as at 30 June 2004 were performed by an independent qualified valuer Mr Frank Carbone, Certified Practising Valuer. An assessment during 2005/06 of the value of all these assets has indicated that there is no material change required to be made to their carrying value.

2 Land improvement valuations were valued as at 30 June 2003 and 30 June 2006 by Mr D Yeouart BE, MIE Aust., CP Eng.

3 Heritage and works of art valuations as at 30 June 2004 were performed by the following independent valuers:

- Blaski & Sons - mayoral robes, chains & other attire;
- Deutscher Menzies - contemporary, visual & public art;
- Joyce Evans Photographer - historical photographs; and
- Leonard Joel - historical items & historical artworks.

4 Roads, footpaths and bridges were valued as at 30 June 2006 by Mr D Yeouart BE, MIE Aust., CP Eng.

5 Drainage assets were valued as at 30 June 2005 by Mr D Yeouart BE, MIE Aust., CP Eng. An assessment during 2005/06 of the value of all these assets has indicated that there is no material change required to be made to their carrying value.

### **Land and Buildings**

Valuation of land, buildings and land improvements were undertaken by a qualified independent valuer. The valuation of buildings and land improvements is at replacement cost less accumulated depreciation. The valuation of land is market value based on highest and best use permitted by relevant land planning provisions. All freehold land reserved for public open space is valued using a discount rate of 30% to arrive at a market value.

### **Roads, Footpaths and Bridges**

The valuation of roads, footpaths and bridges is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

### **Drainage**

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

# Notes to the Financial Report

for the year ended 30 June 2006

## Note 22 Property, infrastructure, plant and equipment reconciliation

2006

Infrastructure	Roads, Streets and Bridges	Drainage	Total Infrastructure 2006 \$'000
WDV at beginning of financial year:	187,568	53,665	241,233
Acquisition of assets	2,240	50	2,290
Depreciation (Note 15)	(5,853)	(974)	(6,827)
Revaluation increment (Note 28)	9,088	-	9,088
WDV of disposals (Note 10)	(2,920)	-	(2,920)
WDV at end of financial year	<b>190,123</b>	<b>52,741</b>	<b>242,864</b>

Land and Buildings	Land - freehold and other controlled	Buildings on freehold and controlled land	Land Improvements	Total Land and Buildings 2006 \$'000
WDV at beginning of financial year:	1,032,210	110,306	13,408	1,155,924
Acquisition of assets	-	190	1,340	1,530
Depreciation (Note 15)	-	(2,180)	(1,144)	(3,324)
Recognition of assets for the first time (Note 27)	-	-	4,343	4,343
Revaluation increment (Note 28)	-	-	3,587	3,587
WDV of disposals (Note 10)	(475)	(2,585)	-	(3,060)
Transfer of assets	-	(920)	920	-
WDV at end of financial year	<b>1,031,735</b>	<b>104,811</b>	<b>22,454</b>	<b>1,159,000</b>

Plant and equipment	Plant and Machinery	Furniture Vehicles and IT equipment	Heritage and Art works	Total Plant and Equipment 2006 \$'000
WDV at beginning of financial year:	2,640	2,484	7,649	12,773
Acquisition of assets	1,155	1,094	40	2,289
Council share of Joint Venture Assets	-	618	-	618
Depreciation (Note 15)	(701)	(1,311)	(77)	(2,089)
Revaluation increment (Note 28)	-	-	-	-
WDV of disposals (Note 10)	-	-	-	-
WDV at end of financial year	<b>3,094</b>	<b>2,885</b>	<b>7,612</b>	<b>13,591</b>

Total	Work In Progress	Total Non Current Assets 2006 \$'000
WDV at beginning of financial year:	7,615	1,417,545
Acquisition of assets	13,187	19,296
Council share of Joint Venture Assets	-	618
Depreciation (Note 15)	-	(12,240)
Recognition of assets for the first time (Note 27)	-	4,343
Revaluation increment (Note 28)	-	12,675
WDV of disposals (Note 10)	-	(5,980)
Transfer to Operating	(356)	(356)
Capitalisations of W.I.P	(1,526)	(1,526)
WDV at end of financial year	<b>18,920</b>	<b>1,434,375</b>

# Notes to the Financial Report

for the year ended 30 June 2006

## Note 22 Property, infrastructure, plant and equipment reconciliation

2005

Infrastructure	Roads, Streets and Bridges	Drainage	Total Infrastructure 2005 \$'000
WDV at beginning of financial year:	189,238	40,348	229,586
Acquisition of assets	4,538	1,459	5,997
Depreciation (Note 15)	(5,712)	(847)	(6,559)
Revaluation increment (Note 28)	-	12,859	12,859
WDV of disposals (Note 10)	(496)	(154)	(650)
WDV at end of financial year	<b>187,568</b>	<b>53,665</b>	<b>241,233</b>

Land and Buildings	Land - freehold and other controlled	Buildings on freehold and controlled land	Land Improvements	Total Land and Buildings 2005 \$'000
WDV at beginning of financial year:	1,032,210	105,066	13,021	1,150,297
Acquisition of assets	-	7,369	1,459	8,828
Depreciation (Note 15)	-	(2,129)	(1,072)	(3,201)
Revaluation increment (Note 28)	-	-	-	-
WDV of disposals (Note 10)	-	-	-	-
WDV at end of financial year	<b>1,032,210</b>	<b>110,306</b>	<b>13,408</b>	<b>1,155,924</b>

Plant and equipment	Plant and Machinery	Furniture Vehicles and IT equipment	Heritage and Art works	Total Plant and Equipment 2005 \$'000
WDV at beginning of financial year:	2,465	2,599	7,672	12,736
Acquisition of assets	1,009	1,108	54	2,171
Council share of Joint Venture Assets	-	234	-	234
Depreciation (Note 15)	(722)	(1,457)	(77)	(2,256)
Revaluation increment (Note 28)	-	-	-	-
WDV of disposals (Note 10)	(112)	-	-	(112)
WDV at end of financial year	<b>2,640</b>	<b>2,484</b>	<b>7,649</b>	<b>12,773</b>

Total	Work In Progress	Total Non Current Assets 2005 \$'000
WDV at beginning of financial year:	10,670	1,403,289
Acquisition of assets	6,198	23,194
Council share of Joint Venture Assets	-	234
Depreciation (Note 15)	-	(12,016)
Revaluation increment (Note 28)	-	12,859
WDV of disposals (Note 10)	-	(762)
Transfer to Operating	(1,154)	(1,154)
Capitalisations of W.I.P	(8,099)	(8,099)
WDV at end of financial year	<b>7,615</b>	<b>1,417,545</b>



# Notes to the Financial Report

for the year ended 30 June 2006

	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 23 Payables</b>		
Trade creditors	4,582	3,881
Accrued expenses	2,537	2,248
Other	73	83
	<b>7,192</b>	<b>6,212</b>
<b>Note 24 Trust funds and deposits</b>		
Refundable building deposits	9	25
Refundable contract deposits	110	47
Refundable tender deposits	4	8
Refundable civic facilities deposits	-	11
Other refundable deposits	468	380
	<b>591</b>	<b>471</b>
<b>Note 25 Provisions</b>		
<b>(a) Provisions</b>		
<b>Current</b>		
Employee benefits (note 25b)	6,220	5,968
Developer contribution refund	140	-
Redundancies	-	57
	<b>6,360</b>	<b>6,025</b>
<b>Non-current</b>		
Employee benefits (note 25b)	1,297	1,228
	<b>1,297</b>	<b>1,228</b>
	<b>7,657</b>	<b>7,253</b>
<b>(b) Employee benefits</b>		
<b>Current</b>		
<i>Short-term employee benefits that are likely to be settled within 12 months after the end of year measured at nominal value</i>		
- Annual leave	1,952	1,920
- Long service leave	2,529	2,332
- Retirement gratuity	36	37
- Joint venture employees	235	222
- Other	29	30
<i>Other long-term employee benefits that are not likely to be settled within 12 months of the end of the year measured at present value</i>		
- Annual leave	621	633
- Long service leave	233	226
- Retirement gratuity	309	328
- Joint venture employees	276	240
	<b>6,220</b>	<b>5,968</b>
<b>Non-current</b>		
Long service leave representing less than 10 years of continuous service measured at present value	<b>1,297</b>	<b>1,228</b>
	<b>No.</b>	<b>No.</b>
Average employee numbers during the financial year	709	706
Number of full time equivalents (FTE) at year end	538	570

# Notes to the Financial Report

for the year ended 30 June 2006

Note 26	<b>Interest-bearing liabilities</b>	<b>2006</b>	<b>2005</b>
		<b>\$'000</b>	<b>\$'000</b>
	<b>Current</b>		
	Borrowings - secured against rates and charges	862	669
	Joint venture finance lease liability	121	143
		<b>983</b>	<b>812</b>
	<b>Non-current</b>		
	Borrowings - secured against rates and charges	7,769	8,404
	Joint venture finance lease liability	355	228
		<b>8,124</b>	<b>8,632</b>
		<b>9,107</b>	<b>9,444</b>
	<b>The maturity profile for Council's borrowings is:</b>		
	Not later than one year	983	812
	Later than one year and not later than five years	4,031	3,792
	Later than five years	4,093	4,840
		<b>9,107</b>	<b>9,444</b>
	<b>Finance leases</b>		
	Included in the above is Council's obligations under finance leases for the lease of equipment through the joint venture 'Streetsahead'. The sum is recognised as a liability after deduction of future lease finance charges included in the obligation.		
	Not later than one year	161	163
	Later than one year and not later than five years	404	285
	Later than five years	-	-
	Minimum lease payments	565	448
	Less: Future finance charges	(90)	(77)
	Recognised in the balance sheet as:	<b>475</b>	<b>371</b>
	<b>Current</b>		
	Leases	121	143
	<b>Non-current</b>		
	Leases	355	228
		<b>475</b>	<b>371</b>
<b>Note 27</b>	<b>Adjustments directly to equity</b>		
	Correction of error - land improvement assets recognised for the first time	4,343	-
	Council undertook a land improvement revaluation during 2005/06 and discovered several carparks as improvements to land that had not previously been recognised in Council's accounts.		

# Notes to the Financial Report

for the year ended 30 June 2006

Note 28	Reserves	2006 \$'000	2005 \$'000
	<b>(a) Asset revaluation reserve</b>		
	<b>Land</b>		
	Balance at beginning of reporting year	762,003	762,003
	Increment	-	-
	Balance at end of reporting year	<b>762,003</b>	<b>762,003</b>
	<b>Buildings</b>		
	Balance at beginning of reporting year	62,638	62,638
	Increment	-	-
	Transfer to land improvements - revaluation reserve relating to carpark improvements	(920)	-
	Balance at end of reporting year	<b>61,718</b>	<b>62,638</b>
	<b>Land improvements</b>		
	Balance at beginning of reporting year	-	-
	Increment	3,587	-
	Transfer from land improvements - revaluation reserve relating to carpark improvements	920	-
	Balance at end of reporting year	<b>4,507</b>	-
	<b>Furniture and fittings</b>		
	Balance at beginning of reporting year	-	1,470
	Transfer to accumulated surplus	-	(1,470)
	Balance at end of reporting year	-	-
	<b>Art &amp; Heritage</b>		
	Balance at beginning of reporting year	651	651
	Increment	-	-
	Balance at end of reporting year	<b>651</b>	<b>651</b>
	<b>Roads, footpaths and bridges</b>		
	Balance at beginning of reporting year	38,394	38,394
	Increment	9,088	-
	Balance at end of reporting year	<b>47,482</b>	<b>38,394</b>
	<b>Drainage</b>		
	Balance at beginning of reporting year	12,859	(221)
	Transfer to accumulated surplus	-	221
	Increment	-	12,859
	Balance at end of reporting year	<b>12,859</b>	<b>12,859</b>
	<b>Total</b>		
	Balance total reserves at beginning of reporting year	876,545	864,935
	Net Increment	12,675	11,610
	<b>Total asset revaluation reserve</b>	<b>889,220</b>	<b>876,545</b>

# Notes to the Financial Report

for the year ended 30 June 2006

Note 28	Reserves (cont.)	2006 \$'000	2005 \$'000
	<b>(b) Other reserves</b>		
	<b>General reserve</b>		
	<i>The general reserve aggregates a number of specific purpose reserve funds.</i>		
	Balance at beginning of reporting year	9,081	9,116
	Transfer from accumulated surplus	6,846	5,304
	Transfer to accumulated surplus	(6,642)	(5,339)
	Balance at end of reporting year	<b>9,285</b>	<b>9,081</b>
	<b>Statutory reserves</b>		
	<b>Resort and recreation reserve</b>		
	<i>The resort and recreation reserve is for the accumulation of developers contributions which are to be expended at a future date on recreational infrastructure.</i>		
	Balance at beginning of reporting year	4,702	4,582
	Transfer from accumulated surplus	2,477	2,548
	Transfer to accumulated surplus	(3,864)	(2,428)
	Balance at end of reporting year	<b>3,315</b>	<b>4,702</b>
	<b>Contributions for car parking reserve</b>		
	<i>The car parking reserve is for the accumulation of developers contributions which are to be expended at a future date on improved car parking facilities.</i>		
	Balance at beginning of reporting year	771	668
	Transfer from accumulated surplus	93	103
	Transfer to accumulated surplus	(2)	-
	Balance at end of reporting year	<b>862</b>	<b>771</b>
	<b>Contributions for C13 infrastructure reserve</b>		
	<i>The C13 infrastructure reserve is for the accumulation of developers contributions which are to be expended at a future date on specific infrastructure.</i>		
	Balance at beginning of reporting year	60	-
	Transfer from accumulated surplus	79	60
	Balance at end of reporting year	<b>139</b>	<b>60</b>
	<b>Total statutory reserve</b>	<b>4,316</b>	<b>5,533</b>
	<b>Total reserves</b>	<b>902,821</b>	<b>891,159</b>

# Notes to the Financial Report

for the year ended 30 June 2006

	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 29</b>	<b>Reconciliation of cash flows provided by operating activities to surplus for the year.</b>	
	7,728	3,196
	12,240	12,016
	5,435	762
	<i>Change in assets and liabilities:</i>	
	(392)	2,206
	(203)	(350)
	635	(1,062)
	1,100	(2,806)
	401	787
	<b>26,944</b>	<b>14,749</b>
<b>Note 30</b>	<b>Reconciliation of cash and cash equivalents</b>	
	2,932	1,609
	25,600	19,300
	<b>28,532</b>	<b>20,909</b>
<b>Note 31</b>	<b>Financing arrangements</b>	
	1,500	1,500
	-	-
	<b>1,500</b>	<b>1,500</b>
	40	38
	12	1
	<b>28</b>	<b>37</b>
<b>Note 32</b>	<b>Restricted assets</b>	
	Council has Cash Assets (Note 18) and Other Financial Assets (Note 19) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves).	
	591	471
	4,000	3,800
	4,316	5,533
	<b>8,907</b>	<b>9,804</b>

\* Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in the note due to a different basis of calculation prescribed by the regulation.

Additionally, included in Assets Note 22 'Property, infrastructure, plant and equipment' are housing assets which have restrictions on them. These assets which total \$26.1 million (2004/2005: \$26.2 million) are used for community housing and were purchased with assistance from State Government funding. This funding imposes restrictions preventing Council from using these assets for any other purpose. If the funding conditions in the respective funding agreements for each property are defaulted upon, Council is liable to repay to the State Government an amount determined in those agreements. Based upon the \$26.1 million written down value included in the accounts, the amount that would be required to be repaid to the State Government in a default situation would be \$18.0 million (2004/2005: \$18.1 million).

# Notes to the Financial Report

for the year ended 30 June 2006

## Note 33 Superannuation

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, each of which is funded differently.

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% in both 2006 and 2005) required under Commonwealth Superannuation Guarantee Legislation. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Fund's actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32(b) of AASB 119, Council does not use defined benefit accounting for these contributions.

Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Trustee on the advice of the Fund's actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2005, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan. Council makes the following contributions:

- 9.25% of members' salaries (same as previous year) and
- the difference between resignation and retrenchment benefits paid to any retrenched

The Fund's liability for accrued benefits was determined in the 31 December 2005 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	<b>31-Dec-05</b>
	<b>\$'000</b>
Net market value of assets	3,255,842
Accrued benefits (per accounting standards)	3,118,911
Difference between assets and accrued benefits	136,931
Vested benefits	2,865,633

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

Net Investment Return	8.0%p.a.
Salary Inflation	5.5%p.a.
Price Inflation	3.0%p.a.

	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,061	2,815
Employer contributions payable to Local Authorities Superannuation Fund at reporting date	-	-
	<u>3,061</u>	<u>2,815</u>

# Notes to the Financial Report

for the year ended 30 June 2006

## Note 34 Commitments

The Council has entered into the following commitments:

2006	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
<b>Operating</b>				
Air Conditioning services	19	-	-	19
Assurance Services/Internal audit	60	-	-	60
Civil infrastructure construction	18,082	1,380	-	19,462
Cleaning	5,406	13,440	-	18,846
Community Centre Maintenance	25	106	-	131
Financial system support	14	-	-	14
Food production (Aged and Community care)	653	653	-	1,306
Mailing equipment	2	5	-	7
Parking services	2,488	5,063	-	7,551
Rates/revenue management	755	1,630	-	2,385
Recycling collection	1,510	5,000	1,250	7,760
Resource management system	143	-	-	143
Rubbish collection	1,495	5,760	1,440	8,695
Security services	381	-	-	381
Street tree & parks maintenance	4,236	11,784	-	16,020
Valuations and property mgt. services	560	-	-	560
	<b>35,830</b>	<b>44,821</b>	<b>2,690</b>	<b>83,341</b>
<b>Capital</b>				
Construction	<b>2,917</b>	-	-	<b>2,917</b>
<b>TOTAL</b>	<b>38,747</b>	<b>44,821</b>	<b>2,690</b>	<b>86,258</b>
2005	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
<b>Operating</b>				
Assurance Services/Internal audit	60	60	-	120
Civil infrastructure construction	8,939	4,564	-	13,503
Cleaning	4,917	16,635	-	21,552
Community Centre Maintenance	25	131	-	156
Financial system support	114	-	-	114
Food production (Aged and Community care)	765	796	-	1,561
Mailing equipment	2	7	-	9
Parking services	2,412	3,642	-	6,054
Rates/revenue management	705	2,385	-	3,090
Recycling collection	1,250	5,000	2,500	8,750
Rubbish collection	1,496	5,815	2,880	10,191
Security services	381	381	-	762
Street tree & parks maintenance	4,236	4,236	-	8,472
Town Planning	276	-	-	276
Valuations and property mgt. services	375	-	-	375
	<b>25,953</b>	<b>43,652</b>	<b>5,380</b>	<b>74,985</b>
<b>Capital</b>				
Construction	<b>1,812</b>	-	-	<b>1,812</b>
<b>TOTAL</b>	<b>27,765</b>	<b>43,652</b>	<b>5,380</b>	<b>76,797</b>

# Notes to the Financial Report

for the year ended 30 June 2006

---

<b>Note 35</b>	<b>Operating lease commitments</b>	<b>2006</b> \$'000	<b>2005</b> \$'000
	<i>Lessee lease commitments</i>		
	At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities. These obligations are not recognised as liabilities.		
	Not later than one year	945	988
	Later than one year and not later than five years	879	739
	Later than five years	-	-
		<b>1,824</b>	<b>1,727</b>
	At the reporting date, Council was a party as lessor under non-cancellable operating leases for the lease of land and buildings. These future commitments of income inflows are not recognised as assets.		
	<i>Lessor lease commitments</i>		
	Not later than one year	1,418	1,280
	Later than one year and not later than five years	4,818	5,076
	Later than five years	14,363	15,471
		<b>20,599</b>	<b>21,827</b>



# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 36 **Contingent liabilities and contingent assets**

---

### **Contingent liabilities**

#### **Superannuation**

Council has possible future obligations in respect of the defined benefits category of the Local Authorities Superannuation Fund. Refer Note 33.

#### **Public & Products Liability**

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, the Council regularly receives claims and demands allegedly arising from incidents which occur on land belonging to Council. There are a number of outstanding claims against Council in this regard. Council carries \$240 million of public & products liability insurance and has an excess between \$7,500 and \$10,000 on this policy in 2005/2006. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Civic Mutual Plus. There are no claims of which Council is aware which would fall outside of the terms of Council's policy.

#### **Professional Indemnity**

As a local authority with statutory responsibilities, including the responsibility of issuing permits and approvals, Council receives claims and demands for damages allegedly arising from actions of Council or its officers. Council carries \$200 million of professional indemnity insurance and has an excess of \$20,000 on this policy in 2005/2006. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Civic Mutual Plus. There are no claims of which Council is aware which would fall outside of the terms of Council's policy.

#### **Legal matters**

The Council is presently involved in confidential legal matters, which are being conducted through Council's solicitors. These matters are yet to be finalised and the financial outcome cannot be determined exactly a contingency of \$200,000 has been included.

200                      50

### **Contingent assets**

#### **Open space contributions**

Council estimates that \$1.415 million of assets will pass to Council in the future in respect of anticipated development contributions for open space improvements.

1,415                    1,615

# Notes to the Financial Report

for the year ended 30 June 2006

## Note 37 Financial Instruments

### (a) Accounting policy, terms and conditions

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial Assets</b>			
Cash assets	18	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned floating interest rates of between 4.75% and 5.65% in 2005/2006 (2004/2005: 5.15 % and 5.41%). The interest rate at balance date was 5.65% in 2005/2006 (5.40% in 2004/2005).
Other financial assets	19	Bank bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	Bank Bills returned fixed interest rates of between 5.61% and 6.4867% in 2005/2006 (2004/2005: 5.51% to 6.72%).
Receivables and Rate Debtors	20	Rates are carried at nominal amounts due plus penalty interest and legal fees on overdue rates. Rate debts are a charge attached to the rateable land that is recoverable on sale, therefore, no provision for doubtful debts is made. Interest rates are reviewed annually.	Rates ( including special rate and private street schemes ) are payable by four instalments during the year. Arrears, including deferred rates, attract interest. As at balance date the interest rate was 11.00% (11.5% in 2004/2005).
Parking infringement debtors	20	PINS/PERIN Court debtors are measured at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable.  Collectability of overdue accounts is assessed on an ongoing basis.	Parking infringements are unsecured. The provision for parking infringement doubtful debts is calculated as a percentage of total parking infringement revenue and has been evaluated and recognised based on previous payment and collection history.
Other debtors	20	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable.  Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and do not attract interest . Credit terms are based between 0 and 30 days depending on nature of service.

# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 37 Financial Instruments

### (a) Accounting policy, terms and conditions (cont.)

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial Liabilities</b>			
Payables	23	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice.
Interest-bearing liabilities	26	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.  Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.	Borrowings are secured by way of mortgages over the general rates of the Council.  The weighted average interest rate on borrowings was fixed at 6.15% in 2005/2006 (6.15% in 2004/2005).  As at balance date, the Council did not directly hold any finance leases other than through their interest in the Joint Venture 'Streetsahead'. The terms of the finance leases range between 2 and 5 years. The weighted average rate implicit in the leases is 7.42% (7.79% in 2004/2005).
Trust Funds and deposits	24	Funds received on behalf of 3rd parties and to which CoPP has no present entitlement are carried at the gross amount and do not attract interest.	Trust funds are unsecured, not subject to interest charges and vary in the timing of settlement in accordance with their specific terms.

# Notes to the Financial Report

for the year ended 30 June 2006

## Note 37 Financial instruments (cont.)

### (b) Interest rate risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

2006	Fixed interest maturing in:					Total \$'000
	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
<b>Financial assets</b>						
Cash and cash equivalents	2,932	25,600	-	-	-	28,532
Other financial assets	-	8,500	-	-	-	8,500
Receivables	-	-	-	-	10,289	10,289
Accrued income	-	-	-	-	817	817
<b>Total financial assets</b>	<b>2,932</b>	<b>34,100</b>	<b>-</b>	<b>-</b>	<b>11,106</b>	<b>48,138</b>
Weighted average interest rate	5.40%	5.99%	n/a	n/a	n/a	
<b>Financial liabilities</b>						
Payables	-	-	-	-	7,192	7,192
Trust funds	-	-	-	-	591	591
Interest-bearing liabilities including finance leases	-	983	4,031	4,093	-	9,107
<b>Total financial liabilities</b>	<b>-</b>	<b>983</b>	<b>4,031</b>	<b>4,093</b>	<b>7,783</b>	<b>16,890</b>
Weighted average interest rate	n/a	6.15%	6.15%	6.15%	n/a	
<b>Net financial assets (liabilities)</b>	<b>2,932</b>	<b>33,117</b>	<b>(4,031)</b>	<b>(4,093)</b>	<b>3,323</b>	<b>31,248</b>
<b>2005</b>						
2005	Fixed interest maturing in:					Total \$'000
	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
<b>Financial assets</b>						
Cash and cash equivalents	1,609	19,300	-	-	-	20,909
Other financial assets	-	7,000	-	-	-	7,000
Receivables	-	-	-	-	11,985	11,985
Accrued income	-	-	-	-	614	614
<b>Total financial assets</b>	<b>1,609</b>	<b>26,300</b>	<b>-</b>	<b>-</b>	<b>12,599</b>	<b>40,508</b>
Weighted average interest rate	5.40%	5.99%	n/a	n/a	n/a	
<b>Financial liabilities</b>						
Payables	-	-	-	-	6,212	6,212
Trust funds	-	-	-	-	471	471
Interest-bearing liabilities	-	812	3,792	4,840	-	9,444
<b>Total financial liabilities</b>	<b>-</b>	<b>812</b>	<b>3,792</b>	<b>4,840</b>	<b>6,683</b>	<b>16,127</b>
Weighted average interest rate	n/a	6.15%	6.15%	6.15%	n/a	
<b>Net financial assets (liabilities)</b>	<b>1,609</b>	<b>25,488</b>	<b>(3,792)</b>	<b>(4,840)</b>	<b>5,916</b>	<b>24,381</b>

# Notes to the Financial Report

for the year ended 30 June 2006

---

## Note 37 Financial instruments (cont.)

---

### (c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Financial assets</b>				
Cash assets	28,532	20,909	28,532	20,909
Other financial assets	8,500	7,000	8,500	7,000
Receivables	10,289	11,985	10,289	11,985
Accrued income	817	614	817	614
<b>Total financial assets</b>	<b>48,138</b>	<b>40,508</b>	<b>48,138</b>	<b>40,508</b>
<b>Financial liabilities</b>				
Payables	7,192	6,212	7,192	6,212
Trust funds	591	471	591	471
Interest bearing liabilities including finance leases	9,107	9,444	9,107	9,444
<b>Total financial liabilities</b>	<b>16,890</b>	<b>16,127</b>	<b>16,890</b>	<b>16,127</b>

### (d) Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

	2006 \$'000	2005 \$'000
<b>Note 38 Auditors' remuneration</b>		
Audit fee to conduct external audit - Victorian Auditor-General	54	52
Internal audit fees and other like services - WHK Day Neilson	79	65
	<b>133</b>	<b>117</b>

# Notes to the Financial Report

for the year ended 30 June 2006

## Note 39 Related party transactions

### (i) Responsible Persons

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

<b>Councillors</b>	Janet Bolitho ( Mayor to current)
	Darren Ray (Councillor)
	Dick Gross (Councillor)
	Peter Logan (Councillor)
	Janet Cribbes (Councillor)
	Karen Sait (Councillor)
<b>Chief Executive Officer</b>	David Spokes

### (ii) Remuneration of Responsible Persons

Annual remuneration of responsible persons were within the following bands:

	2006 No.	2005 No.
\$0 - \$10,000	-	4
\$10,001 - \$20,000	5	5
\$20,001 - \$30,000	-	1
\$30,001 - \$40,000	1	1
\$40,001 - \$50,000	1	-
\$230,001 - \$240,000	-	1
\$270,001 - \$280,000	1	-
	<b>8</b>	<b>12</b>

The Council election in 2004 resulted in 4 new Councillors being elected hence 11 persons occupied the position of Councillor during that period.

	\$'000	\$'000
<b>Total remuneration for the year for Responsible Persons above amounted to</b>	442	381

(iii) No retirement benefits have been made by the Council to a Responsible Person (2004/2005: Nil).

### (v) Other Transactions

No transactions, other than remuneration payments or the reimbursement of approved expenses, were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons, during the reporting year (2004/2005: Nil).

### (vi) Senior Officers Remuneration

A Senior Officer, other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration of \$100,000 or greater. The number of Senior Officers, other than Responsible Persons, are shown below in their relevant income bands:

Income Range:	2006 No.	2005 No.
\$100,001 - \$110,000	6	3
\$110,001 - \$120,000	3	7
\$120,001 - \$130,000	4	2
\$140,001 - \$150,000	1	-
\$150,001 - \$160,000	-	1
\$160,001 - \$170,000	3	3
\$170,001 - \$180,000	1	-
	<b>18</b>	<b>16</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total Remuneration for the reporting year for Senior Officers</b>	2,268	2,010

# Notes to the Financial Report

for the year ended 30 June 2006

## Note 40 Joint venture information

### JOINT VENTURE - STREETS Ahead CLEANING SERVICE

In 2000, Port Phillip City Council and Stonnington City Council, pursuant to an agreement, commenced operating a joint venture 'Streets Ahead' for the purpose of providing street cleaning, beach and foreshore cleaning, litter bin clearing etc. to their municipalities. Council purchases cleaning services from 'Streets Ahead' on normal commercial terms and conditions. Council has a 50% interest in the joint venture which is detailed below.

The results from operations and the assets and liabilities of have been consolidated into Council's accounts. The figures below represent Council's 50% share of Streets Ahead's accounts as at 30 June 2006. As at the date of producing this report the accounts were awaiting audit clearance.

	2006 \$'000	2005 \$'000
Revenue	3,280	3,095
Expenses	3,260	3,013
<b>Result for the year</b>	<b>20</b>	<b>82</b>
<b>Total movements directly recognised as equity</b>	<b>20</b>	<b>82</b>
Council's share of the joint venture assets and liabilities are as follows:		
	2006 \$'000	2005 \$'000
<b>Current assets</b>		
Cash and cash equivalents	243	214
Receivables	342	274
Other financial assets	600	500
Other	2	45
<b>Total Current Assets</b>	<b>1,187</b>	<b>1,033</b>
<b>Non-current assets</b>		
Property, plant and equipment	676	569
<b>Total Non-current Assets</b>	<b>676</b>	<b>569</b>
<b>Total Assets</b>	<b>1,863</b>	<b>1,602</b>
<b>Current liabilities</b>		
Payables	232	143
Employee benefits	235	222
Interest Bearing Liabilities	121	142
<b>Total Current Liabilities</b>	<b>588</b>	<b>507</b>
<b>Non-current liabilities</b>		
Employee benefits	275	240
Interest Bearing Liabilities	354	228
<b>Total Non-current Liabilities</b>	<b>629</b>	<b>469</b>
<b>Total Liabilities</b>	<b>1,217</b>	<b>976</b>
<b>Net Assets employed in Joint Venture</b>	<b>646</b>	<b>626</b>
<b>Equity</b>		
Accumulated surplus	174	154
<b>Joint Venturers' Equity</b>	<b>472</b>	<b>472</b>
<b>Equity employed in Joint Venture</b>	<b>646</b>	<b>626</b>

# Notes to the Financial Report

for the year ended 30 June 2006

## Note 41 **Income, expenses and assets by function/activity**

Rather than provide segment information as required per Accounting Standards, the Local Government Regulations require the following program based disclosures:

	Urban Services		City Development		Corporate Management		Community & Cultural Vitality		Other* Not Attributed		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>												
Grants	3,434	2,001	160	204	1,914	1,874	6,235	6,134	-	-	11,743	10,213
Other	900	1,008	26,871	23,581	7,463	7,391	5,737	5,438	63,584	61,913	104,555	99,331
<b>TOTAL INCOME</b>	<b>4,334</b>	<b>3,009</b>	<b>27,031</b>	<b>23,785</b>	<b>9,377</b>	<b>9,265</b>	<b>11,972</b>	<b>11,572</b>	<b>63,584</b>	<b>61,913</b>	<b>116,298</b>	<b>109,544</b>
<b>EXPENSES</b>	<b>32,973</b>	<b>34,058</b>	<b>17,726</b>	<b>17,201</b>	<b>32,038</b>	<b>29,216</b>	<b>25,253</b>	<b>24,550</b>	<b>580</b>	<b>1,323</b>	<b>108,570</b>	<b>106,348</b>
<b>NET SURPLUS/ (DEFICIT) FOR YEAR</b>	<b>(28,639)</b>	<b>(31,049)</b>	<b>9,305</b>	<b>6,584</b>	<b>(22,661)</b>	<b>(19,951)</b>	<b>(13,281)</b>	<b>(12,978)</b>	<b>63,004</b>	<b>60,590</b>	<b>7,728</b>	<b>3,196</b>
<b>TOTAL ASSETS BY DIVISION</b>	<b>15,064</b>	<b>6,471</b>	<b>3,829</b>	<b>984</b>	<b>1,415,462</b>	<b>1,410,601</b>	<b>28</b>	<b>23</b>	<b>48,787</b>	<b>39,178</b>	<b>1,483,170</b>	<b>1,457,257</b>

\*The column 'Other \* Not Attributed' includes general rates, reserves write back and current assets

### **ACTIVITIES**

#### **Urban Services**

Responsible for information systems and ensuring effective delivery of environmental and engineering services.

The Division includes the following Departments:

Infrastructure & Environment, Asset Planning, City Works & Services, and Information Management Group.

#### **City Development**

Responsible for strategic planning and facilitation, building and planning, urban design and architecture as well as neighbourhood amenity services.

The Division includes the following Departments:

Neighbourhood Development, Urban Design & Architecture, Health & Amenity, Planning & Building, City Strategy, and Corporate Planning & Strategy

#### **Corporate Management**

Responsible for internal business support, financial management, and property and regulatory services.

The Division includes the following Departments:

Finance & Investments, Governance & External Relations, South Melbourne Market, and Service Access & Performance.

#### **Community & Cultural Vitality**

Responsible for ensuring effective access and delivery of community services as well as human resources.

The Division includes the following Departments:

Social Development, Culture & Recreation, Social & Cultural Planning & Policy, and Organisation Development.



# Notes to the Financial Report

for the year ended 30 June 2006

## Note 42 Financial ratios

	2006 \$'000		2005 \$'000		2004 \$'000
<b>(a) Debt servicing ratio</b> (to identify the capacity of Council to service its outstanding debt)					
<u>Debt servicing costs</u>	554	=	604	=	652
<u>Total revenue</u>	116,298		107,698		105,168

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease interest and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

<b>(b) Debt commitment ratio</b> (to identify Council's debt redemption strategy)					
<u>Debt servicing &amp; redemption costs</u>	891	=	1,368	=	1,371
<u>Rate revenue</u>	62,771		58,696		56,087

The strategy involves the payment of loan principal and interest, finance lease principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

<b>(c) Revenue ratio</b> (to identify Council's dependence on rate income)					
<u>Rate revenue</u>	62,771	=	58,696	=	56,087
<u>Total revenue</u>	116,298		109,544		105,168

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

<b>(d) Debt Exposure Ratio</b> (to identify Council's exposure to debt)					
<u>Total debt</u>	15,500	=	16,497	=	16,784
<u>Total realisable assets</u>	360,719		336,790		345,812

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (Note 32) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets: controlled land, controlled buildings, roads streets and bridges, drainage, heritage assets, works of art and restricted assets.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.

<b>(e) Working Capital Ratio</b> (to assess Council's ability to meet current commitments)					
<u>Current assets</u>	48,788	=	37,090	=	36,885
<u>Current liabilities</u>	15,126		13,520		12,884

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

# Notes to the Financial Report

for the year ended 30 June 2006

## Note 43 Comparison of Actual to Budget - Rate Determination

The principal budget document used by Council to monitor its financial performance is the Cash Statement of Financial Performance or Rate Determination Statement. This note has accordingly been included to provide the reader with a snapshot of Council's performance against budget. The surplus of \$18.461M is primarily attributable to a cumulative capital works carry over of \$17.595M which will be funded in the 2006/07 budget (2004/05 - \$10.393M)

Amounts shown in the financial report as budget information have been disclosed for information purposes only. Where necessary, budget information has been recast to comply with current presentation requirements. The budget figures have been drawn from Council's budget approved at the time the rates were adopted by Council for the 2005/2006 year.

	Rate Determination			
	2006 Actual \$'000	2006 Budget \$'000	2005 Actual \$'000	2005 Budget \$'000
<b>Revenue</b>				
Rates	62,771	61,852	58,696	57,622
Grants	7,342	7,295	7,757	6,911
Interest	1,717	1,050	1,438	1,050
Grants commission	1,676	1,608	1,614	1,568
Charges, fees, fines	30,598	30,580	28,883	29,947
Contributions	5,405	2,185	3,354	1,987
Other	6,211	6,187	6,584	5,849
<b>Total Revenue from ordinary activities</b>	<b>115,720</b>	<b>110,757</b>	<b>108,326</b>	<b>104,934</b>
<b>Expenses</b>				
Employee costs	39,185	36,676	37,950	34,414
Materials and contracts	28,340	31,121	29,049	30,235
Utility payments	2,034	2,092	1,785	2,072
Depreciation	-	-	-	-
Professional services	3,682	2,809	2,981	2,784
Borrowing costs expense	554	562	604	610
Other expenses	14,405	16,206	15,085	16,385
<b>Total Expenses from ordinary activities</b>	<b>88,200</b>	<b>89,466</b>	<b>87,454</b>	<b>86,500</b>
<b>Surplus for the year</b>	<b>27,520</b>	<b>21,291</b>	<b>20,872</b>	<b>18,434</b>
Capital expenditure	(19,482)	(24,337)	(18,080)	(19,769)
Prior Year Write Back of Assets	319	-	1,154	-
Loan Repayments	(812)	(812)	(764)	(764)
Reserve transfers (net)	1,013	4,375	(248)	601
Brought Forward Surplus	9,903	9,903	6,971	6,971
<b>Surplus</b>	<b>18,461</b>	<b>10,420</b>	<b>9,905</b>	<b>5,473</b>

# Notes to the Financial Report

for the year ended 30 June 2006

Note 44	<b>Capital expenditure</b>	<b>2006</b>	<b>2005</b>
		<b>\$'000</b>	<b>\$'000</b>
	<b>Capital expenditure areas:</b>		
	Roads, footpaths and bridges	2,733	3,603
	Drainage	300	1,140
	Buildings	10,372	6,341
	Land improvements	1,629	1,125
	Plant and equipment	1,133	1,013
	Furniture and fittings	1,563	1,819
	Heritage assets and works of art	40	54
	<b>Total capital works</b>	<b>17,770</b>	<b>15,095</b>
	<b>Represented by:</b>		
	Renewal	6,030	5,037
	Upgrade	4,168	7,766
	Expansion	-	-
	New assets	7,572	2,292
	<b>Total capital works</b>	<b>17,770</b>	<b>15,095</b>

The movement between the previous year and the current year in property, infrastructure, plant and equipment movement as shown in the Balance Sheet links to the net of the following items:

Total capital works	17,770	15,095
Asset revaluation movement	12,675	12,859
Depreciation	(12,240)	(12,016)
Recognition of assets for the first time	4,343	-
Written down value of assets sold	(5,980)	(762)
WIP write off to operating expenses	(356)	(1,154)
Joint venture assets consolidated	618	234
<b>Net movement in property, infrastructure, plant &amp; equipment</b>	<b>16,830</b>	<b>14,256</b>

#### (a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

#### (b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.

#### (c) Expansion

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group. Where capital projects involve a combination of new and renewal expenditure, the total project cost needs to be allocated accordingly.

# Notes to the Financial Report

for the year ended 30 June 2006

---

## **Note 45** Events occurring after balance date

### **Community Housing Assets**

At 30 June Council had commenced the process of transferring its community housing assets to the Port Phillip Housing Trust in accordance with a restructure of the Port Phillip Housing Program ('Housing Program Sustainability Project') as resolved by Council.

It is anticipated the transfers will occur around late August 2006 once the Novation Deed between Council, the DHS-Office of Housing and Port Phillip Housing Association Ltd is finalised as this will trigger execution of the Transfers of Land and Consents from the Director of Housing.

# Standard Statements

---

## Certification of the Financial Report

In my opinion, the accompanying financial report has been prepared in accordance with the *Local Government Act 1989*, applicable Local Government Regulations, Australian Accounting Standards and other mandatory professional reporting requirements.



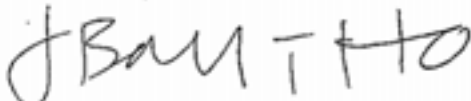
DAVID GRAHAM  
PRINCIPAL ACCOUNTING OFFICER

Date: 6/9/2006  
St Kilda

In our opinion, the accompanying financial report presents fairly the financial transactions of the City of Port Phillip for the year ended 30 June 2006 and the financial position of the Council as at that date.

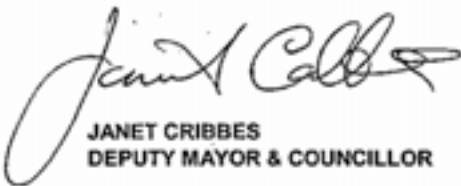
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial report to be misleading or inaccurate.

We were authorised by the Council on 4 September 2006 to certify the financial report in its final form on behalf of the Council.



JANET BOLITHO  
MAYOR & COUNCILLOR

Date: 6/9/2006  
St Kilda



JANET CRIBBES  
DEPUTY MAYOR & COUNCILLOR

Date: 6/9/2006  
St Kilda



DAVID SPOKES  
CHIEF EXECUTIVE OFFICER

Date: 6/9/2006  
St Kilda



AUDITOR GENERAL  
VICTORIA  
INDEPENDENT AUDIT REPORT

---

**City of Port Phillip**

**To the Councillors**

**Matters Relating to the Electronic Presentation of the Audited Financial Report**

This audit report for the financial year ended 30 June 2006 relates to the financial report of the City of Port Phillip included on its web site. The Councillors are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

**Scope**

*The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2006 of the City of Port Phillip consists of the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the certification of the financial report.

The accompanying standard statements for the year ended 30 June 2006 of the Council consists of standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements.

*Councillors' Responsibility*

The Councillors of the City of Port Phillip are responsible for:

- the preparation and presentation of the financial report and the standard statements, and the information they contain, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

*Audit Approach*

As required by the *Audit Act* 1994, an independent audit has been carried out in order to express an opinion on the financial report and standard statements. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report and standard statements are free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report and standard statements
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Councillors
- obtaining written confirmation regarding the material representations made in conjunction with the audit



AUDITOR GENERAL  
VICTORIA

**Independent Audit Report (continued)**

- reviewing the overall presentation of information in the financial report and standard statements.

These procedures have been undertaken to form an opinion as to whether:

- the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Local Government Act 1989*, so as to present a view which is consistent with my understanding of the Council's financial position, and its financial performance and cash flows
- the standard statements are presented fairly in accordance with the basis of preparation described in note 1, comply with the requirements of the *Local Government Act 1989*, and the "actual" amounts are correctly extracted from the financial report. While the standard statements have to be prepared on a basis consistent with the financial report they are not required to meet all of the presentation requirements of Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

**Independence**

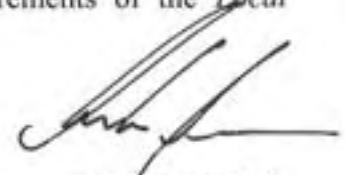
The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence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

**Audit Opinion**

In my opinion:

- (a) the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Local Government Act 1989*, the financial position of the City of Port Phillip as at 30 June 2006 and its financial performance and cash flows for the year then ended
- (b) the standard statements are presented fairly in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE  
13 September 2006



JW CAMERON  
Auditor-General

## 6. Other





## 6. Other



### Glossary

#### **Annual community satisfaction survey for local governments**

A survey relating to the community's satisfaction with local government across Victoria, coordinated by the Department for Victorian Communities.

#### **Annual report**

Details council's activities and achievements from each financial year (July to June).

*The Local Government Act 1989* and the *Local Government (General) Regulations 2004* outline what is to be contained in the annual report, including:

- a report of the council's operations during the financial year
- audited financial statements for the financial year
- audited performance statement for the financial year

The report of operations provides an accurate description of the operations of the council for the year and includes a review of the performance of the council against the council's corporate plan.

The Victorian Auditor General is responsible for the audit of the financial statements and performance statement.

A copy of the annual report is sent to the Minister for Local Government by 30 September each year.

#### **ASSIST**

Advice Solutions, Information Service Team (ASSIST) provides the community with a first point of contact for all council-related requests. The community can access the service by phone, fax and email or at the Port Melbourne, South Melbourne and St Kilda Town Halls. ASSIST staff are available to receive and resolve enquiries as they arise by liaising with other departments and council service providers.

#### **Best value**

Refers to the provision of services at a good price relative to the market, and where the standard of delivery responds closely to community needs. It is a way of approaching service delivery that the state government has identified for all councils within Victoria. It is based on six key principles. All services must be:

1. measured against quality and cost standards
2. responsive to the needs of the community
3. accessible to those for whom the service is provided
4. subject to continuous improvement
5. linked to a program of regular community consultation
6. subject to reporting of results to the community in relation to performance under the above principles

#### **Budget**

The council's short-term financial plan, which is based on and supported by a range of broad budget assumptions and parameters, as well as a clearly defined short-term (five-year) capital works plan.

#### **Community**

The Port Phillip community is comprised of all those who live, work in or visit the municipality.

#### **Community governance**

The means for ensuring citizens have an opportunity to participate in council decision making.

#### **Community hub**

A hub of related activities/facilities that locate together or close to each other in order to share resources or audiences, or to support each other. The council supports these hubs as viable and vibrant places for the community to visit and use. The council's role is in coordinating planning and service delivery from these hubs and in urban design/planning to ensure these hubs function as well as possible and are attractive, safe and representative spaces.

## 6. Other



### **Community Plan 1997**

A document outlining aspirations of the Port Phillip community that were canvassed in the Community Summit held shortly after the 1996 council election (post amalgamation). The plan reflects the views of a wide cross section of the community and contains a vision for Port Phillip from 1997 to 2007. It includes a list of priority issues, which the community said were important in achieving the council's vision, and which have formed the basis of council's annual corporate plans since 1997.

### **Corporate/council plan**

A four-year framework that sets out the council's corporate objectives, strategies and indicators.

### **Neighbourhood**

The local area or suburb that a particular part of the Port Phillip community identifies with in terms of where they live and the community affiliation they feel. There are seven neighbourhoods within the municipality: Albert Park and Middle Park; East St Kilda; Elwood and Ripponlea; Port Melbourne and Garden City; South Melbourne; St Kilda; and St Kilda Road and Queens Road.

### **Port Phillip Online (PPoL)**

The collective name for the council's internet development activities.

### **Same-Day-Service**

A commitment by all staff to exercise personal judgment within agreed standards to respond on the day they receive a request.

An appropriate response is: accepting responsibility to see the problem through; fixing the request immediately; explaining what you will do to fix the problem and by when; explaining why you can't fix the problem; negotiating a compromise.

Same-day-service also means keeping the person informed and recording what is being done to fix the problem.

Service at Port Phillip is about entrenching an approach to service that responds to queries or requests in a quick, friendly and efficient manner.

### **Strategic resource plan**

The Council's Plan on how it will allocate its financial and non-financial resources to achieve our objectives.

### **Sustainable Community Progress Indicators (SCPI)**

An assessment system to enable the council to more accurately determine whether the collective actions of the council and the community are making our living systems more or less sustainable over the long-term.

### **Sustainable value service review**

The council's program of regular reviews of services to ensure they are consistent with the best value legislation and the principles outlined under the best value definition.

### **Sustainability**

Sustainability for Port Phillip is about establishing processes and actions that support economic viability, environmental responsibility, cultural vitality and social equity to ensure that we provide for future generations to the best of our current ability.

### **Victorian Local Government Indicators**

Indicators against which all local governments within Victoria are required to assess their performance and report the results in their annual report.

### **WorkCover**

The Victorian WorkCover Authority (VWA) is the manager of Victoria's workplace safety system.

### **WorkSafe**

WorkSafe Victoria, the Victorian WorkCover Authority's occupational health and safety arm, takes the lead role in the promotion and enforcement of health and safety in Victorian workplaces.

## 6. Other



### Contact Us

## COUNCIL OFFICES

### St Kilda Town Hall

Corner Carlisle Street and Brighton Road, St Kilda  
Monday: 8.30 am - 6.00 pm  
Tuesday - Friday: 8.30 am - 5.00 pm  
Enquiry counter and cashier for paying fees and rates

### South Melbourne Town Hall

208 - 220 Bank Street, South Melbourne  
Monday, Wednesday, Thursday, Friday:  
8.30 am - 5.00 pm  
Tuesday: 8.30 am - 6.00 pm  
Enquiry counter, planning and building approvals and cashier for paying fees and rates.

### Port Melbourne Town Hall

333 Bay Street, Port Melbourne  
Monday - Friday: 8.30 am - 5.00 pm  
Enquiry counter and cashier for paying fees and rates

### Other Locations

Services are also provided from numerous community outposts throughout Port Phillip.

### ASSIST Centre

The City of Port Phillip ASSIST Centre provides the community with a first point of contact for all council-related requests.

## Contact Details

Email [assist@portphillip.vic.gov.au](mailto:assist@portphillip.vic.gov.au)  
Facsimile (03) 9536 2722  
TTY (Telephone Typewriter) (03) 9209 6713  
Mail:- City of Port Phillip, Private Bag 03,  
PO St Kilda, VIC 3182

### Telephone

General enquiries (ASSIST)	(03) 9209 6777
Rates	(03) 9209 6366
Planning	(03) 9209 6424
Building	(03) 9209 6253
Parking fines	(03) 9611 7660
Waste management	(03) 9209 6533

### After Hours

The City of Port Phillip is able to respond after hours to urgent matters regarding its services.

The City of Port Phillip's parking officers will respond to after hours calls for urgent parking issues such as blocked driveways, dangerously and illegally parked vehicles.

After hours parking enforcement services are available by ringing 0407 304 449.

## Libraries

The City of Port Phillip operates five libraries:

### Albert Park

319 Montague Street, Albert Park.  
Phone: (03) 9209 6622

### Emerald Hill

195 Bank Street, South Melbourne.  
Phone: (03) 9209 6611

### Middle Park

Corner Nimmo Street and Richardson Street, Middle Park. Phone: (03) 9209 6633

### Port Melbourne

333 Bay Street, Port Melbourne.  
Phone: (03) 9209 6644

### St Kilda

150 Carlisle Street, St Kilda. Phone: (03) 9209 6655

For opening hours please go to

[http://www.portphillip.vic.gov.au/about\\_libraries.html](http://www.portphillip.vic.gov.au/about_libraries.html)

## Depot and Transfer Station

The Port Phillip depot and transfer station is located on the corner of White and Boundary Streets, South Melbourne. More information about the types of rubbish and recycling accepted from local residents and businesses is available on the Council's website at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au) or telephone (03) 9209 6533.

## Further Information

Further information about the City of Port Phillip is available at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au).

If you would like to receive free email updates about the City of Port Phillip, council services, information and initiatives, community information and website updates, see the Port Phillip Online Update page on the website for details.

# 7. Best Value Annual Report



## 7. Best Value Annual Report



### Best Value Overview

The introduction of Best Value Principles represented a new approach for local government. It ensures that Councils remain accountable for their expenditure and obtain value for money in the delivery of Council services.

**The Local Government Act 1989** sets out the Best Value Principles (section 208B) that Councils must observe. The Best Value Principles are:

- a) All services provided by a Council must meet the quality and cost standards required by section 208D;
- b) Subject to sections 3C(2)(b) and 3C(2)(e), all services provided by a Council must be responsive to the needs of its community
- c) Each service provided by a Council must be accessible to those members of the community for whom the service is intended;
- d) A Council must achieve continuous improvement in the provision of services for its community;
- e) A Council must develop a program of regular consultation with its community in relation to the services it provides;
- f) A Council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a), (b), (c), (d) and (e).

### The Port Phillip Best Value Approach

The City of Port Phillip has 'badged' its Best Value program the 'Sustainable Value' program, with a formal review of services being a key element. The program has established a five-year review program of Council services.

The aim is to ensure the services represent 'Sustainable Value' in that they are continuously improving, relevant to the needs of the community and deliver value for money. The nature of a review is to identify and address the major issues, challenges and opportunities for the service.

This report summarises how each of the Services that have undergone a Sustainable Value review have met the Best Value Principles during 2005/06

### Highlights of some improvements and innovations that occurred over 2005/ 06 as a result of Best Value reviews:

- Increase in the hard and green waste service as a result of community feedback,
- Maintained the high quality of standards during the busy Commonwealth Games period in all of our services, in particular Waste Management, Parks and Open Space, Street and Beach Cleaning and ASSIST (council's customer service centre),
- 'Citizens Monitor' system in place to provide feedback and scores on street and beach cleanliness,
- Availability of land certificates on-line,
- Improved accessibility of the Port Phillip website, for example improving accessibility to people using screen readers,
- Increased community readership of Divercity magazine (published every two months), and increased visits to our website,
- 86% of calls to ASSIST were answered within 60 seconds, a improvement from 2004/ 05,
- Improved process and therefore access for small social groups applying for community grants,
- Family Support held quarterly reviews with every family involved with the program to help improve the service being provided,
- Community Care increased their food options developed for residents nutritionally at risk, and strengthened the relationship with the food production contractor to improve their capacity to respond to suggestions from residents regarding the quality of food,
- Libraries received a majority of positive feedback in their reservation satisfaction survey,
- Health Amenity introduced a newsletter for all registered businesses to communicate information on food safety, and
- Community Health and Development received state-wide and national publicity for the innovative Smiles per Hour and Non-crime hotline projects aimed at improving community connectedness.

## 7. Best Value Annual Report



### Service Reviews completed - 2000 to 2006

Number	Service	Date completed
1	Planning Enforcement	October 2000
2	Property and Regulatory (Building Maintenance, Valuations, Insurance & Risk)	November 2000
3	Libraries	Dec 2000
4	Requests and Complaints	June 2001
5	Health Amenity & Enforcement and Community Amenity	July 2001
6	Family and Youth Support	Sept 2001
7	Infrastructure and Capital works	Oct 2001
8	Corporate Communications (now called Campaigns and Media)	Dec 2001
9	Information Management Group	April 2002
10	Integrated Transport (Parking Systems, Sustainable Transport, Parking Enforcement)	June 2002
11	Waste Management and Street & Beach Cleaning	August 2002
12	Aged and Community Care	October 2002
13	Finance	Dec 2002
14	Facilities (Meetings) and Events	May 2003
15	Statutory Planning and Strategic Planning	July 2003
16	Cultural Development (now called Arts and Festivals)	August 2003
17	Governance	Nov 2003
18	Parks and Trees	Dec 2003
19	Organisation Development and Payroll	Jan 2004
20	Building Solutions	June 2004
21	Corporate Planning	Nov 2004
22	Social Planning, Community and Neighbourhood development	Aug 2004
23	Environmental Policy and Projects	Oct 2004
24	Children's Services**	Nov 2005

\*\*For an overview of the **2005/06 Children's Services Review** refer to the following page.

### Service Reviews In Progress

Sport and Recreation Service Unit – An evaluation panel has reviewed the submission and they are ready to go to Council.

Foreshore and Events Service Unit – An evaluation panel has reviewed the submission.

South Melbourne Market Service Unit – The evaluation panel will sit from the 5<sup>th</sup> to 8<sup>th</sup> Sept to review the submission.

### 2005/ 06 Reports by Service

**URBAN SERVICES** page– 121

Includes Information Systems, Environmental Policy and Programs, Infrastructure and Capital Works, Building Maintenance, Waste management, Parks and Open Spaces, Street and Beach Cleaning

**CORPORATE MANAGEMENT** page– 128

Includes Finance & Investments, Payroll, Insurance, Valuations, Property and Risk, Campaigns, Marketing and Port Phillip on Line (PpOL), Requests and Complaints, Meetings and Events

**COMMUNITY & CULTURAL VITALITY** page– 134

Includes Organisation Development, Social Planning, Community Development, Indigenous and Multicultural Development, Family Support, Community Care, Arts and Festivals, Libraries

**CITY DEVELOPMENT** page– 140

Includes Community Amenity and Planning Enforcement, Health Amenity and Enforcement, Animal Management, Parking Systems, Parking Enforcement, Sustainable Transport, Community Health and Development, Corporate Planning and Strategy, Strategic Planning, Statutory Planning, and Building Solutions

## 7. Best Value Annual Report



### 2005/06 Best Value review completed - Children's Services

In November 2005, Children's Services were reviewed as part of the City of Port Phillip's Sustainable Value program. The review looked at existing Council children's services to ensure they meet the needs of the community now and in the future. The main focus of the review was centre based childcare, however the review also included home based childcare, respite care, vacation care, children's services resource and development officer program, children's services community support program and the financial support to kindergartens and toy libraries.

The Children's Services unit reviewed its current service provision against the Best Value principles and prepared a submission and action plan. The review included:

- Benchmarking costs against privately managed, Council managed and community managed centres within the City of Port Phillip and neighbouring local governments
- A comprehensive assessment of licensed long day care supply and demand was undertaken by MacroPlan Australia to determine the Access needs of childcare
- Development of a Delivery and Funding Strategy by MacroPlan Australia
- A Childcare User and Waitlist review by Newton Wayman Chong was undertaken to better understand the 1900 children on the Central Register of demand
- A great deal of consultation was undertaken with users of the service and those wanting to access the service
- A childcare forum, which in addition to the large turnout from the community was attended by representatives of the Federal and State government to press the case for more action

The submission and action plan was then presented to an Evaluation panel that included an independent chair, an external expert, two councillors and a City of Port Phillip executive director. The evaluation panel sat for five (5) days to evaluate these documents and to make an assessment of whether the Children Services review demonstrated that the service:

- meets its purpose,
- Represents value for money,
- Is sustainable in the medium to long term,
- Can be improved,
- The impact any improvements and changes will have on Council, and
- Any performance issues, financial or otherwise, that the panel considers ought to be reported to Council.

As a result of the Children's Services Service Review, the City of Port Phillip committed to:

- continue its role as a major provider of childcare through supporting its existing Council and community managed centres,
- fund the expansion of long day care places in the city,
- facilitate the entry of new childcare providers into the city to offer parents a choice,
- assist those families with limited choices to get access to care, and
- council committed over \$5.4 million to create 127 new places and save 100 places in existing centres.

On the 22nd Feb 2006, council endorsed a new City of Port Phillip Child Care Policy at a special meeting of council. For more information on this policy please go to <http://www.portphillip.vic.gov.au/cgi-bin/getObject.cgi?id=o19050>

For more information on the Children's Services Review including the submission, research reports, panel report, and action plan please go to [http://www.portphillip.vic.gov.au/families\\_children\\_child\\_care\\_best\\_value\\_review.html](http://www.portphillip.vic.gov.au/families_children_child_care_best_value_review.html)

## 7. Best Value Annual Report – Urban Services



### Information systems

#### Service Unit Mission

To provide and operate a set of information systems that:

- Support both the council's strategic initiatives and operational activities
- Are cost-effective and innovative.
- Are managed by a customer-orientated and results-focused team, and
- Can be adapted to meet future council requirements in a changing local government business environment.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				Previous year figures have included both the Records unit and the GIS unit, which are now in different areas.
<b>Net Cost to Council</b>	(\$3,289,300)	(\$3,817,541)	(\$3,255,048)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
<b>Number of EFT's</b>	19.1	20.7	11.5	
<b>PC's purchased</b>	185 x \$1,925	Nil	131	
Target	Renewal Program	Renewal Program	Renewal Program	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>IT Training – number of staff trained</b>	996	791	615	Numbers down in 04/05 due to staff relocations
<b>User satisfaction</b>	99%	100%	100%	

#### Summary of Outcomes for 2005/06

- There have been a lot of changes over the last 12 months, with the manager and second in charge departing the organisation. There was an interim manager for a few months, and the new manager has now been in the position since June 2006.
- The Information Management Group, which consisted of Information Systems, Records and Geographical information Systems, now no longer exists. The Information Systems department is now called the Information Technology Services department to reflect the department's new focus on service delivery.
- The IT Services department has been restructured, and now consists of the Service Desk, IT Projects, Security, Application Support and IT Infrastructure. There are currently 2 positions, which are vacant. Interviews for the position of database developer are being undertaken at present.
- The department worked hard through 2005/06 to deliver positive outcomes for the council, including contributing to the Accommodation Strategy, supporting the development of the Strategic Asset Management System, working on IT infrastructure projects, and ensuring the ongoing support of all users via the Service Desk



## 7. Best Value Annual Report – Urban Services



### Environmental Policy and Programs

#### Service Unit Mission

The Environmental Policy and Planning team in recognising the complexity of the Port Phillip environment endeavours to holistically pursue environmental issues through understanding legislation, creating environmental management and planning systems.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$458,700)	(\$300,200)	(\$287,000)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	No	
<b>Number of EFT's</b>	3	3	3	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Sustainable Living at Home – measurement development</b>	Piloted Eco Footprint Measurement Tool	Developed Bennets Hierarchy program evaluation framework	Applied evaluation framework to program design resulting in higher retention rates	
<b>Sustainable Living at Home program – effectiveness</b>	N/a	6.23	6.41	Measurement of effectiveness is based on a scale of ineffective to very effective 7
Target		5	5	
<b>Water management Action Plan</b>	N/a	74%	63%	Completing actions set on an annual basis

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Sustainable Living at Home program specifically addresses the environmental concerns within community, empowering individuals to take action.
- Programs were targeted to groups previously not engaged with council on environmental action, in particular apartment dwellers
- New formats of evaluation for community bases programs and KPI's for organisational performance demonstrate a long-term trend of improvement
- The community is consulted on environmental issues the Sustainable Environment Consultative Committee
- Achievements are reported in the Council Plan and Annual report

#### Highs and Lows for 2005/06

- The unit focussed on systems development, with a view to improving overall environmental performance, rather than focussing on one-off projects.
- This renewed focus has revealed that the gains of single projects have not led to the overall gains hoped for. New energy and water management systems will assist in overall improvement in the coming year.

## 7. Best Value Annual Report – Urban Services



### Infrastructure and Capital Works

#### Service Unit Mission

To maintain, improve and enhance Council's public infrastructure that meet the needs of the community now, and for future generations.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$2,673,000)	(\$2,543,400)	(\$2,283,900)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
<b>Number of EFT's</b>	16	16	15	
<b>Capital Works delivered</b>	(\$17,773,900)	(\$13,586,300)	(\$15,185,300)	
Target	Budget	Budget	Budget	
<b>Capital Works rolled over</b>	25%	48%	53%	The increase in rollover percentage principally relates to major building projects
Target	<20%	<20%	<20%	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Feedback – Consultation undertaken with community on capital works projects</b>	100%	100%	100%	
<b>Capital Works projects are market tested or Tendered</b>	100%	100%	100%	
Target	100%	100%	100%	
<b>Effectiveness of Contract Management – Number of contract disputes</b>	0	1	0	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- The size of the capital program has increased while the cost to council of delivering has marginally decreased.
- Forums held to determine the needs of people of all abilities in terms of infrastructure
- The Disability Action Plan ensures that access is considered routinely in the design phase of capital works
- Many of the workload indicators in the civil maintenance contract are exceeded
- Major consultation exercises undertaken ahead of capital works project implementation including Raglan/Ingles Parklands, Greening Port Phillip, St Kilda Foreshore Promenade and the Elwood Children and Family Services Hub.
- Council's Capital Works Program is published annually as part of the budget and reported on in the Annual Report

#### Highs and Lows for 2005/06

- Successful completion of major landscape projects including Sandridge Beach Masterplan Stage 3
- Major building projects continue to present a challenge in terms of staging and delivery

## 7. Best Value Annual Report – Urban Services



### Building Maintenance

#### Service Unit Mission

The Building Maintenance staff and their contractors have a commitment to deliver service to a high standard, with the minimal disruption and inconvenience to staff and the public, in general.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$4,152,838)	(\$3,922,800)	(\$4,242,600)	Includes items of non building maintenance nature eg. power, gas, water etc
	Target +/- 5%	+/- 5%	+/- 5%	
	Achieved Yes	Yes	No	
<b>Number of EFT's</b>	4	4	4	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Charter including same day service has been developed</b>	98%	96%	95%	
	Target 95% compliance	95% compliance	95% compliance	
<b>ISO 9001 certification</b>	Adherence	Adherence	Adherence	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Development of the Building Management Guidelines ensure that this service will continuously be responsive to the requirements of, and, in regular consultation with, building occupiers.
- Building Maintenance staff continue to be accessible to all building occupiers.
- Implementation of the Sustainable Asset Management system covering building assets will provide the medium to highlight areas capable of improvement.
- Achievements are reported quarterly.

#### Highs and Lows for 2005/06

- Development of Building Management Guidelines.
- Commenced implementation of the backlog arising from the Building Condition Audit.
- Implementation of the Sustainable Asset Management system covering all building assets

## 7. Best Value Annual Report – Urban Services



### Waste Management

#### Service Unit Mission

The Waste Management Service will contribute to the provision of a clean and healthy environment for the city, its community and its visitors. This will be done by the planning and delivery of a range of externally contracted waste collection and disposal services which meet the standards specified by the council, satisfy the community, incorporate sound environmental practices, meet Occupational Health and Safety standards, and are delivered within contract conditions.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$5,253,000)	(\$5,290,700)	(\$4,442,992)	New contracts commenced 1 Jan 2005
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
<b>Number of EFT's</b>	13	12	12	
<b>Total Service unit net cost per tenement</b>	\$128.90	\$116.43	\$96.41	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Average number of missed collections</b>	35	69	50	
<b>Quantity (tones) of refuse collected</b>	18,744	18,939	19,536	
<b>Satisfaction with Waste Management service</b>	73%	75%	N/a	
<b>Service delivery contractor is certified in both international quality and environmental standards</b>	Accredited	Accredited	Accredited	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Increase in the hard and green waste service as per requests from the council annual telephone survey.
- Waste and recycling services guide distributed to all resident within City of Port Phillip March 2006.
- Residential waste bin audit completed to assist and review future waste and recycling education programs.

#### Highs and Lows for 2005/06

- The new regional waste management contract incorporates significant community education funding, which will help target further increases in recycling quantities and diverting waste from landfill.
- The contract incorporates a payment to council for the sale of recyclables materials.
- Council has implemented the “Best Practice Kerbside Recycling” program and has received funds from Sustainability Victoria.

## 7. Best Value Annual Report – Urban Services



### Parks and Open Spaces

#### Service Unit Mission

To manage and care for our parks and open space through effective and timely maintenance.

To provide 'Same Day Service' to the users of Port Phillip's Open Space network which covers over 400 hectares and includes 24 parks, gardens and reserves, 12 natural heritage sites, 640 roundabouts/traffic landscape treatments, 22 child-care/community centers, 56 Playgrounds, 15 sports fields, 10km foreshore reserves, 30,000 street trees, 15,000 park trees and 1 conservatory.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$4,588,600)	(\$4,831,799)	(\$4,947,838)	CPI Increases only
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
<b>Number of EFT's</b>	5	5	5	
<b>Cost per hectare for maintaining mowing</b>	\$220	\$237	\$243	CPI increases only

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Satisfaction survey results – overall quality of the outdoor environment</b>	72%	78%	78%	
<b>Overall Audit scores for Street Trees</b>	79%	80%	80%	
<b>Service providers are quality accredited in all cases</b>	Accredited	Accredited	Accredited	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- The Parks and Open Space unit has lead by example in councils Same day service requirements. This has lead to enhanced customer accessibility and a reduction in request completion time frames.
- Consultation has happened in particular with relevant upgrade works. A set consultation checklist has been developed so as to cover all relevant stakeholders in an event of change. Set consultation in regards to Open Space maintenance is met through relevant residential surveys. Set consultation site meetings and ongoing presence at neighbourhood forums helps the unit be further accessible to the community.
- Regular benchmarking with other like providers has allowed us to gauge overall value for money with regards to cost to maintain open space.

#### Highs and Lows for 2005/ 06

- The presentation of high quality parks and open space within the city over the Commonwealth games period.
- Improved quality of open space in particular the natural heritage sites through minor upgrades and focussed weed reduction.
- Finalised Open Space Strategy that shall link to required upgrades throughout the City of Port Phillip open space areas.
- Streetscape upgrades as part of Greening Port Phillip has upgraded streets that were either bereft of vegetation or removed and replaced haphazard planting.

## 7. Best Value Annual Report – Urban Services



### Street and Beach Cleaning

#### Service Unit Mission

The Street and Beach Cleaning Service will provide a clean, safe and attractive environment for the city, its community and its visitors. This will be done by planning and delivery of a range of public place cleaning services which meet the cleaning standards specified by the council, satisfy community and are delivered within budget.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$3,383,155)	(\$3,547,058)	(\$3,651,063)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Customer Satisfaction with services</b>	75%	75%	75%	
<b>Site Audit Results</b>	85%	84%	85%	
<b>Certified to both quality and environmental standards</b>	Certified	Certified	Certified	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Changes to collection and reconciling of data has seen enhanced Pathways turnarounds and response times.
- The 'Citizens Monitor' system continues to operate and provides scores on cleanliness which are incorporated into the monthly management reports.
- A Memorandum of Understanding is being prepared to shape the future of the service into the next decade, recognising mechanical resources, need enhancing.

#### Highs and Lows for 2005/ 06

- Well-groomed beaches for the Commonwealth Games when the city was showcased around the world.
- New machines have come on line to enhance beach cleaning services.
- Street sweeping machines have been targeted for replacement and will come on line November/December 2006.
- Dumped rubbish issues are being addressed to ensure recoding of numbers and prompt collection.

## 7. Best Value Annual Report – Corporate Management



### Finance and Investments

#### Service Unit Mission

Ensure the effective management and control of the CoPP's financial resources while maintaining and developing the financial management information system. Provide cost effective and efficient financial services. Maintain the property rating database and facilitate the collection of rates and charges from the residents and ratepayers of the CoPP.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$3,089,700)	(\$3,126,900)	(\$3,010,159)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	...No...	
<b>Number of EFT's</b>	12.8	14.1	13.6	Reduction in accounts receivable
<b>Average rate of returns on investments</b>	5.28%	5.92%	5.88%	Returns have fallen marginally as a result of the application of a more conservative investment policy as directed by the Audit Committee
<b>Rates recovered to total rates raised</b>	96.66%	97.26%	97.63%	Ongoing improvement is attributable to a diligent follow up on overdue rates, which included proceedings under Section 181 of the Local Government Act to sell two properties for overdue rates.

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>User satisfaction results – Accounting services</b>	69%	Majority participants said “functioning well”	89%	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Significant across the board improvements have been achieved for each of the three services, accounts payable, receivables and purchasing. This is attributable to the ongoing emphasis that is being placed on same day service within the department as well as the perceived improvements in the accuracy and efficiency of the Unit and the increased flexibility shown by staff when attending to customer requests.
- Accessibility improved through a number of initiatives aimed at improving community engagement, such as budget information sessions and increased involvement at neighbourhood forums.
- Improved services such as on-line land information certificates, software migration from AxsOne debtor to Geac debtor, and utilisation of software Jetform to improve the format of debtors statements and stationery have been completed, and significant progress made on the development of an online purchasing catalogue.

#### Highs and Lows for 2005/06

- Council's short and medium term financial projections were thoroughly reviewed in advance of the 2006/2007 budget process. This review identified a number of significant expenditure requirements (Building Audit works, Gasworks decontamination, Infrastructure capital, St Kilda's Edge and Southport nursing home) and proposed a package to fund these using targeted expenditure reductions and increased rate revenue, which have been incorporated in the 2006/2007 budget. This was very well canvassed with the public including two public budget information sessions.
- Significant increases in internal customer satisfaction compared to the previous survey

## 7. Best Value Annual Report – Corporate Management



### Payroll

#### Service Unit Mission

Support the City of Port Phillip by providing cost effective and efficient payroll services.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$297,000)	(\$266,400)	(\$319,502)	Increased costs due to unbudgeted external labour of \$28K arising from maternity leave and additional salary expenditure due to software replacement
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	No	Impact of maternity leave
<b>Number of EFT's</b>	3.5	3.0	3.0	
<b>Total Headcount</b> (no of staff paid in last payrun for each Fin year)	733	706	702	
<b>Payroll cost per employee paid</b>	\$413.10	\$377.34	\$455.13	Due to impact of maternity leave which has had a disproportionate impact on a small unit

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Response to payroll queries via the Helpdesk Payroll email account, within 48hrs</b>	90-100%	90-100%	90-100%	
<b>Customer satisfaction overall performance</b>	60%		82%	Significant increase due to improved accuracy

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Payroll's responsiveness to the needs of the users appears to have shown a marked improvement on 2003 as evidenced by the significant increase in internal customer satisfaction
- The approach to staffing the Payroll helpdesk has been improved as evidenced by the fact that the historical shutdown period during the pay processing week has been eliminated to ensure that queries are attended to during all normal working hours and that Same Day service can be delivered. Support is also available to management and staff from the Payroll Coordinator via the web portal when working off-site.
- Ongoing process improvement with the development and maintenance of on-line calculators designed to assist in the determination of employee entitlements and compliance with current legislation.
- Road shows to major users of the Payroll services (Child Care and Community Care)
- Additional consultation with all CoPP work areas planned to facilitate roll out of on-line facilities for employees via the Employee Self Service

#### Highs and Lows for 2005/06

- Significant increase in internal satisfaction
- Processed salary increments related to the final phase of the current Enterprise Agreement with no reported errors
- Completed End of Year processing with no system downtime or reported errors
- Processed remuneration packages within 24 hours of receipt
- Achieved the following milestones in the payroll software package replacement project, finalisation of specification, desktop evaluation and tenderer shortlist, selection of supplier and commencement of software testing and implementation.



## 7. Best Value Annual Report – Corporate Management



### Insurance, Valuations, Property and Risk

#### Service Unit Mission

The Insurance and Risk management unit aims to raise the organisation's awareness of risk management, integrate risk management planning into the day-to-day operations of Council and improve services to claimants by quicker processing of insurance claims. The Property and Valuations unit aims to protect Council's revenue base through the accurate and timely undertaking of property valuations and maximise commercial property rental income.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$2,482,000)	(\$1,665,000)	(\$2,574,800)	Significant expenditure variations due to an increase in annual MFB levy and contract costs for bi-ennial revaluation. Significant income reduction due to sale of revaluation data to State Revenue Office only received every 2 years as per revaluation cycle.
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
<b>Number of EFT's</b>	2.5	2.5	2.5	EFT's comprise of 1.5 Insurance and Risk management and 1 Property management. (Valuation services contracted out).

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Customer satisfaction results – Insurance and Risk Management</b>	67%	Quantitative research not conducted in 2004/05	58%	
<b>Independent public liability audit conducted by Civic Mutual Plus</b>	79%	83%	91%	Second highest rating in Victoria

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Enhancements made to "How to make an insurance claim" so that it is more accessible and easier to understand
- Ex gratia payments policy endorsed by management enabling a quicker turnaround in claim processing
- Biennial revaluation of all rateable properties undertaken in accordance with Best Practice Guidelines

#### Highs and Lows for 2005/06

- Independent public liability audit result of 91% equates to the second best result in Victoria
- Lowest ever number of outstanding under excess insurance claims (67)
- All business units have risk management plans in place and all relevant information has been captured on Council's risk management software.
- Outstanding property rental debt maintaining at around 1%

## 7. Best Value Annual Report – Corporate Management



### Campaigns, Marketing and Port Phillip on Line (PPoL)

#### Service Unit Mission

The Campaigns and Community Relations unit builds organisational capacity and practice to deliver; strategic media, government and community relations, with a public profile supporting the Council's key priorities and campaigns, publications, internet presence and online services. These support and drive the Council's community engagement and the Council's role as a community information provider (this includes targeting different communications and media to different audiences, and Internal advice, marketing and publications which support and promote innovation and service culture, and which responds to changing organisational and community needs).

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$1,222,298)	(\$1,081,480)	(\$1,168,133)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Number of visitors to CoPP website – average per month</b>	37,590	45,000	47,600	Commonwealth Games and Grand Prix saw more people than ever before visiting PPoL (Port Phillip on Line)
<b>Percentage of residents who say they have visited PPoL</b>	N/a	N/a	46%	New item
<b>Percentage of CoPP media releases generating media coverage</b>	N/a	N/a	84%	New item
<b>Percentage of residents who say they have read Divercity magazine</b>	N/a	N/a	64%	New item

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Have engaged with community about Council communications through annual research and discussions with residents, and annual phone polls – in process of reviewing publications and other communications as a result of this research
- Improved accessibility of Port Phillip website, for instance the website is now more accessible to people using screen readers. Assisted in launch of two new online services (land information certificate and building approval certificate).
- Community Cabinet in August 2005 – City of Port Phillip hosted State Cabinet for a day, with valuable opportunities to engage with the Cabinet and with individual ministers on Port Phillip community priorities and projects
- Supported organisation in successful lobbying for funding for Princes Pier restoration, Plummer Street bypass, St Kilda Festival and other projects.

#### Highs and Lows for 2005/06

- Increased community readership of Divercity magazine (published every two months), plus increased visits to website
- Statewide community survey showed that on community perceptions of advocacy performance, Port Phillip scores highest in inner metropolitan area.

## 7. Best Value Annual Report – Corporate Management



### Requests and Complaints

#### Service Unit Mission

ASSIST (council's customer service center) provides key information to and is the primary interface between Council and the community

Parking Permit Administration implements Council's parking policy through the effective co-ordination of the parking permit system and high standards of service to the community.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
Service Unit				
Net Cost to Council	(\$755,500)	(\$850,291)	(\$873,930)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
Number of EFT's	N/a	19.6	19.81	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
Calls answered within 60 seconds	84.51%	85.69%	86%	Increased number of complexity of calls relating to the Commonwealth Games caused the average yearly response rate to fall below target. Target is back on track in the last quarter 05/06
Same Day Service: requests responded to within two days	N/a	74.5%	76.5%	Cross organisation results are amalgamated
Customer Satisfaction	84%	N/a	78%	
% of people who say they have not been contacted about their request (external feedback)	44%	21%	20%	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Active participation in the development of the processes associated with the Commonwealth Games resulted in the successful management of the increased number of requests and administrative tasks within the section without requiring additional resources.
- Participation in the design and planning of the redevelopment of the St Kilda Town Hall has ensured the new building will provide the public with enhanced access to Council services.

#### Highs and Lows for 2005/06

- Successful management of the increase in calls during the Commonwealth Games
- Full service has continued to be offered during the current redevelopment of St Kilda Town Hall
- Answered 3153 calls during the first week of the Commonwealth Games, a significant increase.

## 7. Best Value Annual Report – Corporate Management



### Meetings and Events

#### Service Unit Mission

Facilitating the business of civic, community and commercial access through the effective use of the meeting rooms and open spaces together with the management of civic events in the Town Halls.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$286,119)	(\$458,150)	(\$448,743)	
	Target	+/- 5%	+/- 5%	+/- 5%
	Achieved	Yes	Yes	No
<b>Number of EFT's</b>	5	5	5	
<b>Key Fees and Charges</b>	Commercial hire rates subsidised for Community Groups			

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Customer Satisfaction Survey</b>	93%	Not measured 04/05	78%	Survey indicated more face-to-face or personal contact with clients was required. As part of the restructure of the Section a review and redesign of all existing processes is to be undertaken in 06/07. The Review will focus on streamlining processes and the effective management of the client interface.
<b>Food Safety Standards</b>	100% compliant	100% compliant	100% compliant	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Meetings and Events have ensured that the requirements for ensuring the St Kilda Town Hall will become a highly marketable site once the St Kilda Town Hall is redeveloped have been incorporated into the Accommodation Project. This includes the building of a new public access lift, plans for service areas and plans for meeting rooms.
- The impact of the Town Halls Strategy has limited the availability of the town halls for bookings, which has reduced the capacity of the section to generate income.
- The section has been restructured and EFT's reduced by 20% to drive down operating costs without compromising service standards (this is not reflected in the figures above as the changes were made at the end of the 2005/ 06 period).
- The section took over the management of the community buses in 05/06 and this service has proven to be extremely popular with community groups with patronage reaching greater than 80% of capacity on a regular basis

#### Highs and Lows for 2005/06

- The impact of the Town Halls Strategy has limited the availability for bookings and this coupled with high vehicle and plant maintenance, security and staff costs, has created a significant net negative budget variance.
- The new events booking system has been selected and implementation of the system has commenced. Benefits of this system include integrated financials with Accounts Payable and Accounts Receivable, better reporting capabilities and the capacity to book meeting rooms by the public across the Intranet.

## 7. Best Value Annual Report – Community and Cultural Vitality



### Organisation Development

#### Service Unit Mission

To develop and enhance the capacity of CoPP people through enabling a culture where leadership and fun and growth at work are encouraged and where sustainable service is delivered in line with the strategic intent of the organisation.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$1,118,600)	(\$1,075,532)	(\$1,241,198)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
<b>Number of EFT's</b>	6	6	6	
<b>Wellness program cost per employee</b>	\$16.00	\$22.50	\$22.50	
<b>Cost per advertised position</b>	\$897	\$923	\$1,141	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Organisational policy and procedure guidelines compliance</b>	Compliance	Compliance	Compliance	

#### Summary of Outcomes for 2005/06;

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Continued to apply the learnings from the Web Snapshot staff survey and to apply the consultancy model of service delivery to our internal CoPP community
- Ensured that the partnership model of consultancy applies and that our users are aware of who to contact for important HR/OD issues, and ensure OD office is manned from 7.30am to 5.30pm.
- Developed a change plan to improve organisational culture, as well as a plan of regular consultation with our users and developed a plan to implement the necessary actions from the staff survey, which will be conducted in 2006.
- Continue to undertake analysis of monthly Key Performance Indicator's
- Utilising feedback from the Web Snapshot as well as the Hewitt Leadership Survey in 2005.
- Report to Performance Improvement Committee annually

#### Highs and Lows for 2005/ 06

- 2005/2006 was a big year for Organisation Development (OD). In many ways it was a great example of "web culture" because of the emergence of key milestones in our culture. These milestones emerged as critical in the web journey (i.e. Big Buzz, 8 & Beyond, Management Behaviours, Change Agents and Talking to Doing.). What it did for us was focus us on key themes for further development including being practical in our application of Web Culture, Re-energising the commitment to Same Day Service, promoting effective leadership leading to increased staff engagement, measuring our web behaviours through performance dialogue and feedback, and providing effective systems that ensure management accountability.
- Since the OD Service Review in 2004, the Organisation Development (OD) department has become two interdependent disciplines. The disciplines of Human Resources (HR) and Organisation Development. We have a firm commitment from the Executive Team that to effectively manage the most important resources – our staff, we need to enhance both our leadership capability & accountability and staff engagement. OD has been working in partnership with the CoPP's leaders to build their capacity, extend thinking, influence and model the eight web principles and ultimately provide the tools to promote service culture and sustainability.

## 7. Best Value Annual Report – Community and Cultural Vitality



### Social Planning, Community Development and Indigenous & Multicultural services

#### Service Unit Mission

The unit works to provide a well-informed understanding of the social and cultural needs of the city's communities. This is used to improve planning and responses to service needs through: policy development; identifying and negotiating pathways to service systems through partnerships and community development with the community and government sectors; and the provision of community spaces for social connection and service delivery.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>				05/06 only includes service units of Social P&P, Community Development P&P and Indigenous & Multicultural P&P (04/05 cost of the above units was \$702,400) Previous years represent combined Neighbourhood development unit which is not included in Best Value reports
	(\$1,059,900)	(\$1,017,570)	(\$717,000)	
	Target +/- 5%	Target +/- 5%	Target +/- 5%	
	Achieved Yes	Achieved Yes	Achieved ...No...	
<b>Number of EFT's</b>	N/a	5.4	5.5	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>KPIs and project milestones met</b>	N/a	97.2%	95%	
<b>Volunteer website hits</b>	N/a	287.5	316.3	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- 106 community projects funded as per grant scheme priorities enabling community participation of 25% of residents
- Annual community panel evaluation of grants process resulted in new stream-lined applications for small social groups in 06/07
- Community evaluation of community training programs inform and guide development of following year's program
- Volunteer websites increased to average of 316.3 hits per month
- Reference and advisory groups inform and monitor progress, eg Port Melbourne Hub project, Multicultural Consultative Forum, Indigenous Consultative Committee
- Presentations at neighbourhood forums and public meetings and the annual Council report allow for reporting to and feedback from the community

#### Highs and Lows for 2005/06

- 2 Citizens of the Year and 2 Civic Projects of the Year awarded
- On-line register for volunteers to work with local community groups = 316 hits average per month (10% increase from 04/05)
- Redevelopment plans developed by community steering group for Port Melbourne Primary School Family & Children's Hub
- Planning permit issued for Elwood Family & Children's Services Hub for 105 places and multipurpose spaces
- New population forecast neighbourhood data compiled 2006 – 2016

## 7. Best Value Annual Report – Community and Cultural Vitality



### Family Support

#### Service Unit Mission

The Family Support Service aims to build, strong and supportive relationships with many of the most disadvantaged, vulnerable and socially isolated families within Port Phillip to help improve resilience and community connectedness. Family Support Services is an integral component of Family and Children's Services. It is the only CoPP program, within the municipality, engaging those families with children and young people aged 0 to 18 years. Access to the program contains no discrimination based on gender, ethnic background or social or economic status. Within the program there is an emphasis on advocacy and self-sustainability.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$49,515)	(\$61,423)	(\$55,005)	Full time team leader resignation in 2005, replaced with acting 0.6 part time position has contributed to reductions.
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	...No...	
<b>Number of EFT's</b>	2.66	2.66	2.66	
<b>Cost per hour of consultation</b>	\$351	\$347	\$41.33	Unit costing calculated using different criteria, which is still being defined.

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Client satisfaction from survey at case closure</b>	93%	98%	98%	
<b>Response to referral within ten working days</b>	100%	99%	99%	

#### Summary of Outcomes for 2005/06;

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- The program works with and responds to some of the most vulnerable families within the City of Port Phillip and is designed to meet individual client /family needs. Referrals are accepted from all community organisations as well as the families involved which is a highly accessible and well-developed process.
- Quarterly reviews and closure meetings are held with every family involved with the program. In these meetings families are encouraged to identify areas where they believe the program could improve the service being provided. Family Support Staff receive regular clinical supervision sessions for professional development and service improvement.
- In consultation with government departments, community agencies and families, Family Support Services is continually seeking to improve communication and service provision.
- Family Support Services is a highly visible program within the health, welfare and education service system whom work in collaboration with other organisations, within this system. Family Support reports achievements, within the Best Value Principles, regularly to all of its key stakeholders in the community.

#### Highs and Lows for 2005/ 06

- The Southern Women's Activity Group, facilitated by the Family Support Service meets once a week and offers isolated women in our community opportunities to try new activities and create friendships with others in the group. Recently the group went on a Mystery Tour where they used public transport and a list of clues to find historic buildings and public art works. The group took photos to record their journey which concluded with coffee at the St Kilda Pier café.
- The aim of the tour was to encourage members to build confidence and independence as well as promoting sustainable transport methods.

## 7. Best Value Annual Report – Community and Cultural Vitality



### Community Care

#### Service Unit Mission

To support the aspirations of older residents, residents with a disability and their carers to remain living within and participating in the community, thereby reducing social isolation and supporting connectedness.

This will be achieved by planning for current and future needs, ensuring that services are client focused and client driven, providing affordable, quality services to all eligible residents, maximising funding opportunities, fostering a coordinated approach to direct service provision in the municipality and by maintaining and expanding networks, partnerships and strategic alliances.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$1,201,657)	(\$1,364,743)	(\$1,073,887)	This figure does not include the ageing and Diversity Policy and partnerships, which is now part of another department. This was \$60,000 favourable to the budgeted position
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
<b>Unit cost per delivered meal</b> (Number of delivered meals for the financial year)	\$9.51 (114,658)	\$12.40 (126,283)	\$13.50 (117,893)	Reduction from previous years due to other options available
<b>Cost per hour of community care</b> (Number Community Care hours delivered for the financial year)	\$36.25 (50,004)	\$36.28 (62,019)	\$36.36 (58,477)	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Community Care satisfaction</b>	N/a	N/a	88%	The annual survey measures those that are very satisfied or satisfied with the service.

#### Summary of Outcomes for 2005/ 06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Successfully consulted with the community and implemented the new community bus
- Successfully completed the tender for the community services software that provides a single solution to all residents in receipt of community care services. Roll out to occur over the next 12 months.
- Reduced the bureaucracy of the community meals subsidy but maintained the accountability
- Continued to invest in the training of staff so that the quality of the work they provide is of the highest quality possible. Certificate 3 and 4 are now options for all staff
- Continued the restructuring of the food services rounds to ensure greater value for time and money for both staff and ratepayers
- Home and Property Maintenance Satisfaction Survey to determine where we need to improve. Between 84 and 89% of responses were satisfied or very satisfied with our work. Consultation regarding new initiatives was appreciated.

#### Highs and Lows for 2005/ 06

- Increase in food options developed for residents nutritionally at risk
- Repositioning of Social Support Programs into the Community Care unit.
- Work is still required to ensure that all eligible residents of Port Phillip are aware of services available and how to access them.



## 7. Best Value Annual Report – Community and Cultural Vitality



### Arts and Festivals

#### Service Unit Mission

The Arts and Festivals team is committed to promoting individual and collective wellbeing as well as enhancing local community identity by facilitating the community's capacity to develop, appreciate and express creativity and cultural vitality. (Arts Plan 2003/6)

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$1,379,976)	(\$1,584,500)	(\$1,681,900)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
<b>Number of EFT's</b>	N/a	N/a	12.3	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Community Satisfaction</b>	70%	69%	64%	Newton Wayman Chong report performance is at a reasonable level in terms of the variety of Arts and Cultural events. Some improvement is required.

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Responding to community demand the St Kilda festival is returning in 2007
- St Kilda Film Festival achieved all time high sponsorship levels
- Delivery of Commonwealth games cultural program
- Working with the Indigenous community the inaugural Yalukit Wilam (Indigenous) festival was held in March 2006
- New Arts Advisory Committee will help review the Arts Plan.
- Arts Plan review utilising focus groups
- Arts Advisory Committee meet every 3 months and 'ad hoc' meetings called on an as needs basis on specific topics

## 7. Best Value Annual Report – Community and Cultural Vitality



### Libraries

#### Service Unit Mission

The City of Port Phillip aims to provide a cutting edge library service that is innovative, well resourced, effectively managed and which supports life-long learning within the community.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$2,481,500)	(\$2,559,700)	(\$2,766,454)	Impact on Libraries Labour budget related to the EB and increments
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	No	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Average cost of loan across all branches</b>	\$3.70	\$4.39	\$2.50	Libraries have reviewed the process for calculating Unit Costs for Loans, in line with new divisional Quarterly reporting structures.
<b>Library stock less than 5 years old</b>	40%	43%	46%	Achieved through a combination of increases in the capital budget for library purchases and a target withdrawal program.

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Reservation Satisfaction Survey completed with a majority of positive feedback on service
- Community and user consultations conducted (mixture of focus and discussion groups)
- Regular process of communicating with the public about service development and delivery, including via Divercity and local media, displays in branches, and information posted on the Web
- User input and requests continue to play a strong role in library collection development and acquisition
- Completion of building and infrastructure works in response to Disability Access Audit
- Ongoing links with existing CoPP community reference groups (e.g. Older Persons and Multicultural Advisory Committees)
- User comment and input in relation to services is actively encouraged through feedback forms available at all branches, as well as remotely via the library website

#### Highs and Lows for 2005/06

- Resolved issues around the provision of fast and reliable public Internet access, with network upgrades meaning broadband Internet access now offered at all library branches.
- Loans for the year exceeded 1 million. Visits up by approximately 15%.
- Strong achievements in programming (e.g. Writer's Festival events, collaborative activities with schools)
- PPLS staff continue to play leading roles in key projects across the public library sector
- Delay in implementation of upgrade to Spydus software (library management system) - now scheduled for July 2006

## 7. Best Value Annual Report – City Development



### Community Amenity and Planning Enforcement

#### Service Unit Mission

To deliver Council's obligations to:-

1. Enforce Councils Local Laws and associated permits, and other related State legislation and as the Responsible Authority for the Port Phillip Planning Scheme pursuant to the Planning and Environment Act 1987;
2. Provide effective enforcement procedures to achieve compliance with the planning scheme, permits and agreements to control development activities; and
3. Protect its assets from damage due to development work occurring with the city.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$176,657)	(\$193,227)	(\$177,422)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	...No...	
<b>Number of EFT's</b>	13.2	13.2	13.2	
<b>Planning Enforcement Inspections (Per unit)</b>	\$183	\$179	\$206	Number of inspections down causing increase in cost per inspection
<b>Permit and Other Fees</b>	Permit fees are adopted by Council annually as part of the budget cycle			

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Annual community satisfaction survey in relation to Community Amenity – taken by DVC</b>	76%	72%	74%	
Target	Satisfied or better -80%	Satisfied or better -80%	Satisfied or better -80%	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

This has been a year of review of processes and consolidation for the unit to enable the team being able to provide a sustainable service. Progress has been made in the following areas:

- Development of the 'Risk Assessment', 'Hazard Plan' and 'Skills Matrix' to ensure knowledge and skills will be enhanced to provide a targeted service in a safe workplace environment
- In response to community needs an Asset Protection Officer has commenced to ensure a consistent enforcement process and compliance of Development Permit requirements of developers and community.
- Trailing and refinement of processes regarding topical issues such as urban development (development permits), kerbside trading, urban development, licensed premises, brothels and backpackers.
- Improved rule changes within the Pathway Licensing module capturing data, reducing non-valued time for the Asset Protection Officer and the automation of reports, thus ensuring consistent quality processes and reports.

#### Highs and Lows for 2005/06

- Implementation of Asset Protection Permit scheme to ensure recovery of costs of asset damage as a result of building activity has been an achievement.
- Continued issues with dumped rubbish remain a priority for the team.

## 7. Best Value Annual Report – City Development



### Health Amenity and Enforcement

#### Service Unit Mission

The Health Services unit seeks to provide, maintain and improve public health services in the City of Port Phillip which result in the improved health, safety and well being of the wider community through surveillance, educational and enforcement activities.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$382,000)	(\$304,204)	(\$361,301)	24% under budget due to vacant EFT position
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	No	
<b>Number of EFT's</b>			10	1 vacant
<b>Inspection of food premises (Food Act) per unit</b>	\$407.40	\$412.55	\$337.61	More inspections of shorter duration between Oct-Mar (comm. Games period) = reduced unit cost
<b>Immunisation cost per injection</b>	\$17.28	\$11.97	\$15.36	Vaccine purchases in current year reflects more accurate unit cost.
<b>Cost for food surveillance activity/ registered food premises</b>	\$588.40	\$671.38	\$489.84	Significant increase in low risk food premises numbers reducing unit cost

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Food Act Compliance – Level 4</b>	66.5%	70.4%	76.5%	
<b>Food Act Compliance – Level 3</b>	31.5%	28.4%	22.3%	
<b>Food Act Compliance – Level 2</b>	1.9%	1.1%	1.0%	
<b>Food Act Compliance – Level 1</b>	0.1%	0.1%	0.2%	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- In 2003/ 04, compliance with the Food Act was initially low with the number of businesses on rating 4 at 63.6%. Over the last 2 years there has been a steady increase with 76.5% now fully or satisfactorily compliant. These results are regularly reported to Council on a monthly basis.
- Introduction of 4-page newsletter distributed to all registered businesses communicating information to the sector on subjects such as implementation of food safety programs, food poisoning bacteria, council's food sampling program, etc.
- Customer request results show above 90% for contact within 2 days and above 90% for on-going and regular contact through course of all lodged service requests with Unit. Results above 80% have been maintained since January 2004.
- Completed Immunisation user survey. Over 100 parents surveyed at immunisation venues on immunisation service. Locations, venues, times, administration procedures, nurse relationships, etc all included in survey. All results positive. Some improvement opportunities identified. Report / recommendations prepared.
- Unannounced Immunisation audits assessing implementation of documented procedures by Medical Officer of Health. Particular emphasis on parent consent procedures, stock control and cold chain of vaccines. Recommendations acted upon.

#### Highs and Lows for 2005/06

- Food surveillance activity during the Commonwealth Games was successful.
- Immunisation coverage rates are improving and the factors that affect the reported rates are better understood.

## 7. Best Value Annual Report – City Development



### Animal Management

#### Service Unit Mission

To promote harmonious and responsible pet ownership focussed on registration of pets, keeping dogs under effective control and influencing compliance within restricted area requirements, encouraging picking up of dog poo, managing pets to not adversely impact on residential amenity; and micro-chipping and desexing of pets.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	(\$153,366)	(\$148,728)	(\$160,380)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	...No...	Due to unbudgeted salary costs associated with maintaining 7 day service
<b>Number of EFT's</b>	5	5	5	
<b>Cost per registered Pet</b>	\$97.41	\$57.88	\$62.11	Increased registrations in 04/05
<b>Registration Fee - Dog min/max</b>	\$20/ \$120	\$22/ \$132	\$22/ \$132	
<b>Registration Fee - Cat min/max</b>	\$10/ \$60	\$11/ \$66	\$11/ \$66	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Annual Community Satisfaction survey</b>	84%	88%	No direct research undertaken	Quantitative data to be collected less frequently. Animal Management data in DVC research is under 'Local Laws' and not available separately.

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Conduct of education program around responsible pet ownership created opportunities to connect with the community and peak bodies.
- Development of Procedures and Protocols Manual has enabled more structured, consistent delivery of service.
- Advertising campaign on animal management vans, bus shelters and community notice boards supported delivery of message.
- Reports of dogs rushing / attacking down 15%.
- Barking dog complaints down 5%.

#### Highs and Lows for 2005/06

- Conduct of Pet Expo in April at Alma Park as part of the education campaign was a highlight.
- Successful door-knock registration campaign and microchipping events.
- Small shift in registrations after doorknock campaign was disappointing, though opportunities to make contact with unit-dwellers via body corporate's was identified.

## 7. Best Value Annual Report – City Development



### Parking Systems

#### Service Unit Mission

This service is part of the Parking Management System that aims to maximise available parking spaces through charging, rationing and enforcement. The primary roles of these services are focused on; Timely, efficient and effective processing of parking fines and timely, efficient and effective maintenance of parking machines and auditable collection of money from those machines.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				
<b>Net Cost to Council</b>	\$14,714,275	\$14,551,757	\$14,915,839	Perin Court Outstanding Debt as at 30/06/06 was \$14.85M, which subsequently impacted on Perin Income Accrual and was the significant factor in failure to meet target. The likelihood of recovery reduces with the ageing of the debt.
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	No	
<b>Coin collection (Meter unit cost)</b>	\$6.50	\$7.02	\$7.02	
<b>Machine maintenance (Meter unit cost)</b>	\$100.39	\$106.40	\$106.40	
<b>Parking Administration (Unit cost)</b>	\$4.63	\$4.75	\$5.60	Additional work is undertaken to increase payment rates prior to Court Intervention.
<b>Parking meter fees per hour</b>	\$1.10 to \$2.20 per hour	\$1.40 to \$2.50 per hour	\$1.40 to \$2.50 per hour	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Infringement withdrawal rate</b>	13%	12.39%	9.4%	Withdrawals have continued to reduce each year and are a direct result of the quality of infringements being issued. A more conservative target was set in 2005/06 for withdrawal rates
Target	Less than 8% of appeals	Less than 8% of appeals	11%	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Parking machine repairs and collections are conducted in a manner that ensures Same Day Service.
- Parking infringement appeals are reviewed to ensure fairness and equity but within guidelines established by council.
- A 24/7 call-centre operates to accept parking machine fault calls.
- Annual review and report of services to Performance Improvement Committee.

#### Highs and Lows for 2005/06

- Pay parking income was accurately forecast for period 2005/06, which can historically be severely impacted by weather conditions.
- New parking machines with communications back to a remote desktop connection has meant greater audit control and fault identification. 30% of machines have now been installed with this capability.
- Perin debt continues to remain constant albeit slightly reducing during the financial period. The introduction of new sanctions and Infringements Act 2006 may mean a reduction due to greater compliance during 2006/07.

## 7. Best Value Annual Report – City Development



### Parking Enforcement

#### Service Unit Mission

The City of Port Phillip's Parking Enforcement Service aims to support council's objectives in the management of parking resources to encourage:-

- turnover of traffic;
- safety of road users; and
- protection of the amenity of the municipality.

Also to act in a way that reflects the Council's commitment to service culture and sustainable transport initiatives.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$1,826,724)	(\$2,096,870)	(\$2,170,451)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
<b>Cost per Infringement issues</b>	\$10.55	\$11.23	\$11.23	
<b>Cost per vehicle towed</b>	\$69.59 (net)	\$299.16	\$272.00	Basis for payments to towing operator changed this year. Also overheads not included.
<b>Cost per School crossing</b>	\$4,906	\$5,312	\$6,351	No change in Government Grant; expenses
<b>Release fee – towed vehicles</b>	\$275	\$275	\$275	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service satisfaction as measured in annual community satisfaction research</b>	68%	68%	Not available.	Quantitative data to be collected less frequently. Focus group data indicates general satisfaction, but emphasis needed on issuing more infringements to protect amenity of residents. Animal Management data in DVC research is under 'local Laws' and not available separately
Target	Satisfied or better – 80%	Satisfied or better – 80%		
<b>Percent of Appeals to Withdrawal of PINs issues</b>	13%	12.39%	12.84%	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Enforcement of parking road rules & council controlled areas in line with council parking policy and service plan.
- Response to complaints & requests favourably reported in annual research.
- Towing or removal of 90% reported derelict and abandoned vehicles within three weeks.

## 7. Best Value Annual Report – City Development



### Sustainable Transport

#### Service Unit Mission

To develop a strong team and organisational culture which is most effective and efficient in encouraging the community to exchange some of their private vehicle trips to walking, cycling and public transport and to do so safely. Broadly, this will be achieved through the application of four principles to the sustainable transport modes; ensure priority, increase connections, improve safety, and raise profile.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
Service Unit Net Cost to Council – Sustainable Transport	(\$223,145)	\$73,600	\$421,973	Doubling of Parking permit fees which has increased revenue from \$600,000 to \$1 million
Service Unit Net Cost to Council – Traffic Management	(\$436,489)	(\$429,269)	(\$335,058)	-2%
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
Parking Permit fees	\$25 (Annual basic)	\$50 (Annual basic)	\$52 (Annual basic)	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
Community satisfaction survey - Safety for pedestrians & cyclists	70% (2003)	54% (2004)	48%(2005)	Focus group surveys need to be conducted to understand this peculiar result
Community satisfaction survey – Ease of traveling around the area	53% (2003)	63% (2004)	57% (2005)	

#### Summary of Outcomes for 2005/06;

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Sustainable Transport is responsive to their community needs, which include access to a safe, effective and efficient transport system and Same Day Service response.
- Regular consultation is undertaken via the annual NWG customer satisfaction surveys, working through street and precinct traffic and parking management issues, working through road event management, Neighbourhood forums and through the statutory planning application processes, i.e. objector / public meetings.
- An informal process to more effectively understand and measure the success of the unit is being developed. It is expected a number of indicators around walking, cycling, public transport use as well as car use will be developed.
- 05/06 has seen significant improvement to cycling lanes and pedestrian facilities including the Clarendon Street red pavement treatment to improve safety.

#### Highs and Lows for 2005/06

- The year included some major new walking, cycling and public transport infrastructure including the traffic signalisation and implementation of 'Greenlight' initiatives at Richardson / Pickles / Liardet, 'Think Tram project in Clarendon Street, Stage 1 of the beach road bike lanes, Montague Street pedestrian crossing, and project development continuing with the Fitzroy Street / Jacka Boulevard group of walking, cycling and tram super stop projects.
- Education and promotional programs continued in primary schools as did support for car share clubs and the monthly Walk and Talk program.
- Successful implementation of the traffic management components associated with the Commonwealth Games
- Challenges continue in the key areas of:- 1/ Influence behavioural change in the community, 2/ Road space allocation (walking, cycling and public transport), and 3/ Effective measurement of the Sustainable Transport Service.



## 7. Best Value Annual Report – City Development



### Community Health and Development

#### Service Unit Mission

The Community and Health Development team supports the ongoing development and implementation of the city's Healthy and Safer Cities Plan. We aim to build working partnerships with individuals and groups across council and the broader community to continuously promote and develop healthy and safe local living conditions that improve the length and quality of life of our city's residents. We aim to improve our residents' quality of life primarily by increasing social cohesion, stimulating meaningful community involvement and action, and using the real needs and experiences of our community's members to inform and influence public policy.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$387,000)	(\$329,000)	(\$446,000)	Increase due to transfer of 1.8 extra staff into the Unit and reduction of State Gov. Grants
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	No	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
Life expectancy Women (yrs)	81.6	82	82.5	
Life expectancy Men (yrs)	75.7	76.6	77.7	
Total Crime (per 100,000 people)	16,768	15,145	13,115	
Perception of CoPP as more safe or same compared to 5years ago	72%	76%	79%	
% of residents who know more than 4 neighbours	52%	52%	57%	

#### Summary of Outcomes for 2005/06;

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- We are accessible and responsive to the community by working intensively with community members on a broad variety of projects. All of our projects involve partnerships with other people or groups in the community and we have initiated at least 10 accountability groups that comprise a cross-section of relevant community representatives who oversee and guide our projects.
- We are involved in at least another 10 networks that keep us in touch with other developments in the community.
- Our work and the local topics that we work on is evaluated via more than 20 different methods, which provides valuable feedback on the quality of our work and the areas that we need to improve.

#### Highs and Lows for 2005/06

- Our StreetLife project was extremely successful. It won a high commendation from the Federal Government in their National Awards for Local Governments in 2005 in the Strong and Resilient Communities category, was adopted by the Victorian Government as part of their 2006 Go For Your Life program and we were approached from the United Kingdom as one of 3 sites to be involved in an international street party.
- Developed new ways of involving community members, particularly those considered "hard to reach" (e.g. drug users), in our projects. Smiles per Hour and Non-crime hotline projects received state-wide and national publicity.
- Our Health and Safety Alliance has been presented at interstate and international conferences (e.g., Sydney, Chicago, Puerto Rico) to very good reviews. We continue to play a significant part in managing conflict around local drug and alcohol use and street sex work and broadened our work on issues such as food security and gay, lesbian, bisexual, transgender and intersex (GLBTI) health.
- We lost some experienced team members and had the review of our Healthy and Safer City plan delayed until 2006-07.

## 7. Best Value Annual Report – City Development



### Corporate Planning and Strategy

#### Service Unit Mission

To develop frameworks, processes and projects to facilitate the translation of community and Council expectations into organisational practice.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
Service Unit Net Cost to Council	(\$121,000)	(\$116,000)	(\$103,000)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
Number of EFT's	1.0	1.0	1.0	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
Delivery of Council Plan and performance Statements	Achieved	Achieved	Achieved	Achieved within required timeframes
Internal satisfaction on success of understanding Council Plan (anecdotal)	High	High	High	Consultation conducted during service review indicated a high level of satisfaction
Involvement in cross Council projects to build support for Council Plan objectives – set by ET	Achieved	Achieved	Achieved	Completed City Plan, participated in a number of projects including the internal Change Agents group, the Sustainable Transport and Parking study, St Kilda's Edge project team and several other projects

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Ensured the Council Plan initiatives and top issues reflected the issues of concern of the community
- Published the City Plan which maps the current situation across the city and what the Council and other groups including government are doing to improve the city
- Widely publicised the Council Plan and progress on activities
- Scoped process to develop the new 10 year Community Plan based on engaging the widest number of voices within the community

#### Highs and Lows for 2005/06

- Preparation of year 2 of the new Council Plan and annual list of initiatives and top issues
- Commencement of the Port Phillip Community Plan and associated activities.
- Completion and publication of City Plan

## 7. Best Value Annual Report – City Development



### Statutory Planning

#### Service Unit Mission

The role of the Statutory Planning department is to provide an approvals service in a city which contains a wide range of land uses and developments, extensively within an important heritage context.

The community expects planning to maintain the character and amenity of the municipality, whilst enabling high quality design changes to the urban fabric and promoting ESD principles. Further, the community expects planning decisions to meet legislative requirements and satisfy council's strategies and policies.

In the next five years, our role will become even more important as we manage change in the context of Melbourne 2030, whilst continuing to provide a responsive service which is timely, coordinated and integrated.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$965,576)	(\$1,139,050)	(\$955,068)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	
<b>Key Fees and Charges</b>	Fees and Charges are set in accordance with the Planning and Environment Act			

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Community Satisfaction – overall performance</b>	25%	57/100 Indexed mean	59/100 Indexed mean	
<b>Customer Requests – average days to close</b>	6.5 days	4.6 days	5.9 days	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Integration of council's Sustainable Design Service
- Successfully lobbied State Government to simplify planning controls.
- Review of and increase in delegation to reduce reporting to Council
- Comprehensive review and update of planning permit conditions
- Expansion of online heritage service practice notes

## 7. Best Value Annual Report – City Development



### Strategic Planning

#### Service Unit Mission

The Strategic Planning unit develops policy and strategies to influence the achievement of vital activity centres, sustainable access and movement, 'Liveability' of residential neighbourhoods, viable business clusters, enhanced quality of the public realm and 'sense of place', environmentally sustainable living / working, integrated place management of key areas of change, sustainable future for the city, and maximum community benefit.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit Net Cost to Council</b>	(\$539,998)	(\$681,531)	(\$877,635)	
Target	+/- 5%	+/- 5%	+/- 5%	
Achieved	Yes	Yes	Yes	

#### Quality Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Effective procedures for Planning scheme management</b>	Continuous improvement of planning scheme procedures to improve practices and to respond to legislative changes. Feedback sought from internal and external stakeholders on specific projects at key stages and as necessary.			
<b>Community Satisfaction</b>	Community feedback undertaken through Statutory processes and at defined key points in project development			

#### Summary of Outcomes for 2005/06;

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Tailored consultation on projects to engage community
- Communication plans developed for major projects
- Continued attendance at Neighbourhood Forums
- Feedback sought from internal stakeholders
- Briefings to Statutory Planning as required
- Regular communication with key internal stakeholders
- Regular briefings as required with external stakeholders such as Business Associations, South Melbourne Market Committee
- Establishment of external reference / advisory groups where necessary

#### Highs and Lows for 2005/06

- Completion of: South Melbourne Central Structure Plan and exhibition of Amendment to the Planning Scheme, East St Kilda Heritage study and inclusion in the Planning Scheme, Inner Melbourne Action Plan (IMAP) and sign off from the four Councils and establishment of the IMAP Implementation Officer initially at CoPP, Regional Housing Statement and sign off from the four inner Councils and the Elwood Heritage Study and initiation of Planning controls.
- Delivery of the Beacon Cove Precinct Committee report on "Port Melbourne Waterfront Revitalisation" to the Minister for Planning
- Initiation of: Urban Design Guidelines for Ormond Road, Car Parking Policy and Rates study across the city and the Municipal Strategic Statement Audit and Review.
- Work commenced on the Carlisle Street Structure Plan

## 7. Best Value Annual Report – City Development



### Building solutions

#### Service Unit Mission

Building Solutions Victoria provides services to protect the safety of the public and built environment in the City of Port Philip. Building Solutions Victoria provides a competitive and professional building approvals service across Victoria.

#### Cost Standards

Standard	2003/04	2004/05	2005/06	Notes
<b>Service Unit</b>				Not applicable –
<b>Net Cost to Council</b>	Target	Building Solutions is a profitable enterprise operating in a competitive environment, with no outgoing cost to Council.		
	Achieved	Fees and charges are set in accordance with the Local Government and the Building Control Act. The overall operation is tested each year against the CNP 'Significant Business' Test requirements		

#### Quality Standards

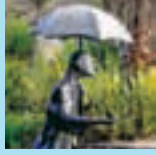
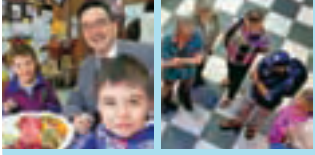
Standard	2003/04	2004/05	2005/06	Notes
<b>Decision making to be compliant with relevant Building legislation</b>	Not measured	100%	100%	No legitimate complaints regarding legislative compliance
<b>Customer Requests (CRM's) – percentage of requests that escalated</b>	Not measured	10%	19.8%	This is being addressed currently
<b>Target</b>	N/a	Improvement	Improvement	

#### Summary of Outcomes for 2005/06

*How have you improved your responsiveness, accessibility and consultation with your Users?*

- Substantial update to forms, applications and the website to improve accessibility of information and ensure it is up to date
- Building Solutions aim to have all applications lodged on the day or the day after the application is received.
- Clients are provided with a report within 7 to 10 working days, of receiving the application
- Australian Institute of Building Surveyors (AIBS) hold monthly seminars that are consistently attended by Building Solutions staff
- Majority of staff attended the AIBS Energy Efficiency Legislative Update conference





這是菲利浦港市政府 2005/2006 年度報告。如需本文件或市政府服務的一般信息，請與市政府多種語言連接 (Multi-Lingual Link) 聯係，電話 9679 9810。

Αυτή είναι η ετήσια αναφορά 2005/2006 του Δήμου Port Phillip. Για πληροφορίες σχετικά με την έκθεση αυτή ή για τις υπηρεσίες της δημαρχίας, επικοινωνήστε με την Πολυγλωσσική Διασύνδεση της δημαρχίας στο 9679 9811.

Jest to Roczne Sprawozdanie Rady Miasta Port Phillip za rok finansowy 2005/2006. W celu uzyskania informacji na temat tego sprawozdania oraz ogólnie – usług Rady, prosimy o skontaktowanie się z Multi-Lingual Link pod numerem 9679 9812

Это годовой отчет муниципалитета Port Phillip за 2005-2006г. Информацию об этом документе, а также в целом о работе муниципалитета можно получить в нашей многоязычной информационной службе по тел 9679 9813.

