



CITY OF PORT PHILLIP

ANNUAL REPORT

2013/14

OUR VISION FOR THE CITY OF PORT PHILLIP

**HEALTHY, VIBRANT,
RESILIENT AND ENGAGED**

OUR PLACE

**OUR UNIQUE AND BEAUTIFUL
PLACE BY THE BAY**

A CITY OF CONTRAST

**LOCAL LIFESTYLE WITH
A GLOBAL OUTLOOK**





CITY OF PORT PHILLIP

ANNUAL REPORT

2013/14

This is a report on our activities for the financial year ending 30 June 2014. We have structured the report into eight chapters that are designed to be read individually or as an interconnected story. Each chapter is clearly identified by title and tells the story of our activities and performance in this area.

The chapters of this report:

- 1 Welcome**
- 2 The year in short**
- 3 How our City is changing**
- 4 Governing our City**
- 5 Our performance**
- 6 Working for our community**
- 7 Compliance and accountability**
- 8 Financial and performance statements**

WHO IS THIS REPORT FOR?

We have designed this report for a broad readership, reflecting the great diversity of our constituents, including members of our community, our ratepayers, local businesses, government agencies and departments, and other interested stakeholders. As part of our environmental commitment to reducing paper use, we encourage you to read the report online at www.portphillip.vic.gov.au. If you prefer a printed version, copies are available for review at our town halls and libraries. Alternatively, please contact Council via phone or email to request a copy.

FEEDBACK

We are committed to improving our annual reporting and would welcome your feedback. To provide feedback please contact Council via phone or email.

WHY THIS REPORT IS DIFFERENT

To reflect the changing nature of our City, our Annual Report is changing too. This year we have built on the improvements made last year and have focused on providing clear information about our activities.

Structuring the report by chapters recognises that people are looking for information that is easily accessible. Each chapter focuses on a different aspect of our activities throughout the year.

CONTACT COUNCIL

Phone ASSIST on 03 9209 6777 or contact us online at www.portphillip.vic.gov.au

Ballet dancers performing
for the 'Happy' video at
St Kilda Pier

Photo: Hayden Charles Photography

I. WELCOME

Mayor and CEO welcome

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This is our City

6



Participants at
Pride March 2014

Photo: Chris Cassar



Mayor and CEO welcome

It is with great pleasure that we present the activities of the past year for the City of Port Phillip.

Firstly, we would like to respectfully acknowledge that we are situated on the traditional land of the Yalukit Wilam Clan of the Boon Wurrung, and we continue to pay our respect to their Elders, both past and present. We acknowledge and uphold their continuing relationship to this land and community.

THE YEAR IN REFLECTION

The Council Plan 2013-17 sets out a vision for an engaged, healthy, resilient and vibrant City. The Plan aims to help continue to support our vibrant community to flourish while we tackle the major challenge of the significant growth and change our City is anticipating over the next 20 years - especially with new population growth in Fishermans Bend.

We have made excellent progress on the implementation of this plan. Council has achieved 80 per cent of the targets for its 38 measures, with 97 per cent of the key actions on track.

Council has made progress on significant priority projects, including the Fishermans Bend Urban Renewal Area and the St Kilda Triangle, and responded quickly to emerging community issues such as the destruction of the Stokehouse Restaurant building.

We continue to invest in local culture and we are making our mark nationally and internationally. The St Kilda Festival and St Kilda Film Festival drew big crowds, thanks to the continued collaboration between Council, traders and key partners to make these events a continued success. This year the St Kilda Film Festival achieved an Oscar® accreditation.

On the local front, events such as the Emerald Hill Festival have highlighted our community's passion and commitment to the ongoing success of our local villages, whilst exhibitions in our galleries have provided opportunities for many of our emerging local artists to showcase their talent.

The opening of the Bubup Womindjeka Family and Children's Centre in Port Melbourne saw the creation of new sessional kindergarten and long day care places for our children, and demonstrates our ongoing commitment to supporting families and children in Port Phillip.

Other annual events we are proud to have delivered in this past year include the Seniors Festival, Big Cake Student Leadership Forum and the Summer Anti-litter Campaign.

Council is wholeheartedly committed to upholding the values of social justice and equality in our community. This year our Access and Ageing Services department was the proud recipient of a Rainbow Tick, an endorsement by Gay and Lesbian Health Victoria (GLHV) for Council's GLBTI inclusive

practice and service delivery. We will continue to work in the spirit of the City's Social Justice Charter, to protect and promote the rights of all members of the Port Phillip community.

Sustainability continues to be a strong focus for Council. This year we are pleased to have reduced the CO₂ emissions Council produces by 5.5 per cent and are progressing well on our 2020 target.

Council has also focussed strongly on being more efficient. We have introduced a number of initiatives to achieve efficiencies across the organisation. This has resulted in the identification of permanent ongoing savings of \$2 million, with a further \$1.8 million targeted for achievement during the 2014/15 financial year. In addition we continue to review services to ensure they remain relevant to the community and provide the best possible value.

Other highlights for the year include:

- A commendation for Council's Reconciliation Action Plan at the Inaugural Community HART (Helping Achieve Reconciliation Together) Awards
- Refurbishment of the Emerald Hill Library & Heritage Centre
- State Government funding for refurbishment of the St Kilda Life Saving Club
- State Government Grant for improved lighting for the Fitzroy Street Streetscape Plan.

Our future focus

In the wake of another productive and rewarding year, we will continue planning for the City's future to ensure residents have a safe, enjoyable and engaging community to live and do business in. Council will continue to engage, inform and seek input from the community on the issues that matter most.

We are pleased to continue our commitment to plan for the City's current and future community. Major council priorities include continued planning for the Fishermans Bend Urban Renewal Area, Australia's largest urban renewal project; finalising a design concept for the St Kilda Triangle site; securing the future of the Palais; activating the Port Melbourne Waterfront; working with State Government and the community to deliver the Ferrars Street School Precinct with integrated community facilities; and improving transport services and connections across our City.

Whilst planning for growth and change that comes with a new suburb in Fishermans Bend, we are also focused on continuing to support our local villages through the Vibrant Villages

Program, a partnership approach with the community and other stakeholders that will maximise returns on our efforts to collectively create and maintain unique connections to places. Additionally, we are committed to upgrading many of the community's well-loved facilities, including North Port Pavilion, South Melbourne Market, Clarendon Street Family Centre and Middle Park Community Centre.

As part of our commitment to effective asset management practices we are focused on closing our asset renewal gap. An increase of \$2.87 million to \$18.55 million in 2014/15 for our asset renewal program means that expenditure on asset renewals now exceeds the asset renewal requirements (therefore eliminating the renewal gap). Maintaining this favourable 'renewal surplus' over the next four years will be a key achievement for Council.

A strong organisational foundation will allow us to work closely and efficiently with the community to deliver a wealth of positive outcomes for the City into the future. We will continue the sensible management of the City's finances, following the implementation of LEAN methodology within Council practices to identify and introduce greater savings and efficiencies. We have also implemented a whole of organisation process and system for planning, managing and delivering our many projects and we expect to see this realise substantial savings in time and cost. It is critical that we continue to work cooperatively with all key stakeholders within the community to capitalise on available opportunities and to improve service delivery.

We are proud of our City, and have an ambitious vision for its future. We will continue to work together over the next three years of the Council Plan - and thereafter - to further build our world-class engaged, healthy, vibrant and resilient community.



City of Port Phillip Mayor and CEO
at 2014 Pride March

Cr Amanda Stevens

Mayor
City of Port Phillip

Tracey Slatter

CEO
City of Port Phillip

This is our City

We are a city of contrast, offering a local lifestyle with a global outlook. Located south of the Melbourne city centre, on the northern shore of Port Phillip Bay, this is our unique and beautiful place by the bay.

The rich diversity and depth of our collective community and individual experience is what brings life and expression to our City.

As one of Victoria's most diverse communities, we continue to grow and prosper, yet we have maintained a distinct way of life that defines our City. We are the smallest and most densely populated municipality in Victoria. Our largest neighbourhood is St Kilda while our smallest is South Melbourne. More than four million visitors each year are attracted to our City, enjoying our vibrant villages, beautiful beaches and local festivals.

Heritage buildings, a stunning foreshore, distinct shopping precincts and tree-lined streetscapes shape us as a City of defined neighbourhoods. Our major village precincts of Bay Street (Port Melbourne), Clarendon Street (South Melbourne), Fitzroy and Acland streets (St Kilda) and Carlisle Street (Balaclava) provide a variety of retail, leisure and entertainment experiences, each with their own character and cultural expression. This is why we are known and treasured for our urban village feel and artistic expression.

We are also a significant employment hub, with the St Kilda Road office district and the industrial, warehousing and manufacturing districts in South Melbourne and Port Melbourne.

Our City is a desirable place for residents and visitors, with public spaces, open parkland, and 11 kilometres of beautiful foreshore. Our community is well serviced by the public transport network including the St Kilda and Port Melbourne light rail lines, two railway stations on the Sandringham line, and various tram and bus routes.

As a highly sought-after inner city area of Melbourne, we continue to experience significant residential development, with substantial growth anticipated within the northern edge of Port Phillip. Our challenge is to ensure a sense of place and planning for the future that values the past and continues to meet the needs of a dynamic and evolving city.

While our average household size in Port Phillip is small, we are still home to many families. Our City has one of the most highly educated communities compared with other metropolitan councils. Although there are a number of wealthy households, approximately 16 per cent of households are classified as low income and approximately eight per cent of our residents live in social or public housing.

We will continue to respond to the needs of our residents and look for their input into how we will shape the future of our City together.

RESIDENTS
102,501

WALKABLE
FORESHORE
9.9
KILOMETRES

AREA
20.62
KM²



REGISTERED
BUSINESSES
18,200

PARKS &
OPEN
SPACES
176
HECTARES

BIKE
PATHS
65
KILOMETRES

LOCAL
ROADS
221
KILOMETRES

The 24th Australian
Women's Keelboat Regatta

2. THE YEAR IN SHORT

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Children at the new
Bubup Womindjeka
Family and Children's Centre

Photo: Chris Cassar



Our performance at a glance

In 2013/14 we focused our performance on delivering the four focus areas of our Council Plan:

ENGAGED

A well governed City

- 1.1 Provide clear and open communication and engagement that is valued by the community.
- 1.2 Value transparent processes in our decision making.
- 1.3 Build and facilitate a network of active and informed communities.
- 1.4 Build strategic relations with our partners.
- 1.5 Achieve a reputation for organisational and service excellence.

HEALTHY

A healthy, creative and inclusive City

- 2.1 Ensure our City is a welcoming and safe place for all.
- 2.2 Support our community to achieve improved health and wellbeing.
- 2.3 Ensure quality and accessible family, youth and children's services that meet the needs of our community.
- 2.4 Foster a community that values lifelong learning, strong connections and participating in the life of our City.
- 2.5 Promote an improved range of cultural and leisure opportunities that foster a connected and engaged community.

RESILIENT

A strong, innovative and adaptive City

- 3.1 Build resilience through our actions and leadership.
- 3.2 Support and increase community action for a resilient city.

VIBRANT

A liveable and connected City

- 4.1 Encourage viable, vibrant villages.
- 4.2 Ensure growth is well planned and managed for the future.
- 4.3 Improve and manage local amenity and assets for now and the future.
- 4.4 Ensure people can travel with ease using a range of convenient, safe, accessible and sustainable travel choices.

Armstrong Street shopping strip,
Middle Park



DELIVERING ON THE COUNCIL PLAN

Engaged	Healthy	Resilient	Vibrant
Measures of success			
7 met target (100%)	11 met target (85%) Data not available for 2 indicators	5 met target (60%) 3 indicators did not meet target	7 met target (70%) 3 indicators did not meet target
Delivery of Council Plan key actions			
19 on track (90%) 2 not on track	31 on track (100%)	13 on track (100%)	30 on track (80%) 1 not on track
Highlights			
<p>New, innovative and transparent communication channels encourage engagement with our community.</p> <p>Strategic partnerships forged to deliver sustainable community outcomes.</p>	<p>Received a 'Rainbow Tick' for encouraging older GLBTI people to access our services.</p> <p>Reconciliation Action Plan commended at inaugural community HART awards.</p> <p>New family and children's centre opens in Port Melbourne .</p> <p>Accessible Dining Guide launched to assist people to make informed dining choices.</p> <p>Smoke-free work environments introduced at all Council buildings and grounds.</p>	<p>Local residents trial home composting to reduce waste.</p> <p>Green efforts of our staff result in reductions in gas, electricity and water consumption.</p> <p>12 community and Council-run sustainability initiatives nominated for Keep Australia Beautiful Victoria Awards.</p> <p>Support and leadership programs for young people that target sustainable action.</p> <p>Facilitated the Sustainability Community Action Network (SCAN) working group to increase focus on sustainability programs.</p>	<p>'Shop local' campaigns introduced in Garden City and Ripponlea.</p> <p>First council in Melbourne to identify a strategic walking network for the City.</p> <p>Vibrant Villages program prioritises seven local villages.</p> <p>300 people participate in the Stokehouse Restaurant community engagement process.</p> <p>Blue bikes now available in St Kilda.</p>
Challenges faced			
<p>Significantly improving our performance to put our community first and make our services more accessible, efficient, quick and easier to use.</p>	<p>Federal funding cuts affecting important services for vulnerable local families.</p> <p>Soil contamination delaying redevelopment of North Port Oval.</p> <p>Delivering sustainable events across our City.</p>	<p>Delivering sustainable long-term outcomes that continue to meet the needs of our community.</p>	<p>Continuing to improve public spaces and precincts.</p> <p>Securing the future of the Palais Theatre.</p> <p>Delivering projects on time and providing value for money.</p> <p>Remediating Gasworks Arts Park.</p>
More information			
Refer to pages 56-67	Refer to pages 68-81	Refer to pages 82-89	Refer to pages 90-107

Highlights from our year

JULY 2013

St Kilda Film Festival regional tour

The St Kilda Film Festival embarked on a regional tour, taking two sessions of short films from the 2013 Festival to nine locations in regional Victoria.

More than 3,700 people enjoyed a rare opportunity to tour local buildings

This was the second year that we participated in Open House Melbourne. Venues open for visits included the Esplanade Vault, St Kilda Town Hall and the Esplanade Hotel.

NAIDOC Week Flag raising and Launch of Council's Permanent Indigenous Art Collection Catalogue and Exhibition



AUGUST 2013

'How happy are we?'

Students from St Columbas School conducted interviews with Elwood residents as part of the Good Shepherd's Schools In Community Action program. The Elwood Happiness Project saw a photo survey highlighting what makes Elwood residents happy.

Google names Port Phillip Victoria's most web-savvy region

City of Port Phillip businesses were recognised by Google as leading in their use of the web and won the Victorian Google eTown Award for 2013.



SEPTEMBER 2013

Speed limit reduced

Following a recommendation by Council and a review of the load limit for the ageing St Kilda Street Bridge, VicRoads reduced the speed limit of St Kilda Street between Ormond Esplanade and Glen Huntly Road from 60 km/hour to 50 km/hour.

Youth sector consultation

Consultation for the development of the 2014-2019 Youth and Middle Years Commitment involved 40 local youth sector representatives identifying the issues facing youth in our City.



JANUARY 2014

Pride March

The City of Port Phillip celebrated diversity at the annual Pride March. The event was attended by tens of thousands of enthusiastic onlookers supporting Victoria's GLBTI (Gay, Lesbian, Bisexual, Transexual and Intersex) community.

Rebuilding the Stokehouse

After the devastating fire at the Stokehouse Restaurant, we worked together with the owners to erect a pop-up cafe on the site.

82 new citizens join in Australia Day celebrations

FEBRUARY 2014

Funding for clean beaches

The Clean Bay Coalition received \$14,000 from the Victorian Government to help clean our popular beaches. The funding facilitated a range of anti-litter actions at our beaches including the 'No Cuts No Butts' community awareness campaign.

St Kilda Harbour upgrade

The St Kilda Harbour upgrade, including an extension of the breakwater to improve boating safety and a floating spine boardwalk for public access, was completed.

St Kilda Festival

MARCH 2014

More payments online

Changes mean residents can now pay rates, obtain permits and renew registrations via our website.

Clean Up Australia Day

We registered 20 sites for Clean Up Australia Day, collecting and removing an estimated 500 kilograms of waste and recycling.

Port Phillip celebrates Earth Hour

National Ride2School Day

From left to right:

Community members appreciate Indigenous art

Blue bikes scheme arrives at St Kilda

Attendees at the Design Development Awards 2014

Official opening of Bubup Womindjeka Family & Children's Centre

Promoting Ride2Work Day

Street performers as part of No Cuts No Butts campaign

OCTOBER 2013

Emerald Hill Library & Heritage Centre launched

On 18 October the \$3 million refurbished Emerald Hill Library & Heritage Centre was opened. To celebrate, a week of public events was held, culminating in the Emerald Hill Festival on 27 October.

Ride2Work Day on Sunrise

Ride2Work Day Celebration breakfast events were held at three locations on 16 October, attracting 280 riders and gaining national coverage on the television program, Sunrise.

Port Phillip Community Ball



NOVEMBER 2013

ANAM wins an ARIA

South Melbourne-based Australian National Academy of Music (ANAM) won an Australian Recording Industry Association (ARIA) for the Fine Arts and Artisan Award - Best Original Soundtrack / Cast / Show Album - for Conversations With Ghosts.

Community engagement informs Council's priorities for the future of Fishermans Bend

Community input informed the endorsement of ten priorities outlined in the Draft Vision for the Fishermans Bend Urban Renewal Area. This will help plan, design and deliver a prosperous, vibrant and liveable new suburb of 80,000 residents and 40,000 workers.



DECEMBER 2013

St Kilda Film Festival is Academy-qualified

St Kilda Film Festival is now an Academy-qualified festival for the short film awards category. The film that wins the Festival's Best Short Film award is eligible to enter the Academy's Short Film Competition and be considered for an Oscar®.

St Kilda gets blue bikes

Melbourne Bike Share Stations are now available in the heart of St Kilda, close to Luna Park, the Palais Theatre and St Kilda Beach.

South Melbourne Youth festival

Elwood Village Festival



APRIL 2014

Official opening of Bubup Womindjeka Family and Children's Centre

After opening for enrolment in January, the Bubup Womindjeka Family and Children's Centre in Port Melbourne officially opened on 27 April. The Council-owned state-of-the-art building is the result of a \$5.3 million contribution from the City of Port Phillip, \$1.2 million from the Victorian Government and \$1.6 million from the Federal Government.

City of Port Phillip Design and Development Awards

Creative designs were recognised at the 2014 City of Port Phillip Design and Development Awards. Convic Design's St Kilda Skate Park at Marina Reserve received the Mayor's Award for its vibrant design and visual appeal, and for providing a safe and welcoming facility for the public to enjoy.

Global movement of happy dancers

Our councillors, local community groups and businesses joined the global movement of happy dancers, producing a video to promote the people and culture of St Kilda using the music of a popular song. Watch the video at <http://wearehappyfrom.com/>

ANZAC Day Commemorative Service

MAY 2014

Council goes smoke-free

We marked World No Tobacco Day with a smoke-free policy for all Council buildings and grounds. We also provided interactive workshops, resources and tools to help staff quit or manage smoking during work hours.

Constitutional reform for Aboriginal and Torres Strait Islanders

During National Reconciliation Week, we held a forum on the national movement for further Constitutional change for Aboriginal and Torres Strait Islander people.

Reconciliation Week Flag raising

St Kilda Film Festival

JUNE 2014

Fitzroy Street lighting grant

A \$250,000 State Government grant will upgrade lighting in Fitzroy Street, St Kilda. The pedestrian scale lighting will be used on footpaths, under heavy awnings and at pedestrian crossings to enhance the precinct's safety and vibrancy.

Adoption of revised Council Plan and Budget 2014/15

The Budget includes \$3.8 million in efficiency savings, a \$32.7 capital program and an additional \$6 million to renew important assets.

What you got for \$100

We deliver a broad range of services to our diverse community of residents, traders, business owners and visitors. In 2013/14 it cost \$177,344,000 to deliver these important services and operations across our City.

This list represents a breakdown for every \$100 spent on delivering these services in 2013/14, across several broad categories. Additional detail on each of these services is available in Chapter 3: How our City is changing.

Arts and festivals	\$4.53
Capital works	\$1.50
Community care, ageing, access and disability services	\$4.70
Community development	\$3.94
Customer service, communications and consultation	\$2.08
Environmental sustainability	\$2.35
Family, youth and children services	\$12.04
Financial management	\$3.85
Governance	\$3.28
Libraries	\$2.52
Managing and maintaining assets (including roads, buildings, footpaths)	\$14.09
Organisational support and systems	\$10.04
Parks, foreshore and open space	\$6.90
Planning and building services	\$3.74
Precinct planning for the future (including Fishermans Bend)	\$2.23
Public health and animal management	\$4.19
Street and beach cleaning	\$4.06
Transport planning, projects and parking management	\$7.70
Waste management	\$6.26
TOTAL	\$100.00



Financial performance

Council's full year cash surplus after providing for \$4.55 million in funding for deferred capital works is \$2.5 million. This is consistent with the forecast surplus used to finalise the Budget 2014/15. Our financial position remains strong, with:

- working capital ratio of 159 per cent which is in the middle of the sector target range of 120 to 200 per cent
- very low levels of debt of \$9.15 million, or nine per cent of rates revenue, compared to the sector target range of 20 to 60 per cent
- cash surplus of \$2.5 million.

Our financial results were impacted by a one-off loss of \$1.2 million in Federal funding. Accounting disclosure requirements including a \$1.8 million increase in employee entitlement provisions and the need to account for a \$3 million Council contribution to the CasPA aged care facility that was provided for through our reserves, have also impacted the results.

Our Revenue and Operating Surplus has been inflated by a requirement to recognise the transfer of Beacon Cove assets from the State Government to Council (\$41.98 million) as income. We also benefited from increased rates revenue of \$5.74 million as a result of additional properties being assessed during the financial year. On the expenditure side, employee costs have been impacted by expanded child care services, increased use of internal staff to deliver key Council projects and events, the Enterprise Agreement and increases in employee entitlement provisions.

In 2013/14 the financial management focus has been on supporting the long term financial sustainability of our City while balancing affordability with the need to maintain the services and assets that our community values most. The growth challenges associated with Fishermans Bend and the need to allocate additional funding for asset renewals have also been drivers for additional long term investment.

In recognition of the above, we have sought to reduce waste and achieve efficiencies across the organisation. This has resulted in the identification of permanent ongoing savings of \$2 million. In developing the Budget 2014/15 further efficiencies of \$1.8 million have been targeted. There has also been an increased focus on reviewing current services to ensure they remain relevant to the community and are having the desired impact.

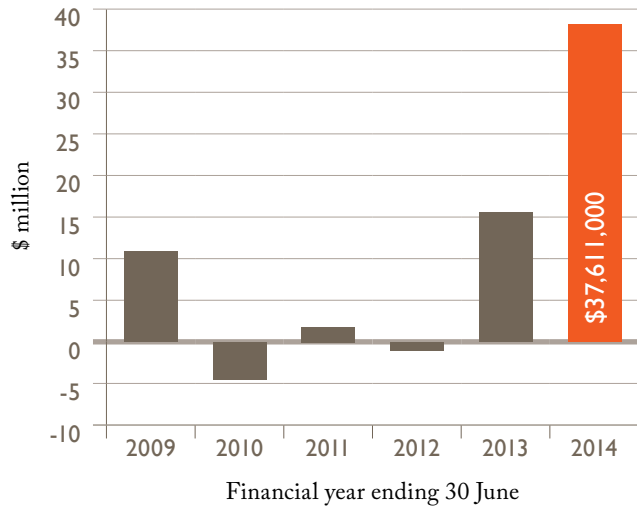
St Kilda pier

Photo: S.K. Westmore

Key financial measures

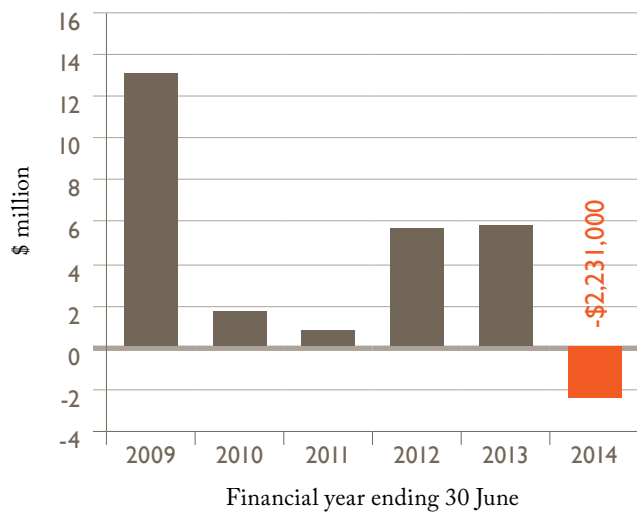
NET OPERATING RESULT

Sustaining a net operating surplus is a critical financial outcome that ensures we have the capacity to renew our \$2.1 billion community infrastructure, land and building assets. Operating expenditure increases are mainly attributable to annual CPI increases. Revenue growth has been steady in most income streams. The volatile trends over the years are largely due to the impact of one-off items. These include non-monetary asset contributions, the \$11 million defined benefit superannuation call and the \$5 million settlement for the previous St Kilda Triangle proposal.



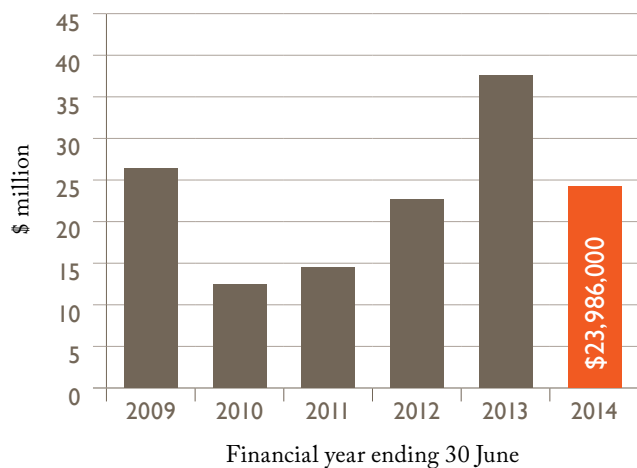
UNDERLYING RESULT

Assessment of long term financial viability takes into account our underlying result, which excludes the impact of one-off, abnormal and non-recurrent items. Fluctuations in this result each financial year can be attributed to the impact of capital works expenditure being reclassified as operating expenditure, and changes in the useful lives of assets when determining depreciation rates for the 2013/14 financial year, the \$2.21 million deficit is attributable to the impact of one-off transactions, including a \$1.2 million reduction in Federal funding, a \$3 million contribution to the CasPA aged care facility, and an increase of \$1.8 million in employee entitlement provisions.



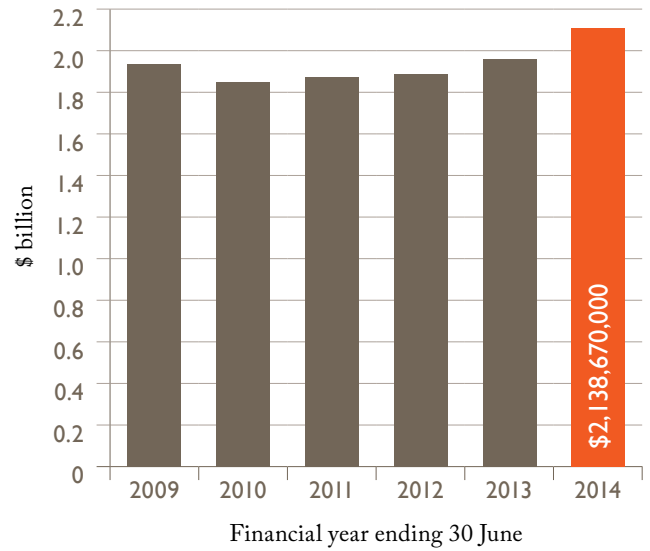
TOTAL CAPITAL SPEND

Delays in the completion of major projects in prior financial years have contributed to lower capital expenditure, particularly in 2010 and 2011. The 2013 result was inflated by the completion of a number of major capital works projects during the year. While the total capital spend has reduced in the current year, it is consistent with the upward trend that commenced in the 2011 financial year.



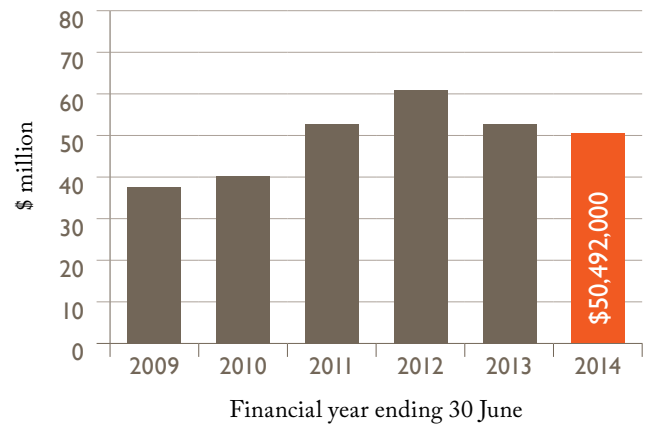
NET ASSETS

The main driver for changes in the value of our net assets is the impact of asset revaluations that take place over a rolling three-year cycle. In 2013/14 there was a significant land valuation increment of \$118 million, which has driven the increase in net assets to \$2.14 billion.



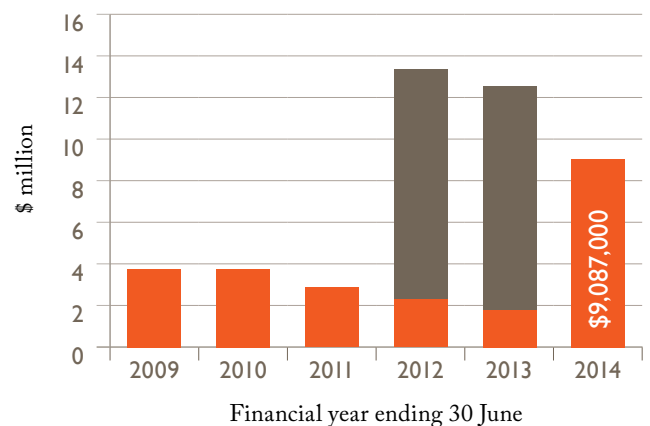
INVESTMENTS

Our conservative fiscal approach and focus on cost containment, and the appropriate application of cash backed reserves has enabled us to build up our cash based investment portfolio. Delays in delivering the capital works program in previous years have also contributed to the growth in investments. The completion of some major projects in 2013 has rebalanced this. The repayment of the superannuation liability has resulted in a further reduction in the level of funds available for investment during the 2014 financial year.



TOTAL DEBT

Our strong financial position has resulted in a downward trend in interest bearing liabilities, as we have managed to internally fund major projects. In 2012, a liability for the Vision Super defined benefits shortfall was recognised, and reported in 2013. This liability was settled in full in July 2013. Additional borrowings of \$7.5 million were raised for the purpose of funding capital works during the 2014 financial year.



LOOKING AHEAD

We expect to face a number of financial challenges linked to the property portfolio within the Seaside Precinct. This will require us to identify funding shortfalls, consider funding source options and work closely with our key stakeholders and tenants to develop mutually agreed and fiscally responsible outcomes. The proposed Fishermans Bend Urban Renewal Area will require a further review of our forward financial capacity for the early funding of required community infrastructure and open space acquisitions. This will enhance the amenity and make the area more attractive for prospective residents.



David Filmalter
Chief Financial Officer



Our four year focus

Each newly elected Council is required to develop a four-year Council Plan that sets out objectives and strategies for achieving its vision for the following four years.

To develop the City of Port Phillip Council Plan 2013-17, we analysed long term trends and community needs using information gained from a range of sources. This included 2011 Census data, information from 500 surveys, and a series of consultations with a range of stakeholders on the development of the 2013-17 Municipal Health and Wellbeing Plan.

Each year, the four-year plan is reviewed to determine if adjustments are required. As part of our review in 2013/14, we actively sought input

from the community about our future direction. To provide our community with opportunities to share their priorities, we hosted a series of five informal conversation tents at local markets and shopping strips in February and March 2014. As conversations unfolded, these ideas were recorded and immediately posted online via the Have Your Say website. This enabled community members to review the conversations and contribute further ideas, outside of the sessions. In total, we recorded over 140 comments, ideas and

suggestions, which are helping to ensure our revised Council Plan 2013-17 continues to reflect community priorities. We also received a number of submissions during the public review period, which has helped to further refine the measures.

The revised Council Plan 2013-17 was formally adopted on 26 June 2014. The Plan has not changed significantly, and we will continue to review our priorities and benchmark our performance.

Community members enjoy the Open Air Cinema at the St Kilda Foreshore





Toddler playing at the
Bubup Womindjeka
Family and Children's Centre

Photo: Chris Cassar

3. HOW OUR CITY IS CHANGING

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Delivering services to our changing City	26





Responding to the challenges of our growing City

Over the coming decades we will face unprecedented challenges. As our population grows, we will continue to improve our services and infrastructure and deliver on major projects for the benefit of our local community.

A growing municipality

Geographically, our City is one of the smallest municipalities in Victoria. Over the next 50 years, we anticipate significant population growth, particularly in the northern part of our municipality, known as the Fishermans Bend Urban Renewal Area. This growth, combined with the changing demographics of our community, will continue to increase pressure on our existing services, infrastructure and community facilities. We remain committed to ensuring we create and maintain our diverse and vibrant City.

Growing demands for increased and improved services

Responding to the need for increased and improved services, and better infrastructure while keeping rates low, is an ongoing challenge for our City. We will continue to deliver on our Council Plan responsibly and effectively ensure we meet the current and future needs of our community.

Skateboarder at Marina Reserve, St Kilda

Photo: Chris Cassar



Maintaining a creative and vibrant city for everyone

We are a diverse, multicultural municipality enriched by the different needs, experiences and backgrounds of our community. To ensure our City continues to be a welcoming environment for residents and visitors, we will look to partner with other levels of government, businesses and organisations to deliver events and cultural activities that reflect the unique makeup of our community. Hosting significant events such as the St Kilda Festival, can be challenging, as we seek to balance the sometimes conflicting needs of residents and visitors as well as the financial impact. We will be innovative in our approach to delivering such events and continue to focus on achieving community outcomes that benefit everyone.

Adapting to a changing climate

We are committed to responding to the challenges the municipality is facing as a result of climate change. To reduce our environmental impact will require a strategic approach and a commitment to embedding sustainable practices across the organisation.

To meet the challenges, we will work in new and innovative ways, undertaking robust planning and prioritising our activities. This will ensure our community infrastructure, both physical and social, is evenly funded and delivered to support the changing needs of current and future communities.

Our changing demographics

We depend on reliable information about our community to plan for the future and inform our decision making. This will ensure we meet the needs of our changing community.

An important source of information is the Census of Population and Housing, collected by the Australian Bureau of Statistics (ABS) every five years. According to the most recent Census in 2011, 93,704 people spent the night in Port Phillip, including residents, friends, family and 2,178 overseas visitors. Once adjustments have been made to account for Census undercount and residents who were temporarily overseas on Census night, our official population in 2013 was 102,501 people.

HOW IS OUR POPULATION CHANGING?

Our population continues to increase, growing by 25 per cent since 2001 (from 80,054 in 2001). In the same period the number of private dwellings in our City increased from 44,467 to 52, 270, or nearly 18 per cent.

Our dominant age group is 25-49 years of age, constituting over half of our population (53 per cent). Our City has fewer residents aged over 80 (almost three per cent of the population) compared with the previous Census, which is in contrast to the ageing population of the Greater Melbourne area. At the opposite end of the age spectrum, we are seeing an increase in pre-school and primary school-aged children.

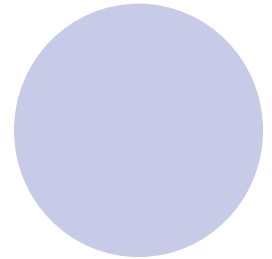
WHO DO WE LIVE WITH?

Our households are smaller than the Greater Melbourne area. The Census revealed almost 40 per cent of households are single person (the dominant household type) compared to 23 per cent of single person households across the larger urban area. Households with two persons comprise 39 per cent of our households, compared to 32 per cent across Greater Melbourne. Only 14 per cent of our households are comprised of couples with children compared with 34 per cent across Greater Melbourne.

HOW DO WE LIVE?

The Census highlighted that medium and high-density housing represents 85 per cent of the dwellings available in our City, compared to 28 per cent across Greater Melbourne. Dwellings are relatively small, with 65 per cent having one or two bedrooms, compared to 25 per cent across Greater Melbourne.

While 41 per cent of our population are either purchasing or fully own their home, we have twice the Greater Melbourne average of renters (representing 50 per cent of our population). A large number (almost 40 per cent) of those households are paying more than \$400 per week in rent (approximately twice the Greater Melbourne average). Our median rent was \$365 compared to \$300 across Greater Melbourne.



HOW DO WE GET AROUND?

Our residents are environmentally aware and benefit from good access to public transport. This is reflected in the number of our residents using sustainable modes of transport to move around, in comparison to the Greater Melbourne average. While traffic and parking continue to be important issues for our community, the rate of car ownership is significantly lower in our City compared to the Greater Melbourne average.



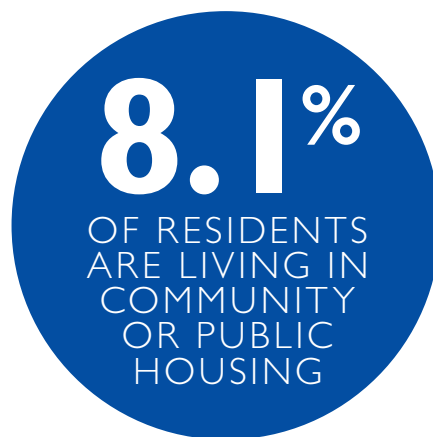
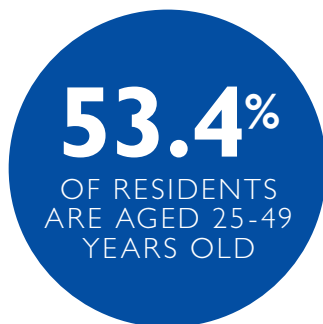
WHERE DO WE COME FROM?

We continue to reflect a diverse, multicultural community with the Census revealing an increase in the number of our residents who were born overseas. There has been a shift in our overseas-born residents' countries of origin, with a decline in the number of residents born in Greece, Poland and Russia, and a notable increase in residents who were born in India and Ireland. Our largest group of overseas-born residents are from the United Kingdom.






PLANNING FOR A CHANGING COMMUNITY

When viewed in combination, these demographics and trends show how our City has changed over the last ten years and enable us to plan for the future to provide the services, facilities and infrastructure our community needs.






Delivering services to our changing City











We provide a range of important services to support the needs of our diverse and changing community.

The snapshot below highlights some of the services we provide and how these services have changed over time. The symbols next to each statistic provide an indication of whether the service has **increased** , **decreased** , or remained **static**  this year when compared to the previous year.

MATERNAL AND CHILD HEALTH SERVICES









1,396	Babies born	
81	Community immunisation sessions held	
3,140	Infants and children attending immunisation sessions	

CHILDREN'S SERVICES

3,190	Vacation care enrolments	
4	Children's camps	
71	Enrolments in children's camps	
3,140	Enrolments in JCAAA (Joint Councils Access for All Abilities) program	
8	Family day care staff (educators and coordination team)	
43	Children attending family day care	
123	Playgroups in the City	
13	Primary schools	
7	Secondary schools	
1,599	Total child care places across the municipality	

CHILDCARE PLACES (LONG DAY CARE)

Community Managed (number of places)

119	Ada Mary A'Beckett Children's Centre	
85	Bubup Womindjeka Family and Children's Centre (Albert Park College Child Care Centre)	
38	The Avenue Children's Centre	
40	Clarendon Children's Centre Co-operative	
40	Eildon Road Children's Centre	
35	Elwood Children's Centre	
60	Poets Grove Family and Children's Centre	
40	South Melbourne Childcare Co-operative	



Children enjoying Council childcare facilities

All photos: Christian Pearson / Misheye

Council Managed (number of places)

116	Bubup Nairn Family and Children's Centre	–
65	Clark Street Children's Centre	–
60	Coventry Children's Centre	–
77	North St Kilda Children's Centre	–

Commercial (number of places)

55	Goodstart Early Learning Centre	–
40	Children's Garden Kindercare	–
126	City Kids Early Learning Centre	–
60	Headstart Early Learning Centre (Dot2Dot Early Learning Centre)	–
48	Emerald Hill Children's Centre	–
60	First Learning Children's Centre	–
48	Kinderclub	–
60	Only About Children (Kids Station)	–
27	Kimmba Bilingual Early Learning Centre (St Kilda East Child Care Centre)	–
140	Treehouse Child Care	–
160	Wonderkindy	–

Kindergarten places (number of places)

605	Total places across the municipality	↑
48	Albert Park Preschool (Albert Park kindergarten)	–
23	Civic kindergarten	–
50	Lady Forster kindergarten	↑
37	Lilian Cannam kindergarten	↓
25	Middle Park kindergarten	↑
30	Poets Grove and Family Children's Centre (Poets Grove kindergarten)	–
30	South Melbourne Mission kindergarten	–
55	St Kilda and Balaclava kindergarten	–
30	Port Melbourne Uniting Church kindergarten (Uniting Church kindergarten)	–
30	Montessori Preschool (independent) kindergarten	–
49	St Michaels School kindergarten	–
58	Wesley Early Learning Centre	–
60	Yesodei Hatorah College kindergarten	–

Family support

\$198,557	Received in government grants	↓
2,087	Target hours provided	↓
5	Family day care carers	↓

AGED AND DISABILITY SERVICES






Home care

2,101	Active home care clients	↑
29,230	Hours of general home care	↓
494	Hours of meal preparation	↓
7,138	Hours of personal care	↑
3,841	Hours of home maintenance service	↓
3,542	Individual respite care visits	↓
2,101	Active home care clients	↑
NA	Families using home based respite care	
9,765	Hours of respite care	↓
8,801	Hours of shopping services	↑
7,697	Hours of core social support provided	↑
10,303	Hours of high priority social support	↑

Community Meals

37,082	Meals delivered	↓
334	Clients who received delivered meals	↓
\$8.10	Cost per meal	↑
4,640	Meals provided at the centre	↑
76,746	Meals subsidised	↑
115,948	Meals provided	↓







Community transport

3,473	Community bus trips provided	
2	Routes provided	
69	Runs available per week	
130	Stops available on the bus routes	
28,176	Passengers who used the service	



Volunteers

22	Community access volunteers	
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LIBRARIES

686,211	People in total who visited the library	
389	Programs run	
30,568	Attendees at our programs	
26,542	New books added to the collection	
6,231	Inter-library loans made	
680,305	Loans made across the municipality	



St Kilda Library

433,441	Loans made	
380,109	Visits	



Albert Park Library

110,628	Loans made	
137,863	Visits	



Emerald Hill Library & Heritage Centre

27,378	Loans made	
38,221	Visits	

Middle Park Library

11,680	Loans made	
8,348	Visits	

Port Melbourne Library

88,789	Loans made	
121,670	Visits	

ARTS AND FESTIVALS

272	Filming permits issued	↓
350,000	People who attended St Kilda Festival (estimated)	↓

SPORT FACILITIES

4578	Across 14 sporting reserves	↑
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Sporting reserve bookings

451	Peanut Farm Oval	↑
362	Alma Park Oval	↑
268	North Port Oval	↑
66	Elwood Primary School Oval	↓

Elwood Reserve

352	Wattie Watson Oval	↑
549	Esplanade Oval / cricket ground	↑
325	Head Street cricket ground A	↓
255	Head Street cricket ground B	↓

J L Murphy Reserve

517	Lagoon Oval	↑
364	Anderson Oval 1	—
364	Anderson Oval 2	—
195	GS Williams Oval	↑
286	AT Aanenson Oval	↓
224	JM Woodruff Oval	↑

COMMUNITY CENTRES

11	Community centres	—
175,860	Visits	↑
11,724	Bookings	↑
161	Permanent group bookings (HACC, Community Groups)	↓
23	Permanent semi-commercial	↓
1126	Casual hires	↑



From top to bottom:

Filming skaters at Marina Reserve, St Kilda

Supporting 'Show you give a buck' campaign at St Kilda Festival 2014

Children enjoying the play area at Marina Reserve, St Kilda

INFRASTRUCTURE MANAGEMENT

\$1.90M	Allocated for road resurfacing	↑
\$24.24M	Allocated for maintenance (contract payments)	↓
\$200K	Allocated for Roads to Recovery Funding	—
288	Kilometres of roads maintained	↑
14,045	drainage pits inspected	↑
14	Hectares per week of our ovals mowed (seasonal)	↑
177	Hectares of reserves and gardens maintained	↑
3,021	Playground inspections conducted	↓
1,283	Additional trees planted (net increase)	↑

WASTE MANAGEMENT

38,025	Waste bins collected each week	↑
33,677	Recycling bins collected each week	↑
13,504	Hard and green waste collections	↑
2,349	Bulk rubbish container (skip bin) permits issued	↑

PROPERTY MANAGEMENT

132	Leases and licences managed by Council	↑
5,496	Building maintenance requests processed	↑

SOUTH MELBOURNE MARKET

3,835,212	Estimated visits to South Melbourne Market this year	↑
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COMMUNICATIONS AND ENGAGEMENT

45	Consultations hosted by Council on key local issues	↑
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ASSIST CUSTOMER SERVICE

46,244	Face-to-face interactions at Council service centres	↑
114,674	Phone calls answered by ASSIST	↓
76.83	Per cent of ASSIST phone calls answered within 30 seconds	↑
4,648	Administration tasks handled by ASSIST	↓

EVENTS

138	Weddings held in our parks and open spaces	
13	Community events held in our parks and open spaces	
48	Community events in council halls	










FLEET MANAGEMENT

171	Vehicles maintained	
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SUSTAINABILITY

5,242	Participants in City of Port Phillip sustainability programs	
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TOWN PLANNING APPLICATIONS

1,863	Received	
1,525	Approved	
9	Cancelled	
78	Withdrawn by applicant	
27	No permit required	
128	Notice of decision	
32	Refusals	
2	Vacated	
62	Lapsed	

FOOD SAFETY

2,630	Inspections of registered premises	
216	Food premises complaints	
268	Food samples analysed	

HEALTH SERVICES

88	Prescribed accommodation inspections conducted	
196	Inspections of hairdressers, tattooists and beauty parlours conducted	
35,336	Syringes collected and discarded through syringe disposal containers and the Community Clean-up program	
219	Public health nuisances reviewed	

ANIMAL MANAGEMENT

5,467	Dog registrations processed	↓
2,571	Cat registrations processed	↓
174	Dogs impounded	↑
99	Cats impounded	↓
80	Reported cases of stray cats (feral or trespassing)	↓
106	Reported cases of stray dogs (wandering at large)	↓
67	Reported cases of dog attack	↓
215	Reported cases of barking dogs	↓
51	Infringement notices	↓

LOCAL LAWS

704	Litter investigation requests	↑
138	Unsightly property reports lodged	↓
441	Local law infringement notices issued	↑

PARKING MANAGEMENT

1,357	Abandoned vehicles	↑
1,168	Disabled parking permit issues - Blue	↑
103	Disabled parking permit issues - Green	↑
6,438	Resident parking permits issued	↑
9,258	Visitor parking permits issued	↑
154,552	Parking enforcement infringements issued	↓
43	Parking complaints (related to officers)	↓

Port Phillip Councillors (*left to right*)

Cr Andrew Bond, Cr Bernadene Voss, Cr Jane Touzeau,
Cr Serge Thomann (*Deputy Mayor*), Cr Anita Horvath,
Cr Amanda Stevens (*Mayor*), Cr Vanessa Huxley

Photo: Chris Cassar



4. GOVERNING OUR CITY

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Role of local government

Australia has three levels of government: federal, state and local. Local government or Council, is responsible for planning and delivering a wide range of services affecting residents, businesses, neighbourhoods and the local community. All councils have the power to make and enforce local laws and collect revenue to fund their activities.

Every Victorian council varies according to its community. However, all must operate in accordance with the *Local Government Act 1989*. Our neighbouring councils are the cities of Melbourne, Bayside, Glen Eira and Stonnington.

Within Victoria, the purpose of a council is to:

- provide leadership for the good governance of the municipal district and the local community
- act as representative government by taking into account the diverse needs of the local community in decision making
- provide leadership by establishing strategic objectives and monitoring their achievement
- maintain the viability of the council by ensuring resources are managed in a responsible and accountable manner
- advocate the interests of local community to other communities and governments
- act as a responsible partner in government by taking into account the needs of other communities
- foster community cohesion and encourage active participation in civic life.

The functions of councils include:

- advocating and promoting proposals in the best interests of the local community
- planning for, and providing services and facilities for the local community
- providing and maintaining community infrastructure in the municipal district
- undertaking strategic and land use planning for the municipal district
- raising revenue to enable the council to perform its functions
- making and enforcing local laws
- exercising, performing and discharging the duties, functions and powers of councils under the *Local Government Act 1989* and other Acts
- any other functions relating to the peace, order and good governance of the municipal district.

Source: *Local Government Act 1989*



St Kilda Town Hall

Good governance at the City of Port Phillip

COMMITTED TO GOOD GOVERNANCE

We have a strong commitment to meeting the highest standards of democratic and corporate governance.

In 2013/14 new quality standards for reports to Council and Councillor briefings were introduced. As part of the process, each report is reviewed by our Executive Leadership Team against the quality standard. To support the process, our employees received training and development, and are encouraged to share their learnings, and maintain a focus on continuous improvement. This will ensure we provide consistent and quality information to Council for consideration and decision making on behalf of our community.

AN OPEN AND ENGAGING COUNCIL

We operate in an open and transparent manner when making decisions.

To engage our community on key issues of significance, we actively seek input through community reference groups, from broad cross-sections of the community, and through improved community consultation practices, including the use of online mediums.

We encourage community participation and offer opportunities to be heard at Council meetings, rotating meetings between each Town Hall in our municipality. Confidential reports are kept to a minimum with every effort made to ensure the majority of decisions are considered in open Council meetings, including tenders and legal matters. We have maintained our commitment to involving people and ensuring decisions are made in the best interests of the whole community.

Dates and venues for Council and Statutory Planning Committee meetings are advertised in the local media and on our website. If urgent special meetings must be called, we publicise these meetings broadly throughout our community.

COUNCILLOR CODE OF CONDUCT

Codes of Conduct are strongly supported in the Australian Standard of Governance Principles as a means of fostering good governance. The City of Port Phillip Councillor Code of Conduct was adopted in May 2013. It is designed to facilitate the effective functioning of Council and sets out the principles of conduct for councillors. The Code of Conduct is available for public inspection on request.

Port Phillip City Council

Our Council is responsible for the stewardship of the City and ensuring strong corporate governance. Collectively, our councillors set the strategic direction for the municipality, develop policy, identify service standards and monitor performance.

The City of Port Phillip is divided into seven wards with one councillor representing each ward. Our most recent municipal election was held on Saturday 27 October 2012 where representatives were elected for a four-year term.

Our councillors were sworn in for a four-year term on Tuesday 30 October 2012.

Councillor Amanda Stevens	Albert Park Ward
Councillor Vanessa Huxley	Carlisle Ward
Councillor Serge Thomann	Catani Ward
Councillor Anita Horvath	Emerald Hill Ward
Councillor Andrew Bond	Junction Ward
Councillor Jane Touzeau	Point Ormond Ward
Councillor Bernadene Voss	Sandridge Ward

On Tuesday 12 November 2013, Councillor Amanda Stevens was re-elected Mayor for a one-year term. The role of the Mayor is to chair Council meetings and promote good relationships, particularly between the Mayor and Councillors, Council and the administration, and the Mayor and Chief Executive Officer. The Mayor also manages and models good Councillor conduct. Councillor Serge Thomann was re-elected Deputy Mayor.

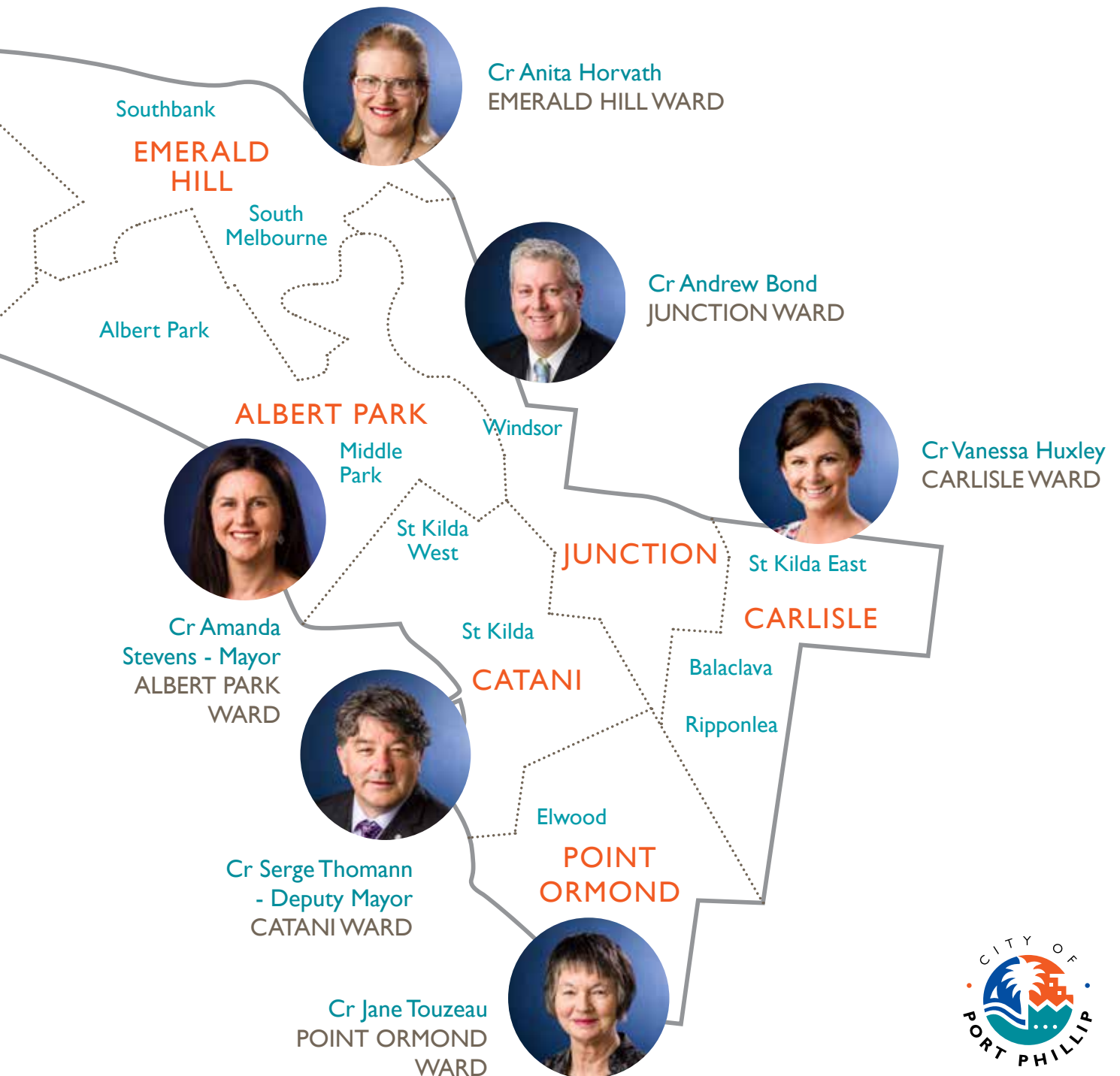
Cr Bernadene Voss
SANDRIDGE
WARD



Port Melbourne

SANDRIDGE

THE SEVEN WARDS OF THE CITY OF PORT PHILLIP TOGETHER WITH THE MAJOR SUBURBS



Council meetings

The City of Port Phillip has a regular meeting cycle of two Ordinary Council and one Statutory Planning Committee meetings each month. Meetings are held on Tuesdays at 6 pm and are open to the public. The Statutory Planning Committee has a delegation from Council to make decisions on planning applications.

Council meetings are rotated between St Kilda, South Melbourne and Port Melbourne town halls. Two Special Council Meetings, nine Statutory Planning Committee Meetings and 22 Ordinary Council Meetings were held in 2013/14.

ORDINARY MEETINGS OF COUNCIL

Date	Location	Date	Location
Tuesday 9 July 2013	Port Melbourne Town Hall	Tuesday 4 February 2014	St Kilda Town Hall
Tuesday 23 July 2013	St Kilda Town Hall	Tuesday 11 February 2014	Port Melbourne Town Hall
Tuesday 13 August 2013	South Melbourne Town Hall	Tuesday 25 February 2014	St Kilda Town Hall
Tuesday 27 August 2013	St Kilda Town Hall	Tuesday 11 March 2014	South Melbourne Town Hall
Tuesday 10 September 2013	Port Melbourne Town Hall	Tuesday 25 March 2014	St Kilda Town Hall
Tuesday 24 September 2013	St Kilda Town Hall	Tuesday 8 April 2014	Port Melbourne Town Hall
Tuesday 8 October 2013	South Melbourne Town Hall	Tuesday 22 April 2014	St Kilda Town Hall
Tuesday 22 October 2013	St Kilda Town Hall	Tuesday 13 May 2014	South Melbourne Town Hall
Tuesday 12 November 2013	St Kilda Town Hall	Tuesday 27 May 2014	St Kilda Town Hall
Tuesday 26 November 2013	St Kilda Town Hall	Tuesday 10 June 2014	Port Melbourne Town Hall
Tuesday 10 December 2013	South Melbourne Town Hall	Tuesday 24 June 2014	St Kilda Town Hall

STATUTORY PLANNING COMMITTEE MEETINGS

Date	Location	Date	Location
Tuesday 16 July 2013	St Kilda Town Hall	Tuesday 18 February 2014	St Kilda Town Hall
Tuesday 20 August 2013	St Kilda Town Hall	Tuesday 18 March 2014	St Kilda Town Hall
Tuesday 19 September 2013 (cancelled)	St Kilda Town Hall	Tuesday 15 April 2014	St Kilda Town Hall
Tuesday 15 October 2013	St Kilda Town Hall	Tuesday 20 May 2014 (cancelled)	St Kilda Town Hall
Tuesday 19 November 2013	St Kilda Town Hall	Tuesday 17 June 2014	St Kilda Town Hall
Tuesday 10 December 2013	St Kilda Town Hall		

SPECIAL MEETINGS OF COUNCIL

Date	Location	Date	Location
Tuesday 12 November 2013	St Kilda Town Hall	Tuesday 6 May 2014	St Kilda Town Hall

COUNCILLOR MEETING ATTENDANCE

Councillor	Ordinary Council Meeting	Statutory Planning Committee Meeting	Special Council Meeting	Attendance
Cr Amanda Stevens	21	9	2	97%
Cr Vanessa Huxley	20	8	2	91%
Cr Serge Thomann	21	9	2	97%
Cr Anita Horvath	20	9	2	94%
Cr Andrew Bond	22	9	2	100%
Cr Jane Touzeau	21	9	2	97%
Cr Bernadene Voss	22	7	2	94%

Supporting Council's decision making

As part of our commitment to good governance, quality decision making and community participation, we support a range of committees with community and external representation. Our Councillors also represent the interests of Council on a range of external committees.

ADVISORY AND COMMUNITY REFERENCE COMMITTEES

Community advisory or reference committees are established by Council to provide advice to Council. These committees provide opportunities for members of our community to share their expertise on a range of topics. Each committee is governed under specific Terms of Reference.

Committee	Appointment	Purpose
Art Acquisition Reference Committee	Cr Touzeau (Chair)	Assist Council by providing advice and expertise in relation to Council's visual art acquisition program.
Audit & Risk Committee	Mayor Cr Stevens and Cr Horvath	Advise Council on the effectiveness of the organisation's systems, processes and culture for managing risk, and complying with its legal and financial obligations.
Community Grants Assessment Panel	Cr Horvath and Cr Bond	Convened annually to assess applications for community grants of up to \$10,000. The Panel make recommendations to Council for grants funding.
Community Pulse Steering Committee	Cr Touzeau	Achieve the aims of the Community Pulse Project by providing advice and feedback in relation to indicator development and community engagement, and help achieve a creative, socially inclusive and sustainable community.
Cultural Development Fund Reference Committee	Cr Thomann (Chair) and Reserve Cr Huxley	Provide advice and recommendations in relation to applications for the Cultural Development Fund according to the published guidelines.
Cultural Heritage Reference Committee	Cr Voss	Provide advice and feedback in relation to cultural heritage and local history.
Domestic Animal Management Community Reference Group	Cr Voss (Chair)	Assist Council with the ongoing delivery of animal management services through the sharing of ideas and issues relating to animal management across the municipality.
Esplanade Market Advisory Committee	Cr Thomann (Chair) and Cr Bond	Provide direction on the strategic direction of the Esplanade Market.
Friends of Suai Community Taskforce	Cr Thomann and Reserve Cr Huxley	Work with and assist the City of Port Phillip to develop sustainable and productive relationships between the Port Phillip and Suai communities.
Gasworks Arts Park Reference Committee	Cr Stevens (Chair)	Provide advice and feedback in relation to the development of the Gasworks Arts Park Plan, including the vision, principles and values for long term strategic development and management of Gasworks Arts Park.

Committee	Appointment	Purpose
Hindmarsh Steering Committee	Cr Horvath and Cr Touzeau	Provide feedback and advice in relation to the strategic direction of the Friendship City relationship between the City of Port Phillip and Hindmarsh Shire Council.
Marina Reserve Reference Committee	Cr Thomann and Cr Huxley	Offer advice to City of Port Phillip on the operations of Marina Reserve post construction.
Multicultural Forum	Cr Thomann (Chair)	Facilitate discussion and advise Council officers and Council about policies and plans supporting the multicultural community.
Older Persons Consultative Committee	Cr Horvath	Provide advice to Council and Council officers about policies, plans and services affecting older people.
Rupert Bunny Visual Arts Fellowship Reference Committee	Cr Touzeau	Provide strategic advice and expertise to Council on the awarding of the Fellowship.

SECTION 86 COMMITTEES

Under the Section 86 of *Local Government Act 1989*, Council can delegate particular decisions to formally established committees.

Committee	Appointment	Purpose
Statutory Planning Committee	All Councillors	Make decisions on planning applications.
Inner Melbourne Action Plan Committee	Mayor Cr Stevens	Oversee the implementation of regionally-based actions identified in the Inner Melbourne Action Plan (IMAP) January 2006 (and subsequent reviews). For additional information on the IMAP Committee, please see page 42.
Neighbourhood Programs Committee	Mayor Cr Stevens and Cr Thomann	Support the distribution of minor donations and grants to individuals, organisations or community groups in a variety of ways.
South Melbourne Market Management Committee	Mayor Cr Stevens (Chair), Cr Bond and Cr Horvath	Oversee the market's performance and direction, ensuring its financial viability and pre-eminent position as a community resource and as a dynamic retail competitor.

Inner Melbourne Action Plan: making Melbourne more liveable

The Inner Melbourne Action Plan (IMAP) was established under section 86 of the **Local Government Act 1989** and is a collaboration between the cities of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong. Collectively, the councils seek to foster creativity, liveability, prosperity and sustainability across the inner Melbourne region.

The IMAP was established in 2008, identifying 11 regional strategies and 57 actions for implementation across the inner Melbourne region, of which 75 per cent are complete or currently being implemented. The IMAP is currently under review by partner councils with a new draft plan due in late 2014.

In 2013/14, two major IMAP projects were completed. The Green Roofs, Walls and Facades project team, led by the City of Melbourne in conjunction with the University of Melbourne, developed the Growing Green Guide Manual and Demonstration Sites reports and launched it in February 2014. This project was funded by the IMAP Councils and the Victorian Adaptation and Sustainability Partnership. The Reduced Through Traffic Study, led by the City of Stonnington, was completed in May 2014.

The Water Sensitive Urban Design (WSUD) local planning policy, jointly developed by IMAP Councils, was approved by the Victorian Government in 2014. In addition, the IMAP Councils were awarded a University of Western Sydney Partnership Award for their involvement in research and development for the Australian Community Land Trust Manual.

Inner Melbourne Action Plan Making Melbourne More Liveable



EXTERNAL COMMITTEES

There are a number of external committees, associations or boards where individual Councillors are appointed by Council to represent its interests. As appropriate, individual Councillors report to Council on the activities of these committees.

Committee	Appointment	Purpose
Association of Bayside Municipalities (ABM)	Cr Touzeau and Reserve Cr Horvath	Represents the interests of ten councils with frontage to Port Phillip Bay on various coastal and marine issues.
Gasworks Arts Inc. Board of Management	Cr Stevens	Elected annually to oversee management of the Gasworks Arts Park.
Health & Wellbeing Alliance Committee	Cr Huxley and Reserve Cr Voss	Directs the implementation of the Health and Wellbeing Plan. Consists of representatives of local health and welfare organisations, police, business community and Council.
Road Safety Action Group Inner Melbourne	Cr Horvath	A collaboration of four inner Melbourne councils, community members and organisations working to make inner Melbourne safer for walking, bike riding, public transport and motorcycling.

Committee	Appointment	Purpose
Inner South Metropolitan Mayors Forum	Cr Stevens	Regional peak body for local government councils covering the cities of Bayside, Boroondara, Glen Eira, Kingston, Melbourne, Port Phillip, Stonnington and Yarra.
Board of Bubup Womindjeka Family and Children's Centre	Cr Voss and Reserve Cr Horvath	To oversee the provision of a range of services such as long day care, sessional kindergarten, occasional care, maternal and child health services, consulting space for allied health professionals, and space for new parent groups, playgroups and other community groups' use.
Linden Board of Management Inc.	Cr Huxley	Oversees the day-to-day leadership of the Linden Gallery.
Municipal Association of Victoria	Cr Voss and Reserve Cr Thomann	Representative and lobbying body for Victoria's local government councils. Advocates for the interests of local government, raises the sector's profile and provides policy and strategic advice and insurance services.
Metropolitan Transport Forum	Cr Bond	Local government interest group for transport in metropolitan Melbourne with 23 constituent members. Works towards effective, efficient and equitable transport in metropolitan Melbourne by providing a forum for debate, research and policy development, and sharing and disseminating information to improve transport choices.
Metropolitan Waste Management Group	Cr Huxley	Victorian State Government statutory body responsible for coordinating and facilitating the delivery of municipal solid waste management across metropolitan Melbourne.
Port Phillip Multi-Faith Network Steering Committee	Cr Thomann	Comprises representatives and leaders from a wide variety of religions and faith groups in the City of Port Phillip. The network meets on a monthly basis and is concerned with discrimination, social inequity, disadvantage and poverty.
Port Phillip Housing Association Ltd. Board of Directors	Cr Horvath	Independent, not-for-profit community housing organisation. It exists to help members of the local and wider community find suitable, affordable housing and advocates on behalf of residents who require assistance to sustain their tenancies.
St Kilda Tourism Association	Cr Thomann	Provides advocacy, destination marketing and industry development. As the local tourism association, it also enables St Kilda businesses to formally link into highly successful initiatives run by Destination Melbourne, Tourism Victoria and Tourism Australia.
Victorian Local Governance Association	Mayor Cr Stevens and Reserve Cr Touzeau	Peak body for Councillors, community leaders and local governments to build and strengthen their capacity to work together for progressive social change.

A man in a black t-shirt is looking at a folder or document next to a white van. The scene is outdoors, likely at a community event, with a wooden table and chairs in the background. The background also shows a building under construction with a metal frame and a large tree.

Community engagement

To address the challenges of a growing city and achieve high quality and sustainable outcomes, it is essential to engage with our community.

We are in a great position to lead, support and drive action for change. Our community is a rich resource whose valuable contributions help us plan for the future and address broader societal issues such as sustainability and climate change. By tapping into our community networks and forming partnerships, we can better inform the development and implementation of policy which will shape our City.

Our residents have an opportunities to broadly represent the interests of their local communities by participating in a number of reference committees. These committees review the issues and information put before them and provide informed recommendations to Council as part of the decision making process.

Listening to community
feedback of the Fishermans
Bend Draft Vision



HIGHLIGHTS

In 2013/14 we conducted 45 community consultations on a range of topics including:

- Fishermans Bend Urban Renewal Area Draft Vision and Strategic Guidelines
- Tram Route 96 upgrade
- Stokehouse Restaurant rebuild
- St Kilda Road South Urban Design and Land Use Framework
- Grand Prix local traffic management
- Eastern Reserve dog off-leash trial
- Bike share station locations
- Local park and reserve upgrades

The rebuild of the Stokehouse Restaurant provided an unexpected challenge for the year and became a key project for Council. The community engagement program was delivered in three phases and undertaken in unique circumstances, including consultation constraints due to the nature and timing of the project. In the first phase, we received 100 survey responses, while close to 100 people participated in a community workshop. All ideas and stories gathered during this phase informed the four concept designs that were presented back to the community for further feedback in phase two. During this second phase, we received 96 survey responses, which included a range of feedback on each of the four concept designs. The third phase of engagement drew a range of opinions, from support for the final draft design to concern about loss of heritage aspects. The Stokehouse community engagement program demonstrated that when we come together with our community to share ideas, thoughts and concerns willingly and openly, successful outcomes can be achieved.

Community satisfaction with our performance on consultation for the last financial year is on par with previous years, and significantly higher than the state wide average performance.* We are committed to continuously improving the way we communicate and engage with our community on topics that are important to them, to hear diverse opinions, and ensure our processes are open, transparent, and responsible. We aim to foster a greater sense of active citizenship, which is an essential ingredient for the success of our City

* Source: Department of Transport, Planning & Local Infrastructure, Local Government Community Satisfaction Survey - 2014 Research Report

Accountability

To ensure we are accountable to our stakeholders including residents, ratepayers, business and government, we must comply with the requirements of the Local Government Act 1989 and other pieces of legislation. We are also required to provide the Minister for Local Government with detailed reports, including an annual report, budget and council plan.

AUDIT AND RISK COMMITTEE

As part of our duty to fulfil governance obligations to the community, we seek the probity of the Audit and Risk Committee. This is an independent Advisory Committee whose primary purpose is to advise Council on the effectiveness of our systems, processes and culture for managing risk and complying with our legal and financial obligations. The specific objectives of the Audit and Risk Committee are outlined in the Committee's Charter.

The Audit and Risk Committee comprises three external members and two councillor members with the role of the Chair being allocated to an external member. External members are appointed for a three-year term, renewable to a maximum of one additional term. Councillors are appointed to the Committee on an annual basis.

During 2013/14, Ms Gaye Mason concluded her term as Chair and Ms Helen Lanyon was appointed as the new Chair.

During 2013/14 the Audit and Risk Committee met on five occasions. Minutes of the Audit and Risk Committee meetings are distributed to all councillors while reports on activities are formally presented to Council following each meeting.

In addition to the Internal Auditor and the internal audit contractor, the Audit and Risk Committee is a key element to our system of checks and balances. All Victorian councils are also externally audited on an annual basis by the Victorian Auditor-General.

AUDIT AND RISK COMMITTEE MEMBERSHIP

External Representatives

Member	Appointment
<p>Ms Gaye Mason</p> <p>Member (14 Dec 2009 - 2010)</p> <p>Chair (14 Feb 2011 - 2013)</p>	<p>Ms Gaye Mason, a Certified Practising Accountant, has held senior executive roles and has a diverse financial and commercial management background in organisations of varying size and complexity. She has particular expertise in accounting and finance, corporate governance, risk management, strategy development, profitability improvement, policy development and complex project management. Ms Mason has experience on audit and risk committees in professional services, government and community sector organisations. She received \$7,000 per annum adjusted to CPI for her role as Chair.</p>
<p>Ms Helen Lanyon</p> <p>Member (12 Dec 2011 - 2013)</p> <p>Chair (25 Feb 2014 - current)</p>	<p>Ms Helen Lanyon was appointed as Chair in February 2014. Ms Lanyon is a Fellow of CPA Australia, has CEO and Executive Management Team experience combined with board experience and has more than 18 years experience in corporate services functions within local government across a broad range of areas including finance and rating, information technology, human resources, business development, customer service, governance, local laws, legal services, marketing, internal audit, organisational change and development. She received \$7,000 per annum adjusted to CPI for her role as Chair.</p>
<p>Mr Brian Densem</p> <p>Member (13 Dec 2010 - current)</p>	<p>Mr Brian Densem, a Certified Practising Accountant and a Fellow of the Institute of Internal Auditors, is General Manager Group Audit of a leading Australian mutual company. He has extensive knowledge of internal audit, risk management and exposure to numerous industries, with a primary focus on financial services. Mr Densem is a member of another local government audit and risk committee. He receives \$6,000 per annum adjusted to CPI for his role on the committee.</p>
<p>Ms Kerryn O'Brien</p> <p>Member (10 Dec 2013 - current)</p>	<p>Ms Kerryn O'Brien, a Member of the Institute of Chartered Accountants and a Member of the Institute of Company Directors, is an experienced and well qualified Non-Executive Director with substantial experience in governance, risk and compliance projects in the private and public sector, and considerable exposure to the Not-For-Profit sector. She has strong strategic governance and risk management skills, supported by particularly well developed communication capabilities and a background in accounting and assurance. She receives \$6,000 per annum adjusted to CPI for her role on the committee.</p>

Internal Representatives

Member	Appointment
<p>Amanda Stevens (Mayor) (Nov 2012 - current)</p>	<p>Under the Audit & Risk Committee Charter, the elected Mayor must be a member of the Committee.</p>
<p>Cr Anita Horvath (Nov 2012 - current)</p>	<p>Cr Anita Horvath was re-appointed to the Audit & Risk Committee in December 2013.</p>

LOCAL GOVERNMENT INVESTIGATIONS AND COMPLIANCE INSPECTORATE

An additional layer of audit is provided by the Local Government Investigations and Compliance Inspectorate (the Inspectorate). This is an administrative office of the Department of Transport, Planning and Local Infrastructure.

The Inspectorate is responsible for ensuring Victoria's local government sector meets the highest standards of accountability and transparency. The Inspectorate focuses on compliance with the **Local Government Act 1989** by:

- investigating alleged breaches of the Act
- implementing a rolling audit program
- conducting spot compliance audits.

In October 2013, the Inspectorate released their report on the review of Councillor Discretionary Funds. The report noted that best practice is to allocate funds through community grants programs and that these be subject to a Council resolution. Currently, we allocate funds as part of our overall community grants program via a Special Committee established by resolution of Council. This process will be reviewed in 2014/15.

REPORTING ON OUR PERFORMANCE

We are committed to transparently reporting on our performance and activities. Historically, we have provided a quarterly report outlining progress towards achieving the objectives of the Council Plan, our financial performance and other activities. In March 2014, our Chief Executive Officer, Ms Tracey Slatter, introduced a monthly report to Council to provide more timely and regular information on Council's activities, and to complement existing quarterly reports. These reports can be viewed online at http://www.portphillip.vic.gov.au/results_reports.htm



Port Melbourne Town Hall

Bridge over Elwood Canal



5. OUR PERFORMANCE

Our overall performance	55
Engaged - A well governed City	56
Healthy - A healthy, creative and inclusive City	68
Resilient - A strong, innovative and adaptive City	82
Vibrant - A liveable and connected City	90
Asset management performance	108





New Emerald Hill
reserve

Developing the Council Plan 2013-17

Each newly elected Council is required by legislation to develop a four-year plan outlining their objectives, strategies and indicators for monitoring how the objectives will be achieved.

Our Council Plan 2013-17 was informed by conversations held within our community in February and March 2013. It articulates our vision for an engaged, healthy, resilient and vibrant city, identifies indicators to track our progress, and details the key actions we will focus on to deliver this vision.

The following chapter outlines in detail our performance to deliver against the Council Plan 2013-17 in the 2013/14 financial year against each indicator and key action. Where possible, historical information is displayed for each indicator to demonstrate progress over time.

* Many of the indicators presented in the following make use of results from the City of Port Phillip Quarterly Community Satisfaction Survey. In 2013/14, changes were made to the survey methodology to provide more meaningful results. The changes limit our capacity to make direct comparisons with previous years.

Our overall performance

The Council Plan 2013-17 identifies 38 measures designed to track our progress against the delivery of our objectives. In 2013/14, 80 per cent (30 out of 38) of Council Plan indicators have met their target.

The Council Plan 2013-17 also identifies 96 key actions which outline the strategies we will employ to achieve the objectives set out in the plan. In 2013/14, 97 per cent (93 out of 96) of the Council Plan key actions are on track.

80%
INDICATORS
MET TARGETS

97%
KEY ACTIONS
ON TARGET

A young girl with dark hair is reading a book in a library. She is wearing a patterned dress with pink and purple flowers. The background is filled with bookshelves. The text is overlaid on the left side of the image.

Engaged A well governed City

“We are proud of the City we represent. Council will be a leader in good governance and sound financial and asset management. We will work together, act with integrity and be open and transparent. We will take our collective decision making seriously in the long-term interests of the community as a whole. We aspire to represent a community that actively participates and contributes to our City and we are committed to inform, connect and engage with our diverse community. We want people to have a positive experience of Council, its services and facilities. We encourage community feedback so we can drive continuous improvement, and we value a healthy and respectful relationship with our staff as committed professionals who care and want to make a difference for the community.”

Source: Council Plan 2013-17



Preschool children at Linden's Reading Room

Photo: David Collopy

OUR STRATEGIC GOALS

- 1.1** Provide clear and open communication and engagement that is valued by the community
- 1.2** Value transparent processes in Council decision making
- 1.3** Build and facilitate a network of active and informed communities
- 1.4** Build strategic relations with our partners
- 1.5** Achieve a reputation for organisational and service excellence

OUR PERFORMANCE

100 per cent of measures have met targets **(7 out of 7)**

90 per cent of key actions are on track **(19 out of 21)**

OUR FUTURE FOCUS

To meet the challenges of the future, we must do more than maintain our current approach to service delivery; we must significantly improve our performance. We will strive to ensure our services are more accessible, faster and easier for our community to use.

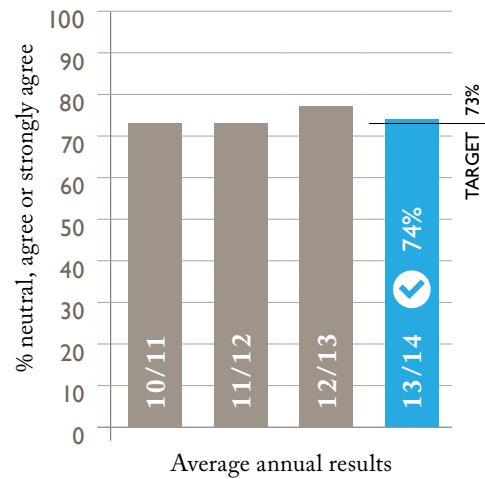
By developing our organisational culture and governance systems in a way that supports our organisational values, we will lift our performance and accountability. We will also be more strategic in how we deliver on our projects and services to drive the achievement of targeted operational savings of \$1.8 million and targeted capital savings of \$1 million.

I.1 Provide clear and open communication and engagement that is valued by the community

MEASURES OF SUCCESS

Maintained or improved community satisfaction with Council’s engagement in decision making on key local issues.

Over the year, resident satisfaction with our engagement has fluctuated, with a significant low of 67 per cent in the first quarter and a high of 82 per cent in the fourth quarter. This result should be considered in the context of the annual survey coordinated by the Department of Transport, Planning and Local Infrastructure where our performance rating for consultation and engagement was consistent with the previous year (indexed result of 62 compared to 61), and significantly higher than the state (57) and inner metropolitan averages (57).



Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.

Responses to: 'Do you agree or disagree that over the past three months, the Council has engaged the community on key social, economic and environmental issues which would impact the local area?'

KEY ACTION UPDATE (5 out of 5 on track)

Continue to improve community consultation practices to support open and inclusive decision making

On Track

Provide seamless and consistent information to the community about Council's policies and processes

On Track

Continue to improve Council's communication and engagement practices to support open and inclusive decision making

On Track

Better inform the community about Council priorities and how their rates are used

On Track

Use more innovative approaches and new technologies to inform and engage the community

On Track



HIGHLIGHTS

Actively engaging our community on issues that matter

We recognise the value of community input to help shape our City. Over the past 12 months, we engaged with our community on over 45 topics including new residential zones, bike facilities across the City, Tram Route 96 upgrade, local parking needs, and safety on Carlisle Street, Balaclava.

Online services at your convenience

Our residents now have the option to securely pay their rates, obtain permits and renew registrations online at their convenience. Since this option became available 2,438 parking permit-related transactions have been processed online.

Finding new ways to connect to our community

Our efforts to use more innovative approaches to inform and engage our community are continuing to have an impact. Followers of our twitter account (@cityportphillip) increased by over 2,500 to 3,739, while 136,739 people visited our Have Your Say site, a 9.4 per cent increase on the previous year. The site now has 22,540 informed users. Visits to our website also continued to grow in 2013/14 with over one million visits from over 400,000 unique individuals, a ten per cent increase from the previous year.

From top to bottom:

Councillors listening to community ideas at Elwood conversation tent

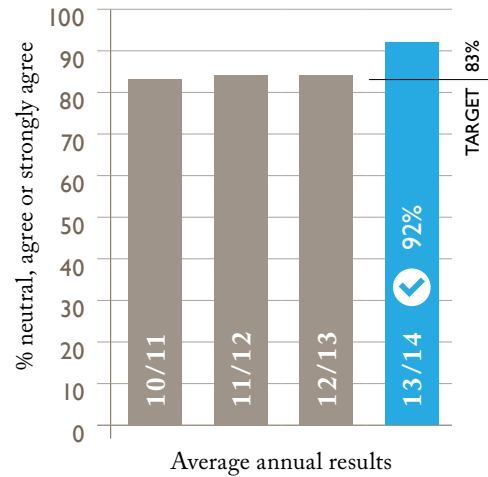
I.2 Value transparent processes in Council decision making

MEASURES OF SUCCESS

Maintained or improved community perception of Council's reputation.

Across the year, we were consistently rated by our residents as being trustworthy, reliable and responsible. This is a significant increase on the previous year.

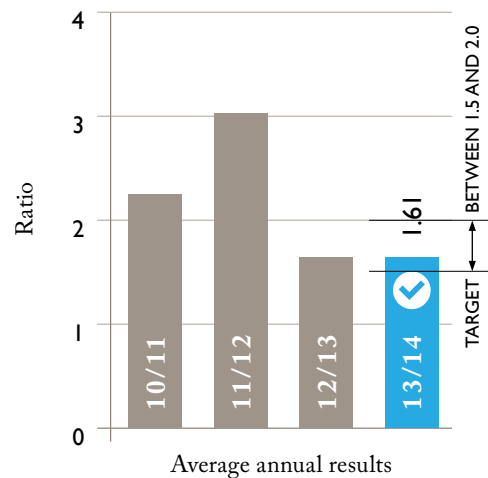
Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
Responses to: 'Do you agree or disagree that the City of Port Phillip is a trustworthy, reliable and responsible Council?'



Council's liquidity - the ability of Council to pay its liabilities within one year.

Our strong financial result for the year demonstrates our ability to meet our short term commitments.

Source: Council's financial system.



KEY ACTION UPDATE (2 out of 3 on track)

Promote a culture of good governance and build on Council's reputation for good and transparent practice

On Track

Ensure Council's decision making processes, reporting and information provision is transparent and clear

On Track

Ensure long term financial viability through robust financial management and accountability

Not On Track



HIGHLIGHTS

Simpler, easier to understand local laws

To improve the quality and safety of our neighbourhoods, Council adopted the City of Port Phillip Local Law No.1 (Community Amenity) in August 2013. This revised local law promotes a culture of good governance and builds on our reputation for good and transparent practices. Incorporating feedback from community groups and residents, the laws are simpler, easier to understand and feature tighter controls around alcohol and noise.

Improving the quality of reports in the Chamber

Clear, transparent reports assist Council to make decisions that are in the best interests of our community. To support our officers in preparing quality, easy to understand reports for Council, new tools and guidelines have been introduced.

Transparently reporting our performance

As part of our commitment to transparent reporting we introduced a timely and easy to read performance report in March 2014. The CEO Report is presented to Council on a monthly basis, and includes updates on progress towards our priorities and information on our financial and operational performance. We also participated in new Local Government Performance Reporting Framework pilots introduced by the State Government.

CHALLENGES

Robust financial planning for the future

A long term financial plan and rating strategy is part of our commitment to ensuring long term viability through robust financial management and accountability. The plan informed the development of our annual budget and will be reviewed in the coming year to ensure it continues to address the financial implications of the Fishermans Bend Urban Renewal Area.

From top to bottom:

Public art work at Emerald Hill
Library & Heritage Centre

St Kilda Town Hall

Photo: Chris Cassar

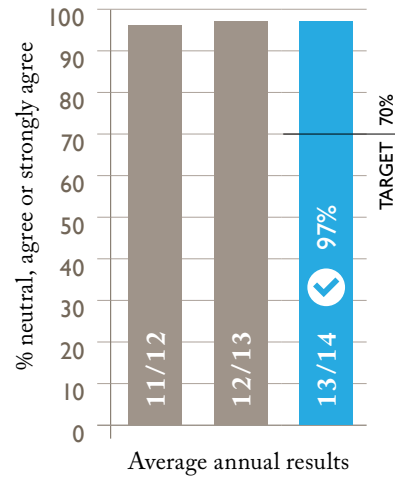
I.3 Build and facilitate a network of active and informed communities

MEASURES OF SUCCESS

Maintained or increased proportion of the population who agree they feel proud of, connected to and enjoy their neighbourhoods.

Our results have been consistent throughout the year with almost all survey respondents reporting a positive connection to their neighbourhood.

Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
 Responses to: 'Thinking about living in the City of Port Phillip, do you agree or disagree that you feel proud of, connected to and enjoy living in your neighbourhood?'



KEY ACTION UPDATE (3 out of 4 on track)

Facilitate community networks to build on local strengths and to keep people informed and connected	On Track ✓	Develop and support community reference committees in providing advice to Council	On Track ✓
Support and fund opportunities for local community members to participate in local leadership programs	On Track ✓	Promote and support a culture of active citizenship and caring for others	Not On Track ✗



HIGHLIGHTS

Supporting local leadership in the community

To support the development of local leaders in our community, we funded a Community Leadership Training Course for 25 participants. We also delivered mentoring and networking programs, and provided training opportunities to keep people informed and connected, and to help establish community networks.

Providing good advice to Council

To develop and support community reference committees in providing good advice to Council, we conducted a review of the support materials used by our staff to the committees. This included amending standard terms of reference and publishing information on our website.



CHALLENGES

Developing a database of active citizens - further work required

In 2013/14, our work to develop a database of active citizens in our community was deferred to allow other emerging priorities to be undertaken throughout the year.

From top to bottom:

Recipient of a Friends of Suai scholarship, Honorio Gusmao with Friends of Suai Coordinator Pat Jessen

ASSIST team member at St Kilda Town Hall

I.4 Build strategic relations with our partners

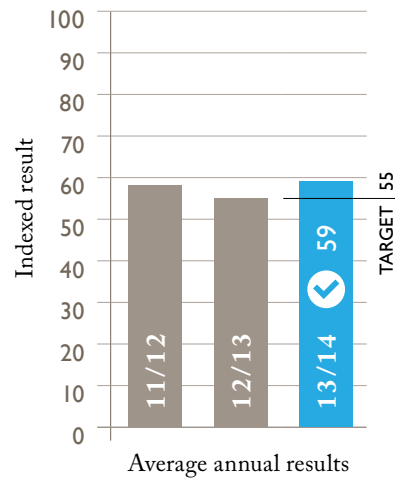
MEASURES OF SUCCESS

Maintained or improved community rating of Council’s performance in lobbying for the interests of the community.

Our results have been consistent throughout the year with almost all survey respondents reporting a positive connection to their neighbourhood.

Source: 2014 Local Government Community Satisfaction Survey, coordinated by Department of Transport, Planning and Local Infrastructure..

Responses to: 'How has Port Phillip City Council performed on 'Lobbying on behalf of the community' over the last 12 months?'



KEY ACTION UPDATE (3 out of 4 on track)

- Advocate to, and partner with state and federal governments on policy and programs On Track ✓

- Identify and foster strategic partnerships in working with the three tiers of government On Track ✓

- Lead and demonstrate a bipartisan approach to advocating for the changing needs of the community On Track ✓

Forge partnerships and good working relationships with our neighbouring councils, government peak bodies and other key stakeholders (including universities and businesses) On Track ✓



HIGHLIGHTS

Representing community interests in the Fishermans Bend Urban Renewal Area

We continue to work with the State Government and City of Melbourne to guide the development of the Fishermans Bend Urban Renewal Area. Our extensive community engagement and advocacy work has included tours for students and members of the public. This is an example of how we are identifying and fostering strategic partnerships with other tiers of government and engaging creatively with our community.

Addressing the needs of vulnerable young people

In late 2012, the Department of Education and Early Childhood Development withdrew funding for a School Focused Youth Services program. Following advocacy work jointly undertaken by the Municipal Association of Victoria and neighbouring councils, that decision has now been reviewed. The program will continue in our City until December 2015, delivered in partnership with Stonnington (as auspice) and Glen Eira Youth Services.



Celebrating a 20 year partnership with our sister city, Obu, Japan

To celebrate this significant milestone in April 2014, eight community members, Port Phillip City Council CEO Tracey Slatter, and Mayor Cr Amanda Stevens represented the City of Port Phillip in Obu, Japan. The visit focused on opportunities to learn from Japan's approach to sustainable urban planning and infrastructure that addresses the impacts of population growth, and to community engagement towards creating a resilient and healthy city. The visit also supported people-to-people links between community members and partnerships in international education between St Kilda Primary School and Ishigase Elementary School.

From top to bottom:

Fishermans Bend Explorer Van consultation session

St Kilda Primary School students experience tea ceremony in Obu

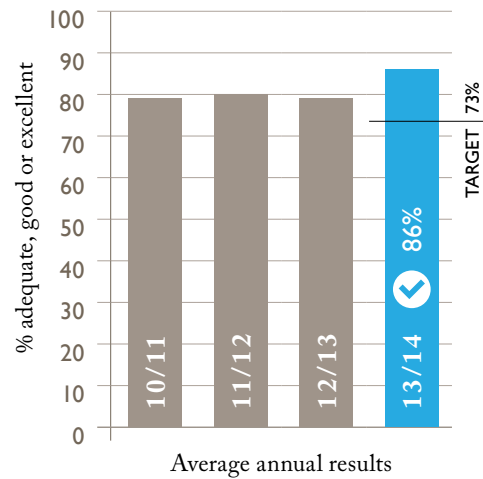
1.5 Achieve a reputation for organisational and service excellence

MEASURES OF SUCCESS

Maintained or improved community satisfaction with the overall service performance of Council.

Results from this survey suggest we have experienced a significant improvement in our levels of overall satisfaction compared to the previous year. This indicative improvement should be considered in the context of the annual survey coordinated by the Department of Transport, Planning and Local Infrastructure where our 2014 result for overall performance was consistent with the previous year (indexed result of 67, compared to 66 in 2013) and the inner metropolitan average of 68.

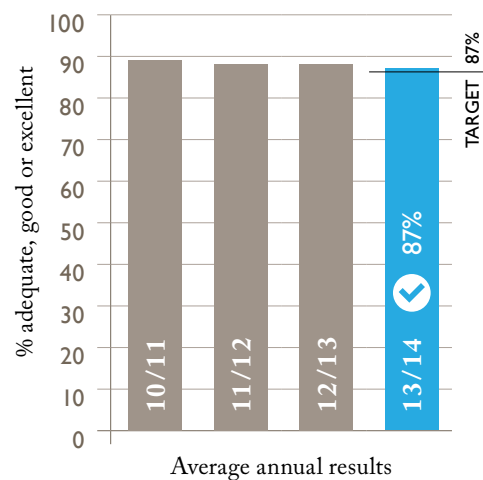
Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
Responses to: 'Thinking very broadly about the City of Port Phillip's service performance overall, would you describe it as...?'



Maintained or improved community satisfaction with the service performance of customer contact services.

Overall satisfaction with our contact services has remained consistent with previous years. This trend is consistent with results from the annual survey coordinated by the Department of Transport, Planning and Local Infrastructure where our 2014 result for our customer services performance was consistent with the previous year (indexed result of 70 in 2014 compared to 71 in 2013). In this area, we rate below the average of inner Melbourne councils (74) and the state average (72).

Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
Responses to: 'How well does the Council perform to meet your needs for customer contact services?'



KEY ACTION UPDATE (5 out of 5 on track)

- Develop a strong organisational culture of service quality and excellence On Track ✓

- Improve awareness of Council's services to ensure people can access what they need On Track ✓

- Ensure a strategic approach to reviewing and improving Council's operations On Track ✓

- Provide clear and efficient processes for managing resident enquiries, requests and complaints On Track ✓

- Ensure the organisation is an employer of choice by developing its people and valuing their contribution in making a positive difference to the community On Track ✓



HIGHLIGHTS

Introducing LEAN to improve value to the community

To improve our processes and services and meet the needs of our changing communities, we have introduced LEAN methodology to focus on the elimination of waste and deliver better value to our community. This has enabled us to identify and implement savings, both financial and environmental, including for example, the way we use and recycle stationery.

Making it easy to access the home and community support you need.

In partnership with Bayside Medicare Local, we conducted an information session on the Home and Community Care program with General Practice clinic staff in June 2014. This is part of our commitment to improve awareness of our services and ensure people have access to what they need.

Third place in the Local Government Management Challenge

At the 2014 Local Government Management Australia Challenge, our City of Port Phillip team placed third in Victoria. The team were also invited to present their submission on Productive Communities in the City of Port Phillip at the Local Government Management Australia national conference.

From top to bottom:

City of Port Phillip Local
Government Management
Challenge team

Healthy A healthy, creative and inclusive City

“We celebrate people from all walks of life who live in or visit the City. We want people to experience it as a welcoming, creative and safe place to enjoy. We want the City to be a place of health and activity, to feel like there are opportunities for all, and to be a refuge for those who seek it. We will support people to come together, look out for one another and embrace differences. We respect the special contribution of Aboriginal and Torres Strait Islander people to our community and are committed to working toward reconciliation. Council connects with people in a myriad of circumstances and stages in life. We want to make this a more dynamic, more creative and more diverse city.”

Source: Council Plan 2013-17



Burundian Independence
Day celebrations at
Emerge Festival 2014

Photo: Chris Cassar



OUR STRATEGIC GOALS

- 2.1 Ensure our City is a welcoming and safe place for all
- 2.2 Support our community to achieve improved health and wellbeing
- 2.3 Ensure quality and accessible family, youth and children's services that meet the needs of our community
- 2.4 Foster a community that values lifelong learning, strong connections and participating in the life of the City
- 2.5 Promote an improved range of cultural and leisure opportunities that foster a connected and engaged community

OUR PERFORMANCE

85 per cent of measures have met targets **(11 out of 13)**.

Note that data is not available for two of the specified indicators.

100 per cent of key actions are on track **(31 out of 31)**.

OUR FUTURE FOCUS

Our City is a welcoming and healthy place where a diversity of people can feel at home and access what they need. We will continue to invest in key community infrastructure projects such as the redeveloping of facilities at our local sports reserves and refurbishing important community facilities. We will also advocate for the needs of all people in our community, particularly those who are the most vulnerable, and address emerging health and wellbeing concerns.

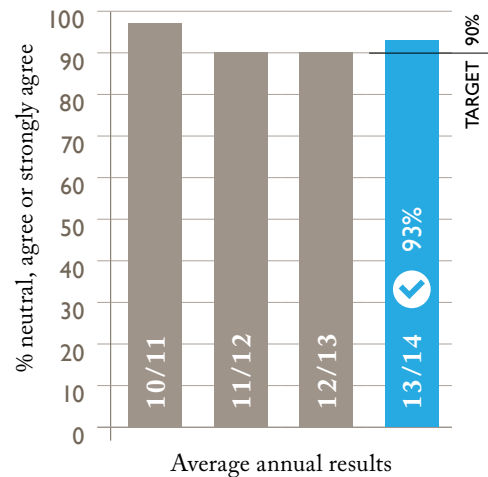
2.1 Ensure our City is a welcoming and safe place for all

MEASURES OF SUCCESS

Maintained or increased proportion of the population who believe that Port Phillip is a welcoming and supportive community for everyone.

The proportion of residents who perceived our City as welcoming and supportive remains at very high levels. Over the year, community satisfaction fluctuated between quarters with a significant high of 89 per cent in the third quarter of the year, and a low of 95 per cent over the first two quarters.

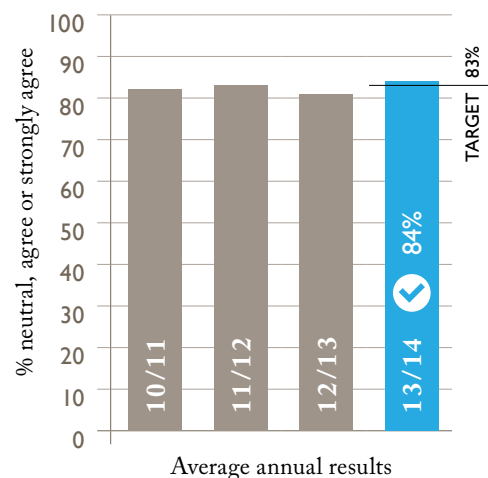
Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
Responses to: 'Thinking about living in the City of Port Phillip, do you agree or disagree that the City of Port Phillip is a welcoming and supportive city for everyone?'



Maintained or improved community perception of safety and security.

Overall, the proportion of residents who find our City safe and secure has improved slightly.

Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
Responses to: 'Thinking about living in the City of Port Phillip, do you agree or disagree that overall you feel a sense of safety and security?'



KEY ACTION UPDATE (8 out of 8 on track)

Enable an inclusive community that welcomes diversity and works to eliminate discrimination	On Track ✓	Continue to pursue reconciliation with our Indigenous community	On Track ✓
Pursue social justice for all people in our community	On Track ✓	Seek to make the City a more welcoming, accessible and safe place for older people	On Track ✓
Promote and celebrate equal rights and opportunities for people who identify as gay, lesbian, bisexual, transgender and intersex	On Track ✓	Foster a community where people from diverse cultural and linguistic backgrounds feel supported and safe	On Track ✓
Support the delivery of affordable housing to meet community needs	On Track ✓	Foster a city where people living with disability can participate in community life without barriers	On Track ✓



HIGHLIGHTS

Council services receive a 'Rainbow Tick'

We promote and celebrate equal rights and opportunities for people who identify as gay, lesbian, bisexual, transgender and intersex (GLBTI). In 2013/14, our Access and Ageing department received a provisional 'Rainbow Tick' accreditation from Gay and Lesbian Health Victoria in partnership with Quality Innovation Performance for our work around encouraging older GLBTI people to use our services.

Residents demonstrate you are never too old to get fit

In partnership with Inner South Community Health and with the assistance of a physiotherapist, allied health assistants and Council direct care staff, we delivered a 12-week daily exercise program to more than 50 residents over the age of 80 in their own homes.



Housing for vulnerable residents

To meet the needs of the City's most vulnerable elderly residents, we assisted in negotiations between the South Port Community Housing Group, and the Department of Human Services to acquire Rathronan Estate in South Melbourne. This has ensured the 31-unit estate remains part of our City's community housing stock.

Commitment to reconciliation recognised

Our work to pursue reconciliation with our Indigenous community, as outlined in our Reconciliation Action Plan, was commended at the Inaugural Community HART (Helping Achieve Reconciliation Together) Awards in June 2014. The Awards recognise the importance of local efforts in progressing reconciliation.



Providing opportunities for people living with disability

The launch of an innovative new pilot project in the Bay Street and Fitzroy Street precincts has provided new opportunities for people living with disability. The Accessible Dining Guide 2013 assists people to make informed choices about venues based on noise levels, lighting, access, furniture and accessible toilets. While designed for people with disabilities, the Guide is also relevant to people with prams and older residents in the community.

From top to bottom:

Pride March 2014

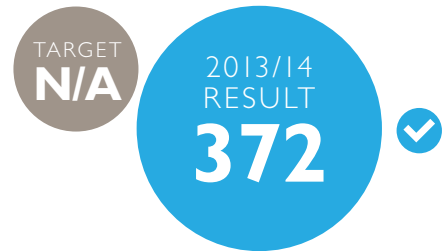
Attendees enjoying ballroom dancing as part of the Seniors Festival

Teens at the Sanitarium Weet-Bix Kids TRYathlon

2.2 Support our community to achieve improved health and wellbeing

MEASURES OF SUCCESS

Number of community clubs, organisations and groups engaged in health and wellbeing activities supported by and delivered in partnership with Council.



This figure represents the number of clubs, organisations and groups engaged in activities that enable people in the community to increase control over, and improve, their physical and mental health and wellbeing.

Source: Council records

Local Health and Wellbeing Index.

Results are not available as this measure was still under construction at time of publication.

Reduction health and wellbeing concerns.

Results are not available as this measure was still under construction at time of publication.

KEY ACTION UPDATE (7 out of 7 on track)

Promote a healthy and active lifestyle for our community	On Track	✓	Work with our emergency management partners to prepare for and respond to emergencies	On Track	✓
Enhance recreation and sporting activities that support people of all ages	On Track	✓	Ensure our parks, open spaces and the built environment encourage activity for all ages	On Track	✓
Advocate to, and partner with, others to address factors impacting on people's health and wellbeing	On Track	✓	Recognise the role that companion animals play in improving health and wellbeing	On Track	✓
Provide flexible community spaces that meet the broad needs of the community	On Track	✓			



HIGHLIGHTS

Grants to support a healthy and active community

Community Grants are awarded to a range of applicants within our community to help promote a healthy and active lifestyle. As part of our 2014/15 Community Grants and Cultural Development Fund programs, more than \$415,000 was awarded to 83 applicants. A total of \$280,913 was awarded to 62 Community Grants applicants, and \$135,000 to 21 Cultural Development Fund applicants. Each received between \$1,000 and \$10,000.

Renewing our local sports reserves

We continue to support people of all ages to participate in recreation and sporting activities. A number of important renewal activities of recreation facilities at local sports reserves were completed in 2013/14. These include replacing the cricket nets at Peanut Farm Reserve in St Kilda, installing a new access gate at Head Street Reserve in Elwood, completing the concept design for additional storage and change rooms at JL Murphy Reserve in Port Melbourne, and irrigation works at Alma Park in St Kilda East.

Council buildings go smoke free

On 31 May 2014, we marked World No Tobacco Day by introducing a smoke-free environment for all buildings, doorways and grounds owned by Council. This is part of our ongoing commitment to addressing community health and wellbeing and supports an initiative to encourage local businesses to voluntarily apply for smoke-free footpath trading permits.

Promoting the role of companion animals

Our Access and Inclusion team met with the Centre for Service and Therapy Dogs Australia to investigate the role of animals as companions and therapy pets. In June 2014, we hosted a seminar at the St Kilda Town Hall promoting service dogs for people with autism. More than 70 people attended including carers, veterinary professionals, disability service providers and people with autism.

CHALLENGES

Contamination at North Port Oval

Over the year, we have been redeveloping facilities at North Port Oval, the home of football and cricket in Port Melbourne for more than 100 years. The redevelopment will preserve the oval's heritage, while upgrading facilities. Asbestos contamination delayed construction on the site however the project is expected to be completed in 2014.

From top to bottom:

Cricketers at Port Melbourne Oval

Refurbished clubrooms at
JL Murphy Reserve

Community members with their
companion dog

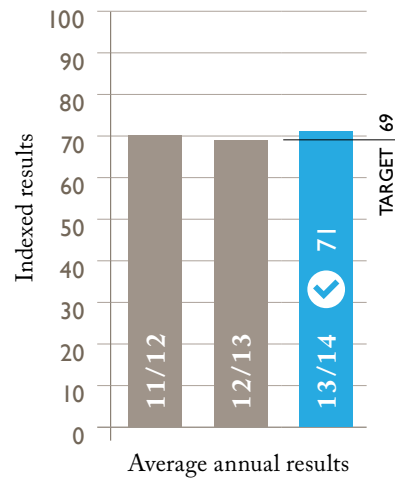
2.3 Ensure quality and accessible family, youth and children's services that meet the needs of our community

MEASURES OF SUCCESS

Maintained or improved community rating of Council's performance in the area of family support services.

Overall, our residents believe our performance in the area of family support services has improved. The figure is a performance index and slightly above the inner Melbourne average of 69 and significantly higher than the state-wide average of 68.

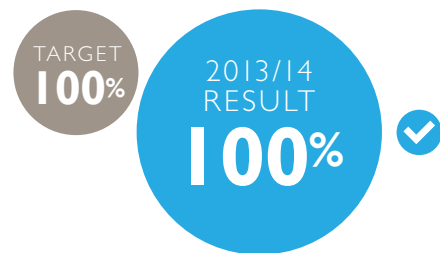
Source: Local Government Community Satisfaction Survey 2014 coordinated by the Department of Transport, Planning and Local Infrastructure.
Responses to: 'How has Port Phillip performed on Family Support Services over the last 12 months?'



Proportion of state regulated family, youth and children's services that meet or exceed accreditation standards.

All Council-operated and state regulated services are accredited, or have been assessed as meeting or exceeding the quality standard requirements of the previous accreditation standard.

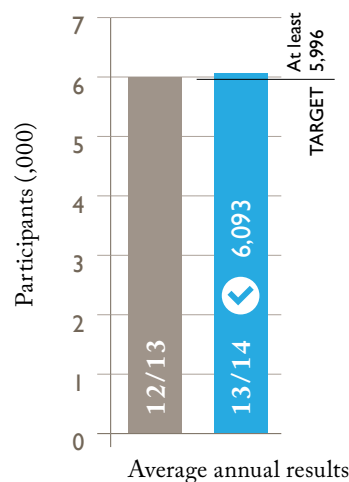
Source: City of Port Phillip Family, Youth and Children's Service Records.



Young people accessing youth programs that are run or funded by Council.

This figure represents youth participation in programs such as the Student Leadership Program, focus groups at adventure playgrounds and events such as FreeZA, as well as activities funded by Council and delivered through other service providers. In 2013/14, we significantly exceeded the previous year's results and this year's target by 97 participants.

Source: City of Port Phillip Youth Services Data Report 2014.





KEY ACTION UPDATE (6 out of 6 on track)

Deliver quality family, youth and children's services and facilities in the City	On Track	✓
Fund and partner with other providers for family, youth and children's services and facilities in the City	On Track	✓
Improve the way we engage with young people	On Track	✓
Provide and promote opportunities and spaces for positive and safe youth activity and engagement	On Track	✓
Continue to foster a child and family friendly City	On Track	✓
Advocate at local, state and federal levels to improve services to meet the changing needs of families, young people and children	On Track	✓

HIGHLIGHTS

New family and children's centre opens its doors in Port Melbourne

Our commitment to deliver quality family, youth and children's services and facilities in the City took a significant step forward with the opening of the Bubup Womindjeka Family and Children's Centre in Liardet Street, Port Melbourne. The centre includes facilities for long day care, kindergarten and playgroup, as well as providing multipurpose spaces for community use.

Over 1,000 people tell their 'Top Three'

Between September and December 2013, we engaged with over 1,000 young people, parents, coaches, youth workers, teachers and volunteers to understand and address the needs of people aged between 8 and 25. Information gained from the 'Your Top Three' consultation will improve the way we engage with young people and ensure we continue to meet their current and future needs.

Removable infrastructure creates a safe and friendly 'Kids Zone'

The development of a 'Kids Zone' under the Graham Street Bridge in Port Melbourne provided a safe space and opportunities for positive youth activity and engagement. The 'Kids Zone' features a pop-up park with removable infrastructure. Trees have also been planted to increase safety and improve the overall amenity of the area.

CHALLENGES

Federal funding cuts affect important services for vulnerable local families

In May 2013, the Federal Government announced that funding for the adventure playground programs in South Melbourne and St Kilda would be discontinued. This is an important service that supports some of the most vulnerable families in our municipality (43,446 contacts in 2013/14). We are committed to maintaining the programs while alternative funding sources are sought and will continue to advocate at local, state and federal levels for funding towards these services.

From top to bottom:

Bubup Womindjeka Family and Children's Centre opening ceremony

Young break dancer

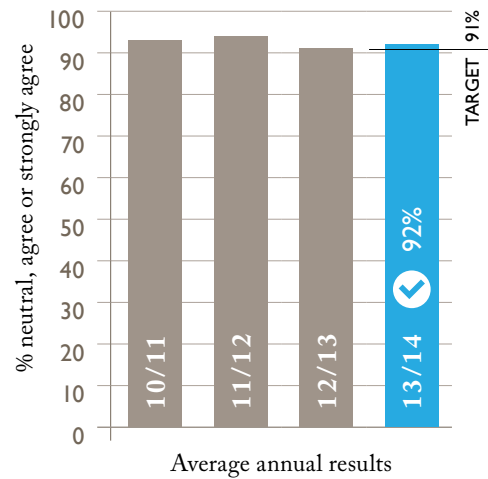
2.4 Foster a community that values lifelong learning, strong connections and participating in the life of the City

MEASURES OF SUCCESS

Maintained or increased proportion of the population who feel they have opportunities to participate in affordable local community events and activities of their choosing.

Overall, the proportion of residents who feel they have opportunities to participate in affordable local community events and activities of their choosing remains high. Perceptions have fluctuated between quarters, with a low of 88 per cent in the second quarter of the year and a high of 97 per cent in the fourth quarter.

Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
 Responses to: 'Thinking about living in the City of Port Phillip, do you agree or disagree that you have the opportunity to participate in affordable local community events and activities?'



KEY ACTION UPDATE (5 out of 5 on track)

Advocate to increase the number of primary and secondary schools in Port Phillip	On Track	Strengthen and support the community sector to deliver opportunities that build health and wellbeing	On Track
Improve access to a diversity of high quality lifelong learning opportunities	On Track	Promote and increase participation of volunteers	On Track
Ensure Council's community facilities are accessible and relevant to community needs	On Track		



HIGHLIGHTS

Working with our partners to meet the educational needs of our growing community

Prior to detailed master planning for the precinct being undertaken, we worked with the Department of Education and Early Childhood Development and other partners to begin planning for the services required at a new primary school in Ferrars Street, South Melbourne.

Municipal Health and Wellbeing Plan highlights the important role of the community sector

Port Phillip City Council CEO Tracey Slatter launched the Municipal Health and Wellbeing Plan in May 2014 with CEOs of key community sector organisations representing the most vulnerable members of our community. Attendees agreed to work in partnership to strengthen and support the sector and lead strategic aspects of the Plan's implementation.

Opportunities to volunteer showcased at Expo

More than 180 people attended the second Port Phillip Volunteer Expo at the Port Melbourne Town Hall during National Volunteer Week in May 2014. The Expo was hosted by local community groups and was designed to promote and increase participation of volunteers across a diverse range of organisations.

From top to bottom:

Port Melbourne Primary School students attend the ANZAC memorial

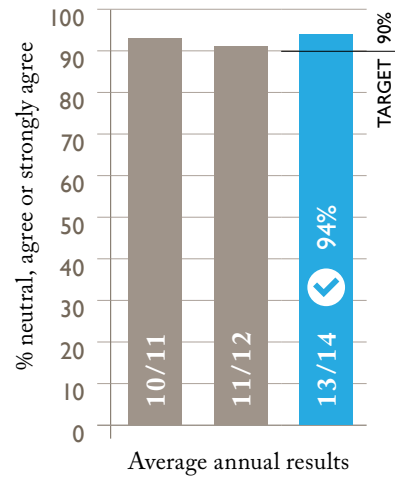
2.5 Promote an improved range of cultural and leisure opportunities that foster a connected and engaged community

MEASURES OF SUCCESS

Maintained or increased proportion of the population who agree Port Phillip has a culture of creativity, learning and physical activity.

Overall, there has been an increase in the proportion of residents who agree our city has a culture of creativity, learning and physical activity. Perceptions remained consistent throughout the year.

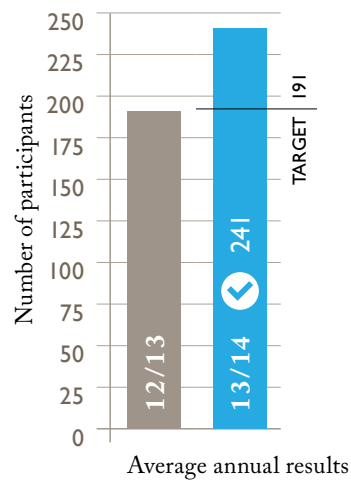
Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
 Responses to: 'Thinking about living in the City of Port Phillip, do you agree or disagree that you have the opportunity to participate in affordable local community events and activities?'



Number of people participating in the leisure and lifestyle program.

The number of people participating in the leisure and lifestyle program throughout the municipality across summer and winter sessions has increased.

Source: Program Enrolments - Sports and Recreation 2014.

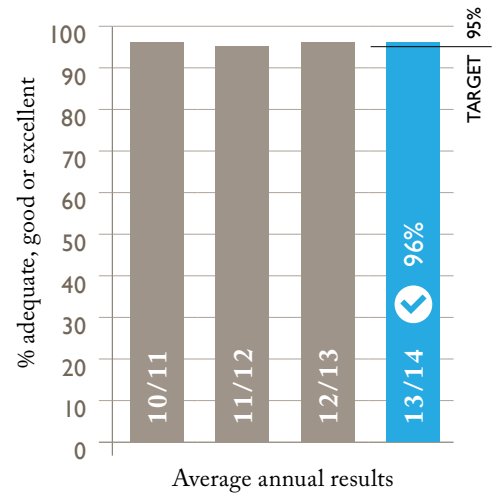


MEASURES OF SUCCESS

Maintained or improved community satisfaction with the service performance of our libraries.

Community satisfaction with the service performance of our libraries remains high, with a high of 98 per cent in the first quarter and the lowest result in the third quarter (94 per cent). This is consistent with results from the 2014 survey coordinated by the Department of Transport, Planning and Local Infrastructure. Our libraries and arts centres have continued to rate above the inner metropolitan average and state average (receiving an indexed result of 79 compared to 77 and 75 respectively).

Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
Responses to: 'How well does the Council perform to meet your needs for libraries?'



Number of grants provided to arts and cultural programs.

We awarded 44 grants in the 2013/14 financial year through our Cultural Development Fund, Local Festivals Fund and one-off cultural grants. This exceeds our target by 19.

Source: Grants Register Report.



KEY ACTION UPDATE (6 out of 6 on track)

Promote and deliver a diverse program of festivals and events across the City	On Track ✓	Position our library services and spaces to meet the community's future needs and aspirations	On Track ✓
Support and advocate for a vibrant live music scene across the City	On Track ✓	Provide public spaces for all to enjoy, be active and feel safe	On Track ✓
Support and showcase the City's creative people and culture	On Track ✓	Advocate to state and federal governments to support improved infrastructure for the future	On Track ✓

2.5 Promote an improved range of cultural and leisure opportunities that foster a connected and engaged community



HIGHLIGHTS

Refurbished Emerald Hill Library & Heritage Centre opens its doors

Following a \$3 million refurbishment of the 100-year-old former South Melbourne Post Office building, the Emerald Hill Library & Heritage Centre was officially opened to the public in November 2013. The new centre provides research areas, additional space for library services, local history and cultural heritage services and programs, casual seating, and areas for workshops and group-based learning.

Festivals celebrate seniors and local communities and get an Oscar® nomination

In 2013/14 we promoted and delivered a diverse program of festivals and events across the City. These include the Seniors Festival and Emerald Hill Festival in October, and the Elwood Village Festival in December. This year, we also celebrated the 31st anniversary of the St Kilda Film Festival. This is the first time that the winning film from the Festival will be eligible for an Academy Award® following our recent accreditation by the Academy of Motion Picture Arts and Sciences.

Events showcase: our creative people and culture

The St Kilda Town Hall continues to host exhibitions that support and showcase the City's creative people and culture. These include Fragments by Dara Kretschmer; Monument for a Public Building Preliminary Works 1991- 1993 by Richard Stringer; Inkling by David Hugh Thomas; and Freestyle Fever, a youth break dancing competition which is a State Government FReeZa event.



CHALLENGES

Delivering sustainable events across the city

We are committed to promoting and delivering a diverse program of festivals and events across the City in a strategic and sustainable way. This year at the St Kilda Festival, we launched the 'Show you give a buck' fundraising campaign, offering a wide range of merchandise for purchase to inspire festival fans to 'kick in so we can kick on'. Although the 2014 festival was a success with 350,000 people attending, our revenue targets were not met. As a result, we will continue to explore alternative options to ensure we reduce the net cost in future years.

From top to bottom:

New Emerald Hill reserve

St Kilda Film Festival



Fun at St Kilda Beach

Photo: Chris Cassar



Resilient

A strong, innovative and adaptive City

"We are focused on the future and we will need to adapt to a different climate. 'Cool' will have greater meaning. How will we stay 'cool' and continue to thrive in extended periods of hot weather? Or how can we stay 'cool', calm and collected to more easily respond and manage the impact of more variable rainfall events? We need to be prepared. We want to strengthen our resilience and capacity to adapt. We want to lead, to work with and empower our community to be adaptive and innovative. For us to create opportunities and face this challenge together it will require information, intelligence, efficiency, dynamic ideas and an optimistic mindset. We recognise we can't do this alone. It will be vital to advocate and partner with community, businesses, universities, other governments and organisations. The City is an extraordinary place which we can make even more so."

Source: Council Plan 2013-17

EcoCentre members show the treasures of our shoreline

Photo: Chris Cassar

OUR STRATEGIC GOALS

- 3.1** Build resilience through Council action and leadership
- 3.2** Support and increase community action for a resilient city

OUR PERFORMANCE

63 per cent of measures have met targets **(5 out of 8)**.
100 per cent of key actions are on track **(13 out of 13)**.

OUR FUTURE FOCUS

We have set ambitious sustainability targets for our City. However, as we continue to grow, achieving these targets will become more challenging. Our focus for 2014/15 will be on ensuring we have embedded sustainability into all our operations and we continue to work together to deliver sustainable, long term outcomes that meet the needs of our community.

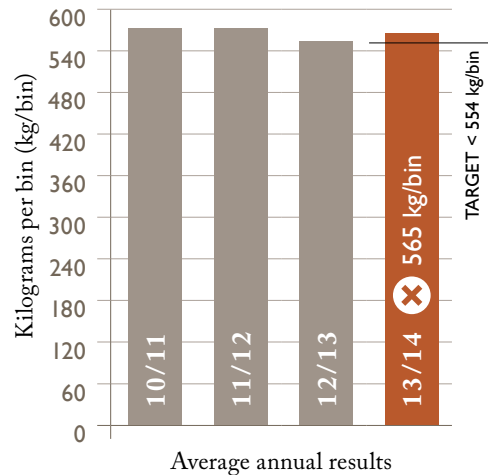
3.1 Build resilience through Council action and leadership

MEASURES OF SUCCESS

Reduction in residential waste collection volume per bin, per annum.

While there has been a ten kilogram increase in the amount of waste collected per bin, our diversion from landfill rate for 2013/14 was 40 per cent, which is consistent with the previous year.

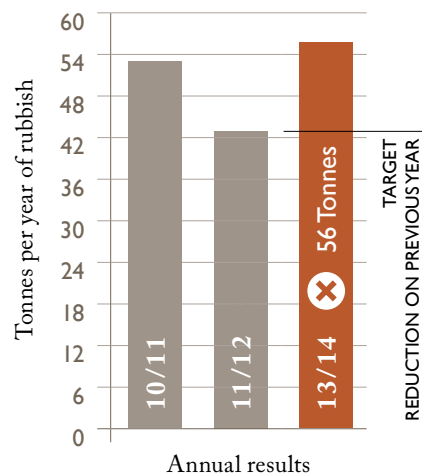
Source: Wyndham Council Landfill Waste Tables and Port Phillip Bin Data 2014.



Reduction in waste collected from Council buildings.

The increased waste collected from our buildings compared to the previous year is primarily due to the inclusion of the Bubup Nairm Family and Children's Centre, which generated seven tonnes of waste.

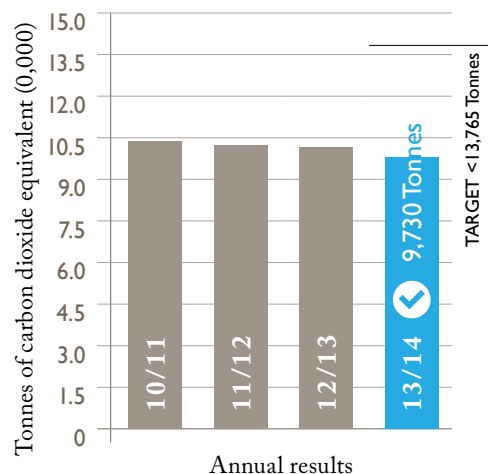
Source: Extrapolated amount per year as calculated in the City of Port Phillip Waste Audit and Greenhouse Emissions Report (February-March 2014).



Reduction in Council's total net greenhouse gas emissions per annum.

Our net greenhouse gas emissions were 9,730 tonnes of carbon dioxide-equivalent (tCO₂e), representing a 5.5 per cent reduction on 2012/13 emission levels. In addition, emissions from electricity use reduced by two per cent to 6,405 tCO₂e; emissions from street lighting reduced by six per cent to 6,021 tCO₂e; emissions from natural gas use reduced by 0.5 per cent to 171 tCO₂e; and emissions from vehicle fuels reduced by 21 per cent to 524 tCO₂e. Greenpower purchase reduced gross greenhouse emissions by 26 per cent.

Source: City of Port Phillip (2014) Energy and water consumption and greenhouse gas emissions inventory.

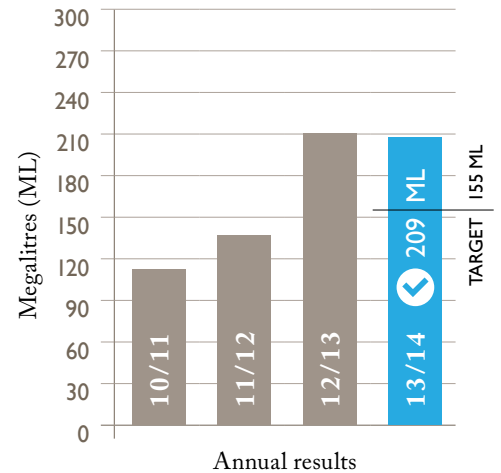


MEASURES OF SUCCESS

Achievement of Council's total potable water consumption per annum.

Our water usage for the last two quarters of the financial year was close to target. However, we achieved an unfavourable end-of-year result due primarily to a significant increase in potable water use during the first two quarters. The increase is attributable to some major leaks at Council sites that have since been rectified.

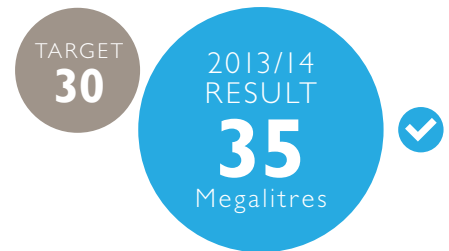
Source: City of Port Phillip (2014) Energy and water consumption and greenhouse gas emissions inventory.



Progress towards Council's use of alternative water source targets.

Construction of the Elwood Stormwater Harvesting scheme means we now have an estimated utilisation capacity of 35 megalitres of alternative water sources. This result is five megalitres above the annual target of 30 megalitres and represents 35 per cent of our 2020 target. Further analysis will be undertaken to confirm our actual yield meets the modelled intent. We also progressed a range of activities to partner with others to improve the quality of water in the bay and deliver more stormwater harvesting projects. These include working with Parks Victoria, the City of Melbourne and the Office of Living Victoria to investigate stormwater harvesting opportunities at Albert Park Lake, as well as other regional water planning initiatives.

Source: Project modelling reports.



Progress towards stormwater quality targets.

After three years, a cumulative reduction of approximately 11,600 kilograms per year of total suspended solids pollutant load has been achieved. This is through a combination of targeted water sensitive urban design activities, the road rehabilitation program, and the implementation of walk and bike plans.

Source: Project modelling reports.



3.1 Build resilience through Council action and leadership



KEY ACTION UPDATE (9 out of 9 on track)

Minimise waste through recycling and reduced consumption	On Track	✓
Advocate to State Government for a statewide waste management strategy	On Track	✓
Demonstrate leadership in sustainability in our organisational practices	On Track	✓
Seek opportunities for Council and the community to produce renewable energy	On Track	✓
Reduce Council's non-renewable energy use and source alternative renewable energy options	On Track	✓
Develop a policy that protects heritage and accommodates sustainability	On Track	✓
Partner with others to improve the quality of water in the bay and deliver stormwater harvesting projects	On Track	✓
Partner with others to take local and bay-wide action to address the impacts of climate change (including sea level rise, flooding and heatwaves)	On Track	✓
Further progress and implement Water Sensitive Urban Design	On Track	✓

HIGHLIGHTS

Local homes trial home composting to reduce waste

A trial of home composting in 25 households has demonstrated the value of small-scale composting in helping to minimise waste through recycling and reduced consumption. Over the five-month trial, an average of 3.3 kilograms of organic material was recovered per household.

Staff green team leads the way

Our staff demonstrated sustainability leadership, delivering a 19 per cent reduction in gas consumption, 18 per cent reduction in electricity consumption and a 21 per cent reduction in water use since 2012/13. This trend is expected to continue in the future. On Saturday 29 March, electricity consumption at St Kilda Town Hall during Earth Hour was also a record minimum, beating our previous record by 26 per cent.

Support for community solar power project

We continue to support local community group LIVE (Locals Into Victoria's Environment) to install an additional 1,000 solar panels on the roof of the South Melbourne Market. The project was launched at the May 2014 meeting of the Sustainable Community Action Network (SCAN) and highlights our commitment to seek renewable energy opportunities.

Projects help achieve Council's non-renewable energy use targets

To help reduce our non-renewable energy use and source alternative renewable energy options we have introduced improved tracking of our electricity use at St Kilda Town Hall. We also continued to install energy efficient lights as part of our streetlighting replacement program and public lighting maintenance program.

From top to bottom:

Solar panels on the roof of the South Melbourne Market

Community vegetable garden at the Mary Kehoe Community Centre



Woman riding a bike
down St Kilda Road

3.2 Support and increase community action for a resilient city

MEASURES OF SUCCESS

Number of community sustainability events.

In 2013/14, local residents participated in 80 events focused on how to become more sustainable and resilient to changing climate. Our events included sustainable transport programs for female bike riders, activities in local schools, programs targeting mums, dads, parents-to-be and child care givers, and programs focused on sustainable design, and how to build for and adapt to the changing climate.

Source: Council records.



Community participation in opportunities to care for the natural environment.

This year we held 16 community planting day events. These included ten tree planting events in conjunction with Conservation Volunteers Australia; a National Tree Day event; and five events organised by community members in their local parks and reserves.

Source: Council records.



KEY ACTION UPDATE (3 out of 3 on track)

Encourage, grow and support community and individual leadership, capacity and action On Track

Help people to understand climate issues, the impacts, and how we can adapt On Track

Support the community and schools in travel planning for safe bike riding, walking and public transport in local areas On Track

Build a connected network of community groups and leaders, and increase the number of people involved in sustainability programs On Track



From top to bottom:

Friends of St Kilda Botanical Gardens grow plants in the greenhouse
 Photo: Chris Cassar

Child planting a tree
 Photo: Christian Pearson

Council's Back2Bike group

HIGHLIGHTS

Keep Australia Beautiful Awards Nomination

As part of the Keep Australia Beautiful Victoria Awards 2014, the City of Port Phillip was nominated for the Sustainable City of the Year Award. This was based on receiving 12 nominations for our community and Council-run sustainability initiatives across nine Award categories.

Leadership programs target sustainable action from young people

To encourage community and individual leadership, we support programs for young people that focus on sustainable action. The 8th Annual EcoCentre Sustainable Schools Festival held in September 2013 was attended by 150 young leaders from local schools across the municipality and showcased the sustainable achievements and environmental action of schools in our local communities. The 'Tomorrow's Leaders for Sustainability' program was also launched with approximately 100 students in four schools, and the 'Green My School' energy audit program was conducted in three schools.

Creating leaders in sustainability from birth

Mums, dads, bubs, carers, parents-to-be and our staff were invited to participate in a green education program at the Bubup Nairn Family and Children's Centre. The program shared tips and tricks about green cleaning, environmentally friendly nappies, cargo bikes, toy libraries and other easy to learn sustainable habits for young families. Part of the Seedlings: Sustainability in Early Years pilot, the program was funded through the Victorian Adaptation and Sustainability Partnership with the State Government.

Community Carbon Cops reduced energy consumption at local community centre

Our 'Community Carbon Cops' group has delivered a 42 per cent reduction in energy consumption at the Mary Kehoe Community Centre. As a result of activities to help people understand climate issues, its impacts and how we can adapt, ceiling insulation was installed, vents sealed and chimneys were closed. External and internal lighting was changed to LED lights and a ten kilowatt solar power system installed on the roof of the main hall. The group has worked with Council to update the building environment management plan, ensuring all building users understand and working to achieve their objectives.

Sustainable Community Action Network leads sustainable action in the community

To increase the number of people involved in sustainability programs, we have facilitated the City of Port Phillip Sustainable Community Action Network (SCAN) working group. Throughout the year, SCAN hosted forums for community members to discuss sustainability topics ranging from renewable energy to sustainable travel.

More people riding, more often

We support the community and schools in travel planning for safe bike riding, walking and public transport in local areas. In March 2014, we worked with nine schools for the annual Ride2School Day. This year's Ride2Work Day in October 2013 attracted 280 riders, across three locations and was broadcast nationally on the television program, Sunrise. In addition, we supported She Spoke, a three-month festival dedicated to promoting women's participation in bike riding. The festival featured 13 subsidised events aimed at encouraging as many women as possible to 'get on their bikes'.



Vibrant A liveable and connected City

"We all have a responsibility to be future focused and agile; to respect our history while embracing the new. The City will grow and we will strive to build new communities, not just buildings. We need to take an intelligent approach to getting the balance right and managing change so that the City will continue to be a desirable and vibrant place where:

- a diverse community of people feel connected and have a sense of belonging
- businesses can thrive and jobs are within easy reach of home
- the City's infrastructure is of high quality and access to services and goods is inclusive of all
- heritage sits elegantly alongside new innovative design
- there are rich cultural experiences
- it is easy to move about, to walk, tram and ride.

It's all about planning for the future and working with others to create a healthy, sustainable and liveable city that future generations will be proud of."

Source: Council Plan 2013-17

Council staff member Daniel Carter going through a smoking ceremony at St Kilda Town Hall

OUR STRATEGIC GOALS

- 4.1 Encourage viable, vibrant villages
- 4.2 Ensure growth is well planned and managed for the future
- 4.3 Improve and manage local amenity and assets for now and the future
- 4.4 Ensure people can travel with ease using a range of convenient, safe, accessible and sustainable travel choices

OUR PERFORMANCE

70 per cent of measures have met targets **(7 out of 10)**.

97 per cent of key actions are on track **(30 out of 31)**.

OUR FUTURE FOCUS

In 2014/15 we are focused on making the most of our public spaces including our local parks, streets and laneways. We have committed to implementing a precinct-based approach to key development areas, ensuring our activities result in a cohesive experience throughout the surrounding areas.

Ensuring our local villages are prosperous, attractive and welcoming places for everyone is a key commitment for the future. In 2014/15, we will focus on the villages of the Port Melbourne Waterfront, Victoria Avenue, Albert Park, the Balaclava precinct, Fitzroy and Acland streets, St Kilda, Garden City, Ripponlea and the Emerald Hill precinct in South Melbourne.

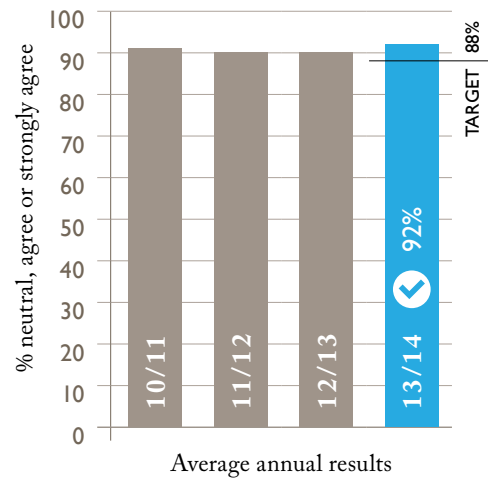
4.1 Encourage viable, vibrant villages

MEASURES OF SUCCESS

Maintained or improved community satisfaction with the availability of local business services.

Levels of community satisfaction with the availability of local business services remain high. Over the year there was fluctuation in results, with a low of 86 per cent in the third quarter and a high of 97 per cent in the fourth quarter.

Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
 Responses to: 'Do you agree or disagree that your local area has a good range of business services and local conveniences?'



KEY ACTION UPDATE (9 out of 10 on track)

Support businesses and facilitate networks and opportunities for a viable future	On Track ✓	Beautify and develop city streetscapes for future needs	On Track ✓
Encourage and support local shopping	On Track ✓	Work with our partners to ensure our entertainment precincts are safe and enjoyable places	On Track ✓
Integrate local walking and bike riding routes	On Track ✓	Recognise and support tourism as an integral component of the local economy	On Track ✓
Implement infrastructure and innovations to support local bike riding	On Track ✓	Continue improvements to South Melbourne Market and support local markets	On Track ✓
Facilitate and support cultural enterprises and clusters	Not On Track ✗		
Maintain and improve local village feel for streetscapes as vibrant places for all	On Track ✓		



HIGHLIGHTS

Shop Local campaigns introduced in Garden City and Ripponlea

The introduction of 'Shop Local' programs in Garden City and Ripponlea is encouraging and supporting local shopping. The programs have been supported by activities designed to improve merchandising and shop frontages, and promotional materials which encourages greater participation and support from local residents. Initial feedback received from local businesses on the programs has been positive.

City of Port Phillip is the first Melbourne municipality to map where we walk

We formally adopted the Principal Pedestrian Network (PPN) in December 2013, becoming the first council in Melbourne to identify a strategic walking network for the entire municipality. The PPN is designed to increase the number of local trips undertaken on foot and represents the most popular walking routes within our municipality. Covering approximately 227 kilometres of roads and footpaths, the PPN will help enhance the pedestrian network as other works are undertaken.



More people ride bikes in Port Phillip than the Melbourne average

A 2014 survey has revealed that bike riding in our City is higher than the Melbourne average. Almost one third of our residents ride each week, while almost 50 per cent of residents have ridden in the past year. Riding as a means of transport is also higher than the Melbourne average (68 per cent of those who ride, compared with 30 per cent Melbourne average). These results have emphasised the importance of investing in bike riding infrastructure and supporting local bike riding innovations.

A collaborative approach to creating vibrant local villages

The Vibrant Villages program has prioritised eight local villages where we will focus our collective effort and work alongside local businesses and community groups to maintain and improve the local village feel and streetscapes. This new shared approach between community members, local businesses and Council, has focussed on activating the Port Melbourne Waterfront and addressing social concerns in Balaclava. We have also received positive feedback on the amenity refresh and upgrade Armstrong Street in Middle Park.

Grant to beautify Fitzroy Street streetscape

Beautifying and developing the streetscape of Fitzroy Street, St Kilda has been a priority of the Vibrant Village program. In June 2014, a \$250,000 Public Safety Infrastructure Fund Grant was awarded by the Department of Justice for the Fitzroy Street Streetscape Plan project to address safety issues in the area.

Graffiti Management Plan set clear targets

In October 2013, Council adopted a five-year Graffiti Management Plan, setting clear targets for maintaining our City. These targets include the removal of obscene graffiti within four hours of it being reported, lowering the incidence of graffiti by 25 per cent where legal street art projects are created, increasing the reporting of graffiti offences by ten per cent, and eliciting 75 per cent positive feedback from the community about graffiti management within our City.

From top to bottom:

Community members sustainable transport

Port Melbourne traders decorate store windows for Christmas

4.1 Encourage viable, vibrant villages



Promoting our city to visitors arriving by cruise ships

In partnership with the local community, we have worked to market our City's attractions, centres and events to people arriving by cruise ship. This includes promotions onboard the Spirit of Tasmania, an editorial in the Winter edition of Melbourne's Official Visitors Guide and the introduction of new heritage trail and information maps. We continue to trial the 'hop-on hop-off' tourist bus service and are working with a local community group on a volunteer greeters program to engage cruise ship visitors.

South Melbourne repairs the cracks and turns up the lights

Action continues on improvements to South Melbourne Market and to support local markets. The pavement between Cecil Street and the car park up-ramp on Coventry Street was upgraded in June 2014 repairing cracks, dents and holes. Concrete was also laid immediately adjacent to the fruit and vegetable stalls to reduce the dents in the sidewalk caused by the stalls' trolleys and stands. This has improved safety in the area and is helping maintain the market for the benefit of the community. The installation of LED lights to the deli aisle, food hall and loading bay has also delivered impressive results including significant reductions in wattage use and an improvement in light readings. In the loading bay, energy use has reduced from 400 watts to 100 watts with a 67 per cent increase in light reading.



CHALLENGES

Production of creative industries prospectus has been delayed

We have initiated a creative industries prospectus that focuses on our key creative clusters and cultural enterprises. This year, we focused on the Fishermans Bend Urban Renewal area, however, the delivery of the prospectus has been postponed following a business audit and directions study. This study, and input from the Inner Melbourne Action Plan Creative Industries Committee, has identified that further input is required to align the prospectus with the strategic policy initiatives within the study and the creative industries benefit analysis research.

From top to bottom:

'Spirit of Tasmania' arriving at Port Melbourne

Photo: Chris Cassar

Fresh produce at South Melbourne Market



Mussel Festival
celebrations at South
Melbourne Market

Photo: Chris Cassar

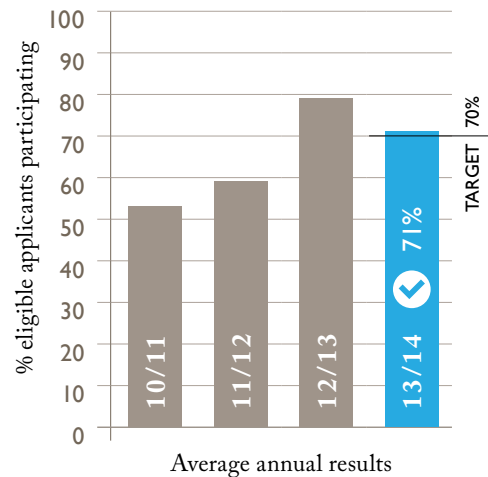
4.2 Ensure growth is well planned and managed for the future

MEASURES OF SUCCESS

Increased number of planning permit applicants participating in the Sustainable Design Assessment in the Planning Process (SDAPP) program with Port Phillip.

While there has been a slight decrease in the number of eligible applicants participating in the program this year, a substantial increase in participation levels has been recorded over the past four years.

Source: Council records.



KEY ACTION UPDATE (9 out of 9 on track)

Work with State Government to guide the renewal of Fishermans Bend to a modern, sustainable and diverse extension of our City where social connections and the health and wellbeing of future communities will thrive

On Track

Advocate for, and progress the Montague Precinct Structure Plan as a model for sustainable design outcomes

On Track

Improve the planning, design and amenity of the Port Melbourne area to better service the community

On Track

Implement St Kilda Triangle 2012, continuing to work towards securing a sustainable future for the St Kilda Triangle and the Palais.

On Track

Continue to advocate for the redevelopment of the St Kilda Pier to ensure cultural and environmental values are retained

On Track

Lead, advocate and regulate sustainable design and development for environmental, cultural and social benefits

On Track

Ensure integrated planning and management of our foreshore

On Track

Support programs and partner with others to build connections and a sense of community in high density living

On Track

Drive strategic planning that responds to emerging trends and builds connections between communities

On Track



HIGHLIGHTS

Recognising design excellence

The City of Port Phillip Design and Development Awards are an opportunity to lead, advocate and regulate sustainable design and development for environmental, cultural and social benefits. The 2014 Awards were judged by the City's seven councillors with the Mayor's Award granted to Convic Design for the St Kilda Skate Park at Marina Reserve, St Kilda.

New policy encourages sustainable design in our municipality

The introduction of an Environmentally Sustainable Design Policy into the Port Phillip Planning Scheme (known as Amendment C97) in June 2014 was a significant step forward in promoting sustainable design as part of the planning permit process. Amendment C97 requires planning applications to reduce environmental impacts and direct energy costs for building occupants by including a sustainable design assessment and incorporating sustainable design features in new developments. This formalises the voluntary sustainable design assessment process that our City offers.



Delivering community benefits for Fishermans Bend

In partnership with the State Government, we are continuing to guide the renewal of Fishermans Bend into a modern, sustainable and diverse extension of our City. We are also advocating and progressing the Montague Precinct Structure Plan as a model for sustainable design outcomes, creating greater community awareness of the project, and undertaking research and engagement with the community to understand the priorities that are critical for success. From this work, we have established ten priorities for the development of the area that reflect community aspirations.

A planned, precinct-based approach to deliver the St Kilda Triangle Vision

Work to implement the St Kilda Triangle 2012 has focused on ensuring a precinct-based approach to the St Kilda seaside. This will consider the role of important assets, including the Palais Theatre and Stokehouse Restaurant, while delivering an exciting, feasible and financially sustainable project.



Extending the Luna Park forecourt

Ongoing improvements to the St Kilda foreshore have resulted in the upgrade of the Luna Park forecourt and provided a larger, safer space. The extension includes new paving, public lighting and stormwater drainage, and new pedestrian links to the Palais Theatre and Luna Park via the Esplanade and Cavell Street. The upgrade has improved the quality and safety of the surrounding roads and footpaths and rejuvenated the appearance of the area.

Funding for refurbishment of the St Kilda Life Saving Club

Essential funding of \$1 million to upgrade the St Kilda Life Saving Club was announced by the Minister for Police and Emergency Service in May 2014.

From top to bottom:

Award winning design at Marina Reserve, St Kilda

Aerial view of Fishermans Bend Urban Renewal Area

St Kilda Life Saving Club
Photo: Chris Cassar

4.2 Ensure growth is well planned and managed for the future

CHALLENGES

Pop-up restaurant keeps the Stokehouse restaurant going

With the loss of the St Kilda foreshore icon, the Stokehouse building, to fire in January 2014, we worked with the Stokehouse owners and the State Government to establish a pop-up restaurant. We facilitated a community engagement process ensuring community ideas were captured and informed the design and rebuilding process. Over 300 people contributed to this process between February and June 2014.

Ensuring the long-term viability of the Palais Theatre as a live music venue

While planned capital works on the Palais Theatre were completed with minimal disruption to the theatre operator in February 2014, a building condition and compliance assessment identified risks associated with loose building materials. As a result, temporary fencing was erected around the building to manage the risks while a more detailed assessment is undertaken, costed and prioritised. Our officers have worked closely with Palais Theatre management to ensure the temporary fencing has a minimal impact on the functioning of the theatre.

Funding for the South Melbourne Life Saving Club

Planned works at the South Melbourne Life Saving Club ceased in May 2014 due to insufficient funding. Our officers are working with the club to develop an advocacy strategy to help obtain future funds.



Swan swimming on
Albert Park Lake

Photo: Chris Cassar

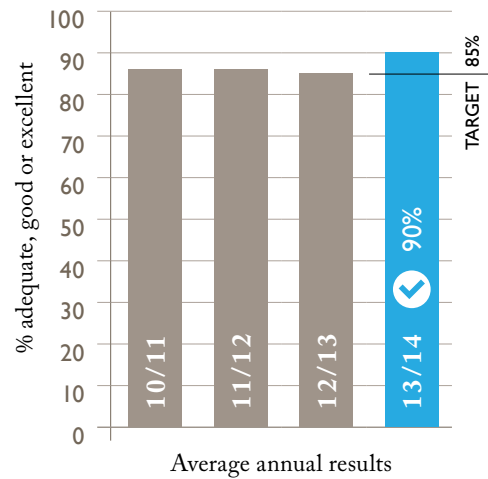
4.3 Improve and manage local amenity and assets for now and the future

MEASURES OF SUCCESS

Maintained or improved community satisfaction with parks and open space.

Community satisfaction with our parks and open spaces has increased this year compared to previous years.

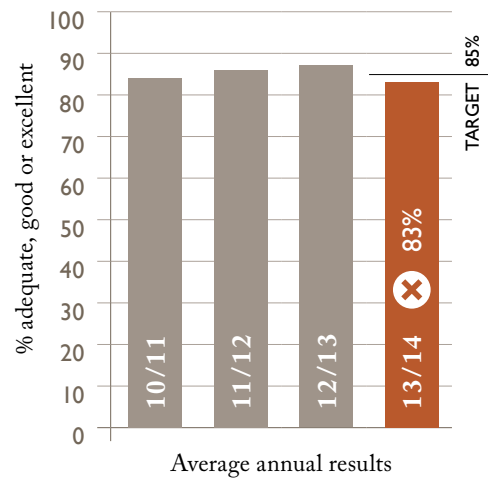
Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
Responses to: 'How well does the Council perform to meet your needs for parks and open space?'



Maintained or improved community satisfaction with beach cleaning.

Community satisfaction with beach cleaning has decreased slightly compared to recent years. Results have fluctuated across the year, with the lowest result being 76 per cent in the third quarter and a high of 88 per cent in the fourth quarter. During the year, we transitioned our street and beach cleaning service to an in-house service to provide a better service to the community.

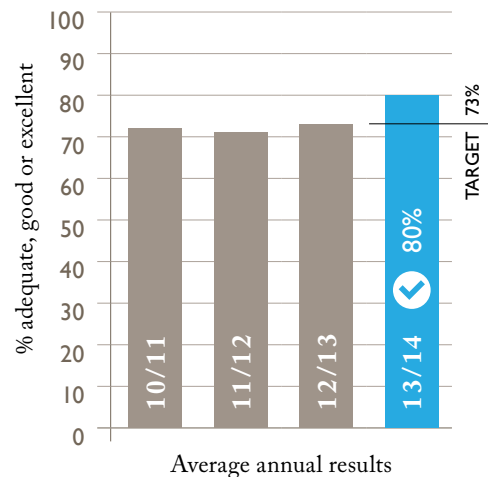
Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
Responses to: 'How well does the Council perform to meet your needs for beach cleaning?'



Maintained or improved community satisfaction with street cleaning.

Community satisfaction with street cleaning has increased, achieving a result of 80 per cent satisfaction, which is above our annual target. Over the year, satisfaction has fluctuated with a low of 77 per cent in the third quarter and a high of 84 per cent in the first quarter.

Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
Responses to: 'How well does the Council perform to meet your needs for street cleaning?'

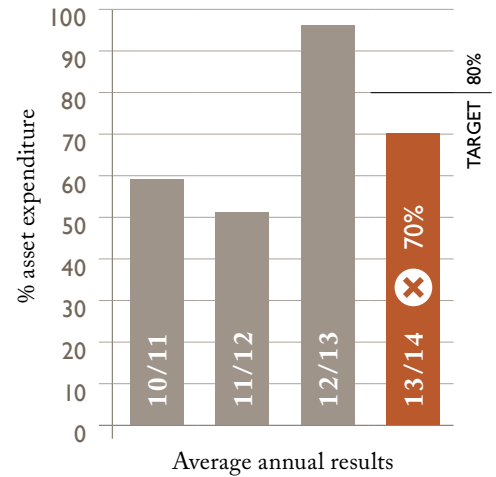


MEASURES OF SUCCESS

The proportion of the capital works program delivered on budget.

Capital works expenditure is below target due to some efficiencies in the delivery of projects (for example Bubup Womindjeka Family and Children's Centre) and delayed expenditure for a range of projects which have been deferred for future years.

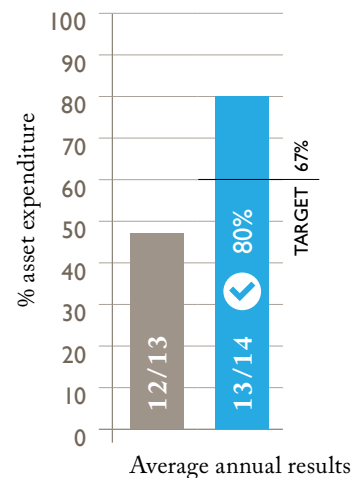
Source: City of Port Phillip Financial system reports.



Renewal gap ratio - rate of spending on assets compared to asset depreciation.

Reprioritisation of our capital works projects has enabled us to undertake increased renewal activities and improve our performance.

Source: City of Port Phillip Financial system reports.



KEY ACTION UPDATE (6 out of 6 on track)

Support sustainable and strategic investment in the management our assets and physical and social infrastructure

On Track ✓

Ensure that our capital projects are well planned to deliver the best outcome for the community

On Track ✓

Enhance our urban forest through trees that thrive in our locality

On Track ✓

Design and implement sustainable and accessible streetscapes

On Track ✓

Improve our network of accessible parks and open space across the City

On Track ✓

Advocate to state and federal governments to support improved infrastructure for the future

On Track ✓

4.3 Improve and manage local amenity and assets for now and the future



HIGHLIGHTS

Beacon Cove formally under Council's management

The City of Port Phillip was formally appointed as the Committee of Management for the Beacon Cove land in April 2014. The Beacon Cove estate was developed during the 1990s by Major Projects Victoria in a joint venture with a private developer.

Transition from StreetsAhead Joint Venture

To support sustainable and strategic investment in the management of our assets and physical and social infrastructure, the StreetsAhead Joint Venture was dissolved. An in-house street and beach cleaning service was implemented on 1 July 2014.

Increasing our tree canopy across the municipality

Implementation of the Greening Port Phillip program in 2013/14 year has helped enhance our urban forest through the planting of trees that thrive in our locality. An additional 451 trees were planted across 51 streets in the municipality.

Preventative drainage program delivers benefits

A preventative drainage maintenance program has resulted in the proactive removal of tree roots, debris, rubbish, silt, sand and other blockages within the Elwood, Balaclava and South Melbourne Drainage systems. We also completed localised drainage pipe renewals across the municipality.

CHALLENGES

Remediation of Gasworks Arts Park

Improving our network of accessible parks and open space across the City is a significant priority. Community enjoyment is important however we must continue to deal responsibly with the issue of soil contamination, including the remediation of the Gasworks Arts Park. This year we have undertaken significant analysis and consultation with community members to inform the options that are available to us.

Delivering projects on time and providing value for money

While the delivery of the Bubup Nairn Family and Children's Centre in April 2013 was well received by the community, it was delivered later than expected and with a cost overrun. As part of our commitment to ensuring our capital projects are well planned and deliver the best outcome for the community, an independent review was commissioned to understand the cause of the budget and delivery issues and make recommendations for the management of future projects.

From top to bottom:

Tree planting day for singles



Raingarden at the intersection of Bridport and Madden streets, Albert Park

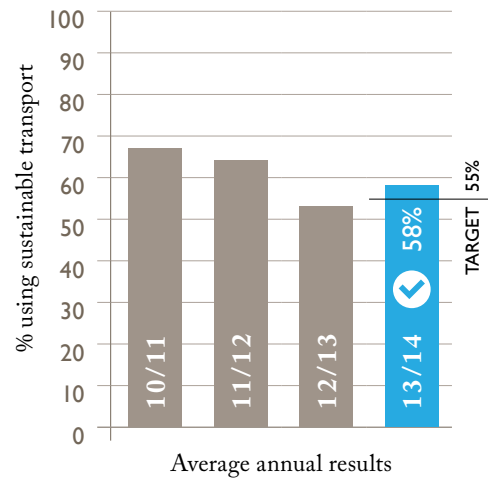
4.4 Ensure people can travel with ease using a range of convenient, safe, accessible and sustainable travel choices

MEASURES OF SUCCESS

Community use of sustainable transport options.

In 2013/14, the survey question provided to our community was modified to obtain more relevant and useful data for our planning purposes. In previous years we asked, 'Approximately how frequently do you use the following modes of transport?' and reported those using sustainable options. This year, our question focused on preferred modes of transport to and from work, but also asked for information on the preferred transport option for non-work purposes. The options included tram, walking/jogging, train, bicycle or bus. Although the wording of this year's survey question has changed, we have used the responses from previous years as a benchmark on which to compare our current performance.

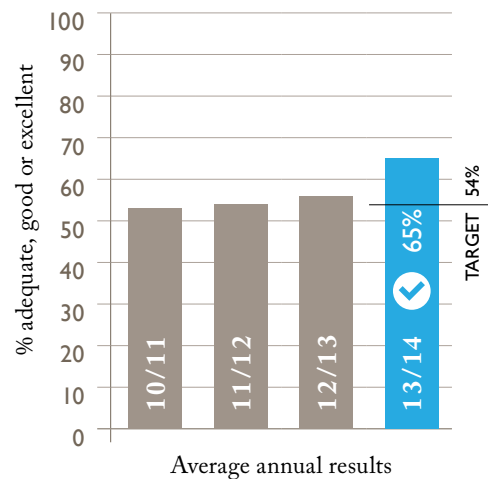
Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
 Responses to: 'Thinking about how you typically get to and from your daily activities, what form of transport do you mainly use for work purposes or non-work purposes?'



Maintained or improved community satisfaction with parking management.

This year community satisfaction with parking management within the municipality improved. Over the year satisfaction has fluctuated, with the lowest result of 58 per cent in the third quarter and a high of 70 per cent in the fourth quarter. In the Local Government Community Satisfaction Survey, we received an index score of 48 for our parking facilities, which was below the inner Melbourne score of 56.

Source: City of Port Phillip Quarterly Community Satisfaction Survey - Annual Report.
 Responses to: 'How well does the Council perform to meet your needs for...Parking management?'



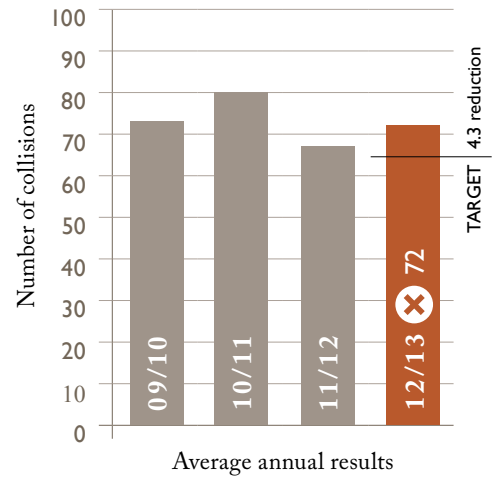
MEASURES OF SUCCESS

Reduction in the number of serious traffic collisions involving pedestrians, cyclists and motorcyclists.

This year, we set a target to reduce the number of serious accidents, however this target was not achieved. In 2012/13, 72 serious accidents were recorded, an increase of five on the previous year.

(This data is only available a year in arrears due to the time taken to process and supply the information to Council).

Source: VicRoads 'Crashstats' Report 2014.



KEY ACTION UPDATE (6 out of 6 on track)

Enhance quality and safety for bike riding and walking	On Track ✓	Advocate for improved public transport accessibility and connections	On Track ✓
Plan for and respond to the changing transport needs of a high density community	On Track ✓	Proactively address traffic management and parking issues in the City, and minimise the impacts of motor vehicles on the liveability of our City	On Track ✓
Work with State Government and the community to continue delivering safe and connected commuter bike routes and pedestrian access on major roads	On Track ✓	Advocate for improved management of transport movement in and through the City	On Track ✓

4.4 Ensure people can travel with ease using a range of convenient, safe, accessible and sustainable travel choices



HIGHLIGHTS

Campaign addresses safety concerns on shared paths

A campaign to enhance quality and safety for bike riding and walking on the shared Sandridge Light Rail Trail path around the Graham Street light rail station in Port Melbourne has significantly increased sharing behaviours between bike riders and pedestrians. The campaign focused on increasing two key behaviours: bike riders ringing their bells from a safe and non-startling distance behind pedestrians; and pedestrians looking for bike riders before walking across the path to the light rail station.

Car parking capacity study helps better understand community needs

We undertook a study to obtain an accurate picture of car parking capacity within our City, finding that the municipality has 53,275 on-street car parking spaces distributed across ten precincts.

Precinct-based approach to parking

To address traffic management and parking issues in our City and minimise the impacts of motor vehicles, we introduced a precinct-based approach to parking in October 2013. The new approach was trialled in South Melbourne with extensive community consultation and research undertaken to determine the needs of the area.

Blue Bikes now available in St Kilda

In December 2013, new bike share stations for 'Blue Bikes' were installed at two locations in St Kilda. Located close to landmark attractions, the new stations make it easy to ride along the foreshore to stations in Port Melbourne.

Study identifies ways to make crossing roads easier for pedestrians

We commissioned a study to investigate how crossing arterial roads at traffic lights can be made easier for pedestrians. The study examined the adequacy of signal timings and phasings for pedestrians at six key crossing locations, including an analysis of the attitudes and behaviours of pedestrians. The information will be used to advocate to VicRoads.

Ensuring community interests are represented in changes to public transport

We actively sought feedback from community members and a cross-section of interests regarding Public Transport Victoria's proposed changes to Tram Route 96. The process highlighted an opportunity to revitalise St Kilda's Fitzroy and Acland Streets in parallel with proposed public transport improvements. We will continue to work with Public Transport Victoria to maximise the economic and social benefits to our community.

From top to bottom:

Bike riders and pedestrians sharing the path

Photo: Chris Cassar



Waiting for a tram
at Fitzroy Street, St Kilda
Photo: Chris Cassar

Asset management performance

Asset management

We are responsible for the management of over \$2 billion of land and infrastructure assets, including roads, footpaths, drains, buildings, parks and open space and maritime assets. These assets exist to provide value to the community in the delivery of a wide range of services and in the achievement of our Council Plan.

Asset management performance

In 2013/14, the Victorian Auditor-General's Office completed an audit of asset management performance by five Victorian Councils, including the City of Port Phillip. The audit found there was an improvement in asset management practices in recent years, however, progress towards better practice has been relatively slow and there is substantial room for improvement. Opportunities for improvement identified in the audit will be implemented over the next two years.

Financial and funding strategy for asset investment

Capital investments on assets cover the renewal or upgrade of existing assets to extend their service life, or the creation or acquisition of new assets to address growth in demand or changes to the required level of service.

One of our key challenges is how to sustainably balance investment in new asset intensive services, driven by predicted growth in Fishermans Bend and other areas of our City, with the need to maintain existing asset intensive services at levels of cost and quality that are affordable and acceptable to our community. To meet this challenge, in 2014/15 our efforts will be directed to developing service plans and complimentary asset management plans and investment strategies.

NEW AND UPGRADED ASSETS

In 2013/14, a number of new assets were created, including a major new family and children's centre, Bubup Womindjeka in Port Melbourne. Construction also commenced on the new Northport Oval Pavilion in Port Melbourne. Many existing assets were upgraded, including the redevelopment of the Emerald Hill Library and Heritage Centre in South Melbourne and the Norm Goss Pavilion at Northport Reserve, Port Melbourne. The ongoing implementation of the Bike and Walk Plans has also delivered a number of safety improvements across our City for pedestrians and bike riders.

NEW AND UPGRADED ASSET PROJECTS

• Bubup Womindjeka Family and Children's Centre	\$2.21 million
• Emerald Hill Library and Heritage Centre	\$1.36 million
• Norm Goss Pavilion Upgrade	\$355,000
• Palais Theatre upgrades	\$377,000
• Northport Oval Pavilion	\$2.08 million
• Energy Efficient Street Lighting Program	\$790,000
• Street Tree Planting	\$782,000
• Murphy Reserve Masterplan - Soccer ground	\$216,000
• Walk Plan	\$1.27 million
• Bike Plan	\$930,000
• Water Sensitive Urban Design (WSUD)	\$247,000

ASSET RENEWAL

In 2013/14, a number of existing assets were rehabilitated or renewed, including playgrounds, parks, buildings, footpaths and roads. We undertook \$24.7 million worth of capital works on 156 projects across our City and plan to expend \$32.7 million in 2014/15. These projects are directed towards achieving our vision and becoming an engaged, healthy, resilient and vibrant city.

ASSET RENEWAL PROJECTS

- Building Renewal Program (including Disability Discrimination Act 1992 compliance and Environmental Retrofit) **\$721,000**
- Drainage Renewal Program **\$914,000**
- Playground Renewal Program **\$319,240**
 - Lyell/Iffla Playground, Port Melbourne
- Foreshore Renewal Program **\$365,000**
- Footpath Renewal Program **\$2.14 million**
 - Approximately 12 kilometres of footpath or around three per cent of the total footpath network was renewed.
- Kerb Renewal Program **\$822,000**
 - Hambleton Street from Mills Street to Wright Street, Middle Park
 - Page Street from Wright Street to Mills Street, Middle Park
 - Mills Street from Canterbury Road to Herbert Street, Middle Park
 - Neville Street from McGregor Street to Langridge Street, Middle Park
 - Lyons Street from Spring Street to Raglan Street, Port Melbourne.
- Road Rehabilitation Program **\$1.98 million**
 - Neville Street from Boyd Street to Kerferd Road, Middle Park
 - Goldsmith Street from Gordon Street to Broadway, Elwood
 - Stokes Street from Liardet Street to Turville Place, Port Melbourne
 - Drysdale Street from Graham Street to Seisman Place, Port Melbourne
 - ROW R3349, adjacent to 46 Dickens Street, St Kilda
 - ROW R3595, adjacent to 47 Argyle Street, St Kilda
 - Bay Street from Ingles Street to Boundary Road, Port Melbourne
 - Garton Street from Ingles Street to the end, Port Melbourne
 - ROW R1443 off Glen Eira Avenue, Elwood
 - ROW R1735, adjacent to 12 Meredith Street, Elwood
 - Esplanade East from Raglan Street to Bridge Street, Port Melbourne
 - Dryden Street from Southey Street to Browning Street, Elwood
- Road Resurfacing Program **\$2.1 million**
 - Approximately five kilometres of local roads, or around two per cent of the total road network, was re-surfaced.
- Park Signage and Furniture Renewal Program **\$199,000**
- Street Signage and Furniture Renewal Program **\$492,000**

Main Council offices,
St Kilda



City of Port Phillip
bus drivers

Photo: Chris Cassar

6. WORKING FOR OUR COMMUNITY

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Working with Council

At the core of achieving a culture of good governance and effective service for the community is an effective working relationship between Council and the organisation.

As the elected representatives of our municipal area and local community, Council provides leadership to ensure peace, order and good governance. They exercise this responsibility and power through formal resolutions at Council meetings. Council is also responsible for the appointment of the Chief Executive Officer (CEO) who leads the organisation and implements Council decisions.

While there is a clear separation of powers between Council and the CEO, good governance is dependent on a shared understanding of Council's interests and a willingness to work together to achieve outcomes for the community.

During 2013/14, a review of our organisational design was undertaken to ensure we are appropriately set up to meet the challenges of our growing and changing municipality. As a result of this review, our structure was adjusted to enable better delivery on Council's priorities and response to community expectations. Five areas now report directly to the CEO.



Tracey Slatter
CEO

Claire Ferres Miles
GM, Place Strategy & Development

Fiona Blair
GM, Infrastructure & Amenity

Carol Jeffs
GM, Community Development

Chris Carroll
GM, Organisational Performance

Mark Brady
EM, Governance & Culture

George Borg
Manager City Development

Rod Burke
Manager Safety & Amenity

Janelle Bryce
Manager Family, Youth & Children

David Filmlter
Chief Financial Officer

Kim Oakman
Manager Culture & Capability

Sally Moxham
Manager Sustainability

Darren Martin
Manager Maintenance & Renewal

Deidre Pellizzer
Manager Arts & Culture

John Gabb
Executive Manager Enterprise Portfolio Management Office

Lisa Rae
Manager Community Relations

Richard Brice
Acting Manager Urban Strategy & Design

Mark Gallon
Manager Project & Building Services

Michele Leonard
Manager Health & Wellbeing

Deb Hammond
Executive Manager Service & Business Improvement

Rowena McLean
Manager Governance

Jacqui Banks
Acting Program Director Fishermans Bend

Anthony Traill
Manager Public Space

Susan McDowell
Manager Access & Ageing

Trudy Rankin
Manager Business Technology

Peter Sagar
Project Director St Kilda Triangle

Ross Williamson
South Melbourne Market

Vanessa Schernickau
Program Director Vibrant Villages

John Williams
Acting Manager Asset Planning & Property

Leading the way

CHIEF EXECUTIVE OFFICE

The Chief Executive Officer (CEO) is appointed by Council and is responsible for the operations of Council, including implementing Council decisions and the day-to-day management of Council's performance.



Ms Tracey Slatter

Chief Executive Officer

Ms Tracey Slatter commenced with the City of Port Phillip on 20 May 2013 as the Chief Executive Officer. Tracey has extensive leadership experience in the health, community, government and local government sectors. She enjoys leadership challenges and is passionate about achieving excellent outcomes and improved value for the community. Tracey holds postgraduate qualifications in Business Leadership and a Master of Commerce, is a Fellow of the Institute of Public Administration and a graduate of the Australian Institute of Company Directors.

GOVERNANCE AND CULTURE

Governance and Culture are responsible for working across our organisation to strengthen governance practices, build a values-based culture, develop our capability to meet the challenges we face, and deliver strategic communications and engagement to advance Council's goals.



Mr Mark Brady

Executive Manager
Governance and Culture

Mr Mark Brady joined the City of Port Phillip in 2009 as the General Manager, Corporate Services Division. During this time, he led the development of a values-based organisational culture through the empowerment of employees and teams. Mark has been in local government for 27 years, the last 13 of which have been at the senior executive level across a range of portfolios at the cities of Latrobe, Frankston and Port Phillip. Mark is extremely passionate about the development of people and teams and has implemented a wide range of leadership initiatives throughout his career. He has a Bachelor of Business, a Graduate Diploma of Business, is a graduate of the Australian Institute of Company Directors and is an accredited Executive Coach.

INFRASTRUCTURE AND AMENITY

Infrastructure and Amenity are responsible for delivering and maintaining a high standard of amenity and safety across our municipality.



Ms Fiona Blair

General Manager
Infrastructure and Amenity

Ms Fiona Blair was appointed as General Manager, Infrastructure and Amenity Division in March 2014 after acting as interim General Manager of City and Infrastructure Services from October 2013. Fiona is a highly capable and experienced leader who has worked across local government, educational and service sectors. She has a long affiliation with our City and through a number of leadership roles, has demonstrated a strong track record of innovation, delivery, strategy, relationship leadership and collaboration. Fiona is highly qualified with a Master of Business Administration, Bachelor of Applied Science and is a graduate of the Australian Institute of Company Directors.

ORGANISATIONAL PERFORMANCE

Organisational Performance are responsible for providing high quality, integrated systems and support to our organisation to enable us to deliver value to our community.



Mr Chris Carroll

General Manager
Organisational Performance

Mr Chris Carroll joined the City of Port Phillip in March 2014 as the General Manager of the newly formed Organisational Performance Division. Chris is an outstanding leader with a breadth of local government, state government and private sector experience. Chris was previously employed by PricewaterhouseCoopers New Zealand as a Director in its consulting business. Prior to this, Chris was the Department Manager of Planning, Policy and Budgeting at Auckland Council where he led the Council's financial, asset management and business planning and performance functions and a range of transformational change projects. Chris has a Master of Public Policy and Management, a Master of Business Administration, and project management, change management and LEAN qualifications.

Mr John Hicks

Interim General Manager,
Organisational Performance
(Resigned February 2014)

Mr John Hicks joined the City of Port Phillip in 2009 to lead the City and Infrastructure Services Division. John has an extensive background in local and state government including experience as a local government CEO. Prior to retiring in February 2014, John led the creation of the newly formed Organisational Performance Division.

PLACE STRATEGY AND DEVELOPMENT

Place Strategy and Development are responsible for ensuring our municipality is well-planned and designed, and the development of our places and precincts strengthen our City's prosperity and liveability.



Ms Claire Ferres Miles

General Manager
Place Strategy and
Development

Ms Claire Ferres Miles joined the City of Port Phillip in April 2014 as the General Manager of the Place Strategy and Development Division. Claire is a highly talented executive whose thought leadership and strategy have led to breakthroughs in integrated transport and planning government policy particularly in relation to sustainable transport. She has experience in the public and private sectors, most recently with the Victorian Government with a focus on central city urban renewal. Claire has a Master of Transport and a Master of Traffic, qualifications in community engagement and a Bachelor of Planning and Design with majors in Landscape Architecture, Urban Design and Town Planning.

Mr Malcolm Snow

General Manager, Place Strategy
and Development

(Resigned January 2014)

Mr Malcolm Snow joined the City of Port Phillip in August 2013. Malcolm is a qualified urban planner and landscape architect, recognised nationally for his award-winning urban design excellence combining commercial and environmentally sustainable outcomes. Malcolm resigned from the City of Port Phillip in January 2014 to take up the prestigious role of Chief Executive, National Capital Authority in Canberra, which manages Australian Government owned places and precincts.

COMMUNITY DEVELOPMENT DIVISION

Community Development are responsible for building healthy and connected communities and enabling lifelong access to innovative, creative and responsive community programs and services.



Ms Carol Jeffs

General Manager
Community Development

Ms Carol Jeffs joined the City of Port Phillip in February 2014 as the General Manager of the Community Development Division. Carol is a highly experienced and self-driven senior executive whose career spans local government, not-for-profit and semi-government agencies. Carol was previously employed as the General Manager, Governance at Latrobe City Council, a Council renowned for innovation in service delivery, governance and community engagement. Carol is an outstanding people leader with a strong track record in forging successful partnerships with key local, state and national stakeholders. She has a Master of Economics and qualifications in LEAN, project management, community engagement. She is also a graduate of the Harvard Senior Executives in State and Local Government course.

Ms Vanda Iaconese

General Manager
Community Development

(Resigned October 2013)

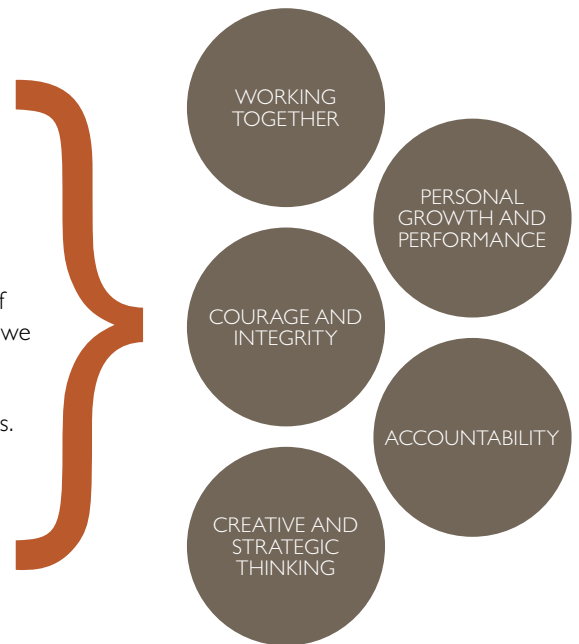
Ms Vanda Iaconese joined the City of Port Phillip in 2009 as the General Manager of the Cultural and Community Development Division. During that time Vanda made a lasting contribution to the City of Port Phillip through the creation of important policies including the Social Justice Charter and the Reconciliation Action Plan. Vanda resigned from the City of Port Phillip in October 2013, after accepting the position of CEO of Dootta Galla Aged Services.

Our people

Our services are delivered to our community by the 1,056 people employed at the City of Port Phillip.

OUR VALUES

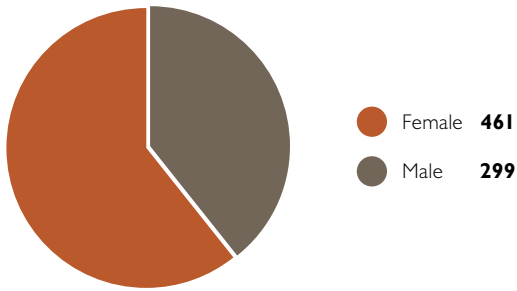
Our way of working is underpinned by a clear set of values which represent how we conduct our daily duties and interact with each other, the Council and our communities.



STAFF PROFILE

Full time equivalent	CEO's Office	Governance and Culture Division	Organisational Performance Division	Place Strategy and Development Division	Infrastructure and Amenity Division	Community Development Division	Total
Total Full Time	2	58	81	78	162	180.5	561.5
Male Full Time	0	19	45	39	124	34	261
Female Full Time	2	39	36	39	38	146.5	300.5
Total Part Time	0	10.3	17.2	14.9	21.5	129	192.9
Male Part Time	0	3.2	1	1.6	7.6	23.2	36.6
Female Part Time	0	7.1	16.2	13.3	13.9	105.8	156.3
Total Casual	0	0.6	Neg.	Neg.	0.6	4.2	5.4
Male Casual	0	0.5	Neg.	Neg.	0.2	0.5	1.2
Female Casual	0	0.1	Neg.	Neg.	0.4	3.7	4.2
Total	2	68.9	98.2	92.9	184.1	313.7	759.8

Breakdown by gender



PEOPLE AND ORGANISATIONAL DEVELOPMENT STRATEGY

The goal of our People and Organisational Development Strategy 2012-14 is to build a values-based organisational culture that enables the organisation to achieve its purpose of working together to make a difference to our community.

We have eight key focus areas:

- 1 RECRUIT & INDUCT
- 2 ENGAGE & RETAIN
- 3 RECOGNISE
- 4 DEVELOP
- 5 LEAD
- 6 PERFORM
- 7 SUPPORT
- 8 CONNECT

Learn. Develop. Grow.

The development of our people is a high priority for our organisation. Through our annual Corporate Learning and Development calendar, we offer opportunities to learn, grow and develop. In 2013/14, we offered 82 programs which were attended by 839 staff. We also support staff development with work-specific accredited courses, including Certificate IV Training and Assessment and Certificate IV Child Care. Where our people undertake external accredited courses, study assistance is also available. This year 24 staff members participated in this program, using 899 hours of study leave.

Leadership Development Program

We aim to develop leaders and teams who can drive organisational culture and motivate employees and teams to achieve their goals. We offer a suite of leadership learning experiences and opportunities that can set a career path for our future leaders, develop current leaders and enhance their capabilities in line with the organisation's leadership expectations. Our programs include:

- the City of Port Phillip Leadership Program, a unique tailored opportunity to focus on the individual at a self-awareness level
- Corporate Management Team targeted workshops addressing essential group knowledge requirements
- coaching and mentoring for and by our leaders
- 360 degree feedback with the focus on enhancing our feedback safe culture
- Local Government Managers Australia Challenge where our 2014 team placed third in Victoria.

Health and wellbeing program

Our health and wellbeing program, Enjoying Life, continues to receive positive feedback and achieve healthy outcomes for the organisation. We offer a range of physical fitness classes, hearing and health checks, healthy eating programs, superannuation education seminars and retirement planning.

Employee Assistance Program

Our Employee Assistance Program is designed to assist our people meet the challenges and demands of their work and personal life. This is a professional counselling service offering confidential, short-term support for a variety of work-related and personal problems that may be affecting staff at work or at home. This year, 67 people used 116 hours of the service.

Occupational Health and Safety

We are committed to fulfilling our moral and legal responsibilities under the *Occupational Health and Safety Act 2004*, to provide a safe and healthy work environment for employees, contractors and visitors. This commitment extends to ensuring that operations undertaken by Council do not place the community at undue risk of injury or illness.

We provide induction and training for all our staff and contractors, and conduct regular occupational health and safety audits and inspections of Council premises and contractors' works.

Number of standard WorkCover claims	10
Number of staff affected	10
Victorian average WorkCover premium (industry performance rate)	1.3669%
City of Port Phillip's WorkCover premium	0.8025%

Equal Opportunity

We are an equal opportunity employer and work in accordance with our statutory requirements under the *Victorian Equal Opportunity Act 2010*, and federal legislation as it relates to equal opportunity.

Our equal employment opportunity policy, Respect for Others, supports our vibrant and diverse work environment where our people can develop professionally and personally, free from harassment, discrimination and bullying. Our values of courage and integrity, personal growth and performance, accountability, creative and strategic thinking, and working together, create a culture of respect for each other in all aspects of employment, training and service. This year, 73 participants attended five equal opportunity education sessions.

Recognition Program

Our Recognition Program was developed by previous Leadership Program participants and our Human Resources team and spans six key areas of recognition that align with the organisation's values and behaviours. The program places the responsibility of recognition in the hands of every employee across the organisation, 'by employees for employees'. This approach is creating an engaged and empowered workforce where every individual is accountable.

Human Resources Training Suite

This year, we introduced a suite of five new training programs developed and delivered by our Human Resources team across our organisation. The programs cover recruiting, selection, interviewing, performance management, flexibility, grievances and a program for employees on how to get their next role. The team delivered 13 sessions for 110 staff members. A highlight of our training this year has been the development and delivery of a complementary online Human Resources module which 42 staff completed.

Feedback received reinforces that these programs are perfectly customised for local government and particularly to our organisation.





South Melbourne
Market celebrating the
'Year of the Horse'

Photo: Chris Cassar

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Statutory statements

FREEDOM OF INFORMATION ACT

Under the *Freedom of Information Act 1982*, everyone has the right to access certain information held by Council. We vigorously support the requirements of the Act.

Requests for access to Council documents under the Act must be in writing and provide sufficient information to identify the particular document(s) being sought. In 2013/14, the application fee for a request was \$25.70. The Act requires Council to publish certain details about itself and its functions, and also enables individuals to correct information about them that is held by Council. Avenues for appeal are built into the Act.

More information, including a request form, is available on our website:

http://www.portphillip.vic.gov.au/freedom_of_information.htm

Principal Officer: Tracey Slatter, CEO

Details of Freedom of Information (FOI) requests 2013/14

Total number of FOI requests received	42
Total number of valid requests (including requests under consideration at 30 June 2013)	23
Number of requests where access granted in full	2
Number of requests where access granted in part	16
Number of requests where access denied in full	1
Number of requests where no documentation found	0
Number of requests withdrawn	0
Number of requests under consideration as at 30 June 2014	4
Number of appeals lodged with the FOI Commissioner	1
Total application fees collected	\$462.60
Total application fees waived	\$77.10

PROTECTED DISCLOSURES ACT

On 11 February 2013, new legislation to implement recent integrity reforms in Victoria came into effect. This includes the replacement of the *Whistleblowers Protection Act 2001* with the *Protected Disclosure Act 2012*. The process for making a disclosure, relevant contacts and rights under the *Protected Disclosure Act 2012* are available online at www.portphillip.vic.gov.au/protected-disclosure.htm

There was one disclosure notified to the IBAC (Independent Broad-based Anti-corruption Commission) under section 21(2) of the Act during the financial year.

VICTORIAN INFORMATION PRIVACY ACT

We are committed to full compliance with our obligations under the **Information Privacy Act 2000**. Our Information Privacy Policy and Guidelines are available at Council offices and on our website. http://www.portphillip.vic.gov.au/privacy_policy.htm

BEST VALUE REPORT 2013/14

We are committed to continuously improving our services and providing value for money to our residents. This commitment is in compliance with the **Local Government Act 1989** which details six Best Value principles.

1. Services provided by a Council must meet quality and cost standards.
2. Services provided by a Council must be responsive to the needs of its community.
3. Services provided by a Council must be accessible to those members of the community for whom the service is intended.
4. Council must achieve continuous improvement in the provision of services for its community.
5. Council must develop a program of regular consultation with its community in relation to the services it provides.
6. Council must report regularly to its community on its achievements in relation to the five principles above.

To maintain our focus on delivering improvements to our services, we re-allocated resources in 2013 to create a department to complement ongoing improvements undertaken by individual services. Our focus for 2014 has been on building capability in our organisation to undertake improvement activities, and identifying and reviewing our key processes to deliver ongoing savings in terms of dollars and time, and benefits to the community.

DOMESTIC ANIMAL MANAGEMENT PLAN 2012-2016

Under the Domestic Animals Act 1994, we are required to undertake an annual evaluation of the implementation of our four-year Domestic Animal Management Plan. The results are published in our Annual Report.

The **City of Port Phillip Domestic Animal Management Plan 2012-2016** aims to promote harmonious and responsible pet ownership. Implementation of the Plan is on track, and during the year we:

- completed additional officer training following significant changes to the **Domestic Animal Management Act 1994**
- implemented registration campaigns and programs which resulted in an increase in the number of animals registered
- changed our seasonal patrols with a focus on targeted compliance rather than enforcement, which resulted in fewer complaints.

Next year, we will continue to focus on:

- improving our communication tools to ensure a greater understanding of the requirements of domestic animal ownership and enforcement processes
- implementing education programs which address the ongoing issues of nuisance animal and dog attacks.

CARERS RECOGNITION ACT

The **Carers Recognition Act 2012** formally recognises the important role of carers in supporting older people and people with a disability so they maintain independence and remain living in their local communities. We acknowledge the important contribution of carers and provide a number of services designed to support the care relationship.

The Home and Community Care (HACC) Program supports the valuable contribution of carers. Every month, a Carers Support Group is held at Cora Graves, which is an opportunity for information sharing and socialisation. We also provide respite care, providing carers with a short break from the demands of their caring role. In 2013/14, the HACC program provided 9,709 hours of respite care to carers in our City.

In October 2013, we hosted a Carers Day event in partnership with the City of Glen Eira and the Commonwealth Carelink Respite Centre (Caulfield), inviting 80 carers from the two municipalities. The event was devoted to the health and wellbeing of the carers, and provided a forum for information sharing and support. Feedback received from attendees was positive.

DISABILITY ACT

We are committed to ensuring our services and amenities are accessible to all and continually look to improve our planning and practices to accommodate the needs of our residents and ensure access does not create a barrier to civic participation.

Under the **Disability Act 2006**, all public bodies are required to prepare a Disability Action Plan. The City of Port Phillip Disability Action Plan, known as the Access Plan 2013-2018, is designed to ensure our organisational practices are proactive in relation to meeting the needs of people of all abilities, and that our services and facilities will be inclusive and accessible to all.

Initiatives completed this year include:

- successful formation of a City of Port Phillip Accessibility Network which meets regularly and consults Council on issues of accessibility
- launch of the Port Phillip Accessible Dining Guide 2013: Bay Street and Fitzroy Street and the distribution of the Free and Cheap Meals Guide
- recognition and celebration of International Disability Day (December 2013) with a presentation by the FOG Theatre, a group of local residents experiencing an intellectual disability
- development of an Access Matrix for use in building development and planning
- adoption of the Public Toilet Plan 2013-2023 which addresses physical accessibility and improved signage.

Other ongoing initiatives include:

- redevelopment of the EnviroEhub website to enable greater accessibility, such as the ability to increase font size and page size for easier viewing
- promoting the use of the Sustainable Events Checklist across our organisation. This checklist includes considerations of accessibility issues when planning events and booking venues.

Further information about our commitments under the **Disability Act 2006** is available online at www.portphillip.vic.gov.au

Risk management

We recognise that risk management is an essential part of effective corporate governance. Risk management is defined as ‘the culture, processes and structures that are directed towards realising potential opportunities while managing adverse effects.’ Enterprise risk management is the holistic management of all risks within Council, not just insurable risks or occupational health and safety.

We believe good risk management is essential for the successful implementation of the Council Plan as it:

- facilitates innovation, cooperation and the sharing of resources
- enhances the development and delivery of our programs
- involves consultation and engagement with the public and private sectors on key issues of community interest
- encourages a proactive approach to problem solving.

Through the adoption of a structured and systematic approach to risk management, we aim to improve our decision making, performance, transparency and accountability by effectively managing the potential opportunities and adverse effects.

RISK AWARENESS

The philosophy and application of risk management within our organisation is underpinned by our Risk Management Policy and Risk Management Framework.

Our Risk Management Policy provides the platform for the management of risk across the organisation. We also have a well developed Risk Management Framework in place that complies with the ISO 31000:2009 Risk Management - Principles and Guideline. The Framework provides the structures and processes to facilitate delivery of our corporate objectives through the effective management of opportunities and adverse effects. To ensure it continues to provide strong direction for risk management, the Framework is reviewed biennially.

RISK REDUCTION

This year our emphasis was on creating an effective risk culture across the organisation by strengthening the corporate induction program, providing specialised public liability training for frontline staff and developing tools to embed risk assessment into project management processes.

In 2013/14, our Executive Leadership Team (consisting of the Chief Executive Officer and five General Managers) undertook a review of our organisation's strategic risks, including the development of targeted mitigation strategies. A comprehensive review of all operational risks was also undertaken within each of Council's departments as part of the annual budget and planning cycle. All risks are monitored and reviewed regularly and reported to the Executive Leadership Team and Audit and Risk Committee.

Another important way we are managing our risk is through the Business Continuity Recovery Committee, which is comprised of key staff from across our organisation. This year, the committee focused on testing and improving the Business Continuity Plan to ensure we can continue to operate in the event of a crisis. Disaster Recovery Plans were also updated to ensure timely corrective action for critical Council buildings and support services.

Public documents

We make a number of documents available for public inspection. These can be viewed on our website at http://www.portphillip.vic.gov.au/documes_public_inspections.htm or at the St Kilda Town Hall, 99A Carlisle Street, St Kilda.

To inspect any documents, please contact the Governance Unit via the City of Port Phillip's ASSIST Centre on 9209 6777. In some instances, we may require requests to be in writing.

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

- Details of current allowances fixed for the Mayor and Councillors.
- Details of senior officers' total annual remuneration for the current financial year and the previous year outlining ranges of remuneration of senior officers in \$10,000 increments and the number of senior officers whose total annual remuneration falls within each increment.
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by councillors or any member of Council staff in the previous 12 months, including the names of the councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel.
- 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 under section 89 of the **Local Government Act 1989** (the Act).
- A list of all Special Committees established by 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 established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act.
- A register of delegations kept under sections 87, 88 and 98 of the Act, including the date on which the last review, under section 98(6) of the Act, took place.
- Submissions received in accordance with section 223 of the Act during the previous 12 months.
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease.
- A register of authorised officers appointed under section 224 of the Act.

- A list of donations and grants made by the Council during the financial year, including the names of persons or bodies that received a donation or grant, and the amount of each donation and grant.
- A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council.
- A list of contracts valued at \$150,000 for Goods and Services and \$200,000 for Carrying out of Works which the Council entered into during the financial year without first engaging in a competitive process, and which are not contracts referred to in section 186(5) of the Act.
- Election campaign donations.
- Councillor Code of Conduct.
- Councillor Expense Reimbursement Policy.
- Local Laws.
- Council Plan and Strategic Resource Plan.
- Budget.
- Annual Report.

Participants at
Ride2Work Day
Photo: Chris Cassar





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Chief Financial Officer's report

OVERVIEW

In 2013/14, Council's financial management objective was to support the long term financial sustainability of our City while balancing affordability with the need to address the growth challenges associated with Fishermans Bend and the maintenance of the services and assets that our community values most.

We have made sound progress against this objective with the rates increase limited to 4.75 per cent, the historic asset renewal gap being closed, existing service levels generally being maintained and in some cases improved, and additional resources being made available to plan for growth and new priorities.

At the same time we have maintained a strong financial position as demonstrated by a cash surplus, low levels of debt, strong working capital position and healthy levels of cash backed reserves. This position has been supported by ongoing cost containment measures which have restricted expenditure growth.

Key results from the financial statements for 2013/14 are summarised below:

- A cash surplus of \$7.06 million, of which \$4.55 million needs to be set aside for deferred capital works. The residual surplus of \$2.5 million is consistent with the projections used in the 2014/15 Budget.
- An operating surplus of \$37.61 million, an increase of \$22.08 million on the previous year's result due to the transfer of Beacon Cove assets from the State Government to Council (\$41.98 million).
- A net asset revaluation increment of \$134.91 million associated with the revaluation of land, buildings and drainage assets during the year.
- The transfer of Beacon Cove assets and asset revaluation movements described above, contributed to a net increase in assets and a comprehensive surplus of \$172.52 million.
- Net assets of \$2.14 billion including \$50.73 million of cash and financial assets.

After excluding capital grants and contributions, we are reporting an underlying deficit in 2013/14 of \$2.23 million. This is largely due to a number of one-off and technical accounting adjustments including:

- A one-off \$3 million Council contribution to the CasPA aged care facility. This was budgeted for in Council's cash backed reserves and is fully funded.
- A one-off loss of Federal grant funding of \$1.2 million.
- An increase of \$1.83 million in employee entitlement provisions that is largely related to reduced staff turnover and a change in methodology for calculating the provisions.

Other factors that have influenced this result include a \$753,000 reduction in net interest revenue due to the use of cash reserves to repay the \$11 million superannuation liability and an ongoing low interest rate environment.

Looking ahead, we expect to face a number of financial challenges linked to the property portfolio within the Seaside Precinct. This will require us to identify funding shortfalls, consider funding source options and work closely with key stakeholders and tenants to develop mutually agreed and fiscally responsible outcomes.

The proposed Fishermans Bend Urban Renewal Area requires further review of its forward financial capacity for the early funding of required community infrastructure and open space acquisitions. This will enhance the amenity and make the area more attractive for prospective residents. The review will commence shortly.

In light of the above and our commitment to putting our community first, we will continue to seek, drive and achieve ongoing productivity improvements including targeted operating efficiency savings of \$1.8 million in 2014/15. We will also seek to contain and build the project management and continuous improvement capability and culture of our organisation.

Net result

We reported an operating surplus of \$37.61 million in 2013/14 (2012/13: \$15.54 million). This result is attributable to contributions of non-monetary assets of \$45.56 million (2012/13: \$12.06 million).

The surplus is \$26.02 million favourable when compared to the original budgeted surplus of \$11.591 million. This is primarily due to contributions exceeding budget by \$43.06 million as a result of non-monetary contributions of Beacon Cove assets of \$41.98 million. In addition, expenditure on materials and other assets exceeded budget by \$8.23 million as a result of the reallocation of \$5.61 million of expenditure from capital works to operating expenditure and the payment of a \$3 million contribution to the CasPA aged care facility which was fully funded by a transfer from reserves. The surplus was also impacted by the unbudgeted loss on disposal or scrapping of assets of \$5.88 million, which included the Stokehouse building which was destroyed following a fire in January 2014.

Underlying result

Industry assessment of long term financial viability takes into account the underlying result, ability to service borrowings, solvency and levels of capital expenditure on renewing and upgrading council assets. We continue to perform soundly against these assessment criteria.

Our underlying result (see Table 1 below) reflects a deficit of \$2.23 million (2012/13: \$5.74 million surplus). This reduction of \$7.97 million from the 2012/13 result is mainly due to the one-off \$3 million contribution to the CasPA aged care facility. In addition a number of matters outside Council's control including the one-off loss of \$1.22 million relating to the Federal financial assistance grants and a \$1.7 million unfavourable long service leave provision movement which impacted the underlying result.

TABLE 1 - CALCULATION OF UNDERLYING RESULT

	2013/14 \$000's	2012/13 \$000's
Surplus/ (Deficit)	37,611	15,536
Contributed assets	(42,440)	(4,123)
Capital grants	(252)	(1,400)
Developer Contributions	(3,035)	(6,742)
Loss on disposal of assets	5,885	2,471
Underlying Surplus/ (Deficit)	(2,231)	5,742

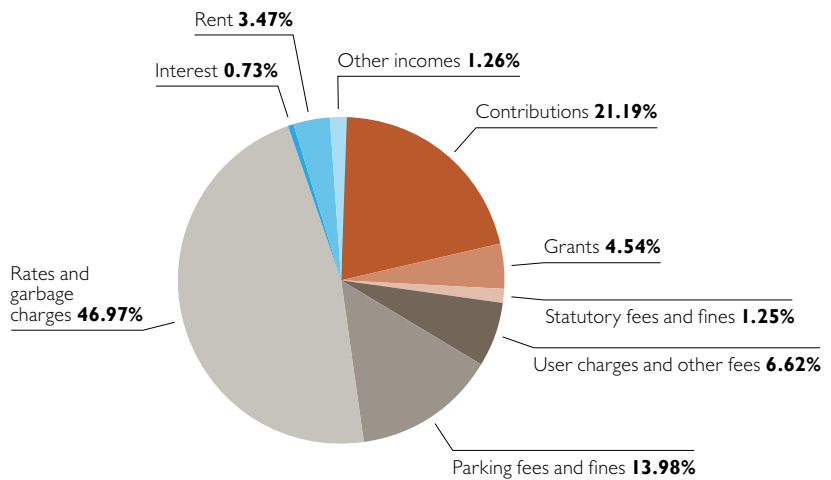
Capital expenditure

Our capital expenditure (including capital related operating expenditure of \$5.21 million) of \$29.2 million is 74 per cent of the total capital works budget of \$39.68 million. This decrease of \$13.36 million in capital expenditure from \$37.34 million in 2012/13 is mainly due to the elevated level of the previous year's capital program which funded the completion of major capital projects including Bubup Nairn Family and Children's Centre (\$8.47 million), South Melbourne Market Roof (\$3.71 million) and Marina Reserve (\$3.4 million).

INCOME

Total revenue for the financial year was \$214.96 million, increasing \$37.57 million from 2012/13. Contributing to this increase were favourable contributions (up \$33.5 million or 277.8 per cent), rates and garbage charges (up \$5.74 million or 6.0 per cent), and user charges and other fines (up \$1.43 million or 11.2 per cent). See below for further information.

INCOME SOURCES FOR THE COUNCIL IN 2013/14:



Rate income

Rate income, which contributes 47 per cent of our income, has increased by \$5.74 million (6.0 per cent) from \$95.21 million in 2012/13 to \$100.96 million. This is due to a 4.5 per cent increase in rates and charges in the 2013/14 financial year complemented by revenue growth of 1.5 per cent which is attributable to an increase in the number of rateable properties within our municipality.

Contributions

Contributions made up 21.2 per cent of our total income in 2013/14 and increased by \$33.5 million due to a significant increase in non-monetary contributions of \$38.28 million from \$4.12 million to \$42.4 million. This was largely due to the transfer of \$41.98 million of Beacon Cove land, buildings, marine, parks and drainage assets to Council under the *Crown Land (Reserves) Act 1978*.

Parking fees and fines

Parking fees and fines were our third largest source of income for Council contributing 14 per cent of total income, and remained consistent with the 2012/13 results increasing from \$29.92 million to \$30.04 million.

User charges and other fees

User charges and other fees contributed 6.6 per cent to our total income and increased by \$1.43 million (11.2 per cent) mainly due to the Bubup Nairn Family and Childrens Centre being fully operational in the 2013/14 financial year and expanding places available from 35 to 116. This resulted in an increase in fee income of \$1.13 million.

Grants income - Operating and Capital

Grants income, which makes up 4.5 per cent of our total income, decreased in 2012/13 by \$2.4 million or 19.8 per cent. Income from operating grants declined by \$1.25 million or 11.6 per cent due to the early receipt of instalments from the Victorian Grants Commission for the 2012/13 financial year (\$1.04 million reduction) and a reduction of \$156,000 in funding for child care due to a reduction on family day care educators, impacting on the number of children receiving services. Capital grants declined by \$1.15 million due to the elevated level of capital grants in the 2012/13 financial year which included grants for Marina Reserve (\$207,000), St Kilda Family and Children's Centre (\$160,000) and North Port Oval redevelopment (\$630,000).

Rental income

Rental income, which represents 3.5 per cent of our total income, increased by \$390,000 (5.5 per cent) from 2012/13 due to an increase of \$195,000 in South Melbourne Market stallholder rent, additional income from the hire of community facilities for casual events (\$60,000) and additional income received from Fulton Hogan for the use of office space.

Other income

Other income made up 1.3 per cent of our income and decreased by \$735,000 compared to the previous year due to the biennial sale of valuations data to State Revenue Office in 2012/13 (\$506,000 decrease from 2012/13), and a reduction in insurance recovery income as a result of an insurance settlement of \$988,000 in 2012/13. This has been offset by favourable increases in the sale of right of way income (\$205,000) and income from the St Kilda Festival which included the sale of merchandise for the first time in the 2013/14 financial year and resulted in an increase of \$404,000.

Statutory fees and fines

Statutory fees and fines contribute a small portion to our overall income (1.3 per cent) and have slightly increased during the 2013/14 financial year from \$2.56 million to \$2.68 million due to increased income received for planning permits.

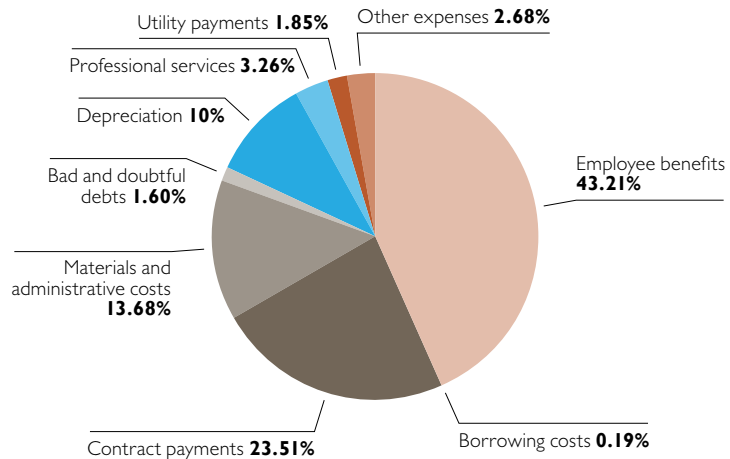
Interest income

Interest contributed 0.7 per cent to total income and decreased by \$604,000. This was mainly due to the use of cash reserves to repay a \$11 million superannuation liability and the softer interest rate environment following cumulative reductions in official interest rates totalling 2.25 per cent since November 2011. In addition, interest rate spreads relative to the cash rate have tightened significantly from a 150 basis point premium to a 50 to 100 basis point premium. This is due to a more stable global financial environment.

EXPENSES

Total expenses for the financial year were \$177.34 million, up \$15.49 million or 9.6 per cent from 2012/13. Contributing to this increase were increases in employee benefits (up \$9.95 million or 15.51 per cent), contract services (up \$2.02 million or 5.3 per cent), net loss on disposal of property, infrastructure, plant and equipment (up \$3.41 million or 138.2 per cent), depreciation (up \$1.39 million or 8.8 per cent) and other expenses (up \$917,000 or 24.9 per cent). These increases have been offset by savings in materials and administrative costs (\$2.51 million or 9.7 per cent) and bad and doubtful debts (\$455,000 or 14.2 per cent).

COUNCIL EXPENSES 2013/14



Employee benefits

Employee expenses comprise 43.2 per cent of total expenses and have increased by \$9.95 million (15.5 per cent) in 2013/14 from \$64.14 million to \$73.29 million. This is due to the following factors:

- \$2.5 million for salary increments made in accordance with the Enterprise Agreement and including the legislated increase of 0.25 per cent in compulsory employer superannuation contributions
- \$1.8 million for child care services linked to a legislated increase in the staffing ratios for 0 to 2 year olds and the newly redeveloped and expanded Bubup Nairn family and children's centre
- \$2 million linked to the use of internal staff rather than external contractors for the delivery of a number of our priorities and business technology projects
- \$575,000 to support core place-making priorities including the Seaside Precinct, the Fishermans Bend Urban Renewal Area Project and initiatives to make our villages more vibrant
- \$350,000 to enhance the project management and continuous improvement capability of the organisation which will in turn lead to capital and operating savings in the future
- An unfavourable movement of \$1.7 million in the long service leave provisions which is attributable to lower staff turnover and the inclusion of on costs in the determination of the liability.

Contract services

Contract services make up 23.5 per cent of total expenses and increased by \$2.02 million (5.3 per cent). This increase is primarily attributable to increased parks and gardens contract expenditure associated with works outside the scope of the contract (\$540,000), increases in waste management contracts linked to higher state government levies and tipping fees (\$437,000), building maintenance contract expenditure (\$499,000), public lighting (\$122,000), maintenance expenditure increases for child care centres (\$153,000) and South Melbourne Market (\$155,000), as well as CPI linked increases across all contracts.

Materials and administrative costs

Materials and administrative costs comprise 13.7 per cent of total expenses and have decreased by \$2.51 million (9.7 per cent). This reflects a reduction in the transfer to operating expenditure of project costs incurred for landscaping work on VicRoads assets and other items that do not meet the criteria of capital expenditure under our accounting policy from \$8.56 million in 2012/13 to \$5.21 million in 2013/14.

Depreciation

Depreciation makes up 10 per cent of total expenditure and increased by \$1.39 million (8.8 per cent) from \$15.76 million in 2012/13 to \$17.15 million in 2013/14 as a result of the completion of major capital projects in the 2012/13 financial year, which were depreciated over a full year for the first time in 2013/14.

Professional services

Professional services make up 3.3 per cent of total expenses and have increased by \$302,000 (5.7 per cent). This increase is attributable to additional consulting and legal costs incurred for Fishermans Bend, Port Melbourne Waterfront and the Enterprise Portfolio Management Office.

Other expenses

Other expenses make up 2.7 per cent of all expenses and increased by \$917,000 in 2013/14 due to significant expenditure on software upgrades and enhancements, which increased by \$489,000. This included increased Aurion software license fees as a result of an increase in the number of users requiring access to the system (\$188,000), and additional bank charges (\$95,000) as a result of increased credit card charges.

Bad and doubtful debts

Bad and doubtful debts (1.6 per cent of total expenses) decreased by \$455,000 in 2013/14 due to a decrease of \$326,000 in provisions required for parking debtor accounts. In addition, following a review of accounting treatment at Council-managed child care centres, all debtor balances were brought to account during the prior financial year resulting in increased provisions for other debtors at the end of 2012/13. These provisions were reviewed at the end of 2013/14 resulting in a favourable movement from the prior year of \$240,000.

Utility payments

Utility payments contribute 1.9 per cent of total expenditure and increased by \$323,000. This is attributable to increased water charges of \$577,000 due to year-on-year rates being adjusted for inflation and the assumption of Federal Government price on carbon, resulting in an increase of 15 per cent. This has been partly offset by savings in electricity of \$200,000.

Finance costs

Finance costs contribute 0.2 per cent of total expenses and increased by \$149,000 due to increased interest costs associated with a new \$7.5 million loan facility and interest on vehicle finance leases transferred to Council as a result of the dissolution of the StreetsAhead Joint Venture.

Loss on disposal of property, infrastructure, plant and equipment

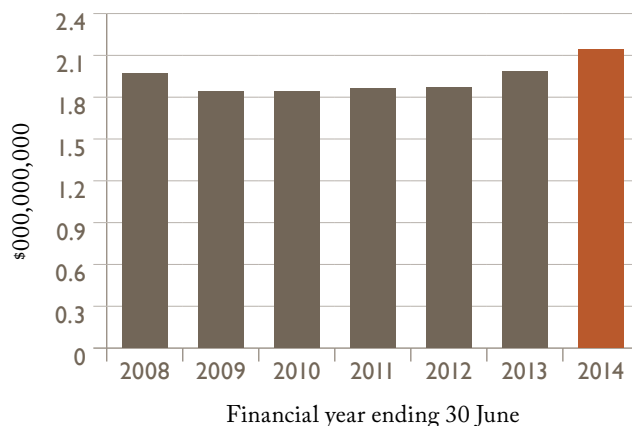
The loss on disposal of property, infrastructure, plant and equipment of \$5.88 million increased by \$3.41 million in 2013/14 primarily due to the disposal of the Stokehouse restaurant building which was destroyed by fire in January 2014 (\$2.16 million). In addition, the renewal of roads, footpaths kerb and channel and road resurfacing resulted in increased infrastructure disposals of \$1.16 million.

FINANCIAL STRENGTH

Net assets increased by \$172.5 million (8.8 per cent) to \$2.14 billion as a result of an increment in the value of our land and building assets, and drainage assets. Our net assets have reflected a stepped growth pattern over the past five years, with a slight decline in 2009 following a significant write down of land assets. The main driver for movements in the value of our net assets is the impact of asset revaluations which take place over a rolling three-year cycle.

The trend of increasing net asset values is almost entirely attributable to increased asset revaluations. While cash and other asset balances have increased over this period, this has had an insignificant impact when measured against the scale of the non-current asset valuation changes.

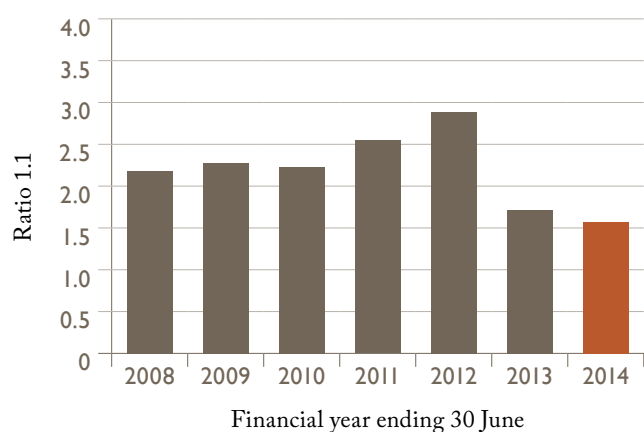
NET ASSETS 2013/14



The working capital ratio expresses the level of current assets we have to meet our current liabilities. The Local Government Performance Working Group recommend that the working capital ratio benchmark should fall within a ratio band of 1.2 to 2.0 :1. The current working capital ratio of 1.59:1 indicates that we are performing in the middle of this benchmark and have over 1.5 times more current (short-term) assets available to pay current (short-term) liabilities, or \$1.59 of current assets for every \$1 of current liabilities.

The decrease in the ratio from previous year's ratio of 1.71:1 is due to a decrease of \$2.3 million in cash and financial assets balances held at the end of 2013/14, coupled with an increase in current liabilities linked to increased provisions for employee entitlements, trade creditors and the inclusion of new short-term borrowings of \$7.5 million. These liability movements are greater than the offsetting superannuation liability reduction of \$10.8 million.

WORKING CAPITAL RATIO 2013/14



Current assets and liabilities

The current assets balance of \$63.52 million is primarily made up of short-term bank deposits (\$27.88 million) and longer-dated bank deposits (\$22.62 million), which have decreased this year by \$2.3 million. This is due to a reduction in funds being available for investment as a result of paying out the \$10.87 million defined benefit superannuation liability in July 2013, and the payment of a \$3 million contribution to CasPA during the year.

The current liabilities balance of \$39.88 million has increased by \$2.34 million due to the increase in borrowing as a result of the new \$7.5 million loan in 2013/14 and new finance leases. This is offset by the payment of the \$10.87 million liability for the Vision Super defined benefit shortfall during the year.

Non-current assets

We disclose asset values in accordance with Australian Accounting Standards. Compliance with the standards means the carrying values of the assets are either at cost or fair value and the recorded values are regularly assessed to ensure they are kept up to date by reference to the cost of replacing the assets and/or their market value. When there is a change in fair value across a class of assets and that change is material to the existing carrying value, we revalue the entire class of assets. This process ensures the currency of the carrying values.

The non-current assets balance has increased to \$2.12 billion in 2013/14, up \$177.15 million from the 2012/13 balance of \$1.94 billion. This increase is attributable to:

- an independent valuation of our land assets resulting in an increment of \$118.27 million
- the addition of a carpark complex to our building assets resulting in an increment of \$10.83 million

- an independent valuation of our drainage assets resulting in an increment of \$5.81 million
- responsibility for Beacon Cove land, buildings, drainage, marine and parks assets valued at \$41.98 million transferring to Council
- asset acquisitions and capitalisations of \$26.09 million being greater than the depreciation charge of \$17.13 million in 2013/14.

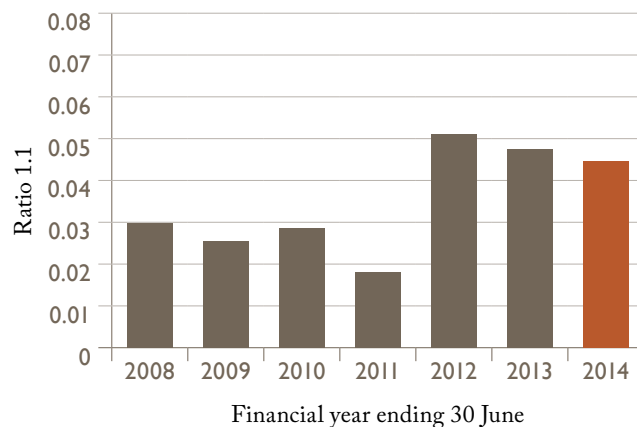
Fair value assessments of our buildings and roads, lanes, footpaths, kerb and channel, bridges and street furniture were also undertaken at 30 June 2014 with no significant changes noted from the prior year.

Non-current liabilities

Council's non-current liabilities have increased by \$1.58 million from \$2.3 million in 2012/13 to \$3.88 million in 2013/14. This increase is primarily related to increased borrowings relating to motor vehicle finance leases and increased non-current leave provisions due to increased staff numbers and the impact of the year end adjustment to the carrying values of leave balances.

The debt exposure ratio enables the assessment of our solvency and exposure to debt. Exposure to debt as a proportion of realisable assets had historically shown a sustained ongoing reduction due to a combination of our debt reduction program and increases in the value of our realisable assets. It increased sharply in 2011/12 due to the recognition of the superannuation liability. Further debt redemption and asset base expansion has resulted in this ratio resuming its downward trend in 2013/14.

DEBT EXPOSURE RATIO 2013/14



Cash

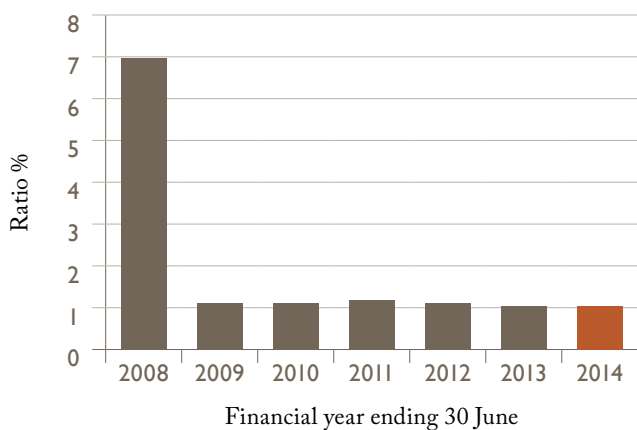
Cash decreased by \$9.72 million in 2013/14 to \$27.87 million (2012/13: \$37.59 million). This is primarily due to an elevated level of short-term investments and at call funds at the end of the previous financial year to enable the settlement of the superannuation liability in July 2013. This structural change in investments is reflected by a \$7.42 million increase in other financial assets which include longer term investments, which and the overall net reduction of \$2.3 million in investments can be explained by the \$3 million contribution to CasPA and the one off loss of \$1.22 million in Federal grants.

KEY FINANCIAL INDICATORS

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

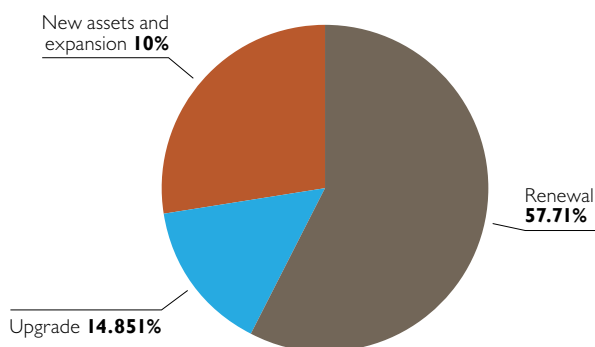
DEBT COMMITMENT RATIO 2013/14

This ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal. Our debt commitment ratio, which compares our debt commitment (principal and interest) to our rate revenue, decreased significantly in 2008/09 due to the accelerated repayment of a loan during the year, which was a one-off. The ratio has now reduced to 1.08 per cent which is consistent with the long term trend.



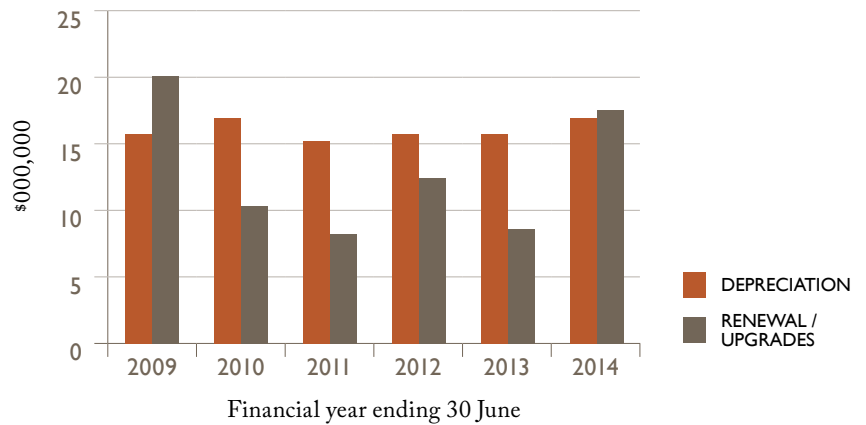
CAPITAL EXPENDITURE 2013/14

The breakdown of capital works and capital expenditure into the different categories of renewals, upgrades on existing assets and new assets illustrates there has been an increased focus on asset renewals expenditure, which has increased from 20 per cent of the total capital spend to 58 per cent.



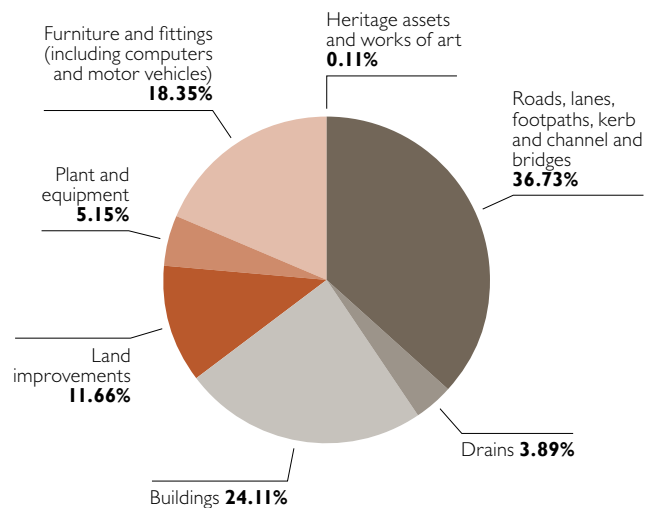
CAPITAL RENEWAL / UPGRADES VS DEPRECIATION 2013/14

Expenditure on asset renewals and upgrades has historically exceeded the depreciation charge indicating that we are fully funding the wear and tear on our assets. In recent financial years, this trend has reversed with depreciation exceeding expenditure on asset renewals. This is partly attributable to the reclassification of capital to operating expenditure and the proportion of the capital budget that is being expended on new assets and asset enhancements/upgrades. In 2014, renewals and upgrades exceeded depreciation due to an increased focus on the renewal of infrastructure assets.



CAPITAL EXPENDITURE BY ASSET CLASS 2013/14

The breakdown of capital expenditure by asset class indicates the main focus of our spending has been on our City's infrastructure, followed by buildings, land improvements (parks), furniture and fittings, plant and equipment, and heritage and arts. The higher spend on infrastructure is consistent with a capital works program that has a greater focus on renewal and upgrade of assets. The increase in furniture and fittings is due to the purchase of our fleet vehicles, which were previously leased.



Plain English Guide to the Financial Report

The financial report includes a General Purpose Financial Report, Standard Statements and a Performance Statement for the Port Phillip City Council for the year ended 30 June 2014. The report highlights our financial performance and overall position at the close of the 2013/14 financial year (30 June 2014) and is presented in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

Introduction

The Plain English Guide has been prepared to assist readers to understand the Financial Report and Standard Statements and to provide a summary of the circumstances and issues that have had a significant impact on information contained within those documents.

We are a 'not for profit' organisation and a number of the generally recognised terms used in public company reports are not appropriate for the Council.

A glossary has been included to further assist readers in understanding the financial report.

What is contained in the Annual Financial Reports?

The Financial Report has two main sections: the Financial Statements and the accompanying notes.

There are four Financial Statements and 42 notes.

- Comprehensive Income Statement;
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows.

The accompanying notes to the Financial Statements detail our accounting policies and the breakdown of values contained in the Statements.

The Financial Report is prepared by Council staff, reviewed by the Chief Financial Officer, reviewed by the Council's Audit and Risk Committee and presented to the Auditor-General for audit.

Comprehensive Income Statement

The Comprehensive Income Statement is sometimes referred to as a 'Profit and Loss Statement' and presents:

- Sources of our **Income** under various income headings
- **Expenses** incurred in running the council during the year
- **Other Comprehensive Income** which typically includes non-cash items such as revaluation adjustments.

The key figure to look at is the **surplus or (deficit)** for the year. This reflects our financial performance. The **comprehensive surplus or (deficit)** is equal to the movement in our net assets or total equity from the prior year. A positive result (no brackets) means that the revenue for the year is greater than the year's expenses.

Balance Sheet

The Balance Sheet is a one-page summary, presenting a snapshot of the financial position of Council as at 30 June. It shows what we control as **Assets** and what we owe as **Liabilities**. The 'bottom line' of this Statement is the **Net Assets**. This is the net value of our Council, which has been built up over many years.

The assets and liabilities are separated into Current and Non-current. Current assets are realisable or convertible to cash within the next 12 months, while current liabilities are those which the council must pay or settle within the next 12 months.

The components of the Balance Sheet are:

Current and Non-Current Assets

- **Cash and Cash Equivalents** includes cash and investments such as cash on hand, cash held in the bank, and cash investments maturing within three months.
- **Financial Assets** reference the value of our longer-term financial investments (maturity greater than three months), such as bank bills, term deposits and floating rate notes, as well as the value of shares held by Council.
- **Receivables** are monies owed for rates, parking, fines, GST refunds, home support, and other services provided by Council.
- **Other Assets** represents income due to Council, but not yet paid or billed, and prepayments which are expenses that have been paid in advance.
- **Property, Infrastructure, Plant and Equipment** are the largest components of the our worth and represent the current value of land, buildings, roads, drainage and equipment which have been purchased by, or contributed to Council over many years. It also includes those assets which we do not own but have significant control over, and responsibility for, such as foreshore pavilions, parks and Crown land.

Current and Non-Current Liabilities

- **Payables** are suppliers to whom Council owes money as at 30 June.
- **Trust Funds and deposits** represent monies held in trust or deposits received and held by Council.
- **Provisions** include long service and annual leave entitlements owing to employees at the end of the financial year.
- **Interest Bearing Liabilities** are the borrowings (including finance leases) taken out by 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 value of Council as at 30 June. The net value of Council is also synonymous with Total Equity.

Total Equity

Total Equity always equals net assets. The components include:

- **Accumulated Surplus** - the profit or loss results of all financial years totalled and carried forward.
- **Asset Revaluation Reserves** - the difference between the previously recorded value of assets and their current valuations.
- **General Reserves** - 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 changes in equity stem from:

- The 'profit or loss' from operations, as described in the Statement of Comprehensive Income
- Transfers to and from Council's Reserves;
- Revaluation of assets.

Statement of Cash Flows

The Statement of Cash Flows summarises our cash payments and cash receipts for the year. The values differ from those shown in the Statement of Comprehensive Income due to the requirement to include GST (which is not a cost to Council as it is recovered from the Australian Tax Office), 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 maturing within three months that can readily be converted to cash.

This statement provides the reader with an indication of our liquidity and our capacity to pay its debts and other liabilities. It also reflects our ability to fulfil our ongoing operating payment obligations, investment in community assets and ongoing financing transactions.

Our cash arises from, and is used in, three main areas:

Operating Activities

- **Receipts** - All cash received into Council's bank account from Ratepayers and others who owed money to Council. Receipts also include the interest earnings from Council's cash investments.
- **Payments** - All cash paid by 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 assets such as building improvements, footpaths and road renewals and other long term revenue-producing assets and the cash received from the sale of these assets. It also shows the movement in investments.

Financing Activities

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

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 our accounting policies. These are described in **Note I**.

In addition to providing details of accounting policies, the notes also explain many of the summary figures contained in the statements. The note cross references are shown beside the relevant items in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows.

Where Council wishes to disclose other information that cannot be incorporated into the statements, this is shown in the notes.

Other notes include:

- The cost of the various functions of Council
- The breakdown of expenses, revenues, reserves, and other assets
- Transactions with persons related to Council
- 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.

WHAT ARE STANDARD STATEMENTS?

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

The objective of the Standard Statements is to provide clear linkages and comparability between the financial information contained in the three key planning and reporting documents produced each year; the Council Plan including the Strategic Resource Plan, the Annual Budget, and the Annual Report.

The figures disclosed on the Standard Statements are prepared on a basis consistent with the Council budget format and individual line items in the Standard Statements may differ to those disclosed in the Financial Statements. The statements provide a comparison between the actual results at the end of the financial year and the original budget adopted at the start of the year. Explanations for variations greater than \$1,500,000 have been provided in the Notes to the Standard Statements.

Performance Statement

The Performance Statement reports on performance against the Key Strategic Activities for the financial year. The **Local Government Act 1989** requires identification of key activities to be pursued in support of the Strategic Objectives. The Council Plan 2013-17 identified four strategic objectives. For each of these, key strategic activities and associated performance measures have been identified. The Performance Statement reports on the outcome of these measures.

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 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 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. The audit opinion confirms that the Financial Statements including the Standard Statements fairly present the results in all material respects of Council and comply with the statutory reporting requirements of the **Local Government Act 1989**. A separate Independent Audit report is also provided on the Performance Statement which confirms that it fairly presents in all material aspects Council's performance against its Key Strategic Activities in accordance with the statutory requirements of the **Local Government Act 1989**.



Woman and her son at
Alma Park

Photo: Michael Rayner

Comprehensive Income Statement

for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Income			
Rates and garbage charges	2	100,957	95,213
Parking fees and fines	3	30,043	29,921
User charges and other fees	4	14,229	12,795
Statutory fees and fines	5	2,679	2,563
Grants - operating	6	9,502	10,755
Grants - capital	6	252	1,400
Contributions	7	45,559	12,058
Other income	8	2,707	3,442
Interest		1,573	2,177
Rent		7,454	7,064
Total Income		214,955	177,388
Expenses			
Employee benefits	9	74,085	64,138
Contract services	10	40,312	38,295
Materials and administrative costs	11	23,464	25,976
Bad and doubtful debts	12	2,751	3,206
Depreciation	13	17,154	15,764
Professional services		5,596	5,294
Utility payments		3,178	2,855
Other expenses	14	4,599	3,682
Borrowing costs	15	320	171
Net loss on disposal of property, infrastructure, plant and equipment	16	5,885	2,471
Total Expenses		177,344	161,852
Surplus / (Deficit)		37,611	15,536
Other comprehensive income			
Net asset revaluation increment/(decrement)	26	134,913	55,926
Comprehensive surplus		172,524	71,462

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

Balance Sheet

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	27,869	37,588
Financial assets	18	22,623	15,200
Receivables	19	10,149	10,773
Other assets	20	2,877	656
Total current assets		63,518	64,217
Non-current assets			
Financial assets	18	235	235
Property, infrastructure, plant and equipment	21	2,118,674	1,941,528
Total non-current assets		2,118,909	1,941,763
Total assets		2,182,427	2,005,980
Liabilities			
Current liabilities			
Payables	22	18,162	24,380
Trust funds and deposits	23	3,193	2,698
Provisions	24	10,583	9,358
Interest-bearing liabilities	25	7,940	1,100
Total current liabilities		39,878	37,536
Non-current liabilities			
Provisions	24	2,732	1,548
Interest-bearing liabilities	25	1,147	750
Total non-current liabilities		3,879	2,298
Total liabilities		43,757	39,834
Net Assets		2,138,670	1,966,146
Equity			
Accumulated surplus		624,858	582,690
Reserves	26	1,513,812	1,383,456
Total Equity		2,138,670	1,966,146

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

Statement of Changes in Equity

for the year ended 30 June 2014

	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserves \$'000	Other Reserves \$'000
2014					
Balance at beginning of the financial year		1,966,146	582,690	1,354,770	28,686
Comprehensive surplus		37,611	37,611	-	-
Net asset revaluation increment	26(a)	134,913	-	134,913	-
Transfers to other reserves	26(b)	-	(9,566)	-	9,566
Transfers from other reserves	26(b)	-	14,123	-	(14,123)
Balance at end of the financial year		2,138,670	624,858	1,489,683	24,129

	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserves \$'000	Other Reserves \$'000
2013					
Balance at beginning of the financial year		1,894,684	567,434	1,298,844	28,406
Comprehensive surplus		15,536	15,536	-	-
Net asset revaluation increment	26(a)	55,926	-	55,926	-
Transfers to other reserves	26(b)	-	(13,835)	-	13,835
Transfers from other reserves	26(b)	-	13,555	-	(13,555)
Balance at end of the financial year		1,966,146	582,690	1,354,770	28,686

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

Statement of Cash Flows

for the year ended 30 June 2014

	Note	2014 Inflows/(Outflows) \$'000	2013 Inflows/(Outflows) \$'000
Cash flows from operating activities			
Rates and garbage charges		101,063	95,056
Parking fees and fines		27,722	26,632
User charges and other fines (inclusive of GST)		18,098	14,887
Grants (inclusive of GST)		9,997	12,409
Contributions		3,119	7,935
Interest		1,334	2,529
Rent (inclusive of GST)		8,020	7,657
Other receipts (inclusive of GST)		2,788	3,539
Net GST refund		6,098	7,141
Payments to suppliers (inclusive of GST)		(48,115)	(42,418)
Payments to employees		(71,919)	(64,055)
Other payments		(44,586)	(40,523)
Net cash provided by operating activities	27	13,619	30,789
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(23,986)	(37,345)
Proceeds from sale of property, infrastructure, plant and equipment		79	12
Proceeds from sale of financial assets		15,200	40,000
Payments for financial assets		(22,623)	(15,230)
Net cash (used in) investing activities		(31,330)	(12,563)
Cash flows from financing activities			
Repayment of interest bearing liabilities		(775)	(900)
Proceeds from borrowings		9,087	-
Finance costs		(320)	(171)
Net cash (used in) financing activities		7,992	(1,071)
Net (decrease) increase in cash and cash equivalents		(9,719)	17,155
Cash and cash equivalents at the beginning of the financial year		37,588	20,433
Cash and cash equivalents at the end of the financial year	28	27,869	37,588
Financing arrangements	29		
Restrictions on cash assets	30		
Non-cash financing and investing activities	25		

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

Notes to the Financial Report

for the year ended 30 June 2014

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

Council's focus for the next three years is articulated in the Council Plan 2013-17 and is reflected in 16 objectives that are framed around four focus areas:

ENGAGED - A WELL-GOVERNED CITY

- 1.1 Provide clear and open communication and engagement that is valued by the community
- 1.2 Value transparent processes in Council decision making
- 1.3 Build and facilitate a network of active and informed communities
- 1.4 Build strategic relations with our partners
- 1.5 Achieve a reputation for organisational and service excellence

HEALTHY - A HEALTHY, CREATIVE AND INCLUSIVE CITY

- 2.1 Ensure our City is a welcoming and safe place for all
- 2.2 Support our community to achieve improved health and wellbeing
- 2.3 Ensure quality and accessible family, youth and children's services that meet the needs of our community
- 2.4 Foster a community that values lifelong learning, strong connections and participating in the life of the City
- 2.5 Promote an improved range of cultural and leisure opportunities that foster a connected and engaged community

RESILIENT - A STRONG, INNOVATIVE AND ADAPTIVE CITY

- 3.1 Build resilience through Council action and leadership
- 3.2 Support and increase community action for a resilient city

VIBRANT - A LIVEABLE AND CONNECTED CITY

- 4.1 Encourage viable, vibrant villages
- 4.2 Ensure growth is well planned and managed for the future
- 4.3 Improve and manage local amenity and assets for now and the future
- 4.4 Ensure people can travel with ease using a range of convenient, safe, accessible and sustainable travel choices

External Auditor - Auditor-General of Victoria
Internal Auditors - Pitcher Partners, O'Connor Marsden, and Oakton
Bankers - Commonwealth Bank of Australia
Website - www.portphillip.vic.gov.au

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards and Interpretations, International Financial Reporting Standards (IFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Finance & Reporting) Regulations 2004*.

For the purposes of preparing financial statements, Council is a not-for-profit entity.

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 in notes 1(g), 1(l), 1(m), 1(r) and 1(s).

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 any material changes to comparatives have been disclosed.

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. During the financial year Council had a 50 per cent interest in the Streetsahead Cleaning Services which was a joint venture with Stonnington City Council. This arrangement was dissolved on 30 June 2014. Council also has a 50 per cent interest in the Albert Park Hockey and Tennis Centre which is a joint venture with Wesley College.

(b) Change in accounting policies

AASB 13 Fair Value Measurement

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

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period (please see Note 21 disclosures).

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

AASB 119 Employee benefits

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

This change in the standard has not materially altered Council's measurement of the annual leave provision

Superannuation

The amount charged to the Comprehensive Income Statement in respect of superannuation represents contributions made or due by the City of Port Phillip to the relevant superannuation plans in respect to the services of the City of Port Phillip staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that the City of Port Phillip is required to comply with.

Note 1 - Significant accounting policies (continued)

(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.

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

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

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.

Rental

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

Interest

Interest is recognised progressively as it is earned.

Other income.

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

Note 1 - Significant accounting policies (continued)

(d) Depreciation of property, infrastructure, plant and equipment

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.

Leasehold assets are amortised over the life of the lease.

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

ASSET TYPE	PERIOD
Land and buildings	
Buildings	100 years
Land improvements	10 - 100 years
Plant and equipment	
Communications equipment	3 years
Heavy plant equipment	4-7 years
Furniture & fittings	5 years
Information technology	3 years
Library books	5 years
Motor vehicles	5 years
Office equipment	5 years
Pay parking equipment ¹	20 years
IT software	3 years
Heritage assets	100 years
Works of art	100 years
Infrastructure	
Roads	
- Substructure	100 years
- Seal	
- Asphalt	30 years
- Spray	18 years
Footpaths	40 - 50 years
Kerb and channel	50 years
Drains	150 years
Bridges	
- Substructure ²	40 - 100 years
- Deck	20 - 80 years
Lanes (Right of Ways)	18 - 100 years

1. Parking machine assets were transferred from plant and equipment to street furniture at 30 June 2013 and their effective life was updated from 10 to 20 years.

2. Bridges substructure useful lives were reviewed and adjusted following the formal revaluation of Roads, Footpaths, Bridges, Kerb and Channel and Street Furniture at 30 June 2013.

Note 1 - Significant accounting policies (continued)

(e) Repairs and maintenance

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

(f) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred. Borrowing costs include interest on bank overdrafts, interest on borrowings and finance lease charges.

(g) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for 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 and/or its contractor, cost includes all materials used in construction, direct labour and an appropriate share of directly attributable related costs.

The following classes of assets have been recognised in Note 21. 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:

ASSET CLASS	THRESHOLD LIMIT
Land and buildings	
Land	All
Buildings	\$5,000
Land improvements	\$5,000
Land under roads	\$5,000
Plant and equipment	
Communications equipment	\$2,000
Furniture & fittings	\$2,000
Information technology	\$2,000
Library books	All
Motor vehicles	\$2,000
Office equipment	\$2,000
Pay parking equipment	\$2,000
IT Software	\$10,000
Heritage assets	All
Works of art	All
Infrastructure	
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

Note 1 - Significant accounting policies (continued)

(g) Recognition and measurement of assets (continued)

Controlled Land and Buildings

Council separately discloses controlled land and controlled building assets in Note 21. These include Crown land and buildings that Council has management and maintenance responsibility for.

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 price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets 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 every 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 appropriate 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 prior 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

Land under roads is brought to account using the fair value basis. Council does not recognise land under roads that it controlled prior to 30 June 2008 in its financial report. From 1 July 2008, Council will recognise any material land under roads that comes into Council's control within the financial report.

(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) Financial assets

Financial assets including investments such as bank bills are held to maturity and measured at cost.

Shares in Municipal Association Purchasing Scheme (MAPS), Regional Kitchen Pty Ltd and RFK Pty Ltd are available for sale and are measured at cost.

(j) Community Housing Agreements

In the 2007/2008 financial year Council transferred its interest in Community Housing assets that it had developed in conjunction with the Office of Housing to the Port Phillip Housing Trust. The Port Phillip Housing Association has been appointed the Trustee. This transfer was made in recognition of the fact that the Port Phillip Housing Association manages and maintains these properties and provides disadvantaged members of the Port Phillip community with access to affordable housing within the municipality. The transfer facilitates increased growth in affordable housing in the municipality and is in accordance with Council's policy objectives and outcomes identified in the Council Plan.

In the 2012/13 financial year, Council transferred a further six units, part-owned with the State Government's Office of Housing, located at 41 Farrell Street Port Melbourne to the Port Phillip Housing Trust. For further information relating to this transfer refer to Note 16, Note 21 and Note 30. No assets were transferred in the 2013/14 financial year.

During the year Council had an interest in three properties (2012/13: 3), two which are Council owned (2012/13: 2), nil part-owned with the State Government's Office of Housing (2012/13: nil) and one wholly owned by the Office of Housing (2012/13: 1). These assets are included as part of Land and Buildings in Note 21 and are subject to joint venture agreements with the Office of Housing. Additional information in regard to restrictions on these assets is disclosed at Note 30.

Note 1 - Significant accounting policies (continued)

(k) Tender deposits

Amounts received as tender deposits controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to Note 23).

(l) Employee benefits

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

Salaries and wages, and annual leave

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

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

Long service leave

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

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

The components of this current liability are measured at :

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

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

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

Retirement gratuities

Retirement gratuities were provided to certain employees who joined Council prior to June 1995. The liability represents a set proportion of accumulated sick leave that is payable on termination. 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.

Superannuation

The amount charged to the Comprehensive Income Statement in respect of superannuation represents contributions made or due by Council to the relevant superannuation plans in respect to the services of Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Council is required to comply with. Details of these arrangements are recorded in Note 31.

Termination benefits

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

Employee benefits on-costs

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

Note 1 - Significant accounting policies (continued)

(m) Leases

Operating leases

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

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, but not the legal ownership, are transferred to 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 Council where it is likely that 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, or if Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(o) Web Site costs

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

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except where the GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an 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.

(q) Rounding

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

(r) Assets held for sale

An asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

(s) Impairment of assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that the assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(t) Contingent assets and contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and are inclusive of the GST payable.

Note 1 - Significant accounting policies (continued)

(u) Pending accounting standards and interpretations

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

PRONOUNCEMENT

AASB 9 Financial Instruments

Summary	Application Date	Impact on Council
<p>AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas. AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value - the 'available for sale' and 'held-to-maturity' categories no longer exist. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets. The new categories of financial assets are:</p> <ul style="list-style-type: none"> • Amortised cost - those assets with 'basic' loan features. • Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). • Fair Value through profit and Loss - everything that does not fall into the above two categories. <p>The following changes also apply:</p> <ul style="list-style-type: none"> • Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. • There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity 	1 July 2014	<p>The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities. This will also create a requirement to measure some instruments annually that has not previously existed.</p>

PRONOUNCEMENT

AASB 10 Consolidated Financial Statements

Summary	Application Date	Impact on Council
<p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. The AASB has issued an exposure draft ED 238 Consolidated Financial Statements - Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors. This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. The AASB has issued an exposure draft ED 238 Consolidated Financial Statements - Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p>	1 July 2014	<p>The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.</p>

Note 1 - Significant accounting policies (continued)**(u) Pending accounting standards and interpretations (continued)****PRONOUNCEMENT****AASB 11 Joint Arrangements**

Summary	Application Date	Impact on Council
This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1 July 2014	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.

PRONOUNCEMENT**AASB 12 Disclosure of Involvement with Other Entities**

Summary	Application Date	Impact on Council
This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures. The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.	1 July 2014	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.

PRONOUNCEMENT**AASB 127 Separate Financial Statements**

Summary	Application Date	Impact on Council
This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 July 2014	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.

PRONOUNCEMENT**AASB 128 Investments in Associates and Joint Ventures**

Summary	Application Date	Impact on Council
This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 July 2014	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.

PRONOUNCEMENT**AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements**

Summary	Application Date	Impact on Council
These standards set out the tiers of financial reporting and the reduced disclosure framework.	1 July 2014	Council has yet to determine the impact of this standard.

Note 2 - Rates and garbage charges

	2014 \$'000	2013 \$'000
Residential	77,377	72,423
Commercial	17,644	16,764
Industrial	4,252	4,118
Supplementary rates and rate adjustments	1,223	1,162
Garbage bin charge	248	236
Interest on rates overdue	213	510
	100,957	95,213

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 2013/14 was \$2.466 billion (2012/13 was \$2.423 billion). The 2013/14 rate in the NAV dollar was \$4.0611 cents (2012/13: 3.8862 cents).

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

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014 and this valuation will be applied to the rating period commencing 1 July 2014.

Note 3 - Parking fees and fines

Parking fines and other charges	15,355	16,017
Parking fees - ticket machines	12,996	12,478
Parking permits	1,692	1,426
	30,043	29,921

Note 4 - User charges and other fees

	2014 \$'000	2013 \$'000
Aged services	647	750
Animal management services	453	377
Building services	155	103
Child care/Childrens services and programs	7,623	6,494
Derelict vehicles	57	426
Fines & cost recoveries	486	176
Health and Food Act fees	678	687
Kerbside permits	923	860
Market fees	921	609
Planning fees	500	392
Re-instatement works	56	54
Festivals	288	303
Foreshore events	350	481
Waste management	363	339
Parking	-	117
Other	729	627
	14,229	12,795

Note 5 - Statutory fees and fines

Crane permit fees	-	237
Building services	167	223
Land information certificates	158	133
Planning fees	2,354	1,968
Other	-	2
	2,679	2,563

Note 6 - Grants

Summary of grants

	2014 \$'000	2013 \$'000
Grants - operating		
Recurrent		
State funded grants	8,882	10,118
Federally funded grants	520	563
	9,402	10,681
Non recurrent		
State funded grants	55	73
Federally funded grants	45	1
	100	74
Total Grants - operating	9,502	10,755
Grants - capital		
Recurrent		
Federally funded grants	-	182
	-	182
Non recurrent		
State funded grants	252	1,218
Federally funded grants	-	-
	252	1,218
Total Grants - capital	252	1,400
Total Grants	9,754	12,155

Note 6 - Grants (continued)

	2014 \$'000	2013 \$'000
Grants - operating		
RECURRENT		
State Funded		
Respite & home support	284	77
Maintenance services	223	303
Social inclusion	155	203
Home care - elderly	2,017	1,893
Meal services	797	702
Social support	353	365
Maternal and child health	622	599
Child care	464	555
Adventure playground and leisure	24	24
Immunisation	55	43
Family support	228	214
Arts	179	181
Environmental	28	297
Inner South East Partnerships in Community and Health (ISEPICH)	317	315
Street and beach cleaning	325	365
VicRoads	66	-
School crossing	96	84
Joint Council Access All Abilities (JCAAA)	444	390
Victorian Grants Commission	1,267	2,306
Sport and Recreation ¹	(45)	460
Tobacco Activity	10	11
Community Development	237	77
Community Transport	155	105
Library subsidy	581	549
	8,882	10,118
Federally funded		
Emergency services	7	7
Family planning	43	42
Child care	147	213
Adventure playground and leisure	264	237
Vacation care	15	16
Immunisation	21	20
Arts	23	28
	520	563

Note 6 - Grants (continued)

	2014 \$'000	2013 \$'000
Grants - operating		
NON - RECURRENT		
State funded		
Aged services equipment	50	50
Mulicultural liaison	5	7
Public Health and Wellbeing Plan 2013-17	-	15
Elwood Park Sports Pavillion	-	1
	55	73
Federally funded		
Albert Park Baptist Church	1	1
Mulicultural Liaison	44	-
	45	1
Grants - capital		
RECURRENT		
Federally funded		
Roads to Recovery	-	182
	-	182
NON-RECURRENT		
State funded		
Capital grants	252	1,218
	252	1,218
Federally funded		

Note 6 - Grants (continued)

Summary of the nature of grants received

Conditions on Grants

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:

	2014 \$'000	2013 \$'000
Cultural and recreational services	59	1,315
Child care services	9	-
Community health	-	93
Community care	-	32
Environment and water conservation program	17	-
Social inclusion	207	100
Urban and strategic planning	160	-
	452	1,540

Conditions on Grants

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	-	334
Cultural and recreational services	1,245	156
Aged care and social support	50	10
Child care services	12	40
Environment and water conservation program	30	322
Community care	26	90
Community health	109	58
Sustainable transport	25	-
Drugs Strategy	-	17
Social inclusion	-	15
Urban and strategic planning	35	14
	1,532	1,056
Net (decrease)/increase in restricted assets resulting from grant revenues for the year	(1,080)	484

Note 7 - Contributions

	2014 \$'000	2013 \$'000
Cash		
Capital works contributions	84	1,193
Developer contributions	3,035	6,742
Non-monetary		
Beacon Cove Pumping Station assets transferred to Council	-	1,500
Beacon Cove assets transferred to Council*	41,981	-
Napier Street Aged Care Hostel works donated to Council	-	2,448
Infrastructure assets transferred or donated to Council	459	175
	45,559	12,058

*On 17th April 2014 Council was appointed Committee of Management of the Beacon Cove land under the Crown Land (Reserves) Act 1978. This reservation resulted in the transfer of land, buildings, drainage, marine and parks assets with a written down value of \$41.981 million to the Council for inclusion in the asset register.

The assets transferred were as follows:

Drainage assets	128
Marine and parks assets	19,239
Land assets	10,798
Buildings assets	11,816
	41,981

Note 8 - Other income

Donations	407	300
Sales - festivals and community activities	371	484
Insurance recovery	323	1,147
Sale of derelict vehicles	49	57
Property and valuations income	122	628
Sale of right of ways	365	160
Other income	1,070	666
	2,707	3,442

Note 9 - Employee benefits

	2014 \$'000	2013 \$'000
Wages and salaries	54,963	49,423
Agency and casual staff	4,638	3,280
Annual and long service leave	7,969	5,648
Superannuation	5,349	4,709
Fringe benefits tax	432	498
WorkCover	363	496
Redundancy costs	371	84
	74,085	64,138

Note 10 - Contract services

Cleaning	6,538	6,851
Health, child care centres, kindergartens and schools	615	491
Festivals and programs	1,763	1,967
Food production	699	688
Information systems	448	414
Maintenance and construction	5,397	3,976
Parking administration and management	2,768	3,139
Parks, gardens and reserves	7,203	6,663
Perin lodgement fees	1,348	1,412
Recycling and waste management	7,782	7,345
Community service agreements	1,225	1,114
Security services	1,444	1,336
Valuations	615	642
Relocation and recruitment	261	145
Search fees	9	8
Corporate functions support	96	45
Insurance	59	50
Publications	242	782
Derelict vehicles	33	16
Social and community services	153	81
Holiday program	89	91
Environmental and outdoor design	100	155
Graffiti removal	297	199
Other	1,128	685
	40,312	38,295

Note 11 - Materials and administrative costs

	2014 \$'000	2013 \$'000
Advertising	527	505
Contributions - other	6,249	3,339
Insurance	1,450	1,217
Metropolitan Fire Brigade levy	-	2,250
Operating lease payments	3,276	3,495
Printing and stationery	569	720
Telephone charges	1,363	1,631
Training	835	813
Maintenance	7,562	10,357
Materials	1,633	1,649
	23,464	25,976

Note 12 - Bad and doubtful debts

Parking fine debtors	(34)	35
Parking debtors - Infringements Court	2,778	2,906
Other debtors	7	265
	2,751	3,206

Note 13 - Depreciation

Buildings	4,411	3,963
Heritage and works of art	137	115
Plant and equipment	921	843
Furniture and fittings	1,530	1,533
Roads, footpaths and bridges	6,970	6,273
Land improvements	2,402	2,290
Drainage	783	747
	17,154	15,764

Note 14 - Other expenses

	2014 \$'000	2013 \$'000
Activities and programs	706	623
Bank charges	556	461
Catering charges	620	570
General transport	373	329
Postage	370	285
Waste rebates	62	162
Software costs	703	214
Subscriptions	318	284
Travel	56	29
Rent	206	215
Cab charges	26	29
Licence fees and permits	212	24
Periodicals and journals	68	65
Other	323	392
	4,599	3,682

Note 15 - Borrowing costs

Interest on borrowings	210	55
Interest on finance leases	110	116
	320	171

Note 16 - Disposal of property, infrastructure, plant and equipment

	2014 \$'000	2013 \$'000
Land		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	-	-
(Loss) on disposal of land	-	-
Land Improvements		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	(226)	(261)
(Loss) on disposal of land improvements	(226)	(261)
Buildings		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	(2,961)	(803)
(Loss) on disposal of buildings	(2,961)	(803)
Roads, footpaths and bridges		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	(2,345)	(1,188)
(Loss) on disposal of roads, footpaths and bridges	(2,345)	(1,188)
Drainage		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	(423)	(102)
(Loss) on disposal of drains	(423)	(102)
Plant and equipment		
Proceeds from sale of assets	16	-
Written down value of assets disposed/scrapped	-	(123)
(Loss) on disposal of plant and equipment	16	(123)
Furniture and fittings		
Proceeds from sale of assets	63	12
Written down value of assets disposed/scrapped	(9)	(6)
Profit/(Loss) on disposal of furniture and fittings	54	6
Heritage assets and works of art		
Proceeds from sale of assets	-	-
Written down value of assets disposed/scrapped	-	-
Profit/(Loss) on disposal of heritage assets and works of art	-	-
Summary		
Proceeds from sale of assets	79	12
Written down value of assets disposed/scrapped	(5,964)	(2,483)
(Loss) on disposal of assets	(5,885)	(2,471)

Note 17 - Cash and cash equivalents

	2014 \$'000	2013 \$'000
Cash on hand	25	34
Cash at bank	2,724	8,490
	2,749	8,524
Cash equivalents - Bank Bills with maturity less than three months	25,120	29,064
	27,869	37,588

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

- Statutory reserve balances (Note 26)	11,052	10,389
- Trust funds (Note 23)	3,193	2,698
Restricted funds	14,245	13,087
Total unrestricted cash and cash equivalents	13,624	24,501

Note 18 - Financial assets**Current**

Bank bills - maturity greater than three months	22,623	15,200
	22,623	15,200

Non-Current

Shares in Municipal Associations Purchasing Scheme (MAPS)	5	5
Shares in Regional Kitchen Group Pty Ltd	230	230
	235	235

22,858 **15,435**

Note 19 - Receivables

Rate debtors	1,673	1,779
Parking infringement debtors	15,551	15,528
Provision for doubtful debts - parking infringements	(11,277)	(11,067)
Other debtors	3,135	4,161
Provision for doubtful debts - other debtors	(458)	(537)
Net GST receivable	1,525	909
	10,149	10,773

Note 20 - Other assets

	2014 \$'000	2013 \$'000
Prepayments		
Insurance	763	28
Computer maintenance	733	77
Annual subscriptions and memberships	54	-
Public Street Lighting	453	-
Consultancy	84	-
	2,087	105
Accrued Income	790	551
	2,877	656

Note 21 - Property, infrastructure, plant and equipment

Summary

at cost	122,414	42,462
at fair value as at 30 June 2011	-	98,543
at fair value as at 30 June 2012	53,675	48,644
at fair value as at 30 June 2013	491,422	2,096,296
at fair value as at 30 June 2014	1,833,884	-
Less accumulated depreciation	(382,721)	(344,417)
	2,118,674	1,941,528

Land and buildings

Land

at cost	10,798	-
at fair value as at 30 June 2013 ¹	-	421,422
controlled land at fair value as at 30 June 2013 ¹	-	1,016,115
at fair value as at 30 June 2014 ¹	469,119	-
controlled land at fair value as at 30 June 2014 ¹	1,086,688	-
Total	1,566,605	1,437,537

Land improvements

at cost	32,613	5,404
at fair value as at 30 June 2012 ³	53,675	48,644
Less: accumulated depreciation	(29,076)	(15,139)
Total	57,212	38,909

Buildings

at cost	37,156	-
at fair value as at 30 June 2013 ²	-	163,576
controlled buildings at fair value as at 30 June 2013 ²	126,650	126,650
at fair value as at 30 June 2014 ²	159,751	-
Less: accumulated depreciation	(154,945)	(146,489)
Total	168,612	143,737

Note 21 - Property, infrastructure, plant and equipment (continued)

	2014 \$'000	2013 \$'000
Plant and equipment		
Plant and equipment		
at cost	8,645	7,412
Less: accumulated depreciation	(6,170)	(5,292)
Total	2,475	2,120
Furniture and fittings		
at cost	14,307	12,437
Less: accumulated depreciation	(9,125)	(9,073)
Total	5,182	3,364
Heritage assets and works of art		
at cost	26	-
at fair value as at 30 June 2013 ⁴	14,242	14,242
Less: accumulated depreciation	(136)	-
Total	14,132	14,242
Infrastructure		
Roads, lanes, footpaths, kerb and channel, bridges and street furniture		
at cost	8,219	-
at fair value as at 30 June 2013 ⁵	350,530	354,291
Less: accumulated depreciation	(137,042)	(131,553)
Total	221,707	222,738
Drains		
at cost	-	4,460
at fair value as at 30 June 2011 ⁶	-	98,543
at fair value as at 30 June 2014 ⁶	118,326	-
Less: accumulated depreciation	(46,227)	(36,871)
Total	72,099	66,132
Work in progress - at cost	10,650	12,749
Total property, infrastructure, plant & equipment	2,118,674	1,941,528

Note 21 - Property, infrastructure, plant and equipment (continued)

ASSET VALUATION INFORMATION

Land and Buildings

Land and buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. For Council buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. These assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

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

Valuation of land and buildings were undertaken by a qualified independent valuer. The valuation of buildings 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 per cent to arrive at a market value.

The independent valuation was performed by Mr Frank Carbone (Certified Practising Valuer) to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

1 Land valuations

Land revaluations as at 30 June 2014 were performed by an independent qualified valuer Mr Frank Carbone, Certified Practising Valuer.

2 Building valuations

Building revaluations as at 30 June 2013 were performed by an independent qualified valuer Mr Frank Carbone, Certified Practising Valuer. An assessment during 2013/14 of the value of all land improvement assets has indicated there is no material change required to be made to their carrying value.

3 Land improvements valuations

Land improvement revaluations as at 30 June 2012 were performed by Mr J Hicks BE (Civil). An assessment during 2013/14 of the value of all land improvement assets has indicated there is no material change required to be made to their carrying value.

Plant and Equipment

Plant and equipment and Furniture and fittings are measured at cost less accumulated depreciation.

4 Heritage and works of art valuations

The market based direct comparison method is also used for heritage and works of art assets. The valuation is market value based on current market prices for similar types of assets based on use, type and condition.

Valuation of Heritage assets and works of art were undertaken by qualified independent valuers. The valuation is market value based on current market prices for similar types of assets based on use, type and condition.

Heritage and works of art valuations as at 30 June 2013 were performed by the following independent valuers:

- Blashki & Sons - mayoral robes, chains and other attire;
- Australian Art Valuers - contemporary, visual, historical and public art;
- John Sainsbury - heritage photographs; and
- Leonard Joel - historical items, artworks, monuments and memorials.

Note 21 - Property, infrastructure, plant and equipment (continued)

Infrastructure

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

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

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

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

5 Road, lanes, footpaths, kerb and channel, bridges and street furniture

The valuation of Roads, lanes, footpaths, kerb and channel, bridges and street furniture is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Roads, lanes, footpaths, kerb and channel, bridges and street furniture were valued as at 30 June 2013 by Mr J Williams Dip CE. The valuation was performed based on the depreciated reproduction cost. An assessment during 2013/14 of the value of all land improvement assets has indicated there is no material change required to be made to their carrying value.

6 Drains valuations

The valuation of Drains is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Drains were valued as at 30 June 2014 by Mr D Martin BE (Building).

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

	Level 1	Level 2	Level 3	Total
Infrastructure*	-	-	221,707	221,707
Drains	-	-	72,099	72,099
Land	-	-	1,566,605	1,566,605
Buildings	-	-	168,587	168,587
Land improvements	-	-	57,212	57,212
Heritage assets and works of art	-	-	14,132	14,132

Reconciliation of Level 3

	Drains	Land	Buildings	Land Improvements	Infrastructure*	Heritage Assets & Works of Art
2014						
Opening Balance	66,132	1,437,537	143,737	38,909	222,738	14,242
Depreciation	(783)	-	(4,411)	(2,402)	(6,970)	(137)
Impairment Loss	-	-	-	-	-	-
Revaluation	5,808	118,270	10,835	-	-	-
Acquisitions (Disposals)	942	10,798	18,451	20,770	5,874	27
Transfers	-	-	-	(65)	65	-
Closing Balance	72,099	1,566,605	168,612	57,212	221,707	14,132

* Infrastructure includes roads, lanes, footpaths, kerb and channel, bridges and street furniture

Note 21 - Property, infrastructure, plant and equipment (continued)

Description of significant unobservable inputs into Level 3 valuations

Infrastructure			
Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Cost approach- Depreciated Replacement Cost	Physical condition of individual assets		
	Cost per square metre/ cost per unit	Road seal \$11 to \$22 Road Pavement \$84 to \$208 Footpath Concrete \$92 Footpath Asphalt \$46 Kerb and Channel Bluestone \$188 Kerb and Channel Concrete \$90 Street furniture \$1,132 to \$11,085 Bridges \$20,000 to \$1.1 million	A significant increase or decrease in the cost per metre would result in a significantly higher or lower fair value
	Useful life of roads, footpaths, kerb and channel, bridges and street furniture	Road seal 18 to 30 years Road pavement 100 years Footpath Concrete 50 years Footpath Asphalt 40 years Kerb and Channel 80 years Street furniture 15- 40 years Bridges 20 -100 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Drains			
Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Cost approach- Depreciated Replacement Cost	Physical condition of individual assets		
	Cost per square metre/ cost per unit	Drainage pipes \$38 to \$3,002 Drainage pits \$1,126 to \$8,101 Gross pollutant traps \$199 WSUD \$1,210 to \$34,816 Pumping Station \$427,000	A significant increase or decrease in the cost per metre would result in a significantly higher or lower fair value
	Useful life of drainage pits, pipes, gross pollutant traps, WSUD and pumping station	Drainage pipes 150 years Drainage pits 150 years Gross pollutant traps 150 years WSUD 150 years Pumping Station 50 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Land			
Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Cost approach - Replacement Cost	Extent and impact of restriction of use	0 to 90 per cent	Increase or decrease in the extent of external restriction would result in a significantly higher or lower fair value

Note 21 - Property, infrastructure, plant and equipment (continued)

Description of significant unobservable inputs into Level 3 valuations

Buildings			
Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Cost approach- Depreciated Replacement Cost	Cost per square metre	\$300 to \$12,000	A significant increase or decrease in the cost per metre would result in a significantly higher or lower fair value
	Useful life of buildings	100 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Land Improvements			
Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Cost approach- Depreciated Replacement Cost	Physical condition of individual assets		
	Cost per square metre/ cost per unit	Playgrounds \$51,495 to \$257,475 Gates \$456 to \$79,117 Irrigation \$3,636 to \$5,999 Park infrastructure (including paths, decking, edging) \$31 to \$1,672 Park furniture (Including sporting equipment) \$456 to \$110,457 Marine assets \$793 to \$7,858	A significant increase or decrease in the cost per metre would result in a significantly higher or lower fair value
	Useful life of land improvement assets	Playgrounds 10 to 15 years Gates 15 years Irrigation 10 to 50 years Park infrastructure (including paths, decking, edging) 10 to 100 years Park furniture (Including sporting equipment) 10 to 20 years Marine assets 50 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Heritage assets and works of art			
Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Cost approach- Depreciated Replacement Cost	Physical condition of individual assets	These items are not generic and the valuation is impacted by the condition of and demand for these assets	A change in the overall assessment of condition would impact the fair value
	Useful life of heritage assets and works of art	100 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation

Note 21 - Property, infrastructure, plant and equipment (continued)

2014 Reconciliation

	Infrastructure*	Drains	Land
WDV at beginning of financial year	222,738	66,132	1,437,537
Acquisition of assets	7,769	1,229	-
Contributed assets (Note 7)	450	137	10,798
Council share of Joint Venture assets (Note 38)	-	-	-
Depreciation (Note 13)	(6,970)	(783)	-
Revaluation increment / (decrement) (Note 26)	-	5,808	118,270
WDV of disposals (Note 16)	(2,345)	(424)	-
Transfer of assets	65	-	-
Movement in Work in Progress	-	-	-
WDV at end of financial year	221,707	72,099	1,566,605

2013 Reconciliation

WDV at beginning of financial year	197,448	63,911	1,394,507
Acquisition of assets	7,005	1,438	1,250
Contributed assets (Note 7)	43	1,632	-
Council share of Joint Venture assets (Note 38)	-	-	-
Depreciation (Note 13)	(6,273)	(747)	-
Revaluation increment / (decrement) (Note 26)	16,274	-	41,780
WDV of disposals (Note 16)	(1,188)	(102)	-
Transfer of assets	9,429	-	-
Movement in Work in Progress	-	-	-
WDV at end of financial year	222,738	66,132	1,437,537

* Infrastructure includes roads, lanes, footpaths, kerb and channel, bridges and street furniture.

Buildings	Land Improvement	Plant and Equipment	Furniture and Fittings	Heritage Assets and Works of Art	Works in Progress	TOTAL Non Current Assets
143,737	38,909	2,120	3,364	14,242	12,749	1,941,528
9,596	1,828	1,236	4,401	27	-	26,086
11,816	19,239	-	-	-	-	42,440
-	(71)	40	(1,044)	-	-	(1,075)
(4,411)	(2,402)	(921)	(1,530)	(137)	-	(17,154)
10,835	-	-	-	-	-	134,913
(2,961)	(226)	-	(9)	-	-	(5,965)
-	(65)	-	-	-	-	-
-	-	-	-	-	(2,099)	(2,099)
168,612	57,212	2,475	5,182	14,132	10,650	2,118,674
127,919	43,733	4,558	3,511	11,265	15,233	1,862,085
23,324	4,827	857	1,096	32	-	39,829
2,448	-	-	-	-	-	4,123
-	-	-	296	-	-	296
(3,963)	(2,290)	(843)	(1,533)	(115)	-	(15,764)
(5,188)	-	-	-	3,060	-	55,926
(803)	(261)	(123)	(6)	-	-	(2,483)
-	(7,100)	(2,329)	-	-	-	-
-	-	-	-	-	(2,484)	(2,484)
143,737	38,909	2,120	3,364	14,242	12,749	1,941,528

Note 22 - Payables

	2014 \$'000	2013 \$'000
Current		
Trade creditors	13,422	7,057
Accrued expenses	1,382	4,972
Stokehouse insurance claim held in trust	1,199	-
Other	1,501	1,478
Fire Services Property Levy Liability	658	-
Vision Super Defined Benefit Shortfall- Port Phillip**	-	10,873
	18,162	24,380

** In August 2012 Council was notified of its obligation to make an additional contribution of \$10.873 million to Vision Super in relation to members of the defined benefit plan. This value related to a present obligation determined as at 31 December 2011 and was paid on 1 July 2013.

Note 23 - Trust funds and deposits

Refundable contract deposits	284	227
Refundable tender deposits	18	14
Refundable civic facilities deposits	76	43
Refundable asset protection deposits	2,345	1,952
Refundable tenancy bonds	316	297
Other refundable deposits	154	165
	3,193	2,698

Note 24 - Provisions

	2014 \$'000	2013 \$'000
Current provisions expected to be settled within 12 months		
Annual leave	3,214	2,722
Long service leave	5,635	4,250
Retirement gratuity	20	17
Joint venture provisions	124	866
Other	77	58
	9,070	7,913
Current provisions expected to be settled after 12 months		
Annual leave	1,351	1,236
Retirement gratuity	162	159
Joint venture provisions	-	50
	1,513	1,445
Total current	10,583	9,358
Non-current		
Long service leave	2,732	1,548
	2,732	1,548
Aggregate carrying amount of employee benefits		
Current	10,583	9,358
Non-current	2,732	1,548
	13,315	10,906

Note 24 - Provisions (continued)

	Annual Leave \$ '000	Long Service Leave \$ '000	Retirement Gratuity \$ '000	Joint Venture Provisions \$ '000	Other \$ '000	Total \$ '000
2014						
Balance at beginning of the financial year	3,957	5,799	177	915	58	10,906
Additional provisions	5,117	1,429	3	26	672	7,247
Transfer of leave entitlements	254	557	-	-	11	822
Amounts used	(4,759)	(762)	-	(817)	(664)	(7,002)
Increase (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(4)	616	2	-	-	614
Balance at the end of the financial year	4,565	7,639	182	124	77	12,587

2013						
Balance at beginning of the financial year	3,710	5,723	178	929	29	10,569
Additional provisions	4,535	1,482	(3)	127	558	6,699
Transfer of leave entitlements	-	-	-	-	-	-
Amounts used	(4,221)	(1,030)	-	(141)	(529)	(5,921)
Increase (decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(67)	(376)	2	-	-	(441)
Balance at the end of the financial year	3,957	5,799	177	915	58	10,906

The following assumptions were adopted in measuring the present value of employee benefits:

	2014 \$'000	2013 \$'000
Weighted average increase in employee costs	4.44%	4.50%
Weighted average discount rates	3.54%	3.27%

Current

Short-term employee benefits that fall due within 12 months after the end of the period measured at nominal value	7,156	7,914
Other short-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	2,901	2,895
	10,057	10,809

Non-current

Long service leave representing less than seven years of continuous service measured at present value	2,732	1,548
	No.	No.
Average employee numbers during the financial year	981	890
Number of full time equivalents (FTE) at year end	794	702

Note 25 - Interest-bearing liabilities

	2014 \$'000	2013 \$'000
Current		
Borrowings - secured against rates and charges	7,500	632
Joint venture finance lease liability	-	468
Finance lease liability	440	-
	7,940	1,100
Non-current		
Joint venture finance lease liability	-	750
Finance lease liability	1,147	-
	1,147	750
	9,087	1,850

The maturity profile for Council's borrowings is:

Not later than one year	8,042	1,100
Later than one year and not later than five years	994	750
Later than five years	51	-
	9,087	1,850

Finance leases

During the 2013/14 financial year Council was a party to a Deed of Novation as the Substitute party for vehicles transferred to Council following the dissolution of the Streetsahead joint venture. The effective date of the Deed was 28 February 2014. During the 2013/14 year Council also entered into lease agreements for new street and beach cleaning equipment. Council's right to use the assets in the leases are accounted for as finance lease liabilities and are disclosed in the below table. Note: The 2013 comparative figures represent Council's 50 per cent share of the finance lease commitments of the joint venture 'Streetsahead'.

Not later than one year	645	566
Later than one year and not later than five years	1,130	867
Later than five years	55	-
Minimum lease payments	1,830	1,433
Less: Future finance charges	(243)	(215)
Recognised in the balance sheet	1,587	1,218
Current		
Finance leases	542	468
Non-current		
Finance leases	1,045	750
	1,587	1,218

Note 26 - Reserves

	Balance at beginning of year \$'000	Increment (decrement) \$'000	Balance at end of year \$'000
(a) Asset revaluation reserves			
2014			
Property			
Land	1,170,263	118,270	1,288,533
Land improvements	13,650	-	13,650
Arts & Heritage	7,703	-	7,703
Buildings	55,523	10,835	66,358
	1,247,139	129,105	1,376,244
Infrastructure			
Roads, footpaths and bridges	82,266	-	82,266
Drainage	25,365	5,808	31,173
	107,631	5,808	113,439
Total Asset revaluation reserves	1,354,770	134,913	1,489,683
2013			
Property			
Land	1,128,483	41,780	1,170,263
Land improvements	13,650	-	13,650
Arts & Heritage	4,643	3,060	7,703
Buildings	60,711	(5,188)	55,523
	1,207,487	39,652	1,247,139
Infrastructure			
Roads, footpaths and bridges	65,992	16,274	82,266
Drainage	25,365	-	25,365
	91,357	16,274	107,631
Total Asset revaluation reserves	1,298,844	55,926	1,354,770

Note 26 - Reserves (continued)

	Balance at beginning of year \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of year \$'000
(b) Other reserves				
2014				
General Reserve	18,297	6,903	(12,123)	13,077
Statutory Reserves				
Resort and recreation reserve	8,384	2,579	(2,000)	8,963
Contributions for car parking reserve	1,790	-	-	1,790
Contribution for CI3 infrastructure reserve	215	84	-	299
	10,389	2,663	(2,000)	11,052
Total Other reserves	28,686	9,566	(14,123)	24,129
2013				
General Reserve	19,491	6,901	(8,095)	18,297
Statutory Reserves				
Resort and recreation reserve	6,910	6,934	(5,460)	8,384
Contributions for car parking reserve	1,790	-	-	1,790
Contribution for CI3 infrastructure reserve	215	-	-	215
	8,915	6,934	(5,460)	10,389
Total Other reserves	28,406	13,835	(13,555)	28,686
			2014 \$'000	2013 \$'000
Asset revaluation reserve			1,489,683	1,354,770
Other reserves			24,129	28,686
Total Reserves			1,513,812	1,383,456

Asset revaluation reserve

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

General reserve

The general reserve comprises allocations made by Council for the purpose of funding major medium term expenditure initiatives and future commitments that relate to the unexpended portion of government grants received.

Resort and recreation reserve

The resort and recreation reserve is for the accumulation of developers contributions which are to be expended at a future date on recreational infrastructure.

Contributions for car parking reserve

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.

Contributions for CI3 infrastructure reserve

The CI3 infrastructure reserve is for the accumulation of developers contributions which are to be expended at a future date on specific infrastructure. See note 32 for further information.

Note 27 - Reconciliation of cash flows provided by operating activities to the profit/(loss) for the year

	2014 \$'000	2013 \$'000
Surplus/(deficit)	37,611	15,536
Depreciation (see Note 13)	17,154	15,764
Loss on disposal of property, plant and equipment (see Note 16)	5,964	2,471
Impairment (gain)/loss related to non current financial asset	-	-
Non monetary contributed assets	(42,440)	(4,123)
Finance costs (see Note 15)	320	171
Proceeds from sale of property, plant and equipment (Note 16)	(79)	12
Change in assets and liabilities:		
(Increase)/decrease in receivables	624	(1,111)
(Increase)/decrease in accrued income	(239)	352
(Increase)/decrease in prepayments	(1,982)	625
Increase/(decrease) in payables & trust funds	(5,723)	755
Increase/(decrease) in provisions	2,409	337
Net cash provided by operating activities	13,619	30,789

Note 28 - Reconciliation of cash and cash equivalents

Cash deposits (see Note 17)	2,749	8,524
Cash equivalents - Bank Bills with maturity less than 3 months	25,120	29,064
	27,869	37,588

Note 29 - Financing arrangements

Bank overdraft	1,500	1,500
Used facilities	-	-
Unused Bank overdraft facilities	1,500	1,500
Credit Card facilities	167	167
Used facilities	(2)	(21)
Unused Credit card facilities	165	146

Note 30 - Restricted assets

	2014 \$'000	2013 \$'000
Trust funds and deposits (Note 23)	3,193	2,698
Statutory reserve balances (Note 26b)	11,052	10,389
	14,245	13,087

Included in Note 21 'Property, infrastructure, plant and equipment' are housing assets which have restrictions on them. These assets which total \$3.730 million (2012/13: \$3.7 million) are used for community housing and were purchased with assistance from the State Government. 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 \$3.7 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 \$3.247 million (2012/13: \$3.3 million).

Note 31 - Superannuation

Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Council and Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2014, this was 9.25 per cent required under Superannuation Guarantee legislation). Council's commitment to defined contribution plans is limited to making contributions in accordance with minimum statutory requirements. 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.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate is legislated to increase to 9.5 per cent, and will progressively increase to 12 per cent by 2019. Based on announcements included in the May 2014 Federal Budget, this progressive increase to 12 per cent will be delayed until 2022.

Defined Benefit

As provided under Paragraph 34 of AASB 119, Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employers. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Note 31 - Superannuation (continued)

Funding arrangements

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. The Fund's employer funding arrangements comprise the following three components:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls - which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments - which are additional contributions to cover the increase in liability arising from retrenchments.

Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Employer contributions

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2014, this rate was 9.25 per cent of members' salaries. This rate increased to 9.5 per cent on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the Vested Benefit Index ("VBI") multiplied by the benefit).

Funding calls

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100 per cent at the date of the actuarial investigation); or
- a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place to ensure that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97 per cent.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including City of Port Phillip) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

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

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period;
- The service periods of all deferred members split between the deferred members pre-1 July 1993 and post-30 June 1993 service period; and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

Note 31 - Superannuation (continued)

Funding calls (continued)

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

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

Differences between calculations

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Retrenchment increments

During 2013-14, Council was not required to make payments to the Fund in respect of retrenchment increments (\$0 in 2012/13). Council carries no liability to the Fund as at 30 June 2014 for retrenchment increments, accrued interest or tax (\$0 in 2012/13).

Shortfall amounts

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Council is a contributing employer.

Council was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012. Council has not been advised of any further adjustments.

Council's share of the shortfall amounted to \$11.147 million (including contributions tax) which was accounted for in the 2011/12 Comprehensive Operating Statement within Employee Benefits and in the Balance Sheet in Current Liabilities Provisions. No further amount has been accounted for in the 2013/14 Comprehensive Operating Statement and the liability in the 2012/13 Balance Sheet was fully settled in July 2013 reducing the current balance sheet amount to zero (\$10.873 million in 2012/13 - see Note 22 Payables)

Note 31 - Superannuation (continued)

Accrued benefits

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	\$'000 31-Dec-11
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	4,838,503

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

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2014 are detailed below:

Scheme	Type of scheme	Rate	2014 \$'000	2013 \$'000
Vision Super	Defined benefits	9.25%	398	447
Vision Super	Accumulation	9.25%	4,951	4,262

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2014.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2015 is \$424,302.

Note 32 - Commitments

The Council has entered into the following commitments:

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2014					
Operating					
Advertising and marketing	153	8	12	-	173
Architecture	100	159	41	-	300
Banking	473	315	-	-	788
Building maintenance	1,401	237	277	-	1,915
Cleaning	1,951	359	-	-	2,310
Computers and technology	1,094	1,010	32	-	2,136
Festivals	677	405	143	-	1,225
Infrastructure maintenance	10,119	9,009	27,000	-	46,128
Insurance services	58	-	-	-	58
Office administration	50	35	-	-	85
Parking services	2,101	1,443	1,953	-	5,497
Playspaces	130	-	-	-	130
Printing and publishing	298	298	323	-	919
Security services	673	578	144	-	1,395
Stationery	158	118	-	-	276
Street furniture	836	859	2,721	-	4,416
Street tree & parks maintenance	6,809	6,931	18,262	-	32,002
Surveying and statistics	194	104	62	-	360
Sustainability	107	9	-	-	116
Valuations	389	-	-	-	389
Vehicle management	940	479	566	-	1,985
Waste management	7,287	7,421	22,593	-	37,301
	35,998	29,777	74,129	-	139,904
Capital					
Construction	4,774	-	-	-	4,774
TOTAL	40,772	29,777	74,129	-	144,678

Note 32 - Commitments (continued)

The Council has entered into the following commitments:

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2013					
Operating					
Advertising and marketing	31	-	-	-	31
Animal management	49	4	-	-	53
Architecture	19	-	-	-	19
Assurance services/Internal audit	64	-	-	-	64
Banking	387	387	645	-	1,419
Building maintenance	176	149	367	-	692
Cleaning	1,604	1,088	40	-	2,732
Computers and technology	1,287	910	952	-	3,149
Debt collection	16	-	-	-	16
Festivals	108	109	63	-	280
Fleet services	1,587	-	-	-	1,587
Infrastructure maintenance	5,617	-	-	-	5,617
Insurance services	23	-	-	-	23
Parking services	1,989	1,989	2,739	-	6,717
Printing and publishing	201	201	-	-	402
Security services	63	-	-	-	63
Street furniture	370	-	-	-	370
Street tree & parks maintenance	12,394	12,394	20,149	-	44,937
Sustainability	11	-	-	-	11
Valuations	734	428	-	-	1,162
Vehicle management	293	289	579	-	1,161
Waste management	8,762	8,563	23,826	-	41,151
	35,785	26,511	49,360	-	111,656
Capital					
Construction	7,486	-	-	-	7,486
TOTAL	43,271	26,511	49,360	-	119,142

Note 32 - Commitments (continued)

The Council has entered into the following commitments:

CI3 Developer Contributions Scheme

In 1998 the CI3 Developer Contribution Scheme was signed off by Council to facilitate streetscape works to the value of \$8.082 million for works in Port Melbourne over a 20 year period commencing in the year 2000 to 2020. These estimates were indexed by CPI and the value of works to be completed at 1 July 2009 was determined to total \$11.387 million. At 30 June 2014, after further CPI adjustments and completion of works over the life of the scheme, works to the value of \$3.181 million are outstanding.

	2014 \$'000	2013 \$'000
Value of works outstanding at 1 July	3,331	3,442
Works completed 2013/14	(243)	(189)
	3,088	3,253
CPI adjustment (3.0% for 2013/14)	93	78
Value of works outstanding at 30 June	3,181	3,331

Note 33 - Lease Commitments-Operating and Finance

Note 33 a) - Operating lease commitments

Operating lease commitments

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.

	2014 \$'000	2013 \$'000
Not later than one year	514	936
Later than one year and not later than five years	244	822
Later than five years	-	-
	758	1,758

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.

Note 33 a) - Operating lease commitments (continued)

Operating lease and licence receivables

The Council has entered into leases and licences for some of the property it owns or controls as a Committee of Management for crown land. Properties used for commercial purpose are held under leases which have varying terms. Long term leases usually reflect significant private investment in the buildings on the land. Most leases include an annual rental increase and periodical reviews to market. Council also enters into licence agreements with stallholders at the South Melbourne Market.

	2014 \$'000	2013 \$'000
Not later than one year	7,518	7,865
Later than one year and not later than five years	10,364	15,326
Later than five years	8,760	10,160
	26,642	33,351

Note 33 b) - Finance lease commitments

Finance lease commitments

During the 2013/14 financial year Council was a party to a Deed of Novation as the Substitute party for vehicles transferred to Council following the dissolution of the Streetsahead joint venture. The effective date of the Deed was 28 February 2014. During the 2013/14 year Council also entered into lease agreements for new street and beach cleaning equipment. Council's right to use the assets in the leases are accounted for as finance lease liabilities and are disclosed in the below table. Note: The 2013 comparative figures represent Council's 50 per cent share of the finance lease commitments of the joint venture 'Streetsahead'.

	2014 \$'000	2013 \$'000
Not later than one year	542	566
Later than one year and not later than five years	994	867
Later than five years	51	-
	1,587	1,433

Note 34 - Contingent liabilities and contingent assets

CONTINGENT LIABILITIES

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. Due to fluctuations in the value of assets underlying the fund and movements in the liabilities of the fund, Council may be required to make additional contributions to the fund. At this point in time, the amount and the likelihood of payment is not certain.

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 \$400 million of public and products liability insurance and had an excess of \$10,000 for individual claims on this policy in 2013/14. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is MAV Insurance. 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 \$300 million of professional indemnity insurance and had an excess of \$20,000 on this policy in 2013/14. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is MAV Insurance. 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 a number of 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 however Council is aware of a matter that could expose it to a claim in the order of \$200,000. Due to legal confidentiality, further details cannot be disclosed.

CONTINGENT ASSETS

Open space contributions

	2014 \$'000	2013 \$'000
Council estimates that assets will pass to Council in the future in respect of anticipated development contributions for open space improvements.	2,500	2,500

Note 35 – Financial Instruments

(a) Accounting policy, terms and conditions

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and cash equivalent assets	17	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Bank bills with a maturity of less than three months are recognised as cash equivalents and are valued at cost.</p>	<p>On call deposits returned floating interest rates of between 2.50% and 2.75% in 2013/14 (2012/13: 2.75% and 5.00%). The interest rate at balance date was 2.50% (2012/13: 2.75%).</p>
Financial assets	18	<p>Bank bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.</p>	<p>Bank Bills returned fixed interest rates of between 3.10% and 4.27% in 2013/14 (2012/13: 3.95% and 6.04%).</p>
Other debtors	19	<p>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.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and do not attract interest. Credit terms are based between 0 and 30 days depending on nature of service.</p>
Financial Liabilities			
Payables	22	<p>Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.</p>	<p>General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice.</p>
Interest-bearing loans and borrowings	25	<p>Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council.</p> <p>The variable interest rate on these borrowings is equivalent to the 90 day Bankers Bill Swap Rate (BBSW). At balance date this was 2.66% plus a margin of 65 points: 3.31%. In 2012/13 the weighted average interest rate on borrowings was fixed at 6.15%.</p>
		<p>Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.</p>	<p>At balance date, the Council had finance leases with terms between one and four years.</p> <p>The weighted average rate implicit in the leases are 7.67% (8.52% in 2012/13).</p> <p>Penalties may apply should cancellation occur before the leases end date. Interest charges in each lease vary according to when the contract was implemented. At balance date 2013/14 interest rates ranged from 5.76% to 13.49% (2012/13: 5.76% to 10.65%).</p>
Trust Funds and deposits	23	<p>Funds received on behalf of third parties and to which CoPP has no present entitlement are carried at the gross amount and do not attract interest.</p>	<p>Trust funds are unsecured, not subject to interest charges and vary in the timing of settlement in accordance with their specific terms.</p>

Note 35 - Financial Instruments (continued)

(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:

	Floating Interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
2014						
Financial assets						
Cash and cash equivalents	2,724	25,120	-	-	25	27,869
Other financial assets	-	22,623	-	-	-	22,623
Receivables (excluding Rates, Parking and GST receivables)	-	-	-	-	2,677	2,677
Total financial assets	2,724	47,743	-	-	2,702	53,169
Weighted average interest rate	2.50%	3.56%	n/a	n/a	n/a	
Financial liabilities						
Payables	-	-	-	-	18,162	18,162
Trust funds	-	-	-	-	3,193	3,193
Interest-bearing loans and borrowings including finance leases	-	7,940	1,147	-	-	9,087
Total financial liabilities	-	7,940	1,147	-	21,355	30,442
Weighted average interest rate	n/a	4.09%	4.09%	n/a	n/a	
Net financial assets (liabilities)	2,724	39,803	(1,147)	-	(18,653)	22,727

Note 35 - Financial Instruments (continued)

(b) Interest rate risk (continued)

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:

	Floating Interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
2013						
Financial assets						
Cash and cash equivalents	8,490	29,064	-	-	34	37,588
Other financial assets	-	15,200	-	-	-	15,200
Receivables (excluding Rates, Parking and GST receivables)	-	-	-	-	3,624	3,624
Total financial assets	8,490	44,264	-	-	3,658	56,412
Weighted average interest rate	2.75%	4.15%	n/a	n/a	n/a	
Financial liabilities						
Payables	-	-	-	-	24,380	24,380
Trust funds	-	-	-	-	2,698	2,698
Interest-bearing loans and borrowings including finance leases	-	1,100	750	-	-	1,850
Total financial liabilities	-	1,100	750	-	27,078	28,928
Weighted average interest rate	n/a	6.15%	6.15%	6.15%	n/a	
Net financial assets (liabilities)	8,490	43,163	(750)	-	(23,420)	27,484

Note 35 - Financial Instruments (continued)

(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:

	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2014	2013 \$'000	2014 \$'000	2013 \$'000
Financial Instruments				
Financial assets				
Cash assets	27,869	37,588	27,869	37,588
Other financial assets	22,623	15,200	22,623	15,200
Receivables (excluding rates, parking and GST receivables)	2,677	3,624	2,677	3,624
Total financial assets	53,169	56,412	53,169	56,412
Financial liabilities				
Payables	18,162	24,380	18,162	24,380
Trust funds	3,193	2,698	3,193	2,698
Interest bearing loans and borrowings including finance leases	9,087	1,850	9,087	1,850
Total financial liabilities	30,442	28,928	30,442	28,928

(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.

Note 35 – Financial Instruments (continued)

(e) Risks and mitigation

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

MARKET RISK

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

INTEREST RATE RISK

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Transport, Planning and Local Infrastructure each year.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards;
- capital protection;
- appropriate liquidity;
- diversification by credit rating, financial institution and investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

CREDIT RISK

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Council does not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

Note 35 - Financial Instruments (continued)

(e) Risks and mitigation (continued)

Credit Risk (continued)

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 34.

	2014 \$'000	2013 \$'000
Movement in provision for doubtful debts - other debtors		
Balance at the beginning of the year	537	284
Provision movement during the year	(86)	(12)
Amounts already provided for and written off as uncollectable	7	265
Balance at end of year	458	537

Ageing of Trade and Other Receivables (Other Debtors)

At balance date other debtors (including sundry debtors, and local law debtors) representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of Council's Trade & Other Receivables was:

Current (not yet due)	788	1,944
Past due by up to 30 days	455	386
Past due by up to 31 - 60 days	7	27
Past due by up to 61 - 90 days	28	7
Past due by up to 91 plus days	163	149
	1,441	2,513

Note 35 - Financial Instruments (continued)

(e) Risks and mitigation (continued)

Credit risk (continued)

Ageing of individually impaired Trade and Other Receivables (Other Debtors)

At balance date, other debtors representing financial assets with a nominal value of \$1,905,723.35 (2013: \$1,647,938.99) were impaired. The amount of the provision raised against these debtors was \$458,434.96 (2013: \$536,829.18). The individually impaired debtors relate to general and sundry debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables of debtor balances (including sundry and child care debtors) that have been individually determined as impaired at reporting date was:

	2014 \$'000	2013 \$'000
Current (not yet overdue)	467	750
Past due by up to 30 days	546	131
Past due by up to 31 - 60 days	104	88
Past due by up to 61 - 90 days	331	422
Past due by up to 91 plus days	427	257

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial asset at all.

To help reduce these risks we:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a portfolio structure that requires surplus funds to be invested within various bands of liquid instruments and with varying maturity dates to meet future cashflow requirements;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Note 35 - Financial Instruments (continued)**(e) Risks and mitigation (continued)****Liquidity risk (continued)**

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts

	0 - 12 months \$'000	1 - 2 years \$'000	2 - 5 years \$'000	> 5 years \$'000	Contracted Cash Flows \$'000	Carrying Amount \$'000
2014						
Trade and other payables	18,162	-	-	-	18,162	18,162
Trust funds and deposits	2,698	-	-	-	2,698	2,698
Interest bearing liabilities including finance leases	7,940	994	51	-	8,985	-
	28,800	994	51	-	29,845	20,860
2013						
Trade and other payables	24,380	-	-	-	24,380	24,380
Trust funds and deposits	-	-	-	-	-	-
Interest bearing liabilities including finance leases	1,413	1,100	-	-	2,513	1,850
	25,793	1,100	-	-	26,893	26,230

Note 35 - Financial Instruments (continued)

(f) Sensitivity disclosure analysis

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

- A parallel shift of -0.25% and +0.50% in market interest rates (AUD) from weighted average year-end rates of 3.54% (2012/13: 3.68%)

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year end, if the above movements were to occur.

	Interest rate risk				
	\$'000	-0.25% -25 basis points		+0.50% -25 basis points	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2014					
Financial assets					
Cash and cash equivalents	27,869	(70)	(70)	139	139
Financial assets	22,623	(57)	(57)	113	113
Receivables	2,677	-	-		
Financial liabilities					
Payables	18,162	-	-	-	-
Trust funds	3,193	-	-	-	-
Interest bearing loans	9,087	-	-	-	-

	Interest rate risk				
	\$'000	-0.75% -75 basis points		+0.25% +25 basis points	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2013					
Financial assets					
Cash and cash equivalents	37,588	(282)	(282)	94	94
Financial assets	15,200	(114)	(114)	38	38
Receivables	3,624	-	-		
Financial liabilities					
Payables	24,380	-	-	-	-
Trust funds	2,698	-	-	-	-
Interest bearing loans	1,850	-	-	-	-

(g) Fair Value Hierarchy

All financial assets carried at fair value are measured at quoted prices in active markets for identical assets or liabilities.

Note 36 - Auditors' remuneration

	2014 \$'000	2013 \$'000
Audit fee to conduct external audit - Victorian Auditor-General's Office	66	67
	66	67

Note 37 - Related party transactions**(a) Responsible Persons**

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

Chief Executive Officer

Tracey Slatter

Councillors

Amanda Stevens (Mayor)

Andrew Bond (Councillor)

Anita Horvath (Councillor)

Vanessa Huxley (Councillor)

Serge Thomann (Councillor)

Jane Touzeau (Councillor)

Bernadene Voss (Councillor)

(b) Remuneration of Responsible Persons

Annual remuneration of responsible persons were within the following bands:

	2014 No.	2013 No.
\$0 - \$9,999	-	4
\$20,000 - \$29,999	1	7
\$30,000 - \$39,999	5	1
\$60,000 - \$69,999	-	1
\$90,000 - \$99,999	1	-
\$260,000 - \$269,999	-	1
\$280,000 - \$289,999	-	1
\$320,000 - \$329,999	1	-
	8	15
	\$'000	\$'000
Total remuneration for the year for Responsible Persons included above amounted to	606	855

Note 37 - Related party transactions (continued)

(c) Retirement benefits for Responsible Persons

No retirement benefits have been paid by Council to a Responsible Person (2012/13: Nil).

(d) Loans to Responsible Persons

No loans have been made, guaranteed, or secured by Council to a Responsible Person during the reporting year (2012/13: Nil).

(e) Other Transactions

No transactions, other than remuneration payments or the reimbursement of approved expenses, were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons, during the reporting year (2012/13: Nil).

(f) Senior Officers Remuneration

A Senior Officer, other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$133,000. The number of Senior Officers, other than Responsible Persons, are shown below in their relevant income bands:

	2014 No.	2013 No.
Income Range:		
\$133,000 - \$139,999	12	3
\$140,000 - \$149,999	8	2
\$150,000 - \$159,999	3	7
\$160,000 - \$169,999	4	5
\$170,000 - \$179,999	4	2
\$180,000 - \$189,999	2	-
\$190,000 - \$199,999	1	1
\$200,000 - \$209,999	1	2
\$210,000 - \$219,999	1	-
\$240,000 - \$249,999	-	3
\$250,000 - \$259,999	1	-
\$390,000 - \$399,999	1	-
	38	25
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers	6,240	4,274

Total remuneration includes payment of accumulated employee leave entitlements, including annual leave and long service leave accrued during the senior officers employment within local government, superannuation and any termination and defined benefit superannuation payments following their departure from the Council.

Note 38 - Joint venture information

(a) 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 'Streetsahead' for the purpose of providing street cleaning, beach and foreshore cleaning, litter bin clearing etc. to their municipalities. Council purchased cleaning services from 'Streetsahead' on normal commercial terms and conditions.

Council held a 50 per cent interest however during the 2013/14 financial year the parties agreed to dissolve the joint venture. As a result as at 30 June 2014 the joint venture had been devolved of all its assets and liabilities.

The results from operations during the financial year have been consolidated into Council's accounts. The figures below represent Council's 50 per cent share of the Streetsahead operating results up to the time trading ceased in the second half of the financial year.

As at the date of producing this report the Streetsahead final accounts were awaiting audit clearance.

	2014 \$'000	2013 \$'000
Revenue from continuing operations	4,147	4,477
Expenses from continuing operations	4,147	4,511
Net (loss) from continuing operations	-	(34)
Income tax expense	-	-
(Loss) for the year	-	(34)

Note 38 - Joint venture information (continued)

(a) JOINT VENTURE - STREETS AHEAD CLEANING SERVICE (continued)

Council's share of the joint venture assets and liabilities are as follows:

	2014 \$'000	2013 \$'000
Assets		
Current Assets		
Cash assets	-	1,059
Receivables	-	448
Other	-	7
Total Current Assets	-	1,514
Non-Current Assets		
Property, plant and equipment	-	1,317
Total Non-current Assets	-	1,317
Total Assets	-	2,831
Liabilities		
Current Liabilities		
Payables	-	204
Employee benefits	-	768
Interest bearing liabilities	-	468
Total Current Liabilities	-	1,440
Non-Current Liabilities		
Employee benefits	-	50
Interest bearing liabilities	-	750
Total Non-Current Liabilities	-	800
Total Liabilities	-	2,240
Net Assets	-	591
Equity		
Accumulated surplus	-	119
Joint Venture Equity	-	472
Total Equity	-	591

Note 38 - Joint venture information (continued)**(b) JOINT VENTURE - ALBERT PARK HOCKEY & TENNIS CENTRE**

In 1997 Council entered into an agreement with Wesley College for the maintenance and operation of the Albert Park Hockey and Tennis Centre. The objective of the joint venture is to provide, manage and maintain a hockey and tennis facility for use by sporting clubs and associations, schools and residents of Port Phillip and for students of Wesley College.

Council has been provided with the final draft financial statements for the 12 months ending 31 March 2014. Council's 50 per cent share of the Albert Park Hockey and Tennis Centre's assets and liabilities and results from operations for the year have been recognised in this financial report. The figures below represent Council's 50 per cent share of the accounts as at 31 March 2014.

At the date of producing this report the Albert Park Hockey and Tennis Centre accounts were awaiting audit clearance.

	2014 \$'000	2013 \$'000
Revenue from continuing operations	86	79
Expenses from continuing operations	123	117
Net (loss) from continuing operations	(37)	(38)
Income tax expense	-	-
(Loss) for the year	(37)	(38)

Note 38 - Joint venture information (continued)

(b) JOINT VENTURE - ALBERT PARK HOCKEY & TENNIS CENTRE

Council's share of the joint venture assets and liabilities are as follows:

	2014 \$'000	2013 \$'000
Assets		
Current Assets		
Cash and cash equivalents	169	192
Trade and other receivables	16	7
Other financial assets	226	217
Total Current Assets	411	417
Non-Current Assets		
Property, plant and equipment	160	196
Total Non-current Assets	160	196
Total Assets	570	613
Liabilities		
Current Liabilities		
Trade and other payables	29	48
Other current liabilities	124	110
Total Current Liabilities	153	159
Total Liabilities	153	159
Net Assets	418	454
Equity		
Total partners equity	405	405
Accumulated profit	13	49
Total Equity	418	454

Note 39 - 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:

	Org Performance		Place Strategy & Development		Infrastructure & Amenity		Community Development		Governance & Culture & CEO		Other *Not Attributed		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income														
Grants	1,519	3,707	198	297	518	936	7,520	7,215					9,755	12,155
Other	148,919	107,202	7,623	11,014	38,686	38,096	11,577	9,898	730	823	(2,335)	(1,780)	205,200	165,253
Total Income	150,438	110,909	7,821	11,311	39,204	39,032	19,097	17,113	730	823	(2,335)	(1,780)	214,955	177,408
Expenses	51,671	46,093	13,876	13,011	59,615	57,066	44,117	38,152	10,402	9,331	(2,337)	(1,780)	177,344	161,873
Net Surplus/ (Deficit) for the year	98,767	64,816	(6,055)	(1,700)	(20,411)	(18,034)	(25,020)	(21,039)	(9,672)	(8,508)	2	-	37,610	15,535
Assets Attributed to function/ activity	2,207,413	2,028,688	99	-	(23,756)	(21,540)	(1,387)	(1,172)	58	-	-	-	2,182,427	2,005,976

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

Note 39 – Income, expenses and assets by function/activity (continued)

ACTIVITIES

Organisational Performance

Responsible for internal business support in information systems, corporate planning, collection of rates and other income, payment of suppliers, payroll, financial management, asset and property management, project management and continuous improvement.

The Division includes the following departments:

- Asset Planning and Property
- Business Technology
- Finance and Investments
- Enterprise Portfolio Management
- Service and Business Improvement

Place Strategy & Development

Responsible for responding to the challenges of climate change, both in the operations of the organisation and in influencing community behaviour. In addition, the Division seeks to manage change to our natural, built and social environment through the development of strategies and policies and decision making within regulatory frameworks.

The Division includes the following Departments:

- Sustainability
- Seaside Project
- Fishermans Bend
- City Development
- Urban Strategy and Design

Infrastructure and Amenity

Responsible for ensuring effective delivery of infrastructure, engineering, parks and open space services, parking services and regulatory services:

The Division includes the following Departments:

- South Melbourne Market
- Maintenance and Renewal
- Project and Building Services
- Public Space Management
- Safety and Amenity

Community Development

Responsible for ensuring effective access and delivery of community services across the municipality.

The Division includes the following Departments:

- Health and Wellbeing
- Family, Youth and Children
- Arts and Culture
- Access and Ageing
- Vibrant Villages

Governance and Culture (including Office of the CEO)

Responsible for leading good governance and an aligned organisational culture and capability, providing effective communications and improving community and strategic relations.

The Division includes the following Departments:

- Community Relations
- Culture & Capability
- Governance
- Chief Executive Officer

Note 40 - Financial ratios (Performance indicators)

	2014		2013		2012	
	\$'000	%	\$'000	%	\$'000	%

(a) Debt servicing ratio

The debt servicing ratio identifies the capacity of Council to service its outstanding debt. Debt servicing costs refer to the payment of interest on loan borrowings, finance leases and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

<u>Debt servicing costs</u>	$\frac{320}{214,955} = 0.15\%$	$\frac{171}{177,388} = 0.10\%$	$\frac{202}{161,107} = 0.15\%$
Total revenue			

Council's debt servicing ratio has increased due to a new loan of \$7.5 million increasing interest charges.

(b) Debt commitment ratio

The debt commitment ratio measures progress in relation to Council's debt redemption strategy. 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.

<u>Debt servicing and redemption costs</u>	$\frac{1,095}{100,957} = 1.08\%$	$\frac{1,071}{95,213} = 1.12\%$	$\frac{1,009}{88,581} = 1.24\%$
Rate revenue			

Council's debt commitment ratio has continued to decline as a result of the repayment of borrowings.

(c) Revenue ratio

The revenue ratio identifies Council's dependence on rate income. The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council. Total revenue excludes one off non-monetary contributed assets (refer to Note 7).

<u>Rate revenue</u>	$\frac{100,957}{214,955} = 46.97\%$	$\frac{95,213}{177,388} = 53.67\%$	$\frac{88,583}{161,107} = 54.93\%$
Total revenue			

Council's revenue ratio has substantially declined in 2013/14 as a result of the transfer of Beacon Cove and other infrastructure assets with a value of \$42.440 million to Council.

Note 40 – Financial ratios (continued)

2014		2013		2012	
\$'000	%	\$'000	%	\$'000	%

(d) Debt Exposure Ratio

The debt exposure ratio identifies Council's exposure to debt. 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.

The following assets are excluded from total assets when calculating Council's realisable assets:

controlled land, controlled buildings, roads, lanes, footpaths, kerb and channel and bridges, drains, heritage assets, works of art and restricted assets.

Any liability represented by a restricted asset (Note 30) is excluded from total indebtedness.

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

<u>Total indebtedness</u>	$\frac{29,512}{661,147} = 1:22.40$	$\frac{26,747}{560,487} = 1:20.96.33$	$\frac{28,115}{543,527} = 1:19.33$
Total realisable assets			

Council's debt exposure ratio has remained consistent with the prior year.

(e) Working Capital Ratio

The working capital ratio is used to assess Council's ability to meet current commitments. The ratio expresses the level of current assets the Council has available to meet its current liabilities.

<u>Current assets</u>	$\frac{63,518}{39,878} = 1.59:1$	$\frac{64,217}{37,536} = 1.71:1$	$\frac{71,728}{25,094} = 2.86:1$
Current liabilities			

Council's working capital ratio has decreased as a result of the classification of a new bank loan of \$7.5 million as a current rather than a non current liability

(f) Adjusted Working Capital Ratio

The adjusted working capital ratio is used to assess Council's ability to meet current commitments. The ratio expresses the level of current assets the Council has available to meet its current liabilities. Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

<u>Current assets</u>	$\frac{63,518}{34,243} = 1.88:1$	$\frac{64,217}{33,286} = 1.93:1$	$\frac{71,728}{23,526} = 3.05:1$
Adjusted current liabilities			

Council's adjusted working capital ratio has decreased due to an increase in payables and borrowings.

Note 41 - Income Statement Converted to Cash

The principal budget document used by Council to monitor its financial performance is the Cash Income Statement or Rate Determination Statement. This note has been included to provide the reader with a snapshot of Council's performance against the budget. The surplus of \$7.059 million will be applied towards deferred capital projects of \$4.554 million and the balance of \$2.505 million will be used as a funding source for the 2014/15 budget. This is consistent with the adopted budget that allowed for a net surplus after deferred projects of \$2.5 million.

	2014 Actual \$'000	2014 Budget \$'000	2013 Actual \$'000	2013 Budget \$'000
Income				
Rates and garbage charges	100,957	100,196	95,213	94,530
Parking fees and fines	30,043	28,548	29,921	26,159
User charges, fees and fines	14,229	15,341	12,795	13,715
Statutory fees and fines	2,679	2,700	2,563	2,445
Grants - operating	9,502	10,020	10,755	9,783
Grants - capital	252	1,235	1,400	3,378
Contributions	45,559	2,500	12,058	1,200
Other income	2,707	6,054	3,442	2,010
Interest	1,573	1,286	2,177	2,120
Rent	7,454	7,531	7,064	7,157
Proceeds from sale of assets	-	-	-	-
Total Income	214,955	175,411	177,388	162,497
Expenses				
Employee benefits	74,085	69,624	64,138	64,984
Contract services	40,312	47,337	38,295	40,047
Materials and administration costs	23,464	22,682	25,976	17,861
Bad and doubtful debts	2,751	157	3,206	14
Depreciation	17,154	18,162	15,764	17,762
Professional services	5,596	5,558	5,294	5,256
Utility payments	3,178	3,276	2,855	2,826
Other expenses	4,599	-	3,682	4,412
Borrowing costs	320	24	171	401
Net loss on disposal of property, infrastructure, plant & equipment	5,885	-	2,471	-
Total Expenses	177,344	166,820	161,852	153,563
Surplus / (Deficit)	37,611	8,591	15,536	8,934

Note 41 - Income Statement Converted to Cash (continued)

	2014 Actual \$'000	2014 Budget \$'000	2013 Actual \$'000	2013 Budget \$'000
Surplus / (Deficit)	37,611	8,591	15,536	8,934

Rate Determination Adjustments

Depreciation	17,154	18,162	15,764	17,762
Net loss on disposal of property, infrastructure, plant & equipment	5,885	-	2,471	-
Operating ex capital expenditure (WIP from prior year)	5,598	-	2,695	-
Non monetary contributed assets	(42,428)	-	(5,316)	-
Proceeds from borrowings	7,500	7,500	-	2,500
Capital expenditure	(27,861)	(39,681)	(39,897)	(33,254)
Loan repayments	(734)	(632)	(595)	(952)
Net transfers from/ (to) reserves	4,558	6,623	(281)	4,260
Payment of superannuation liability charge	(10,873)	(10,873)	-	-
Brought forward surplus	10,649	10,310	20,272	750
Net rate determination surplus	7,059	-	10,649	-

Note 42 - Capital expenditure

	2014 \$'000	2013 \$'000
Roads, lanes, footpaths, kerb and channel and bridges	8,809	7,708
Drains	932	650
Buildings	5,784	20,688
Land improvements	2,797	6,314
Plant and equipment	1,236	857
Furniture and fittings	4,401	1,096
Heritage assets and works of art	27	32
Total capital works	23,986	37,345

Represented by:

Renewal	13,843	7,323
Upgrade	3,562	1,472
Expansion	390	1,472
New assets	6,191	27,078
Total capital works	23,986	37,345

The movement between the previous year and the 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	23,986	37,345
Asset revaluation movement (see Note 26(a))	134,913	55,926
Depreciation (see Note 13)	(17,154)	(15,764)
Written down value of assets disposed (see Note 16)	(5,964)	(2,483)
Contributed assets (see Note 7)	42,440	4,123
Joint venture assets consolidated (see Note 21)	(1,075)	296
Net movement in property, infrastructure, plant & equipment	177,146	79,443

Note 42 - Capital expenditure (continued)

(a) Renewal

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

(b) Upgrade

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

(c) Expansion

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

(d) New assets

Expenditure on new assets that have not been previously recognised in Council's financial report and are recognised for the first time.

Note 43 - Events occurring after balance date

At the date of signing, there were no events subsequent to balance date which would have a material effect on the Council's financial 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 Interpretations and other mandatory professional reporting requirements.



David Filmalter MBL CA

Principal Accounting Officer

Date: 9 September 2014

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 2014 and the financial position of the Council as at that date.

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

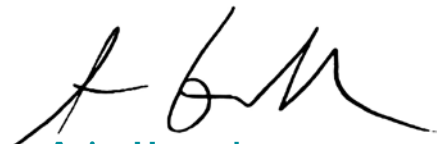


Amanda Stevens

Mayor & Councillor

Date: 9 September 2014

St Kilda



Anita Horvath

Councillor

Date: 9 September 2014

St Kilda



Tracey Slatter

Chief Executive Officer

Date: 9 September 2014

St Kilda

Standard Statements

for year ending 30 June 2014

Standard Income Statement

for the year ending 30 June 2014

	Budget \$'000	Actual \$'000	Variance \$'000	%	Note
Revenue					
Rates	100,196	100,957	761	0.8%	
Parking revenue	28,548	27,299	(1,249)	(4.4%)	
User fees and charges	18,041	16,908	(1,133)	(6.3%)	
Open space contributions	2,500	45,559	43,059	1,722.4%	2.1
Grants - operating	10,020	9,502	(518)	(5.2%)	
Grants - capital	1,235	252	(983)	(79.6%)	
Interest received	1,286	1,573	287	22.3%	
Other income	13,585	10,161	(3,424)	(25.2%)	2.2
Total Income	175,411	212,211	36,800		
Expenses					
Employee benefits	69,624	74,085	(4,461)	(6.4%)	2.3
Contract services	47,337	40,312	7,025	14.8%	2.4
Utilities	3,276	3,178	98	3.0%	
Materials and other expenses	19,839	28,070	(8,231)	(41.5%)	2.5
Professional services	5,558	5,596	(38)	(0.7%)	
Borrowing costs	24	320	(296)	(,1233.3%)	
Depreciation	18,162	17,154	1,008	5.6%	
Loss on sale of assets	-	5,885	(5,885)	100.0%	2.6
Total Expenses	163,820	174,600	(4,895)		
Surplus/(deficit)	11,591	37,611	31,905		

The accompanying notes form part of the standard income statement.

Standard Balance Sheet

for the year ending 30 June 2014

	Budget \$'000	Actual \$'000	Variance \$'000	%	Note
Assets					
Current assets					
Cash and cash equivalents	20,725	50,492	29,767	143.6%	3.1
Receivables	9,622	10,149	527	5.5%	
Accrued Income	903	790	(113)	(12.5%)	
Prepayments	730	2,087	1,357	185.9%	
Total current assets	31,980	63,518	31,538	99%	
Non-current assets					
Other financial assets	205	235	30	14.6%	
Property, infrastructure, plant and equipment	1,917,888	2,118,674	200,786	10.5%	3.2
Total non-current assets	1,918,093	2,118,909	200,816	10%	
Total assets	1,950,073	2,182,427	232,354	11.9%	
Liabilities					
Current liabilities					
Payables	12,829	18,162	(5,333)	(41.6%)	3.3
Trust funds and deposits	2,303	3,193	(890)	(38.6%)	
Provisions	8,903	10,583	(1,680)	(18.9%)	3.4
Interest-bearing loans and borrowings	537	7,940	(7,403)	(1,378.6%)	3.5
Total current liabilities	24,572	39,878	(15,306)	(62%)	
Non-current liabilities					
Provisions	1,568	2,732	(1,164)	(74.2%)	
Interest-bearing loans and borrowings	8,179	1,147	7,032	86.0%	3.5
Total non-current assets	9,747	3,879	5,868	60%	
Total liabilities	34,319	43,757	(9,438)	(28%)	
Net assets	1,915,754	2,138,670	222,916	11.6%	
Equity					
Accumulated surplus	600,423	624,858	24,435	4.1%	3.6
Asset revaluation reserve	1,298,844	1,489,683	190,839	14.7%	3.7
Other reserves	16,487	24,129	7,642	46.4%	3.8
Total equity	1,915,754	2,138,670	222,916	11.6%	

The accompanying notes form part of this standard balance sheet.

Standard Cash Flow Statement

for the year ending 30 June 2014

	Budget \$'000	Actual \$'000	Variance \$'000	%	Note
Cash flows from operating activities					
Receipts					
Rates and garbage charges	100,196	101,063	867	0.9%	
Parking fees and fines	28,548	27,722	(826)	(2.9%)	
User charges and other fines	18,041	18,098	57	0.3%	
Grants	11,255	9,997	(1,258)	(11.2%)	
Contributions	2,500	3,119	619	24.8%	
Interest	1,286	1,334	48	3.7%	
Other revenue	13,585	16,906	3,321	24.4%	4.1
	175,411	178,239	2,828	2%	
Payments					
Payments to suppliers	(47,337)	(48,115)	(778)	(1.6%)	
Payments to employees	(69,624)	(71,919)	(2,295)	(3.3%)	4.2
Other payments	(39,820)	(44,586)	(4,766)	(12.0%)	4.3
	(156,781)	(164,620)	(7,839)	(5%)	
Net cash provided by operating activities	18,630	13,619	(5,011)	(3%)	
Cash flows from investing activities					
Payments for property, plant and equipment	(39,285)	(23,986)	15,299	38.9%	4.4
Proceeds for property, plant and equipment	-	79	79	100.0%	
Payments for investments	-	(7,423)	(7,423)	100.0%	4.5
Net cash used in investing activities	(39,285)	(31,330)	7,955	(20%)	
Cash flows from financing activities					
Finance costs	(24)	(320)	(296)	(1,233.3%)	
Proceeds from borrowings	7,500	9,087	1,587	(21.2%)	4.6
Repayment of borrowings	(632)	(775)	(143)	(22.6%)	
Net cash provided by (used in) financing activities	6,844	7,992	1,148	17%	
Net increase / (decrease) in cash & cash equivalents	(13,811)	(9,719)	4,092	29.6%	
Cash and cash equivalents at beginning of year	34,536	37,588	3,052	8.8%	
Cash and cash equivalents at end of year	20,725	27,869	7,144	34%	

The accompanying notes form part of this standard cash flow statement

Standard Statement of Capital Works

for the year ending 30 June 2014

	Budget \$'000	Actual \$'000	Variance \$'000	%	Note
Capital Works Areas					
Roads	13,361	9,244	4,117	30.8%	5.1
Parks and open space	4,172	2,798	1,374	32.9%	5.2
Buildings	10,985	5,784	5,201	47.3%	5.3
Signage and street furniture	580	497	83	14.3%	
	29,098	18,323	10,775	37.0%	

Capital Expenditure Areas

Plant & Equipment	4,687	5,663	(976)	(20.8%)	
Total Capital	33,785	23,986	9,799	29.0%	

Represented by:

Asset renewal	12,485	13,843	(1,358)	(10.9%)	
New assets - capital works	10,181	6,053	4,128	40.5%	5.4
Asset expansion / upgrade	6,432	3,952	2,480	38.6%	5.5
New assets - capital expenditure	4,687	138	4,549	97.1%	5.4
	33,785	23,986	9,799	29.0%	

Reconciliation of net movement in Property, Plant and Equipment

Capital works	29,098	18,323	(10,775)	
Capital expenditure	4,687	5,663	976	
Capital works carried forward	-	-	-	
Total capital works	33,785	23,986	(9,799)	
Asset revaluation increment	-	134,913	134,913	
Depreciation and amortisation	(18,162)	(17,154)	1,008	
Written down value of assets sold	-	(5,964)	(5,964)	
Granted assets	-	41,365	41,365	
Recognition of previously unrecognised assets	-	-	-	
Net movement in property, plant and equipment	15,623	177,146	161,523	

The accompanying notes form part of this standard capital works statement

Notes to the Standard Statements

for the year ending 30 June 2014

Note 1 - Basis of preparation of the 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 2013/14 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 \$1.5 million.

The budget figures included in the Standard Statements are those adopted by Council on 25 June 2013. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet 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.

Standard Income Statement

for the year ending 30 June 2014

Note 2 - Explanation of material variances

Ref.	Item	Explanation
2.1	Open space contributions	The favourable variance of \$43.059 million is due to the following factors: - unbudgeted contributed assets of \$42.440 million which relates to the recognition of \$41.981 million of Beacon Cove assets transferred to Council, as well as the transfer of other infrastructure assets \$459,000 - greater than anticipated developer contributions received, particularly in the South Melbourne (\$1.035 million) and Port Melbourne (\$993,000) precincts. This income has been transferred to a statutory reserve that has been set aside for open space improvements in the municipality.
2.2	Other income	The unfavourable variance of \$3.424 million is mainly due to \$2.409 million of contract income budgeted for the Streetsahead joint venture. This income was budgeted to "other income" but the actuals were captured under "contract services" where contract expenditure is shown net of contract income. This unfavourable variance is offset by a corresponding favourable variance in "contract services" expenditure - refer 2.5.
2.3	Employee benefits	The unfavourable variance of \$4.461 million is primarily due to the following: - the engagement of additional staff within the Business Technology department to assist with the delivery of a backlog of projects - \$1.405 million - an adjustment to the leave provisions to reflect an increased likelihood of Council staff accruing long service leave - \$1.346 million - unbudgeted labour costs that are related to core growth priorities (Fishermans Bend Urban Renewal Area) and the improvement of project planning and delivery capability through the Enterprise Portfolio Management Office - \$766,000 - the engagement of additional staff (permanent and agency) to assist with the delivery of the St Kilda Festival. This is offset by reduced contract services - \$662,000 - unbudgeted redundancy costs - \$371,000
2.4	Contract services	The favourable variance of \$7.025 million is primarily due to the following: - \$2.309 million favourable for the Streetsahead joint venture which is a budget allocation issue. Contract income was budgeted to "other income" whilst the actuals were captured under "contract services" where contract expenditure is shown net of contract income. This favourable variance is offset by a corresponding unfavourable variance in "other income" - refer 2.2 - \$876,000 favourable for internal charges (e.g. fleet recovery, catering) which is a budget allocation issue (offset by unfavourable income) - \$510,000 favourable tipping costs due to delays in finalising the Carbon Tax component of the fee for waste sent to landfill - \$406,000 favourable due to the return of the street and beach cleaning service in-house for part of the financial year - \$329,000 less than anticipated expenditure on preventative drainage and road maintenance - underspending across the organisation particularly within the following departments - Project & Building Services (\$330,000), Safety & Amenity (\$260,000), Business Technology (\$197,000) and Urban Strategy & Design (\$140,000).
2.5	Materials and other expenses	The unfavourable variance of \$8.231 million relates to the reallocation of \$5.611 million from capital works and work in progress to operating expenditure and the payment of a \$3 million contribution to the CaSPA aged care facility.
2.6	Profit on sale of assets	The unfavourable variance of \$5.885 million is due to the disposal of infrastructure assets including buildings, roads and drainage which have been replaced and/or upgraded. The disposal of these assets was not accounted for in the 2013/14 budget.

Standard Balance Sheet

as at 30 June 2014

Note 3 - Explanation of material variances

Ref.	Item	Explanation
3.1	Cash and cash equivalents Other financial assets	The overall favourable variance in cash and non current financial assets of \$29.767 million is primarily due to the following: - delays expending the capital works program which is due to a number of factors including the deferral of various projects to future financial years (\$5.749 million), savings achieved and a re-prioritisation of various projects - \$11.572 million, and - a favourable variance of \$8.342 million in Council's cash backed other reserves compared to budget (see Note 3.7 below for details).
3.2	Property, infrastructure, plant and equipment	The increase of \$200.767 million is primarily due to the following adjustments not accounted for when the budget was adopted in June 2013: - \$118.270 million being the land revaluation increment at 30 June 2014 - \$10.835 million being the buildings revaluation increment at 30 June 2014 - \$5.808 million being the drains revaluation increment at 30 June 2014 - \$41.780 million being the land revaluation increment in 2012/13 - \$16.274 million being the roads, footpaths, street furniture and bridges revaluation increment in 2012/13 - (\$5.188) million being the buildings revaluation decrement in 2012/13 - \$3.060 million being the art and heritage revaluation increment in 2012/13, and - \$42.440 million due to unbudgeted contributed of assets from external parties.
3.3	Payables - current	The increase of \$5.333 million is primarily due to the following: - unbudgeted insurance monies payable of \$1.2 million for the restoration of the Stokehouse restaurant due to a fire - \$658,000 being the unbudgeted Fire Services Property Levy payable at 30 June 2014, and - a significant increase in operational expenditure in June 2014 which increased year end trade creditors and was not accounted for when the budget was adopted.
3.4	Provisions	The increase of \$1.680 million is primarily due to an adjustment to the long service leave provision of \$1.346 million. This adjustment was made as the probability of long service leave accruing has increased due to low levels of staff turnover.
3.5	Interest bearing liabilities - current and non current	The variances that exist in relation to interest bearing liabilities relate to the currency of Council's \$7.500 million loan for which the majority was budgeted for as current whilst it should have non-current. These variances are offsetting.
3.6	Accumulated surplus	The favourable variance of \$24.435 million is primarily due to the favourable comprehensive surplus of \$26.020 million which was not budgeted for in 2013/14.
3.7	Asset revaluation reserves	The favourable variance of \$190.839 million is due to the following formal asset revaluations not being accounted for when the 2013/14 budget was adopted: - \$41.780 million being the land revaluation increment in 2012/13 - \$16.274 million being the roads, footpaths, street furniture and bridges revaluation increment in 2012/13. - \$5.188 million being the buildings revaluation decrement in 2012/13 - \$3.060 million being the art and heritage revaluation increment in 2012/13 - \$118.270 million being the land revaluation increment in 2013/14 - \$10.835 million being the buildings revaluation increment in 2013/14, and - \$5.808 million being the drainage revaluation increment in 2013/14.
3.8	Other reserves	The favourable increase of \$7.642 million is primarily due to: - \$4.430 million difference between the budgeted and actual opening reserves balance for 2013/14 due to the timing of the budget process - \$1.078 million of grant income which was not acquitted at the end of the 2013/14 financial year which was transferred to reserves for utilisation in 2015/16, and - the creation of a capital reserve of \$1.195 million to fund capital projects deferred to 2015/16 that was unbudgeted.

Standard Cash Flow Statement

for the year ending 30 June 2014

Note 4 - Explanation of material variances

Ref.	Item	Explanation
4.1	Other revenue	The favourable variance of \$3.321 million is attributable to the budget not accounting for the receipt of GST refunds of \$6.098 million from the ATO when the 2013/14 budget was adopted in June 2013. This has been offset by \$2.409 million less than budgeted contract income in relation to the Streetsahead joint venture. This income was budgeted to "other income" but the actuals were captured under "contract services" where contract expenditure is shown net of contract income.
4.2	Payments to employees	The unfavourable variance of \$2.295 million is primarily due to the following: - the engagement of additional staff within the Business Technology department to assist with the delivery of a backlog of projects - \$1.405 million - unbudgeted labour costs that are related to core growth priorities (Fishermans Bend Urban Renewal Area) and the improvement of project planning and delivery capability through the Enterprise Portfolio Management Office - \$766,000 - the engagement of additional staff (permanent and agency) to assist with the delivery of the St Kilda Festival - \$662,000 - unbudgeted redundancy costs - \$371,000
4.3	Other payments	The unfavourable variance of \$4.766 million is primarily due to the reallocation of \$5.611 million from capital works and work in progress to operating expenditure which was not accounted for when the budget was adopted.
4.4	Payments for property, plant and equipment	The variance of \$15.299 million is attributable to under expenditure on significant capital works projects including the Bubup Womindjeka Family and Children's Centre (\$1.141 million), Gasworks Arts Theatre and Park Design (\$3.236 million) and the Building Renewal Program (\$1.495 million). In addition \$5.611 million of capital expenditure was reallocated to operating expenditure, which was not included in the 2013/14 budget.
4.5	Payments for investments	The unfavourable variance of \$7.423 million is due to an increase in the value of financial assets (term deposits with maturities greater than 90 days) whilst the budget assumed no change in the carrying value of financial assets.
4.6	Proceeds from borrowings	The favourable variance of \$1.587 million is due to unbudgeted finance leases for the street and beach cleaning service.

Standard Statement of Capital Works

for the year ending 30 June 2014

Note 5 - Explanation of material variances

Ref.	Item	Explanation
5.1	Roads	Net under expenditure of \$4.117 million is due to delays in the delivery of various projects including Rouse and Nott Street streetscape works (\$695,000), the Balaclava walk masterplan (\$400,000), the Luna Park interchange (\$333,000), Fitzroy Street design works (\$329,000), the road rehabilitation program (\$286,000), the kerb and channel renewal program (\$278,000) and the drainage renewal / water sensitive urban design program (\$220,000).
5.2	Parks and open space	Net under expenditure of \$1.374 million is largely due to delays in the delivery of the following projects: Murphy Reserve Masterplan (\$361,000), Pocket Parks Neville Street (\$278,000), Beacon Cove Promenade and Car Park (\$242,000) and Emerald Hill Reserve Landscaping (\$226,000).
5.3	Buildings	Net under expenditure of \$5.201 million is largely due to under expenditure on the the following significant building projects: Gasworks Arts Theatre (\$1.620 million), the building renewal program (\$1.495 million), Bubup Womindjeka Family and Childrens Centre (\$1.141 million) and the Alma Park Pavilion (\$783,000).
5.4	New Assets - capital works and capital expenditure	Under expenditure of \$8.677 million is largely due to the completion of significant new assets in the prior year shifting the focus to the delivery of asset renewals in 2013/14 which was not accounted for in the budget.
5.5	Asset expansion/ upgrade	Under expenditure of \$2.480 million is largely due to under expenditure and delays in completing significant projects in the current year while the focus has shifted to the delivery of asset renewals in 2013/14 which was not accounted for in the 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 Filmalter MBL CA

Principal Accounting Officer

Date: 9 September 2014

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 26 August 2014 to certify the standard statements in their final form on behalf of the Council.



Amanda Stevens

Mayor & Councillor

Date: 9 September 2014

St Kilda



Anita Horvath

Councillor

Date: 9 September 2014

St Kilda



Tracey Slatter

Chief Executive Officer

Date: 9 September 2014

St Kilda

Glossary

Item	Explanation
Accrual accounting	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
Accumulated surplus	The value of all net assets accumulated over time.
AIFRS	Australian equivalents to International Financial Reporting Standards.
Assets	Future economic benefits controlled by Council as a result of past transactions or other past events.
Bad and doubtful debts	Bad debts written off and the movement in the bad debt provision for infringement debtors and sundry debtors.
Balance sheet	A quantitative summary of Council's financial condition at 30 June, including assets, liabilities and net equity.
Cash and cash equivalents	Cash and investments readily convertible to cash, including cash on hand, cash held in the bank, deposits at call and highly liquid investments.
Contributions	Contributions received by Council are received for the purpose of providing and improving public open space, provision/improvement of the drainage system and in relation to specific projects.
Comprehensive Income Statement	A financial statement highlighting the accounting surplus or deficit of Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation and amortisation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrement reversal) and share of other comprehensive income of associates and joint ventures accounted for by the equity method, to arrive at a 'comprehensive result'. The comprehensive result equate to the movement in net assets or total equity.
Current assets	Assets where Council expects to receive the future economic benefit w the next twelve months unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Current liabilities	Liabilities where Council expects to fulfil its obligation within the next twelve months unless the Council does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.
Depreciation	An expense which recognises the value of a fixed asset as it is used up over time.
Employee benefits	Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax, WorkCover and redundancy payments.
Equity	The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.
Expense	An outgoing payment made by Council.
Finance costs	Interest paid on borrowings.
Fixed assets	See Property, infrastructure, plant and equipment.
Grants - non-recurrent	Grant income received for a 'one off' specific purpose, generally for a particular project.
Grants - recurrent	Grant income received on a regular basis (i.e. quarterly, annually) and granted to Council by another entity for specific or general purposes.

Glossary (continued)

Item	Explanation
Interest	Includes interest earned on all cash and investment balances, interest earned on rates and unrealised gains on managed fund investments.
Interest bearing loans and liabilities	Council's borrowings.
Liabilities	Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.
Materials and administrative costs	Expenditure incurred in relation to building maintenance, general maintenance, plant and equipment maintenance, office and administration, insurance, registration and Metropolitan Fire Brigade levy, financial and legal costs and information technology costs.
Contact services	Expenditure incurred in relation to all Council's contract payments.
Changes in equity for the period	The net movement in the net surplus (deficit) and asset revaluation increments (decrements). This is also equal to the change in net assets.
Net asset revaluation increment(decrement)	This represents the increase (decrease) between the old valuation and new valuation of property and infrastructure asset classes, which were re-valued during the year.
Net assets	The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.
Net gain (loss) on disposal of property, plant and equipment, infrastructure	The net of income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year.
Non-current assets	Assets where the future economic benefit is not expected to be received within the next twelve months or where the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Non-current assets classified as held for sale	Non-current assets that Council intends to sell within the next twelve months.
Non-current liabilities	Liabilities where the obligation is not expected to be fulfilled within the next twelve months or where Council has a right to defer settlement of the liability for at least twelve months after reporting date.
Other expenses	Includes auditors' remuneration, Councillors' allowances, operating lease rentals, impairment losses, community grants and contributions, training and professional development expenditure, contract settlement expenditure and expenditure incurred in relation to special rate schemes.
Other income	Income received from donations, insurance recoveries, craft markets, festivals, local laws, sale of valuations data product sales, right-of-way sales, transport and other sources.
PERIN	Refers to Penalty Enforcement by Registration of Infringement Notice. A system established under Schedule 7 of the <i>Magistrates Court Act 1989 (Vic)</i> to deal with unpaid fines.
Prepayments	Payments made by Council in advance of receiving the goods or services.
Property, infrastructure, plant and equipment	Often referred to as Fixed Assets. This is the largest component of Council's asset base or worth. This represents the value of all land, buildings, roads, footpaths, drains, bridges, vehicles, plant and equipment and so on, which are recorded on Council's asset register.

Item	Explanation
Provisions	Includes accrued long service leave, annual leave, sick leave and rostered days off owing to employees at reporting date.
Rate and garbage charges	Income received from ratepayers in relation to general rates, garbage rates and special rate schemes.
Reserves	Includes the asset revaluation reserve which includes the net revaluation increments and decrements arising from the revaluation of fixed assets in accordance with AASB 1041 'Revaluation of Non-Current Assets'. Other reserves include statutory reserves such as resort and recreation and car park and general reserves where money is held in reserve for specific projects.
Income	Income is the amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
Right-of-way	Former laneway no longer required for access to surrounding properties.
Share of net profits (losses) of associates and joint ventures accounted for by the equity method	Council's share of the net profit/loss recognised in its joint venture partnerships.
Statutory fees	Includes parking infringements and costs, PERIN court recoveries, town planning fees, land information certificates and trader parking and street furniture permits.
Surplus (deficit)	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Payables	Monies owed <u>by</u> Council to other entities/individuals.
Receivables	Monies owed <u>to</u> Council by ratepayers and other parties less provisions for doubtful debts.
Trust funds and deposits	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (eg. Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.
User charges and other fees	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, child care/ children's program fees, debt collection recovery charges, debt collection recovery charges, election fines, recreation fees, library fines and other charges and tow-away charges.

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Port Phillip City Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2014 of the Port Phillip City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2014 of Port Phillip City Council which comprises the standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the Port Phillip City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report and standard statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Port Phillip City Council as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements


Without modifying my opinion, I draw attention to Note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Port Phillip City Council for the year ended 30 June 2014 included both in the Council's annual report and on the website. The Councillors of the Port Phillip City Council are responsible for the integrity of the Council's website. I have not been engaged to report on the integrity of the Port Phillip City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE

10 September 2014


For John Doyle
Auditor-General

Performance Statement

for year ending 30 June 2014

City of Port Phillip Performance Statement

for the year ended 30 June 2014

Indicator	Target	Achievement	Result	Comments
Key Strategic Activity: Adopt the Long Term Financial Plan Objective: Ensure Council has a long term plan to meet principles of sound financial management				
Adoption of the Long Term Financial Plan	By June 2014	Not achieved	Pending adoption	The long term financial plan was used to inform the development of the Annual Budget 2013/14. Formal adoption by Council was not warranted until long term analysis of the impact of the Fishermans Bend Urban Renewal Area was undertaken.
Return on investments	4%	Not achieved	3.66%	A historically low cash rate of 2.5% for the majority of the year has adversely impacted upon Council's anticipated return on investments.
Underlying result	\$7.8 million surplus	Not achieved	\$2.23 million deficit	This result has been impacted by a one-off \$3 million contribution to the CasPA aged care facility and a number of matters outside Council's control including the one-off loss of \$1.22 million relating to the Commonwealth's financial assistance grants and a \$1.7 million unfavourable long service leave provision movement.
Key Strategic Activity: Complete the construction of the Liardet Street Family and Children's Centre Objective: Construct a building that will support integrated services that meets the needs of children and families in the local area				
Actual expenditure against budgeted	\$2,500,000 plus official carry over amount (+/- 10%)	Not achieved	\$2,343,326	The total budget for this project inclusive of the carry-over amount was \$3,351,285. The project was delivered with a significant favourable variance.
Delivery of final construction milestone	By 30 November 2014	Achieved	Certification granted on 25 November 2014	The construction of the centre was completed on schedule.
Early childhood education and care service utilisation	75% filled by end of June 2014	Not achieved	72%	Utilisation at the end of the year was below anticipated levels.

This statement should be read in conjunction with the accompanying notes.

City of Port Phillip Performance Statement

for the year ended 30 June 2014

Indicator	Target	Achievement	Result	Comments
Key Strategic Activity: Develop an Event Strategy				
Objective: Develop a strategy that takes a considered approach to Council and externally organised community and commercial events				
Actual expenditure against budgeted	\$40,000 +/- 10%	Not achieved	\$20,280	The forecast expenditure for this project was adjusted to \$20,000 as part of the mid year budget review. Expenditure met this target.
Adoption of the Events Strategy	By June 2014	Not achieved	Pending adoption	A formal adoption of the Events Strategy was delayed to ensure it met Council's objectives.
Key Strategic Activity: Develop Implementation Plans for improving the performance of Council's major energy using buildings				
Objective: Reduce greenhouse gas (GHG) emissions				
Actual expenditure against budgeted	\$70,000 +/- 10%	Achieved	\$76,056	In addition to commissioning energy auditing and electrical services, the remaining funds were used to prepare project specifications to reduce greenhouse gas emissions in key buildings.
Number of complete Implementation Plans by 30 June 2014	5 out of 9 (55%)	Achieved	6 out of 9 (67%)	Four energy efficiency implementation plans were completed for major council buildings during 2013/14, bringing the total to six (noting that two were completed in the previous year).
Number of complete Implementation Plans being implemented or ready to be implemented by 30 June 2014	5	Achieved	6	In the coming years, the six completed plans when fully implemented, are estimated to reduce GHG emissions by around 880 tonnes of carbon dioxide equivalent per year. Collectively these actions are expected to reduce Council's net GHG emissions by 9 per cent when compared with 2013/14 emission levels.

This statement should be read in conjunction with the accompanying notes.

City of Port Phillip Performance Statement

for the year ended 30 June 2014

Indicator	Target	Achievement	Result	Comments
Key Strategic Activity: Progress planning frameworks for managing growth on St Kilda Road				
Objective: Implement strategic planning controls to manage growth and change in the St Kilda Road precinct				
Actual expenditure against budgeted	\$230,000 +/- 10%	Not achieved	\$109,822	Planned expenditure for both St Kilda Road North and St Kilda Road South projects were adjusted to \$165,000 during the mid-year budget review due to unavoidable external project delays and need to re-direct resources to other emerging priorities.
Number of milestones completed	4	Not achieved	2	Council delivered the milestone to request Ministerial Authorisation to Exhibit Amendment C107 (St Kilda Road North) in October 2013 however, as authorisation was not granted until May 2014 further milestones for this project were delayed. The St Kilda Road South Plan (after a delayed start) is well progressed, including community engagement. A draft Plan is scheduled by late 2014.
Complete planning scheme amendment for St Kilda Road North	By June 2014	Not achieved	Not completed	Ministerial Authorisation to exhibit Amendment C107 (St Kilda Road North) was delayed by 8 months, pending the State Government's finalisation of new controls to protect the Shrine of Remembrance. The Amendment commenced a one month public exhibition on 7 August 2014.
Key Strategic Activity: Implement asset renewal activities to renew our footpaths, drains and roads				
Objective: To maintain roads, footpaths and drains at a condition that meets the community needs				
Actual expenditure against budgeted	Between \$6.00 million and \$7.77 million	Achieved	\$7.91 million	Additional renewal funds were expended from savings in the overall capital works program.
Asset renewal gap	0.8	Achieved	1.02	Savings identified as part of the overall capital works program were used to fund renewal gaps.
Community satisfaction with the condition of footpaths	65%	Achieved	77%	Levels of satisfaction with the condition of local footpaths has exceeded the target.

This statement should be read in conjunction with the accompanying notes.

Notes to the Performance Statement

for the year ended 30 June 2014

Explanation of legislative changes to the performance statement

This is the last year that Victorian local government authorities were required to report against self-identified key strategic activities as well as associated performance measures and targets. Each of the key strategic activities and associated performance measures and targets were specified in the Budget 2013/14.

Changes to the **Local Government Act 1989** made in 2014 have altered the information that will be reported in the performance statement in the future. These changes will be implemented in the Annual Report 2014/15 and mean the measures of performance are prescribed and consistent across all local government authorities. This change is a significant improvement and will help consistently and transparently report on Council's performance in a range of key areas.

Explanation of results

Council has achieved the targets for seven of the identified measures. Factors that have contributed to not achieving targets are as follows:

- External factors outside of Council's control including an historically low cash rate which resulted in a lower than anticipated return of investment, lower than anticipated utilisation levels at the Bubup Womindjeka Family and Children's Centre as well as changes to State Government planning controls around the Shrine which delayed the anticipated delivery of the St Kilda Road North planning amendment.
- The achievement of efficiencies in the delivery of Bubup Womindjeka Family and Children's Centre and the deliberate reallocation of funds to emerging priorities during the mid-year budget review. This has resulted in an underspend across four of the six key strategic activities.
- Opting to make a one-off \$3 million contribution to the CasPA aged care facility when combined with a number of matters outside Council's control, including the one-off loss of Commonwealth grants and an unfavourable long service leave provision movement has adversely impacted Council's underlying result.
- Opting to delay the formal adoption of the Long Term Financial Plan and Events Strategy to undertake further research and analysis prior to formal adoption by Council.

Notes to the Performance Statement

for the year ended 30 June 2014

Definition and description of key strategic activity indicators

Definitions and descriptions of the key strategic activities undertaken during the 2013/14 financial year are listed below.

Key Strategic Activity	Indicator	Measure	Source of Data
Adopt the Long Term Financial Plan Objective: Ensure Council has a long term plan to meet principles of sound financial management	Adoption of the Long Term Financial Plan	Measures whether Council has completed the Key Strategic Activity by formally adopting it at a Council Meeting.	Council Meeting Minutes
	Return on investments	Measures Council's weighted average rate of return on cash invested with financial institutions.	Financial system reports
	Underlying result	Measures Council's operating surplus excluding contributions (developer contributions and contributed assets), capital grants and profit/(loss) on disposal of assets.	Financial system reports
Complete the construction of the Liardet Street Family and Children's Centre Objective: Construct a building that will support integrated services that meets the needs of children and families in the local area	Actual expenditure against budgeted	Measures the actual expenditure on the Key Strategic Activity compared with the budgeted spending for the financial year.	Financial system reports
	Delivery of final construction milestone	Measures whether the construction was completed to required standards through the receipt of an occupancy certificate.	Occupancy certificate
	Early childhood education and care service utilisation	Measures actual utilisation compared to available utilisation.	Council enrolment records
Develop an Events Strategy Objective: Develop a strategy that takes a considered approach to Council and externally organised community and commercial events	Actual expenditure against budgeted	Measures the actual expenditure on the Key Strategic Activity compared with the budgeted spending for the financial year.	Financial system reports
	Adoption of the Events Strategy	Measures whether Council has completed the Key Strategic Activity by formally adopting it at a Council Meeting.	Council Meeting Minutes

Notes to the Performance Statement

for the year ended 30 June 2014

Definition and description of key strategic activity indicators

Definitions and descriptions of the key strategic activities undertaken during the 2013/14 financial year are listed below.

Key Strategic Activity	Indicator	Measure	Source of Data
Develop Implementation Plans for improving the performance of Council's major energy using buildings Objective: Reduce greenhouse gas emissions from Council's major energy use buildings	Actual expenditure against budgeted	Measures the actual expenditure on the Key Strategic Activity compared with the budgeted spending for the financial year.	Financial system reports
	Number of complete Implementation Plans by 30 June 2014	Measures the number of implementation plans that have been delivered and meet agreed standards.	Council Records
	Number of Implementation Plans being implemented or ready to be implemented by 30 June 2014	Measures the number of implementation plans that can be used to address greenhouse gas emissions.	Council Records
Progress planning frameworks for managing growth on St Kilda Road Objective: Implement strategic planning controls to manage growth and change in the St Kilda Road precinct	Actual expenditure against budgeted	Measures the actual expenditure on the Key Strategic Activity compared with the budgeted spending for the financial year.	Financial system reports
	Number of milestones completed	Measures the number of planned milestones (consisting of three related to St Kilda Road North and one for St Kilda Road South) achieved for the specified planning frameworks compared to the target.	Council records
	Complete planning scheme amendment for St Kilda Road North	Measures whether Council has completed the Key Strategic Activity by formally adopting it at a Council Meeting.	Council records
Implement asset renewal activities to renew our footpaths, drains and roads Objective: To maintain roads, footpaths and drains at a condition that meets the community needs	Actual expenditure against budgeted	Measures the actual expenditure on drainage renewal, footpath rehabilitation, kerb renewal, road rehabilitation & renewal, road resurfacing and roads to recovery compared to the total budgeted expenditure for those programs.	Financial system reports
	Asset renewal gap	Measures renewal expenditure as a percentage of renewal depreciation for the programs described above.	Financial system reports
	Community satisfaction with the condition of footpaths	Measures the year to date result for the percentage of respondents who give an adequate or better rating regarding Council's performance with the condition of footpaths.	City of Port Phillip's quarterly community satisfaction report

Certification of the Performance Statement


In our opinion, the accompanying performance statement of the Port Phillip City Council in respect of the 2013/14 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 2013/14 financial year.

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

We were authorised by Council on 26 August 2014 to certify the Performance Statement in its final form on behalf of the Council.

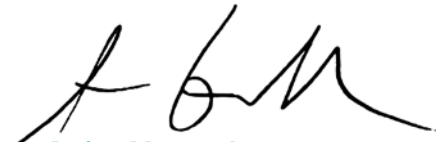


Amanda Stevens

Mayor & Councillor

Date: 9 September 2014

St Kilda



Anita Horvath

Councillor

Date: 9 September 2014

St Kilda



Tracey Slatter

Chief Executive Officer

Date: 9 September 2014

St Kilda

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Port Phillip City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2014 of the Port Phillip City Council which comprises the statement and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion

In my opinion, the performance statement of the Port Phillip City Council in respect of the 30 June 2014 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Port Phillip City Council for the year ended 30 June 2014 included both in the Port Phillip City Council's annual report and on the website. The Councillors of the Port Phillip City Council are responsible for the integrity of the Port Phillip City Council's website. I have not been engaged to report on the integrity of the Port Phillip City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
10 September 2014



For John Doyle
Auditor-General



For more information, please contact us via:

www.portphillip.vic.gov.au/contact_us.htm

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Facsimile: 03 9536 2722

SMS: 0432 005 405

email: assist@portphillip.vic.gov.au



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Council respectfully acknowledges the Yalukit Willam Clan of the Boon Wurrung.

We pay our respect to their Elders, both past and present.

We acknowledge and uphold their continuing relationship to this land.

Senior Boon Wurrung spokesperson Carolyn Briggs welcomes visitors to Yalukit Willam Ngargee



The Piers Festival at
Port Melbourne
Photo: Peter Glenane