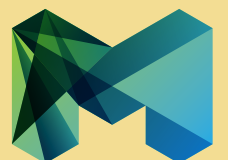
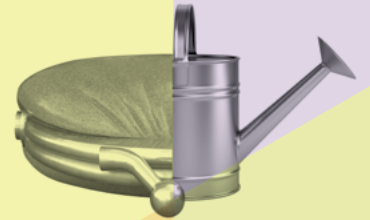


CITY OF MELBOURNE ANNUAL REPORT

2015–2016



CITY OF MELBOURNE

CITY OF MELBOURNE ANNUAL REPORT 2015-16

We are pleased to present the City of Melbourne's Annual Report for 2015-16. This report describes the City of Melbourne's performance over the 2015-16 financial year against the objectives of the 2015-16 Annual Plan and Budget and the four-year priorities of the Council Plan 2013-17.

The report is designed to meet our obligations under section 131 of the *Local Government Act 1989*. It also draws on the Global Reporting Initiative (GRI) G4 framework for sustainability reporting, with a view to being able to report fully to core requirements of the G4 framework in future years.

The City of Melbourne has obtained external assurance for the financial and standard statements, as well as the performance statement contained in this report. External assurance was not sought on the GRI components of the report.

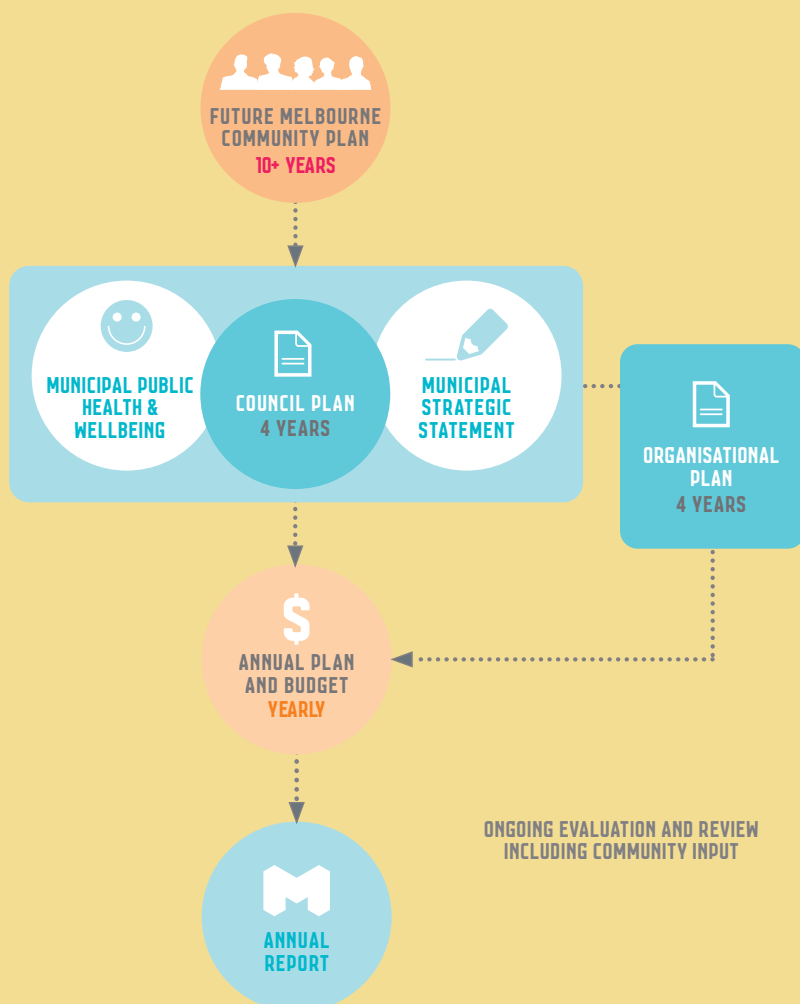
Our website at melbourne.vic.gov.au provides more information about City of Melbourne activities, policies and plans for the future.

We value your feedback on this report because it helps us make our next report better. If you would like more information about any item in this report, just contact us and ask.

Email your feedback or questions to enquiries@melbourne.vic.gov.au

Write to us at:
Improvement and Program Integration
City of Melbourne
GPO Box 1603
Melbourne VIC 3001

Speak to a Customer Relations Officer on +61 3 9658 9658.



CONTENTS

Welcome to the City of Melbourne	2	Our organisation	81
Fast facts	2	Our functions	82
Our vision and goals	3	City of Melbourne organisational structure	82
Message from the Acting Chief Executive Officer	4	Senior executive team	83
Message from the Chief Financial Officer	5	Our people	85
Highlights and summary of progress	6	Staff profile	86
2015-16 key projects	9	Equality and diversity	88
Sustainability at the City of Melbourne	10	Employee health and safety	89
Events calendar	13	Employee development and training	91
Council governance	14	Involving the community in our decisions	92
Our councillors	18	Interacting with customers	94
Council planning framework	22	Improvement	95
Our reporting framework	23	Our environmental performance	97
Performance against our goals	25	Risk management	100
Goal 1: A city for people	26	Audit operations	101
Goal 2: A creative city	34	Our partnerships and charters	103
Goal 3: A prosperous city	42	Our procurement and supply chain	104
Goal 4: A knowledge city	48	Inner Melbourne Action Plan 2016-26	106
Goal 5: An eco-city	54	Our reporting approach	107
Goal 6: A connected city	62	Global Reporting Initiative Index	109
Goal 7: Resources are managed well	68	Property holdings	114
Goal 8: An accessible, transparent and responsive organisation	74	Governance and management checklist	115
		Local Government Performance Reporting Framework Performance Indicators	117
		City of Melbourne 2015-16 Performance Statement	128
		Financial Report	141

City of Melbourne Annual Report 2015-2016

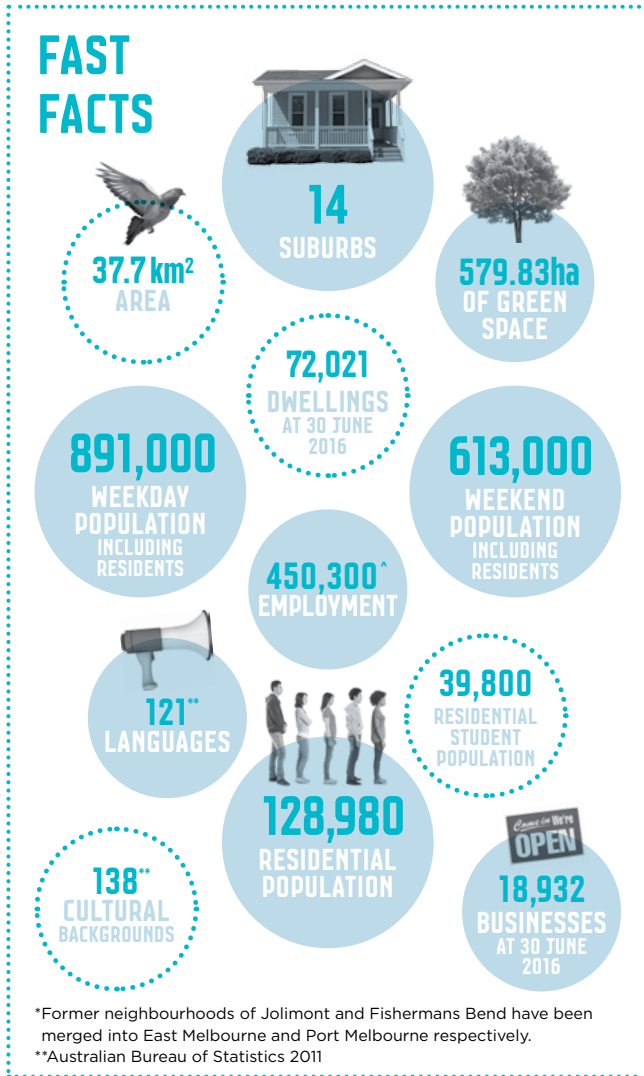
September 2016

Disclaimer

This report is provided for information and it does not purport to be complete. While care has been taken to ensure the content in the report is accurate, we cannot guarantee it is without flaw of any kind. There may be errors and omissions or it may not be wholly appropriate for your particular purposes. In addition, the publication is a snapshot in time based on historic information which is liable to change. The City of Melbourne accepts no responsibility and disclaims all liability for any error, loss or other consequence which may arise from you relying on any information contained in this report.

To find out how you can participate in the decision-making process for the City of Melbourne's current and future initiatives, visit melbourne.vic.gov.au/participate.

WELCOME TO THE CITY OF MELBOURNE



Melbourne is the capital of Victoria, Australia. It is run by the Melbourne City Council, one of 79 municipal authorities in Victoria operating as a public statutory body under the *Local Government Act 1989*.

As a local government authority, the City of Melbourne aims to achieve the community's vision for Melbourne to be a bold, inspirational and sustainable city. This was outlined in Future Melbourne, the community plan created with the public to guide how the city should evolve to 2020. How the City of Melbourne contributes towards this vision is set out in the Council Plan 2013-17, including the priorities that shape its program of work and the outcomes sought during each Council's four-year term.

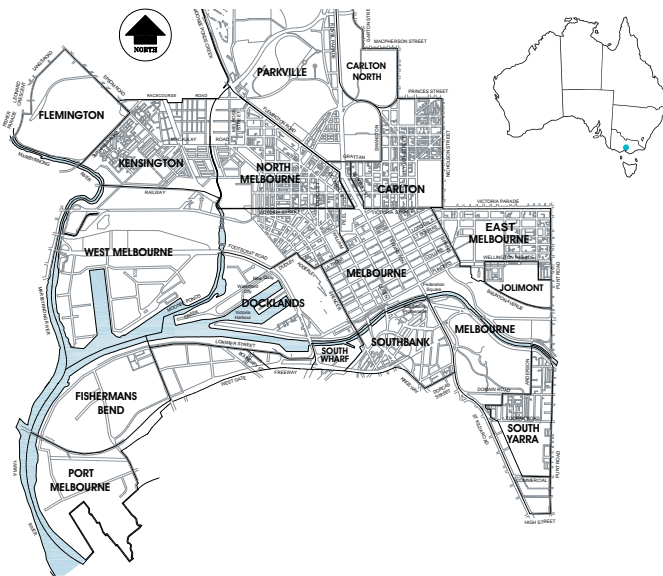
This 2015-16 Annual Report is the third progress report against our Council Plan 2013-17. The report tells us where we are doing well and where we can do better in helping the community realise its long-term goals.

At the City of Melbourne, we have integrated our Municipal Public Health and Wellbeing Plan (developed in accordance with the Public Health and Wellbeing Act 2008) with our Council Plan to demonstrate that improving the quality of life of people in the municipality is the business of the whole organisation.

Our health and wellbeing priorities are to facilitate and encourage:

- sufficient physical activity
- healthy eating and access to nutritious food
- social inclusion and opportunities to participate and connect with others
- community safety, including reducing family violence and the use of alcohol and other drugs
- improved environmental health including noise reduction, tobacco control and climate change management
- access to community services, transport, education, affordable housing and open space.

The Melbourne municipality is the heart of greater Melbourne and covers the central city and 14 inner city suburbs. Almost 129,000 people call the municipality home and a further 762,000 people visit every day for work and play. Our population is diverse: 38 per cent of our residents speak a language other than English at home. As more people seek out the cultural, business, education, work and lifestyle opportunities the city offers, the population is expected to continue growing rapidly, with a forecast 32.5 per cent increase in the weekday population by the year 2030.



OUR VISION AND GOALS

COMMUNITY VISION

For Melbourne to be a bold, inspirational and sustainable city, as expressed in the Future Melbourne community plan.

OUR AIM

To achieve the community's vision of Melbourne as a bold, inspirational and sustainable city.

OUR GOALS

Our Council Plan 2013-17 includes eight goals to guide us. The first six reflect our aspirations for the city. The final two relate to our internal performance and the good governance and management of our organisation.

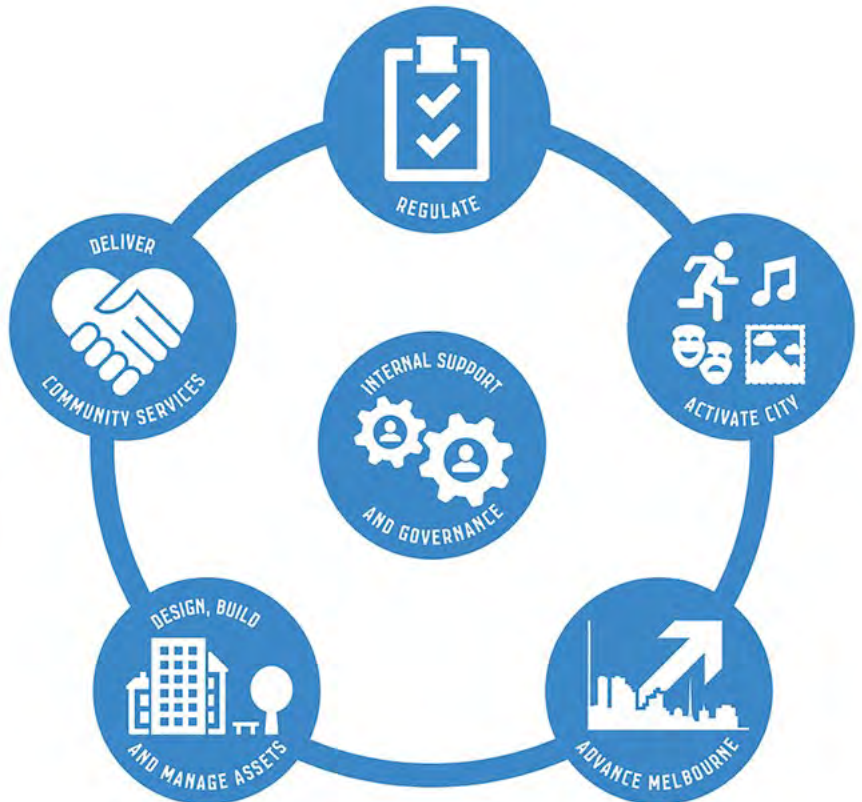
1. A city for people
2. A creative city
3. A prosperous city
4. A knowledge city
5. An eco-city
6. A connected city
7. Resources are managed well
8. An accessible, transparent and responsive organisation

OUR CUSTOMERS

We strive to make everything we do easier, better, faster and cheaper for our customers, gaining more value from our limited resources.

OUR SERVICES

Our diverse services can be grouped under the following six headings: Regulate; Activate city; Advance Melbourne; Design, build and manage assets; Deliver community services; Governance and internal support.



YEAR IN REVIEW MESSAGE FROM THE ACTING CHIEF EXECUTIVE OFFICER



It is my pleasure, as acting Chief Executive Officer, to present this Annual Report – the City of Melbourne’s account of our performance over the past year.

Our Council’s vision is to be a world-leading city that is bold, inspirational and sustainable. This report demonstrates the passion our people have for the city and their commitment to achieve high-level results for the community and bring that vision to life.

Every year is significant in an organisation as large and diverse as the City of Melbourne. Still, the last twelve months have seen us undertake some major steps in our pursuit of the best possible future for our city.

We have started to implement the Queen Victoria Market Precinct Renewal Master Plan. The restoration of this iconic market is the largest project the City of Melbourne has ever undertaken. We released an Implementation Framework that will guide the work over the next five years and outlines key timeframes for stages of the project. Importantly, it guides how the market will continue to trade during the renewal and into the future. The framework shows how at the end of the renewal works the market will largely look and feel the same, but will be set in amongst the best streets and open spaces Melbourne has to offer.

Our population has grown significantly in the past few years and will continue to do so. Ongoing community input is an integral part of our preparation for that growth. Earlier this year, we invited people from all over Melbourne to share their hopes and aspirations for our city, as we refreshed the original Future Melbourne plan. Future Melbourne 2026 is an impressive example of collaboration from young and old, individuals and groups, experts and enthusiasts. It’s the community’s 10-year vision for the city, and its recommendations will be considered by the newly elected Council as part of the next Council Plan.

Not only is our population growing, Melbourne is entering a period of significant technological, economic and ecological change. We must be prepared for this change and the challenges it brings. In collaboration with Melbourne’s 31 other councils and Victorian Government, we released the Resilient Melbourne Strategy and implementation plan –

the first of its kind in Australia. The plan offers a new way to address future challenges and stresses, so that the people who live and work in metropolitan Melbourne can adapt and prosper long into the future.

In 2016–17 we are continuing to strengthen the infrastructure and amenity of the city through our partnership with the Victorian Government on the Melbourne Metro Rail Project, and through planning for the renewal of key areas such as Arden Macaulay and Fishermans Bend. We will continue to advocate for greater collaboration between local, Victorian and Australian Governments to ensure the city and the people who continue to live, work and visit here can thrive.

Importantly we are gearing ourselves up to keep pace with the increasing importance residents, visitors, students and workers place on digital services. We have developed a four-year organisational plan to help us improve our customer experience and increase our technical capacity, so that we can deliver even better support to our Council and the community.

I want to thank the Councillors for their leadership, vision and commitment to the city. Finally, I thank all City of Melbourne employees for the hard work, dedication and passion you have shown in the last year. Much has been achieved, and I look forward to continue working with the community and the next Council in the year to come.



Martin Cutter
Acting Chief Executive Officer
City of Melbourne

Due to the Council election in October 2016 and the caretaker period required by the *Local Government Act 1989* (Vic), there is no Lord Mayor’s message in the 2015–16 annual report.

MESSAGE FROM THE CHIEF FINANCIAL OFFICER



The Council has delivered another positive financial result for 2015-16, outperforming its budget and delivering an underlying surplus of \$15.9 million. The Council remains in a very strong financial position.

The operating performance resulted in an underlying surplus of \$15.9 million, an operating surplus of \$58.2 million and a comprehensive result of \$289 million. This strong performance was underpinned by a focus on containing costs which grew by a modest three per cent, while maintaining a high level of service standards and accommodating costs pressures associated with population growth.

The underlying surplus is the best indicator of the organisation's underlying financial performance and sustainability. It removes once-off non-cash gains/(losses) from asset revaluations (included in the comprehensive result), non-cash asset contributions and external capital contributions (included in both the operating surplus and comprehensive result).

Overall cash assets declined during the year with the settlement of a strategic land acquisition as part of the Queen Victoria Market renewal for \$76 million.

The Council's balance sheet was strengthened during the year with net assets growing by a significant \$289 million to nearly \$4 billion. This was a culmination of the strong operating result, capital works delivered during the year and a material increase in asset revaluations, particularly land values.

The Council's current asset ratio, a measurement of our financial strength, decreased from 1.65 to 1.41. This means for every \$1 of current liability, the Council had \$1.41 in current assets to meet those commitments.

The Council remains financially well positioned and the 2015-16 surplus provides further financial flexibility to meet the city's future infrastructure funding needs.

Phu Nguyen (CPA)
Chief Financial Officer
City of Melbourne

	June 2016	June 2015
	\$'000	\$'000
Income statement surplus/(Deficit)	58.2	82.2
Comprehensive result surplus/(Deficit)	289.0	143.7
Underlying result	15.9	18.02
Cash assets	83.1	101.5
Net assets	3,960.0	3,671.0
Current asset ratio	1.41	1.65

HIGHLIGHTS AND SUMMARY OF PROGRESS

Below is a summary of our progress against each of our eight Council Plan goals. More detailed information is provided in the 'Performance against our goals' section of this report.

GOAL 1 A CITY FOR PEOPLE



LOOKING BACK ON 2015–16

This year we started to implement the Queen Victoria Market precinct renewal Master Plan and completed stage two of the Carlton Baths including a refurbished swimming pool, new toddlers' pool, plant room and landscaping.

In terms of our performance:

- 87 per cent of residents lived within an 800-metre walk of community facilities and more than 92 per cent lived within a 300-metre walk of open space – a minor decrease from last year.
- Over 90 per cent of our customers thought the information they received and more than 97 per cent thought the support they received from our services helped them be healthier – a notable improvement on last year.
- 93 per cent of participants in selected programs felt more a part of their community – an improvement on last year.
- About 68 per cent of respondents were satisfied with the quality of public spaces – a decrease from last year.
- 90 per cent of respondents felt safe in public in the daytime and 70 per cent at night – a decrease for daytime and a notable improvement for night time compared to last year.

LOOKING AHEAD TO 2016–17

Future major initiatives include continuing to deliver the Queen Victoria Market precinct renewal program, the development of plans for the Fishermans Bend employment precinct and Lorimer precinct, and continuing to develop plans for the urban renewal of the Arden Macaulay area. We will finalise the Moonee Ponds Creek Master Plan and seek agreement on a funding and implementation strategy. Planning will also commence for the temporary relocation of Lady Huntingfield Childcare Centre places and redevelopment of the site.

GOAL 2 A CREATIVE CITY



LOOKING BACK ON 2015–16

To contribute to artistic, cultural and heritage outcomes for the Aboriginal and Torres Strait Islander people, detailed designs for the long-awaited Tunnerminnerwait and Maulboyheener commemorative marker were agreed and initial site work began prior to construction.

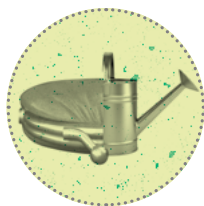
In terms of our performance:

- The number of artists looking to work or base themselves in the municipality who sought our support decreased by more than 9 per cent, largely explained by the triennial arts grant rounds being conducted in 2013-14.
- 38 per cent of all participants in arts and cultural programs surveyed reported engaging in our programs for the first time – down from last year.
- 86 per cent of respondents said Melbourne is an artistic and cultural city – slightly down from last year.
- Due to two new planning scheme amendments, 342 properties were added to the Heritage Register, representing a huge increase on last year. No trees were added to the Exceptional Tree Register. These figures relate to the cultural heritage component of our creative city goal.

LOOKING AHEAD TO 2016–17

Future major initiatives include delivering the 2017 Melbourne Indigenous Arts Festival and working with Indigenous stakeholders and Traditional Owner Groups to prepare a Cultural Heritage Management Plan as agreed in the Queen Victoria Market Renewal Master Plan.

GOAL 3 A PROSPEROUS CITY



LOOKING BACK ON 2015–16

We selected two activities (the business mission to Japan and China and the Tourism Action Plan 2015–19) to strengthen our economic development activities by using the Building Prosperity Together framework.

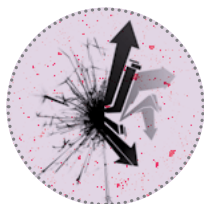
In terms of our performance:

- Business respondents gave an average satisfaction rating of 64 out of 100 for a range of City of Melbourne activities in terms of their contribution to economic resilience – the same as last year.
- Trade connections made through business matching activities totalled 581 compared to 221 the previous year, partly due to the success of the mission to Osaka and Japan.

LOOKING AHEAD TO 2016–17

A major initiative in the coming year is to develop an action plan to support our Melbourne start-up and entrepreneurial ecosystem.

GOAL 4 A KNOWLEDGE CITY



LOOKING BACK ON 2015–16

We implemented stage two of our Open Data program and increased the capacity of the Quarterly Services Dashboard by enhancing it with a live to the public beta platform (see dashboard.melbourne.vic.gov.au).

In terms of our performance:

- More than 82 per cent of student participants in our programs believed their involvement increased their positive experience of Melbourne – down on last year.
- Library visitation increased 30 per cent on the previous year – a significant increase from last year.
- The number of attendees at knowledge-related events increased 254 per cent from the previous year due to two Melbourne Knowledge Week festivals being delivered within the one year.
- 82 per cent of Knowledge Week participants felt more informed about the local knowledge sector – slightly down from last year.

LOOKING AHEAD TO 2016–17

A major initiative in the coming year is to co-create a smart city approach.

GOAL 5 AN ECO-CITY



LOOKING BACK ON 2015–16

We continued work on stormwater harvesting at Lincoln Square with four of the seven stormwater harvesting and flood mitigation tanks installed. Work progressed on the expansion of University Square and sub-precinct planning for Elizabeth Street's Integrated Water Cycle Management Plan. We also developed an implementation plan as part of our work under the 100 Resilient Cities program.

In terms of our performance:

- We achieved a 5.83 per cent decrease in greenhouse gas emissions from City of Melbourne operations on last year.
- Residential waste-to-landfill decreased more than 5 per cent, a significant improvement from the increases in the past two years.
- The volume of complaints per capita about waste removal received by the City of Melbourne held steady at 0.02.
- There was no change in the capacity of our infrastructure to capture and reuse storm water this year; the benefits from planned new stormwater harvesting projects are expected to be reflected in future years' results.
- Tree canopy cover in the municipality remained consistent at 24.09 per cent, a positive reflection on the tree planting program and consistent with our projected canopy cover change modelling.
- Surveys showed that the number of residents aware of climate change risks decreased 8 per cent – down on last year.

LOOKING AHEAD TO 2016–17

Future major initiatives include completing the Melbourne Renewable Energy Project and the development of a replication strategy for the large energy user-purchasing model. We will also deliver a pilot laneway greenings program within the central city, and ensure the findings inform policy recommendations.

GOAL 6 A CONNECTED CITY



LOOKING BACK ON 2015–16

We worked with the Victorian Government on the Melbourne Metro Rail Project and started preparatory research on a streetscape plan for Elizabeth Street.

In terms of our performance:

- The number of street connections allowing pedestrians to move easily within and between blocks in the city remained unchanged at an average 0.87 connections per block.
- The average footpath space devoted to pedestrians in the city remained unchanged at about 19.5 per cent of the total carriageway area.
- The proportion of trips by bike or on foot to the city declined by 25 per cent, however the proportion of trips by bike or foot within the city increased by 7 per cent.

LOOKING AHEAD TO 2016–17

Future major initiatives include working with the Victorian Government on the Melbourne Metro Rail Project and coordinating our response to the Environmental Effects Statement planning process. We will also complete consultation and seek endorsement for the Elizabeth Street Strategic Opportunities Plan and deliver a detailed design for the southern end of Elizabeth Street.

GOAL 7 RESOURCES ARE MANAGED WELL



LOOKING BACK ON 2015–16

We developed a Town Hall Precinct Redevelopment Proposal, including consideration of options such as library services and exhibition space for city memorabilia.

In terms of our performance:

- The City of Melbourne's long-term underlying surplus was \$15.9 million this year – lower than last year.
- The rateable property assessments per employee at the City of Melbourne were 70.33 – down from 73.22 the previous year.
- Residents' satisfaction rating for our services was 73 out of 100 – no change from last year.
- Our voluntary and total workforce turnover was 6.49 per cent and 12.54 per cent respectively – both down from last year.

LOOKING AHEAD TO 2016–17

A major initiative in the coming year will be to endorse the scope, staging and financing of the revitalisation of the Town Hall precinct.

GOAL 8 AN ACCESSIBLE, TRANSPARENT AND RESPONSIVE ORGANISATION



LOOKING BACK ON 2015–16

As part of our digital transformation program, we consolidated and redeveloped our corporate website to be customer-centred and responsive for mobile devices.

In terms of our performance:

- There were 105 Council and Future Melbourne Committee items handled in confidential session, or 27 per cent of agenda items, which was similar to last year.
- The number of online City of Melbourne registers remained unchanged at 19.
- Visits to webpages with Council registers and Council decisions made under the *Planning and Environment Act 1987* increased 31 per cent.
- Of residents surveyed, 56 per cent were aware of and 34 per cent had participated in our community engagement processes – slightly down from last year; 41 per cent rated those processes good or very good – slightly down from last year.

LOOKING AHEAD TO 2016–17

A major initiative in the coming year will be to broaden our quarterly services dashboard to include measures on customer experience and organisational performance.

In addition to the measures of progress detailed in this report, the City of Melbourne also publishes information about how we're delivering to our customers on a range of services and programs. You can see our quarterly performance results at melbourne.vic.gov.au/about-council/our-performance/Pages/quarterly-services-dashboard.aspx, and the new, more interactive reporting dashboard that links to our Open Data platform at dashboard.melbourne.vic.gov.au.

2015-2016 BUDGET KEY PROJECTS

Eastwood Street and Rankins Road Open Space Expansion
\$500,000



QVM Renewal Project
\$4,635,000

Carlton Baths

Stage Two Renewal Works
\$4,450,000



Property Services Sustainable Management
New works
\$625,163



Street Lighting Renewal
LED roll out
\$1,595,000

Implementation of Docklands Community and Place Plan
\$1,000,000

Road Safety Program
\$790,000



Solar for Council Facilities
\$800,000

Bicycle Improvement Program
\$2,500,000

Major Streetscape Improvements and Design

Undertaking of major streetscape improvements in the central city in accordance with the Streetscape Framework
\$4,000,000



Southbank Boulevard Upgrading
\$500,000



Urban Landscapes Climate Adaptation

New streets and associated open spaces
\$1,000,000

Living Victoria Fund
\$1,500,000



SERVICES

- Parks and gardens
- Public health and safety
- Recreation and leisure
- Street cleaning and waste management
- Urban policy and design
- Business
- Arts and cultural policy and programming
- International and national connections
- Arts participation and activation
- Events
- Information technology
- Local laws compliance
- Visitor and resident information
- Building, development and planning
- Sustainable environmental management
- Property and assets
- Research
- Community services
- Customer relations
- Roads, transport and infrastructure
- City promotion and tourism
- Legal, governance and corporate
- Communications, media and publications

For details on the full range of City of Melbourne services visit melbourne.vic.gov.au

SUSTAINABILITY AT THE CITY OF MELBOURNE

Sustainability is at the heart of our community's vision for Melbourne. We pride ourselves on being a sustainability leader, setting ambitious goals for both our organisation and the community to preserve and improve the city we love.

We face a number of future challenges due to climate change, population growth, changing demographics and economic volatility. These challenges have prompted us to look at new ways to respond, while maintaining and growing Melbourne's position as one of the world's most liveable cities.

We are tackling these challenges in partnership with our community, by sharing the responsibility for building and maintaining a healthy and resilient environment for today and into the future.

Learn more about our goals for the city and how we are addressing our sustainability challenges and aspirations in each of the following areas: as a city for people, creative city, prosperous city, knowledge city, eco-city and connected city (pages 26 to 67).

To ensure we lead by example, we focus on embedding sustainability thinking into everything we do. From empowering staff to look for sustainability opportunities in their existing roles, changing our processes and systems to drive sustainable outcomes, to creating unique programs in collaboration with our community to inspire change, we continually strive to pioneer the sustainability agenda.

Only by taking a holistic approach to considering the natural environment, our community, good governance and a healthy economy will we achieve all our goals and fulfil our community's vision.

We report yearly on our sustainability progress using the Global Reporting Initiative (GRI) Sustainability Reporting Framework, the most widely-used sustainability-reporting standard in the world. We adopted this framework because it helps us identify, measure, report and assess how we are performing in our day-to-day activities in economic, social and environmental terms on the issues that matter most to our organisation and stakeholders. The Framework is accepted as the world's highest standard of sustainability reporting.

RESILIENT MELBOURNE – BUILDING A RESILIENT CITY

Urban resilience is defined as the capacity of individuals, communities, businesses and systems within a city to survive, adapt and thrive not just as a response to shocks (such as heat, fires and floods) – but also to the stresses that weaken the fabric of a city on a day-to-day or cyclical basis. Such stresses can include rapid population growth, increasing social inequality, increasing pressures on our natural assets, increased unemployment or under employment, climate change, and increasing rates of alcoholism and family violence.

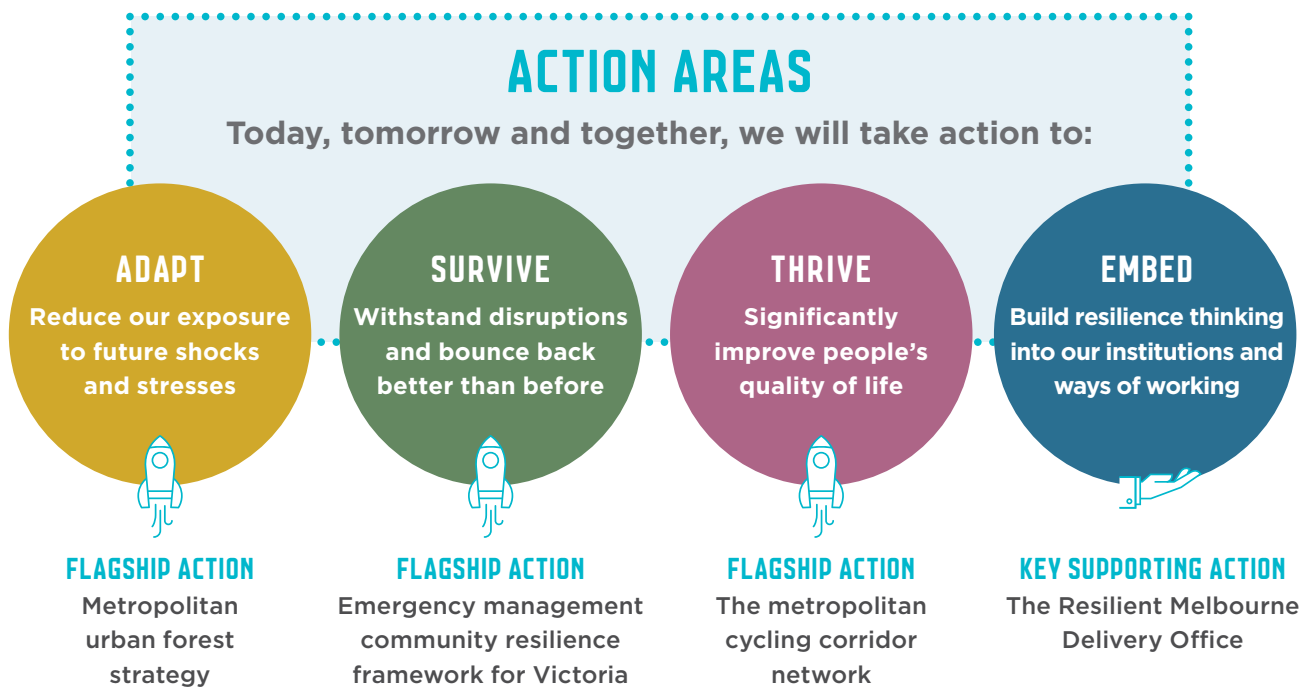
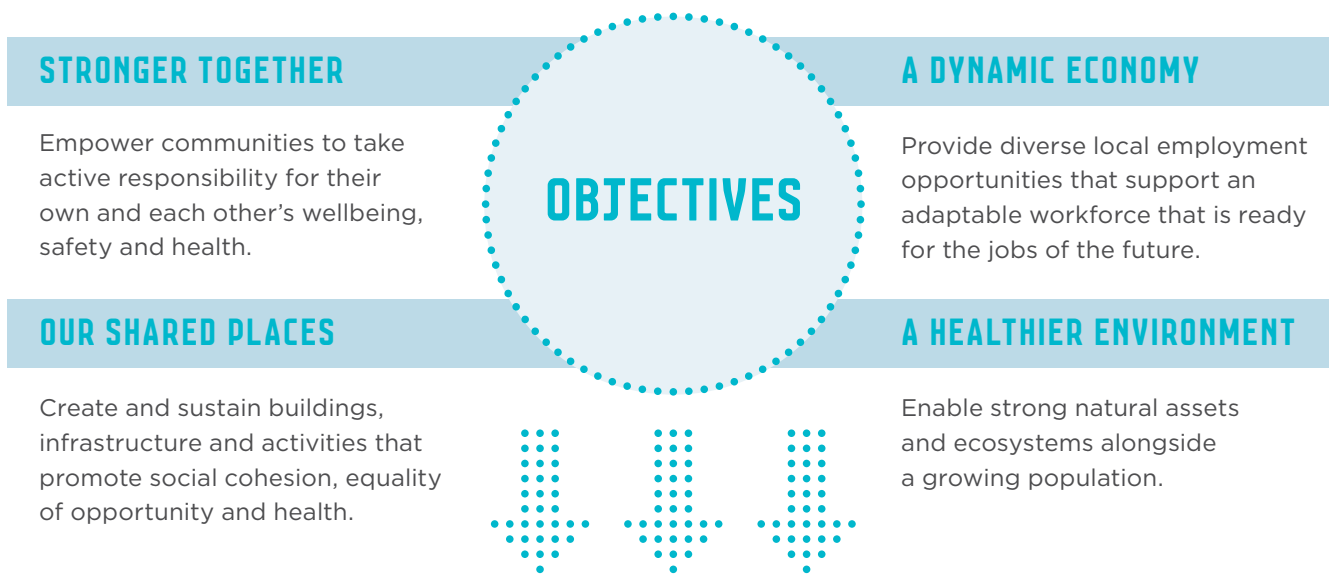
We are committed to improving the resilience of our municipality, and to actively contributing to the resilience of the greater Melbourne region. Over the past 12 months, Resilient Melbourne – a metropolitan-wide project, hosted by the City of Melbourne with funding provided by 100 Resilient Cities (100RC) has been working to identify the key shocks and stressors for metropolitan Melbourne. 100RC was pioneered by the Rockefeller Foundation to help cities across the world become more resilient to the growing challenges of the 21st century. As part of the project, a long-term strategy was developed to ensure such issues are successfully adapted to and mitigated. The City of Melbourne's Future Melbourne Committee endorsed the Resilient Melbourne Strategy on 17 May 2016.

Resilient Melbourne marks an important point in Melbourne's development. It offers a new way to address the chronic stresses and acute shocks we are likely to experience, and to achieve our vision of a city in which our diverse communities are viable, sustainable, liveable and prosperous, today and long into the future. It marks a significant milestone for greater Melbourne, making it the first time in 180 years that a metropolitan-wide strategy has been led by local government.

The strategy is a result of the work of more than 1000 individuals from 230 organisations, Melbourne's 32 metropolitan councils and many Victorian Government departments. It identifies four key long-term objectives, supported by 33 actions divided amongst four key action areas, as shown in the diagram on the opposite page.

STRATEGY AT A GLANCE

In a resilient Melbourne, our diverse communities are viable, sustainable, liveable and prosperous.



In addition to the three flagship actions, there are:

Icon: Hand
15
SUPPORTING ACTIONS

Icon: Megaphone
15
ALIGNED LOCAL ACTIONS

LOOKING AHEAD

In order to embed resilience thinking and long-term outcomes across diverse sectors, a five-year Resilient Melbourne Delivery Office has been created to coordinate and implement the actions highlighted in the strategy. In the first year, the City of Melbourne will provide 50 per cent of the funding for the Delivery Office, and the Victorian Government will contribute 50 per cent.

Over the five years of the Delivery Office, these operating costs will be shared evenly between the City Of Melbourne, the Victorian Government and all participating metropolitan councils. Actions will be funded by relevant government agencies and in-kind services from 100RC 'Platform Partners', and enhanced by philanthropic and corporate supporters.

As well as being involved as a lead stakeholder in strategy facilitation and implementation, the City of Melbourne will also lead or co-lead three specific strategy actions:

- Local government renewables group purchasing (co-led with the Cities of Moreland, Port Phillip and Yarra)
- Understanding drivers of community resilience
- Professorial chair in resilient cities (co-led with the University of Melbourne).

More information on Resilient Melbourne, including a downloadable strategy, can be found at resilientmelbourne.com.au.

Learn more about how the City of Melbourne is striving to embed sustainability at the heart of everything we do as an organisation, as reflected in our goals of ensuring:

- resources are managed well (see Goal 7 performance pages 68 to 72)
- we are an accessible, transparent and responsive organisation (see Goal 8 performance pages 74 to 78)
- we involve the community in our decisions, achieve continuous improvement, promote an engaging, safe and diverse workplace, reduce our environmental impacts, manage our risks and supply chain (see Our organisation pages 81 to 105).

To understand how we have applied the Global Reporting Initiative, (see Our reporting approach pages 107 to 113).

EVENTS CALENDAR

JULY

- **Melbourne Celebrations:**
Docklands Winter Fireworks:
July - August
Women in Business lunch
- The Age Run Melbourne
- Open House Melbourne
- Melbourne International Film Festival
- Victoria Day Flag Raising Ceremony
- Melbourne Winter Masterpieces,
David Bowie is
- Bastille Day French Festival

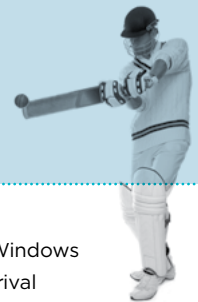
AUGUST

- Melbourne Writers Festival
- Melbourne Day
- Melbourne Spring Fashion Week
- Indian Film Festival



SEPTEMBER

- AFL Grand Final Week
and Centre Square
- Fringe Festival



OCTOBER

- Melbourne Festival
- **Melbourne Celebrations:**
Lord Mayor's Commendations
(presentation ceremony)
- Melbourne Knowledge Week
- Melbourne Marathon
- Victorian Seniors Festival
- Carlton Italian Festa
- Around the Bay Festival
- Spring Fling Street Festival

NOVEMBER

- **Melbourne Celebrations:**
Melbourne Awards (Gala Ceremony)
- Melbourne Music Week
- Melbourne Cup Parade
- City2Sea
- Night Noodle Markets
- Diwali
- Polish Festival



DECEMBER

- Myer Christmas Windows
- Santa's Grand Arrival
- **Melbourne Celebrations:**
Christmas Festival
- Carols by Candlelight
- New Year's Eve
- RMIT Graduation Parade
- Royal Croquet Club

JANUARY

- **Melbourne Celebrations:**
Sunset Series
- Midsumma Festival
- Japanese Summer Festival
- Australian Open Festival
- Australia Day
- Ride the Night
- Sugar Mountain
- Water Slide Events (till March)
- NGV Kids Summer Festival
- Grand Prix Activation City Square



FEBRUARY

- Chinese New Year
- White Night Festival
- Sustainable Living Festival
- Lonsdale Street Festival
- Herald Sun Tour
- Dominoes - Arts Centre Melbourne
- Lunar Markets

MARCH

- MS Melbourne Cycle
- Moomba Festival
- Virgin Australia Melbourne Fashion Festival
- Melbourne Food and Wine Festival
- Formula1 Australian Grand Prix
- Festival of Live Art
- Cultural Diversity Week
- **Melbourne Celebrations:**
International Women's Day Breakfast
- Melbourne International Comedy Festival
- Run For The Kids
- Dragonboat Victorian State Championships

APRIL

- Melbourne International
Flower and Garden Show
- Buddha's Day and
Multicultural Festival
- Anzac Day



MAY

- Mother's Day Classic
- National Reconciliation Week
- Law Week



JUNE

- Circus Oz
- A Taste of Portugal



COUNCIL GOVERNANCE

Statutory responsibility for local government lies with each Australian state or territory. An Act of each State Parliament specifies local government powers, duties and functions. In Victoria, the legal basis for councils is established under the *Constitution Act 1975* and the *Local Government Act 1989*.

The City of Melbourne comprises a Lord Mayor and Deputy Lord Mayor and nine councillors.

Under the provisions of the *City of Melbourne Act 2001*:

- Melbourne is not divided into wards
- the leadership team (Lord Mayor and Deputy Lord Mayor) is elected separately from councillors
- the preferential voting system is used to elect the leadership team and proportional representation is used to elect councillors.

The current Council was elected for a four-year term in October 2012. The next Council election is scheduled for October 2016. More information about local government elections is available from the Victorian Electoral Commission at www.vec.vic.gov.au.

COUNCIL DECISIONS

Councillors make decisions at Council meetings and Committee meetings (to which certain powers are delegated by the Council). Future Melbourne Committee meeting decisions are subject to a 'referral notice process', meaning that where fewer than six committee members vote in favour of a motion, or the Chair uses their casting vote, members have the option of referring the matter to the next Council meeting for decision.

DELEGATIONS

Melbourne City Council's powers under the *Local Government Act 1989* or any other Act may be delegated to a Committee or Council, to a City of Melbourne officer (including the Chief Executive Officer), or sub-delegated to a City of Melbourne officer by the Chief Executive Officer. Staff members are accountable to the Chief Executive Officer. The Council and its committees make policy, and staff members make decisions in accordance with that policy. The exercise of delegation is subject to the Council's Delegations Policy.

COUNCILLOR CONDUCT

The City of Melbourne's Councillor Code of Conduct outlines the role of the Council and provides an overview of councillor responsibilities in accordance with the *Local Government Act 1989*.

The code includes guidelines for rules of conduct, decision-making and use of City of Melbourne resources. It also includes procedures for disclosure of interests and conflicts of interest that go beyond legislative requirements.

All councillors received training on conflict of interest and misuse of position provisions as part of the new Council induction program, which took place in 2012. They receive regular communication via the City of Melbourne's Governance and Legal branch and the Victorian Government, in regards to updated information, guidance and tools on these areas.

COUNCILLOR ALLOWANCES

Councillors are paid an allowance set by the Victorian Government. This allowance is paid in recognition of the demands placed on councillors in carrying out their civic and statutory duties, and for their work on policy development, as spokespeople on community matters and as representatives of the Melbourne City Council and Melbourne in Australia and overseas.

The allowances are:

Lord mayor - \$184,667

Deputy lord mayor - \$92,333

Councillors - \$43,360

Councillors are also provided with a car park, office and executive support.

EXPENSES

Councillors incur expenses in the course of fulfilling their roles. Expenditure is regulated by the Councillor Expenses and Resources Guidelines, as revised by the Council in May 2015 and consistent with section 75 of the *Local Government Act 1989*. Councillor expenses are reported in detail every quarter on our website, melbourne.vic.gov.au.

COUNCILLOR EXPENSES

In accordance with section 75 of the *Local Government Act 1989*, Council is required to reimburse a councillor for expenses incurred whilst performing his or her duties as a councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for

councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Lord Mayor and councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each councillor and member of a council committee paid by the council.

The details of the expenses including reimbursement of expenses for each councillor and member of a council committee paid by the Council for the 2015-16 year are set out in the following table.

EXPENSE CATEGORIES

1. Conferences, Functions and Training*

This category covers registration fees associated with attendance by councillors at local conferences, functions, seminars and one-off or short-term training courses. These are normally held by local government related organisations, professional bodies and institutions, educational institutions and private sector providers on areas and events which impact on the role of councillors and the City of Melbourne in general. This category also includes memberships and subscriptions to bodies and organisations whose activities are relevant to role of councillors and a capital city council.

2. Travel Local*

This category covers costs associated with assisting councillors in meeting the transport costs incurred in attending meetings, functions and other commitments within and outside the municipality. This comprises use of taxi service, reimbursement for use of private vehicle while conducting Council business, car parking fees, access to

bicycles, the provision of car parking permits, e-tags and use of Council fleet vehicles as described in the Councillor Expenses and Resources Guidelines. This category also comprises costs associated with accommodation and incidentals incurred when travelling on Council business in outer metropolitan Melbourne and regional Victoria.

3. Communication

This category covers communication costs associated with ensuring that councillors are accessible and are able to communicate with constituents, stakeholders, other Councillors, Council officers and family members while conducting Council business. This category comprises costs associated with use of mobile phones, home phones, internet services and festive season cards.

4. Functions External to Town Hall*

In some cases, councillors may need to use external hospitality services when conducting Council business outside Council offices. In doing so, councillors seek reimbursement for expenses incurred. These expenses comprise costs associated with the provision of meals, refreshments and other entertainment (for councillors and their guests) considered appropriate to the nature of Council business being conducted.

5. Carer Expenses

The Council will reimburse the cost of necessary carer expenses incurred by councillors in the course of carrying out their duties. This covers child care and other forms of care needed to support immediate family members.

*Costs incurred under these categories may include those relating to the participation of partners in accordance with the Councillor Expenses and Resources Guidelines.

SCHEDULE OF EXPENSES FOR THE LORD MAYOR AND DEPUTY LORD MAYOR FOR THE PERIOD 1 JULY 2015 TO 30 JUNE 2016

Category	Lord Mayor, Robert Doyle	Deputy Lord Mayor, Susan Riley	Total
1. Conferences, Functions & Training	\$150.00	\$1,664.99	\$1,814.99
2. Travel - Local	\$20,859.43	\$19,421.26	\$40,280.69
3. Communication	\$5,039.11	\$1,298.25	\$6,337.36
4. Functions External to Town Hall	\$1,819.66	\$0	\$1,819.66
5. Carer Expenses	\$0	\$0	\$0.00
Total Expenses	\$27,868.20	\$22,384.50	\$50,252.70

SCHEDULE OF COUNCILLOR EXPENSES 1 JULY 2015 TO 30 JUNE 2016

Category	Cr Watts	Cr Louey	Cr Oke	Cr Ong	Cr Wood	Cr Pinder-Mortimer	Cr Foster	Cr Mayne	Cr Leppert	Total
1. Conferences, Functions & Training	\$455.82	\$2,000.74	\$489.09	\$418.18	\$489.09	\$3,187.27	\$843.63	\$1,475.00	\$450.00	\$9,809.82
2. Travel - Local	\$1,275.56	\$1,491.59	\$1,401.00	\$175.79	\$751.66	\$2,384.58	\$859.92	\$1,458.96	\$2,704.25	\$12,503.31
3. Communication	\$1,618.18	\$4,837.77	\$1,191.37	\$1,169.92	\$1,107.64	\$1,074.96	\$731.40	\$897.68	\$1,632.39	\$14,261.31
4. Functions External to Town Hall	\$304.54	\$0	\$0	\$0	\$0	\$44.55	\$0	\$0	\$0	\$349.09
5. Carer Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$3,654.10	\$8,330.10	\$3,081.46	\$1,763.89	\$2,348.39	\$6,691.36	\$2,434.95	\$3,831.64	\$4,786.64	\$36,922.53

SUBSIDIARIES AND TRUSTS

The City of Melbourne has three wholly-owned subsidiaries:

Citywide Service Solutions Pty Ltd – a company established to provide contract services on a competitive basis to local government and other public and private sector clients.

Queen Victoria Market Pty Ltd – a company established to manage and develop the Queen Victoria Market.

Enterprise Melbourne Pty Ltd – a company established to hold the registration for the Enterprise Melbourne Tianjin Representative Office, Tianjin, China.

The City of Melbourne has an interest in other entities including:

Sustainable Melbourne Fund – the City of Melbourne holds all units in this fund, a strategic trust established to support and promote sustainable development.

Regent Management Company Limited – shared with the Victorian Government, the City of Melbourne has a 50 per cent interest in this company, established to manage the historic Regent Theatre in Collins Street, Melbourne.

MAPS Group Limited trading as Procurement Australia – the City of Melbourne is the majority shareholder of this company.

DOCUMENTS AVAILABLE FOR INSPECTION

The *Local Government Act 1989* and *Local Government (General) Regulations 2015* require us to keep certain statutory registers and documents, most of which can be viewed on our website, melbourne.vic.gov.au or, in certain cases, on application. Information on how to go about obtaining information and documents from the Council can be found in the 'About Council' section of our website, or by making a request in person at the Melbourne Town Hall Administrative Building, 120 Swanston Street, Melbourne during office hours.

Registers required to be made available for public inspection

- 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 to the Council of the overseas or interstate travel, including accommodation costs.
- Names of councillors and Council officers who were required to submit a return 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 kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the *Local Government Act 1989* (the Act).
- 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 that have been closed to members of the public under section 89 of the Act.
- A register of delegations kept under sections 87 and 98 of the Act, including the dates on which the last reviews under sections 86(6) and 98(6) of the Act took place.
- 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 which have received a donation or grant and the amount of each donation or grant.
- Election campaign donations.

Council also maintains a number of non-statutory registers which can be found on our website at melbourne.vic.gov.au.

Additional registers/information made available on our website

- Details of current allowances fixed for the Mayor, Lord Mayor (if any) and Councillors under section 74 or 74A of the *Local Government Act 1989* (the Act).
- The total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states:
 - (a) Ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and
 - (b) The number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (a).
- 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 which were abolished or ceased to function during the financial year.
- Submissions received in accordance with section 223 of the Act during the previous 12 months.
- Agreements to establish regional libraries under section 196 of the Act.
- Travel by non-City of Melbourne passengers.
- Register of Councillor Conflicts of Interest.
- A list of contracts valued at \$150,000 or more 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) or (5A) of the Act.
- Purchase orders of \$500,000 or over.
- List of land and building assets valued at more than \$2.5 million.
- 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.
- List of Authorised officers under section 188 of the *Planning and Environment Act 1987*.

PARTICIPATING IN COUNCIL

The City of Melbourne welcomes community and stakeholder attendance and participation at Council and Committee meetings. Any person may submit an item of correspondence (to Council or Committee) or a request to address Committee with respect to an item listed on an agenda.

Members of the public may also ask questions (no greater than 90 seconds in duration) at Ordinary Committee meetings. A 15-minute period is provided for questions at the beginning and end of the meeting.

Records of meetings, meeting dates and times and information on how to interact with the Council are provided on our website at melbourne.vic.gov.au/committees.

OUR COUNCILLORS

In 2015–16 the community was represented by the following office bearers on the Melbourne City Council. The positions held by office bearers in the profiles outlined below reflect membership of those bodies and committees that were operating during this time.



LORD MAYOR ROBERT DOYLE

First elected as Lord Mayor in 2008 and re-elected in 2012

The Lord Mayor is Chair of meetings of the Melbourne City Council and Chair of the Future Melbourne (Major Projects) Committee. The Lord Mayor also represents the City of Melbourne on the following external organisations:

- Melbourne Arts Trust
- Cancer Council of Victoria
- Council of Capital City Lord Mayors
- Shrine of Remembrance Trustees
- Lord Mayor's Charitable Foundation
- United Nations Advisory Committee of Local Authorities
- C40 Cities Climate Leadership Group
- 2016 Ministerial Mayors Advisory Panel
- Chief Executive Officer Employment Matters Committee
- World Economic Forum Advisory Committee



DEPUTY LORD MAYOR SUSAN RILEY

First served as Deputy Lord Mayor from 2001 to 2004. Elected again as Deputy Lord Mayor in 2008 and re-elected in 2012

The Deputy Lord Mayor is Deputy Chair of the Future Melbourne (Marketing Melbourne) Committee. The Deputy Lord Mayor also represents the City of Melbourne on the following advisory committees and external organisations:

- Audit Committee
- Australian Intercultural Society
- Melbourne Art Trust
- Melbourne Awards Advisory Board
- Melbourne Spring Fashion Week Advisory Board
- Procurement Australia
- Lady Mayoress' Committee
- RMIT School of Design and Textiles Industry Advisory Group
- Tee Up For Kids



COUNCILLOR RICHARD FOSTER Elected in 2012

Cr Richard Foster is Chair of the Future Melbourne (People City) Committee and Deputy Chair of the Future Melbourne (Transport) Committee.

Cr Foster also represents the City of Melbourne on the following advisory committees and external organisations:

- Family and Children's Advisory Committee
- Homelessness Advisory Committee
- Parks and Gardens Advisory Committee



**COUNCILLOR
ROHAN LEPPERT**
Elected in 2012

Cr Rohan Leppert is Chair of the Future Melbourne (Arts and Culture) Committee, and Deputy Chair of the Future Melbourne (Planning) Committee.

Cr Leppert also represents the City of Melbourne on the following advisory committees and external organisations:

- Victorian Local Governance Association
- Melbourne Music Week Steering Committee
- Music Strategy Advisory Committee



**COUNCILLOR
KEVIN LOUEY**
First elected in 2008 and re-elected in 2012

Cr Kevin Louey is Chair of the Future Melbourne (Economic Development) Committee and was the Co-Chair of the Docklands Coordination Committee.

Cr Louey also represents the City of Melbourne on the following advisory committees and external organisations:

- Business Partner City Network
- Melbourne Retail and Hospitality Advisory Board (until 29 October 2015)
- Enterprise Melbourne Pty Ltd



**COUNCILLOR
STEPHEN MAYNE**
Elected in 2012

Cr Stephen Mayne is Chair of the Future Melbourne (Finance and Governance) Committee and Deputy Chair Future Melbourne (Planning) Committee. Council redistributed portfolio responsibilities on 24 November 2015 where Cr Mayne was named Deputy Chair of the Future Melbourne (Transport) Committee.

Cr Mayne also represents the City of Melbourne on the following advisory committees and external organisations:

- Audit Committee
- Municipal Association of Victoria
- Melbourne Art Trust
- Parks and Gardens Advisory Committee
- Chief Executive Officer Employment Matters Committee



**COUNCILLOR
CATHY OKE**
First elected in 2008 and re-elected in 2012

Cr Cathy Oke is Chair of the Future Melbourne (Transport) Committee and Deputy Chair of the Future Melbourne (Environment) Committee. Cr Oke is also an alternate member of the Docklands Coordination Committee.

Cr Oke represents the City of Melbourne on the following advisory committees and external organisations:

- International Council for Local Environment Initiatives (ICLEI) Global Executive Committee
- ICLEI Regional Executive Committee
- Metropolitan Transport Forum
- Chief Executive Officer Employment Matters Committee



**COUNCILLOR
KEN ONG**

**First elected in 2008 and
re-elected in 2012**

Cr Ong is Chair of the Future Melbourne (Planning) Committee, Deputy Chair of the Future Melbourne (Finance and Governance) Committee, and Deputy Chair of the Future Melbourne (Major Projects) Committee.

Cr Ong also represents the City of Melbourne on the following advisory committees and external organisations:

- Committee for Melbourne
- Disability Advisory Committee
- Metropolitan Local Government Waste Forum
- Inner Melbourne Action Plan Implementation Committee
- Queen Victoria Market Project Advisory Committee



**COUNCILLOR
BEVERLEY
PINDER-MORTIMER**

Elected in 2012

Cr Beverley Pinder-Mortimer is Chair of the Future Melbourne (Marketing Melbourne) Committee and Deputy Chair of the Future Melbourne (Arts and Culture) Committee.

Cr Pinder-Mortimer also represents the City of Melbourne on the following advisory committees:

- Audit Committee (from 24 November 2015)
- Lord Mayor's Commendations Advisory Group
- Melbourne Awards Advisory Group
- Melbourne Music Week Steering Committee
- Melbourne Retail and Hospitality Advisory Board (until 29 October 2015)
- Melbourne Spring Fashion Week Advisory Board
- Music Advisory Committee
- Chinese New Year Advisory & Marketing Committee



**COUNCILLOR
JACKIE WATTS**

**First elected in July 2011 and
re-elected in 2012**

Cr Jackie Watts is Chair of the Future Melbourne (Knowledge City) Committee and Deputy Chair of the Future Melbourne (People City) Committee.

Cr Watts also represents the City of Melbourne on the following advisory committees and external organisations:

- Lord Mayor's Commendations Advisory Group
- Business Partner City Network
- Parks and Gardens Advisory Committee
- Victorian Local Government Women's Charter
- Music Advisory Committee
- Disability Advisory Committee
- Family and Children's Advisory Committee
- Homelessness Advisory Committee



**COUNCILLOR
ARRON WOOD**

Elected in 2012

Cr Arron Wood is Chair of the Future Melbourne (Environment) Committee and Deputy Chair of the Future Melbourne (Economic Development) Committee.

Cr Wood also represents the City of Melbourne on the following advisory committees and external organisations:

- Parks and Gardens Advisory Committee
- Yarra Park Advisory Committee
- Enterprise Melbourne Pty Ltd
- Melbourne Sustainable Society Institute Advisory Board
- Ecocity World Summit 2017 Executive Advisory Board

COUNCIL AND COMMITTEE MEETING ATTENDANCE

	Melbourne City Council meetings	Committee meetings		
		Future Melbourne	Inner Melbourne Action Plan	Docklands Coordination
Number of meetings	15	23	4	1
LM Robert Doyle	15	20	..	..
DLM Susan Riley	15	21	..	..
Cr Richard Foster	14	20	..	..
Cr Rohan Leppert	14	23	..	..
Cr Kevin Louey	15	22	..	1
Cr Stephen Mayne	15	20	..	..
Cr Cathy Oke	15	21	..	*
Cr Ken Ong	11	22	3	..
Cr Beverley Pinder-Mortimer	13	18	..	..
Cr Jackie Watts	10	16	..	..
Cr Arron Wood	13	19	..	..

..Not a member *Alternate member

COUNCIL SPECIAL COMMITTEES

As well as Council meetings, Melbourne City Council has three special committees:

1. Future Melbourne Committee (meets twice monthly)

This committee has delegated powers, duties and functions directly relating to, or ancillary to, all aspects of our activities. The Future Melbourne Committee's terms of reference are grouped into 10 themes or portfolios:

- Arts and Culture
- Economic Development
- Environment
- Finance and Governance
- Knowledge City
- Major Projects
- Marketing Melbourne
- People City
- Planning
- Transport

All councillors participate in the Future Melbourne Committee.

2. Inner Melbourne Action Plan (meets quarterly)

This committee has delegated powers, duties and functions directly relating to, or ancillary to, overseeing implementation of the Inner Melbourne Action Plan in accordance with the agreed three-year implementation program. The committee comprises representatives from the local governments of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong.

3. Docklands Coordination Committee

(was dissolved by Council at its meeting on 15 December 2015). This committee managed coordination between the City of Melbourne and Places Victoria to ensure an open public discussion in this developing area. The committee, which included senior representatives from both organisations, met annually to monitor place management services within the coordination area. The requirement for this committee was removed from the *City of Melbourne Act 2001*.

COUNCIL PLANNING FRAMEWORK

Elected by the community, Melbourne City Council is the decision-making body that sets the strategic direction and policy of the municipality.

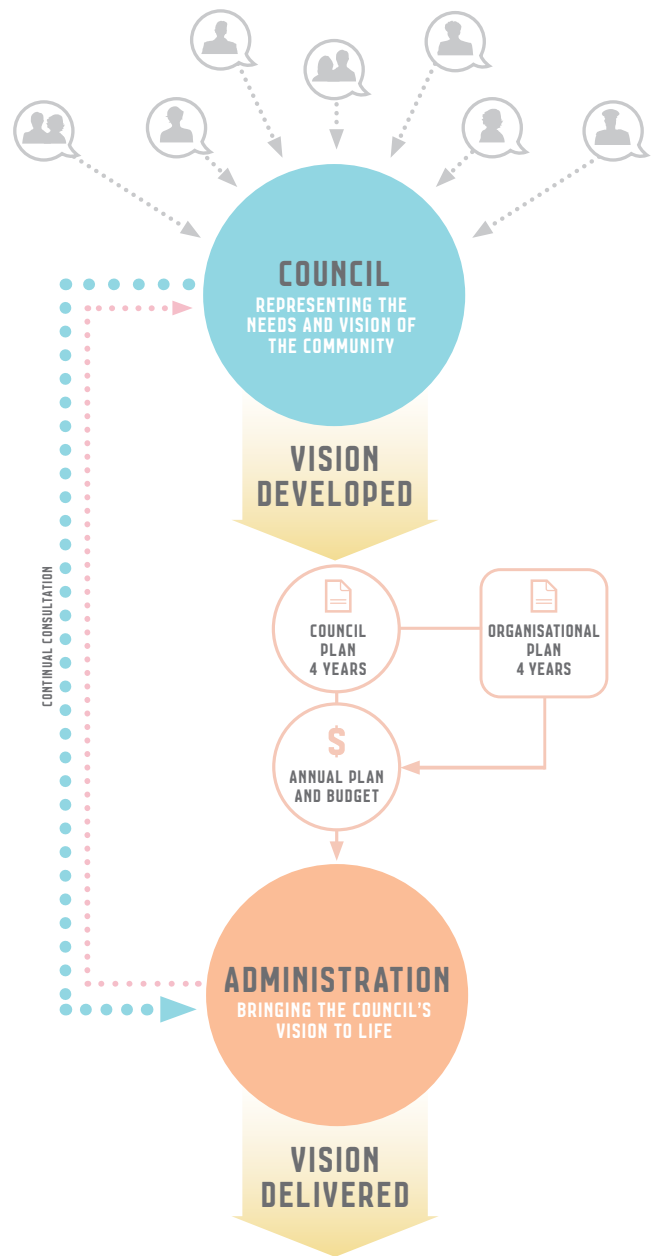
The Council delivers:

- The four-year Council Plan, which sets out what the Council will achieve during its four-year term to further the community vision.
- The Annual Plan and Budget, which describes the Council's key objectives and activities for each 12-month period.

The administration, headed by a Chief Executive Officer appointed by the Council, delivers the vision of the elected Council.

This is done by:

- providing advice to the Council in a timely manner
- resourcing the administration to deliver the results sought by the Council
- complying with the statutory responsibilities required under legislation
- delivering services to the community required under legislation or by the Council
- implementing the decisions made by the Council.



OUR REPORTING FRAMEWORK

The following section ‘Performance against our goals’ is divided into eight chapters, reflecting the eight goals that support our vision of being a bold, inspirational and sustainable city, as per the Council Plan 2013-17.



HOW TO READ THE FOLLOWING SECTIONS

Each goal chapter describes:

- the **outcomes** the Council aims to achieve within its four-year term, according to the Council Plan 2013-17
- how well the Council performed over the last year, as measured by the **indicators of progress** towards the outcomes in the Council Plan
- the **priorities** and **actions** supporting those priorities the Council has implemented to achieve the four-year outcomes it seeks, including whether these actions were completed or are ongoing

- **the major initiatives** of the Council of the past 12 months (activities of particular importance under each goal, as listed in the Annual Plan and Budget 2015-16).

Goals one to six include a ‘Future Melbourne snapshot’. These provide a picture of how the municipality is tracking as a whole against the goals of the Future Melbourne Community Plan. The Future Melbourne Community Plan is broader than the Council Plan, and sets out what the community and the City of Melbourne together aspire to achieve by 2020.



PERFORMANCE AGAINST OUR GOALS

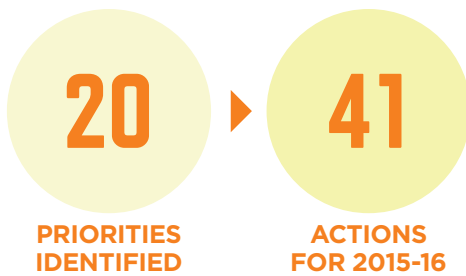




GOAL 1 A CITY FOR PEOPLE

Melbourne will be accessible, inclusive, safe and engaging. Our streets, buildings and open spaces will be alive with activity. People of all ages and abilities will feel secure and empowered, freely participate in their community and lead healthy lives.

OVERVIEW



DELIVERED VIA



OUR APPROACH

The City of Melbourne plays an important role in making sure our city remains a great place for people from all walks of life, whether their reason for coming here is to live, work or study, and whether they intend to stay long term or just a short while. As our city grows, we need to be nimble in responding to our community's needs, particularly those who are most vulnerable.

Building a 'city for people' is about keeping pace with our changing population by having well-planned infrastructure and services, providing safe and welcoming public spaces, and supporting people to stay healthy, socially connected and engaged in their community.

ISSUES AND CHALLENGES

Changing Victorian Government priorities impacted a number of projects. Work with the Victorian Government on E-Gate has paused, pending the impacts of the Western Distributor on the urban renewal area. The review of the City of Melbourne Housing Strategy as it relates to affordable housing issues did not progress as it relied on the release of the Australian Government's Reform of the Federation White Paper. City of Melbourne officers have continued to input into strategic planning for Fishermans Bend through taskforce-led working groups. Development of the Lorimer Precinct Plan will now be prepared as the Lorimer Neighbourhood Precinct Plan, and this will be led by the Fishermans Bend Taskforce. The first phase of community engagement to develop a new contemporary Master Plan for the Domain Parklands was undertaken, and there is a need for another phase of engagement to further understand community views. We've extended the project completion date to April 2017.

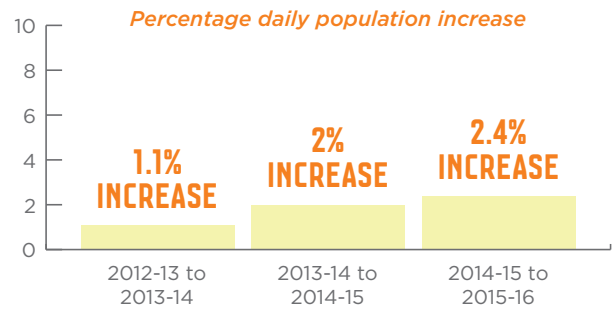
FUTURE DIRECTIONS

Major initiatives include continuing to deliver the Queen Victoria Market precinct renewal program, the development of plans for the Fishermans Bend employment precinct and Lorimer precinct and continuing to develop plans for the urban renewal of the Arden Macaulay area. We will finalise the Moonee Ponds Creek Master Plan and seek agreement on a funding and implementation strategy. Planning will also commence for the temporary relocation of Lady Huntingfield Childcare Centre places and redevelopment of the site.

FUTURE MELBOURNE SNAPSHOT

How the city measures up as a 'city for people' based on: *The percentage increase in residents, visitors and workers.*

The daily population grew from 844,000 in 2013 to 891,000 in 2016.



MAJOR INITIATIVES



BEGIN IMPLEMENTING THE QUEEN VICTORIA MARKET PRECINCT RENEWAL MASTER PLAN

Since the Queen Victoria Market Precinct Renewal Master Plan was adopted in July 2015, we've been working hard to progress renewal: preparing a planning scheme amendment for the precinct, conducting a tender process for the Munro site development, and creating an implementation framework to guide renewal. The renewal of the market is well on track, with the implementation framework to be released in July 2016. The framework will outline the delivery of the projects identified in the Queen Victoria Market Precinct Renewal Master Plan, including key timeframes and, importantly, how the market will continue to trade during the renewal works. Improving the trader, customer and community experience is central to the renewal program.



COMPLETE CARLTON BATHS STAGE TWO: A REFURBISHED SWIMMING POOL, NEW TODDLERS' POOL, PLANT ROOM AND LANDSCAPING

The \$19.48 million refurbishment of the historic Carlton Baths was completed in time for the pool's 100th anniversary celebrations. As part of the upgrade, there's a new toddlers' pool along with modern play equipment and shade sails. The pool floor was levelled, the pool shell replaced, more slip resistant tiles, new decking and an access ramp were installed and the pool plant equipment was replaced. The landscaping works included new trees and a sustainability upgrade through features such as rainwater collection, solar hot water and passive ventilation.

HIGHLIGHTS



KATHLEEN SYME LIBRARY AND COMMUNITY CENTRE OPENS

The new Kathleen Syme Library and Community Centre opened in July 2015. The ceremony was followed by a Community Family Day, which was enjoyed by more than 1000 visitors. The event included cooking demonstrations, body scans, live entertainment and an exciting appearance by the Chinese Lion.

Goal 1 service areas: Planning for population growth - Parks and gardens - Building, development and planning - Public health and safety - Libraries - Homelessness - City safety - Family, children and youth - Recreation and leisure - Street cleaning and waste management - Aged and inclusion - Sustainable environmental management - Urban policy and design



OPENING OF CARLTON'S NEILL STREET RESERVE

The Neill Street Reserve in Carlton is a new neighbourhood park that includes two multipurpose play courts, a community square that can be booked for events and the City of Melbourne's first permanent table tennis table, which was designed in-house by the industrial design team.



LIBRARY AT THE DOCK TAKES TWO INDUSTRY AWARDS

Library at the Dock public library and community centre was a recipient of two industry awards. This state-of-the-art building was recognised with an interior design award as part of the Intergrain Timber Vision Awards and a national technology awards at the Audio Visual Industry Awards.



CARING FOR OUR COMMUNITY

The Victorian Seniors Festival and Carers Week celebrated the role that older people and carers play in our community. Highlights included free activities for older people at our libraries and recreation centres including disco knits, grandparents' story time and Zumba. The Carers Project – A Sanctuary in the City, a participatory arts project developed by carers, was installed at Southbank and challenged the community to reflect on what it means to be a carer.



WELCOME DINNER PROJECT

Over 50 new Australians (refugees, asylum seekers, international students) and established Australians shared conversations over a potluck meal at the Multicultural Hub as part of the Welcome Dinner Project. Hosted by the City of Melbourne and Joining the Dots, the dinners create a platform for meaningful connection and establishing new friendships.



INNOVATIVE 'SILENT BACKBOARDS' INSTALLED

A 'silent backboard' was designed and installed at Docklands Sports Courts to minimise the noise from basketball matches. The one-piece aluminium plate was designed and retrofitted into existing infrastructure and initial readings showed that it significantly decreased the sound. This new innovative design will now be considered for use in other sports courts.



NATIONAL RECONCILIATION WEEK, THE MELBOURNE WAY

A variety of activities and events in the world's most liveable city took place to celebrate Aboriginal and Torres Strait Islander culture during National Reconciliation Week. The event, which ran from 27 May to 3 June, included a variety of activities to commemorate and learn about our shared histories, cultures and achievements and to explore how each of us can join the national reconciliation conversation. The City of Melbourne is also proud to have been the first Australian local government to have a Reconciliation Action Plan endorsed by Reconciliation Australia.



EXPERIENCING THE CITY THROUGH DEAF BLIND VICTORIANS

Five members of Deaf Blind Victorians (DBV), an energetic independent community group based at Ross House, provided Council staff with a unique opportunity to experience the city as they would. Through an innovative training model where Council staff donned ear plugs and goggles, they had to navigate particular scenarios that deaf blind people experience in our city every day. Working closely with DBV is critical to planning new services such as the renewal of Kings Domain parkland, Queen Victoria Market and the Melbourne Metro Rail project. At the end of the session, we celebrated Deafblind Awareness Week and the birthday of Helen Keller, one of the 20th century's leading humanitarians.

HOW WE'RE PERFORMING AGAINST OUR INDICATORS OF PROGRESS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2013-17. We measure progress by the indicators below.

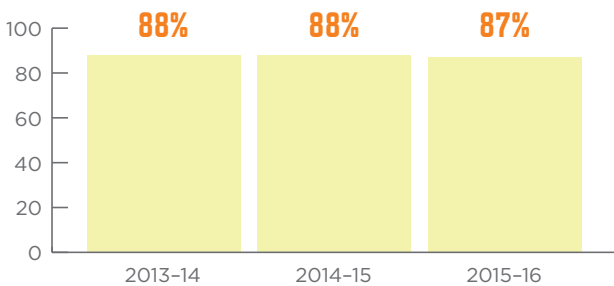
PROJECTED OUTCOME:

A well-planned municipality for a growing and diverse population

INDICATOR

The proportion of the resident population that lives within a 15-to-20 minute walk (800 m to 1 km radius) of community facilities, per year.

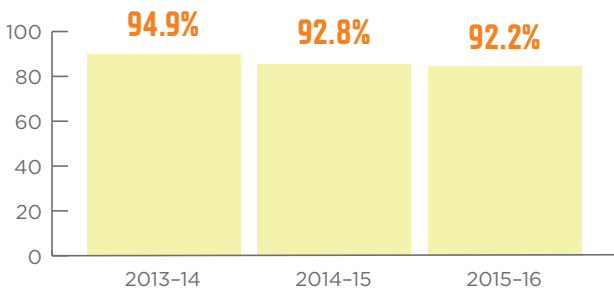
Residents living within an 800-metre walk of community facilities



INDICATOR

The proportion of the resident population that lives within a 300-metre walk of open space.

Residents living within a 300-metre walk of open space



OUR PROGRESS

Our estimated population living within a 20-minute walk or 800-metre radius of community facilities has remained almost unchanged. Community facilities include libraries and community hubs (i.e. buildings that share space and resources for public use, excluding recreation centres and neighbourhood houses). Factors that can influence the indicator result include where population growth is occurring. Community facilities in neighbouring municipalities are not counted.

Our estimated population living within a 300-metre radius of open spaces, including parks and reserves, sports fields and outdoor recreation areas, squares and publicly accessible private outdoor space has declined to 92 per cent.

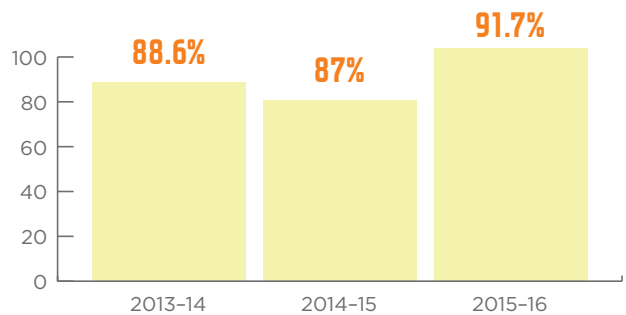
PROJECTED OUTCOME:

People who are informed and supported to be healthy

INDICATOR

The proportion of people using selected City of Melbourne services that reported the information they received from those services helps them to lead a healthier lifestyle.

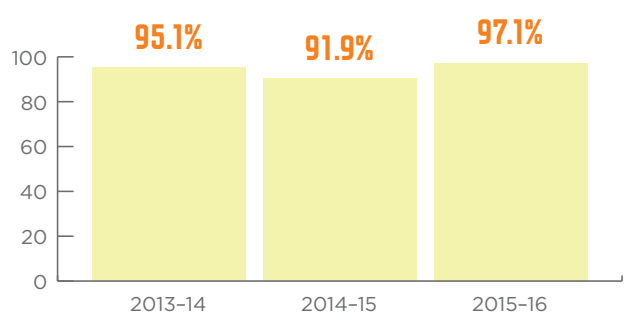
Customers reporting the information they received from us helped them lead a healthier lifestyle



INDICATOR

The proportion of people using selected City of Melbourne services that reported the support they received from those services helps them to lead a healthier lifestyle.

Customers reporting the support they received from us helped them lead a healthier lifestyle



OUR PROGRESS

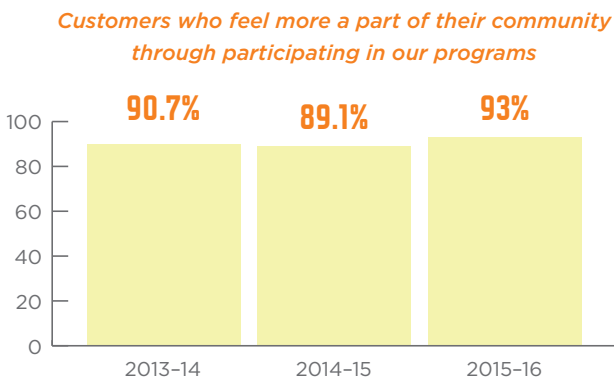
Of customers surveyed who used our services (including immunisation, maternal and child health services, parent support, Healthy Ageing community events, child care services, recreation and leisure centres), 91.7 per cent reported the information they received helped them lead a healthier lifestyle, and 97.1 per cent reported the support they received helped them lead a healthier lifestyle.

PROJECTED OUTCOME:

People who participate and feel connected

INDICATOR

The proportion of service users who feel more a part of their community through participation in selected City of Melbourne programs per year.



OUR PROGRESS

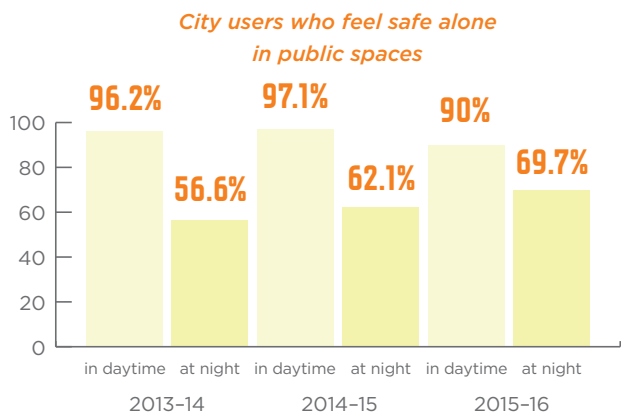
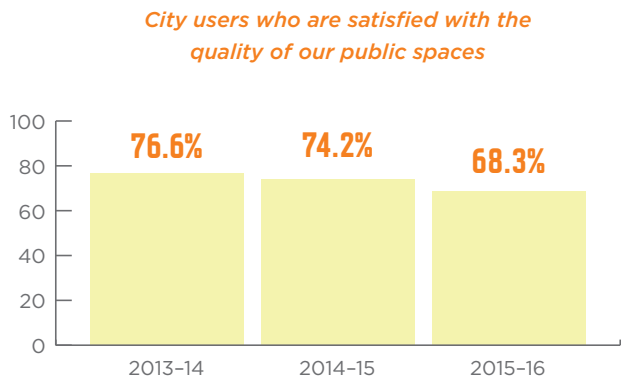
Customers surveyed who participated in our programs (including Healthy Ageing community events, child care services, recreation and leisure centres, student programs and parent support) and reported they felt more a part of their community increased to 93 per cent.

PROJECTED OUTCOME:

Safe, high-quality and well-used public spaces and places

INDICATOR

The proportion of city users satisfied with the quality of City of Melbourne public spaces and places, annually.



OUR PROGRESS

Just over 68 per cent of city users surveyed reported satisfaction with the quality of the city's public spaces, based on several quality aspects of public open spaces, including sun and shade, sights and sounds, fresh air, greenery, the presence of art and furniture, accessibility and ability to enjoy using the space. This is more than a 5 per cent decrease than the previous year.

Ninety per cent of people surveyed felt safe alone in public spaces during daytime, and seventy per cent reported feeling safe alone in public spaces at night, an improvement from last year of more than 7 per cent.

PRIORITIES AND ACTIONS

A total of 21 actions and activities were completed under Goal 1, a city for people. Several actions not completed in 2015-16 will continue to be delivered in the 2016-17 financial year. Some relate to projects that span multiple years and some were delayed due to unforeseeable external factors.

Two actions were discontinued in 2015-16. Work with the Victorian Government on E-Gate has paused, pending the impacts of the Western Distributor on the urban renewal area. The review of the City of Melbourne Housing Strategy

as it relates to affordable housing issues did not progress as it relied on the release of the Australian Government's Reform of the Federation White Paper.

Completed ✓	Ongoing ↻
New Action in 2016-17 ○	Discontinued ✕

Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
<p>Begin implementing Melbourne's Urban Renewal Areas plan</p>	<ul style="list-style-type: none"> • Complete Planning Scheme Amendment C190 - Arden-Macaulay • Undertake a planning scheme amendment to introduce DD032 and its 14-metre height limit over land at 94-112 Courtney Street (corner Harcourt Street), 104-162 Capel Street and 135-159 Peel Street • Review the Urban Design within the Capital City Zone policy • Undertake preliminary scoping studies and design to inform the development of a City of Melbourne preferred Master Plan for the Moonee Ponds Creek • Consult on and finalise the Lorimer Structure Plan • Run an exhibition and panel hearing for the West Melbourne Waterfront Planning Scheme Amendment • Consult on and finalise the West Melbourne Structure Plan • Prepare an assessment of the Council's options for establishing new sources of funding for local infrastructure in the city's high growth areas • Work with the State Government on E-Gate 	<ul style="list-style-type: none"> • (Major Initiative) In partnership with the Victorian Government and in consultation with the community, continue to develop plans for the urban renewal of the Arden Macaulay area that clearly articulates Council's expectations for future growth • Engage with the Victorian Government's Central City Built Form Review, consider its outcomes and determine any further necessary Council actions to continue to improve urban design outcomes • Progress Planning Scheme Amendment C221 West Melbourne Waterfront development through to Panel • (Major Initiative) In partnership with the Victorian Government, finalise the Moonee Ponds Creek Master Plan and seek agreement on a funding and implementation strategy • (Major Initiative) Work with the Victorian Government to implement Council's goals through the development of plans for the Fishermans Bend Employment Precinct and Lorimer Precinct • Develop a flood mitigation strategy including open space requirements, around the Moonee Ponds Creek corridor • Finalise the West Melbourne Structure Plan
<p>Providing community infrastructure commensurate with the municipality's growing population and in anticipation of rapid growth in urban renewal areas</p>	<ul style="list-style-type: none"> • Complete the Docklands Family Services and Community Boating Hub • Investigate the community infrastructure required to accommodate increased future population in the Arden Macaulay area and provide potential partnership models to deliver that infrastructure • (Major Initiative) Begin implementing the Queen Victoria Market precinct renewal Master Plan • Implement the Queen Victoria Market precinct development controls through a planning scheme amendment • Through community engagement, develop a framework to guide the provision, location and management of skating in the city 	<ul style="list-style-type: none"> • Work with surrounding councils and the State Government to develop a more integrated approach to the planning and delivery of community infrastructure and services • Advocate for an Arden Macaulay Infrastructure Contribution Plan with a view to incorporate Infrastructure Contribution Plans into other renewal areas such as Southbank and City North • Work with the City of Moonee Valley to agree on an approach to improve the public amenity and safety along Racecourse Road, including the area around Flemington Bridge Station • (Major Initiative) Continue to deliver the Queen Victoria Market Precinct Renewal Master Plan • Progress Planning Scheme Amendment for the Queen Victoria Market

Our 4-year priorities are...	Our 2015–16 focus was...	Over the next year we will...
Advocate to and cooperate with the Victorian Government in planning for new government schools	<ul style="list-style-type: none"> To meet the school needs of our residents, continue working with the State Government and IMAP councils on a regional plan that includes school sites in our municipality 	<ul style="list-style-type: none"> Work with the Victorian Government, to facilitate the design and development of primary schools in Carlton, North Melbourne and Docklands neighbourhoods and undertake planning for secondary school provision
Facilitate private and public development of a diverse and more affordable housing stock to accommodate population growth	<ul style="list-style-type: none"> Continue to work with the Department of Environment Land Water and Planning to develop the Victorian Apartment Design Standards, as part of our Housing Strategy implementation Review the City of Melbourne Housing Strategy as it relates to affordable housing issues, following the release of the Australian Government's Reform of the Federation White Paper 	<ul style="list-style-type: none"> Review the City of Melbourne Housing Strategy as it relates to affordable housing issues Ensure the Munro site redevelopment tender considers affordable housing and child care
Protect the community from passive smoking by expanding smoke free areas	<ul style="list-style-type: none"> Work with the Victorian Government towards a ban on smoking in outdoor dining areas and, if appropriate, continue to implement smoke-free areas 	<ul style="list-style-type: none"> Work supporting this priority is included in our regular business for the year
Develop an electronic gaming machine policy for the municipality	<ul style="list-style-type: none"> Review Melbourne Planning Scheme clause 22.12 (gaming premises) in light of the continued Capital City Zone expansion 	<ul style="list-style-type: none"> Work supporting this priority is included in our regular business for the year
Increase community participation in physical activity through our sport and recreation services	<ul style="list-style-type: none"> Complete the committed Princes Park Master Plan works and Royal Park works and develop a revised strategy of use of those sporting facilities Audit a range of community and recreation facilities for gender equity Draft an Active Melbourne Strategy 2016-21 Review, investigate and test opportunities with elite sporting organisations to provide measurable and achievable community recreation and health and well-being programs (Major Initiative) Complete Carlton Baths Stage 2: a refurbished swimming pool, new toddlers' pool, plant room and landscaping 	<ul style="list-style-type: none"> Work supporting this priority is included in our regular business for the year
Support the community to access nutritious and sustainable food through our Food Policy	<ul style="list-style-type: none"> Initiate and support food-related activities that strengthen social connections and access to nutritious, sustainable food 	<ul style="list-style-type: none"> Work supporting this priority is included in our regular business for the year
Address gender and equity issues in all new Council strategies and plans	<ul style="list-style-type: none"> Improve access to interpreting and translation services to people who need support to access information about Council services and strategies 	<ul style="list-style-type: none"> Work supporting this priority is included in our regular business for the year
Strengthen partnerships to prevent crime and improve community safety	<ul style="list-style-type: none"> Continue to improve the Safe City Cameras Program network Implement Year 2 actions from the Beyond the Safe City Strategy 2014-17 	<ul style="list-style-type: none"> Should the Night Network trial be extended, seek Victorian Government funding for late night activation of the city
Apply crime-prevention-through-environmental-design principles to increase safety in public spaces		<ul style="list-style-type: none"> Work supporting this priority is included in our regular business for the year

Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
Support the prevention of violence against society's most vulnerable people with a focus on women and children		<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
Provide programs and events for people to participate in community activities and civic life and connect with each other	<ul style="list-style-type: none"> • Provide two opportunities for school choirs from the municipality to perform during citizenship ceremonies 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
Celebrate cultural and language diversity through a range of cultural activities	<ul style="list-style-type: none"> • Facilitate and host activities for NAIDOC Week, Reconciliation Week and a range of cultural diversity events 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
Provide youth, aged and family-focused services for a growing community	<ul style="list-style-type: none"> • Identify and pilot opportunities for people of different ages and abilities to exchange skills and develop connections • Implement African Australian community strategic partnerships to progress the Community Employment and Empowering Women Initiatives 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
Facilitate the sufficient availability of quality childcare services in local areas and plan for future demand	<ul style="list-style-type: none"> • Building on studies and feasibility work done to date, indicate how and where the City of Melbourne will increase numbers of childcare places in neighbourhoods (including the QVM precinct) to meet future demand 	<ul style="list-style-type: none"> • (Major Initiative) Commence planning for temporary relocation of Lady Huntingfield Childcare Centre places and redevelopment of the Lady Huntingfield site
Support the social and economic development of Aboriginal and Torres Strait Islander people	<ul style="list-style-type: none"> • Implement 2015-18 Reconciliation Action Plan Year 1 actions including a partnership with the Jawun Indigenous Corporate Partnership and establishment of a City of Melbourne reconciliation forum 	<ul style="list-style-type: none"> • Revise the Procurement Policy to ensure supplier diversity and equal opportunity is being provided to Aboriginal and Torres Strait Islander businesses, including through the potential membership of Supply Nation
Contribute to developing sustainable pathways out of homelessness	<ul style="list-style-type: none"> • Implement Year 2 actions from the Homelessness Strategy 2014-17 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
Improve the municipality's social and physical accessibility for all ages	<ul style="list-style-type: none"> • Identify locations to trial Sunday Streets - where cars in selected areas temporarily make way for community activities and recreation • Improve the city for people with cognitive impairment through better signage, access to our facilities and community awareness • Continue to improve city accessibility in line with the Disability Discrimination Act 	<ul style="list-style-type: none"> • Build on year three action on Sunday Streets through an Expression of Interest process for trials and submit report on trials to Council
Expand and improve public spaces through our Open Space Strategy with a particular focus on areas designated for rapid growth	<ul style="list-style-type: none"> • Develop a new contemporary Master Plan for the Domain Parklands • Review the Sunlight to Public Open Space policy to ensure open spaces receive an appropriate amount of sunlight • As part of the implementation of the Open Space Strategy, complete the: <ul style="list-style-type: none"> (a) Eastwood / Rankins project and progress the Railway/Miller, Hawke/Adderley, Boyd School, and (b) Southbank Boulevard and Dodds Street open space expansion projects 	<ul style="list-style-type: none"> • Begin construction of Southbank Boulevard open space project • Following the outcomes of the Victorian Government's Central City Built Form Review, begin a planning scheme amendment to introduce an updated Sunlight to Open Space policy for the remainder of the municipality • Develop proposals that improve the amenity of smaller public spaces to meet the needs of the community in areas facing significant increased density

GOAL 2 A CREATIVE CITY



Melbourne will be a place that inspires experimentation, innovation and creativity and fosters leaders of ideas and courage. It will build upon long-standing heritage and embrace Aboriginal and Torres Strait Islander history and culture.

OVERVIEW



DELIVERED VIA



OUR APPROACH

The City of Melbourne recognises that artistic expression, risk-taking and the new ideas that flow from it are part of the lifeblood of a truly great city. Just as we seek to support new forms of cultural expression, we also recognise the importance of the city's heritage as a mirror into our shared cultural identity.

Building a 'creative city' is about supporting artists, creating opportunities for everyone to share in creative activity, growing our reputation as Australia's art and cultural capital, and protecting our cultural and natural heritage for the enjoyment of current and future generations.

ISSUES AND CHALLENGES

The installation of a Tunnerminnerwait and Maulboyheenner commemorative marker progressed, with artists selected, designs completed and construction commencing. The project was not completed and will continue to be delivered in the 2016-17 financial year. A decision by the Victorian Civil and Administrative Tribunal (VCAT) to allow partial demolition and redevelopment of the Palace Theatre site meant we did not go ahead with implementation of the planning scheme amendment C241 - Palace Theatre Heritage Review.

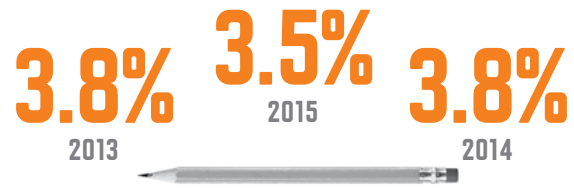
FUTURE DIRECTIONS

Major initiatives include delivering the 2017 Melbourne Indigenous Arts Festival and working with Aboriginal stakeholders and Traditional Owner Groups to prepare a Cultural Heritage Management Plan as agreed in the Queen Victoria Market Renewal Master Plan.

FUTURE MELBOURNE SNAPSHOT

How the city measures up as a 'creative city' based on:
The size of the creative sector: people employed in the creative industries as a proportion of total employment in the municipality.

Historically, the creative sector makes up about 4 per cent or less of the city's total employment.



CREATIVE SECTOR SIZE

(2015, BASED ON LATEST AVAILABLE DATA)

MAJOR INITIATIVE



INSTALL A TUNNERMINNERWAIT AND MAULBOYHEENER COMMEMORATIVE MARKER

Completion of the long-awaited Tunnerminnerwait and Maulboyheenner marker is edging closer, however a contractual delay means this is now scheduled for the end of August 2016. Brook Andrew and Trent Walter, the artists selected for the project, have agreed on detailed designs with the City of Melbourne. Vegetation was removed in anticipation of the work and, in June, contractors were given the green light to begin construction. Consultation will now be scheduled on the final details including plans for the launch event.

Tunnerminnerwait (left): Tunnerminnerwait (aka Jack), [a Tasmanian Aboriginal man from Cape Grim], Thomas Bock (1837-1847). Drawing; graphite and water colour. © Trustees of the British Museum
 Maulboyheenner (right): Maulboyheenner (aka Timmy), Drawing: water colour. © Trustees of the British Museum

HIGHLIGHTS



CELEBRATING 10 YEARS OF CREATIVITY

Arts House celebrated its 10th birthday in style with the inaugural Summertime Party – a curated evening of music, dance, activities and food. North Melbourne Town Hall was filled with celebrations, with over 250 local residents and artists enjoying the festivities.



SUNSET SERIES 2016

Filled with music, dance, food trucks and family-friendly performances, Sunset Series returned to Fitzroy Gardens in January. Audiences were enthralled by some of Melbourne's best up and coming acts, and embraced their inner dance at Bollywood and Go-Go workshops, all in the beautiful green setting of one of our most iconic parks.



GETTING CREATIVE AT SIGNAL

For 10 days in January, the Signal Summer program offered a jam-packed program of workshops, mentoring, opportunities, conversations, exhibitions and performances. Young people worked alongside professional artists, developing skills across a wide range of art forms, as well as presenting new work.



CELEBRATING WOMEN'S ART REGISTER

The Women's Art Register captivated Melbourne with a flurry of 13 free exhibitions and events zigzagging across the city. With 94 artists and curators working together to showcase Australian women's artistic contributions to the cultural landscape, the AS IF festival also took out the Best Visual Arts Award at the Melbourne Fringe Festival.

Erica McGilchrist, *Trio*, 1970. Glen Eira City Council Art Collection. Photo: Christian Capurro



FIXING A DRINK

Conservation work was completed on one of Melbourne's more interesting drinking fountains. The Women's Christian Temperance Union presented the fountain, opposite the Queen Victoria Market in Elizabeth Street, in 1901. Back then, a pub was the only place to get a drink of water and the new fountain provided a free, accessible and healthy alternative.



KENSINGTON HERITAGE PROTECTED

There was great news for the Kensington community with heritage protection being extended to a further 160 heritage buildings in the area. This was a result of the approval of Amendment C215 to the Melbourne Planning Scheme. This inclusion will help ensure the conservation of Kensington's history for present and future generations.

HOW WE'RE PERFORMING AGAINST OUR INDICATORS OF PROGRESS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2013-17. We measure progress by the indicators below.

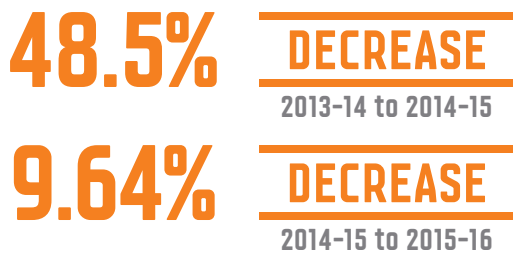
PROJECTED OUTCOME:

Artists are supported to present and work locally; Artistic enterprises choose to base themselves in the municipality

INDICATOR

The proportional increase in the number of artists and creative enterprises seeking support from the City of Melbourne to work or base themselves in the municipality.

Proportional change in artists who sought support from the arts and culture branch



OUR PROGRESS

The number of artists seeking support in 2014-15 was 7,236 representing a 48.5 per cent decrease on the previous year due to the triennial arts grant rounds being conducted in 2013-14. In 2015-16, 6,404 artists sought support from Arts Melbourne programs and 134 artists/creative practitioners were on waiting lists to access City of Melbourne arts spaces. This total of 6,538 artists seeking support represents a 9.64 per cent decrease from 7,236 artists in 2014-15. Last year's reported figure of artists who sought our support was incorrect, with a duplication of figures reported from an arts program. The figure is now corrected.

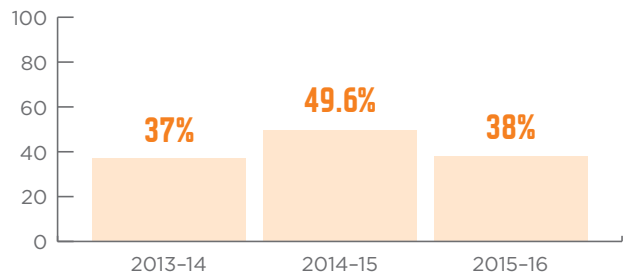
PROJECTED OUTCOME:

People participate in creative expression and attend arts and cultural activities

INDICATOR

The proportion of people participating in selected arts and cultural activities provided by the City of Melbourne who report engaging in these for the first time.

Participants in our arts and cultural activities who reported engaging in these for the first time



OUR PROGRESS

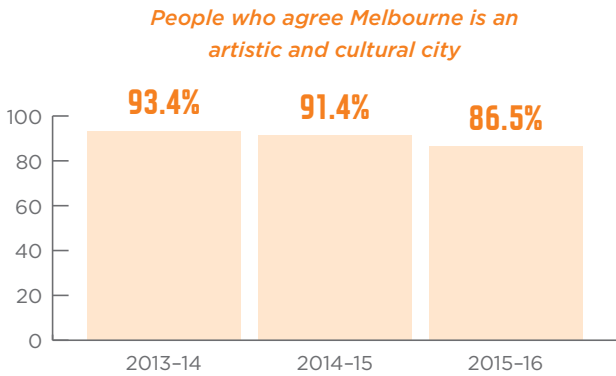
A smaller number of programs recorded their first time recipients in 2015-16 - ArtPlay, Arts House, First Friday Dance Club (Arts Program) and the Town Hall Grand Organ. This sample size is comparable with the 2013-14 data, which indicated 37 per cent of respondents in the same programs participated for the first time. Last year's (2014-15) data included a larger arts and cultural event sample size including Melbourne Spring Fashion Week, New Year's Eve, Melbourne Music Week and the Moomba Festival. These large-scale events are predominantly free and offer a diverse and accessible range of activities, which may be more attractive to first time participants.

PROJECTED OUTCOME:

A growing reputation as the centre for vibrant artistic and cultural life

INDICATOR

The proportion of survey respondents who agree Melbourne is an artistic and cultural city.



OUR PROGRESS

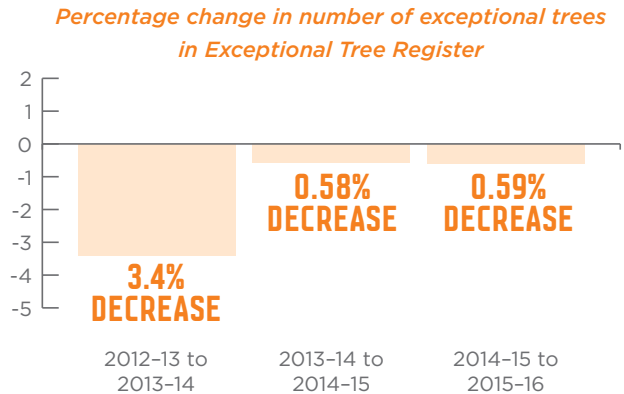
A possible explanation for this decrease in findings may be related to differences in the sampling between 2015 and 2016, which resulted in the 2016 sample including higher proportions of students and lower proportions of people from metropolitan Melbourne.

PROJECTED OUTCOME:

The municipality's cultural and natural heritage is protected for the appreciation of future generations

INDICATOR

The percentage increase in the number of exceptional trees recorded in the Exceptional Tree Register.

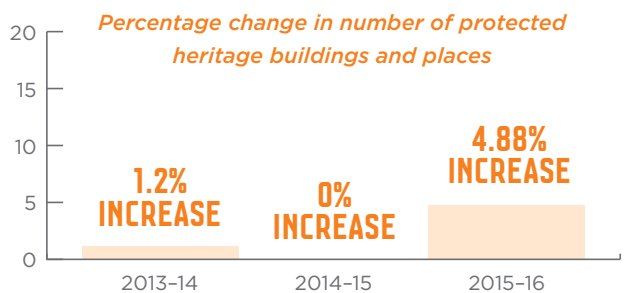


OUR PROGRESS

No new trees were added to the Exceptional Tree Register as the necessary planning scheme amendments were delayed by the ministerial process and budgetary constraints. One tree was removed this financial year due to an untreatable disease causing the tree to decline. This tree was removed to ensure the fungal disease did not spread to surrounding vegetation.

INDICATOR

The percentage increase in the number of buildings and places with statutory heritage protection.



OUR PROGRESS

With the approval of Amendments C215 Kensington Heritage and C198 City North Heritage, 342 properties were added to the Heritage Register in 2015-16, representing a 4.88 per cent change in the number of protected heritage buildings and places.

PRIORITIES AND ACTIONS

A total of 11 actions and activities were completed under Goal 2, a creative city. The installation of a Tunnerminnerwait and Maulboyheenner commemorative marker was not completed in 2015-16 and will continue to be delivered in the 2016-17 financial year. We discontinued implementation of the planning scheme amendment C241 - Palace Theatre Heritage Review. This was due to the decision by VCAT to allow partial demolition and redevelopment of the site.

Completed ✓	Ongoing ↻
Discontinued ✕	

Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
Develop sustainable cultural physical infrastructure and programming	<ul style="list-style-type: none"> Develop a Cultural Infrastructure Framework that maps existing cultural infrastructure and recommends future strategies for growth, including funding and partnership models 	<ul style="list-style-type: none"> Develop an implementation plan that aligns the Arts Infrastructure Framework with the Council's agreed 10-Year Capital Works Plan
Increase access to and participation in creative expression and arts and cultural experiences, including music	<ul style="list-style-type: none"> Run a music symposium comprising local, national and international representatives, as identified in the Melbourne Music Strategy Continue to work with stakeholders to implement the Yarra Trams proposal for an Arts Line Coordinate the installation and removal of the second Melbourne Pavilion in Queen Victoria Gardens as part of a four year program 	<ul style="list-style-type: none"> Research what spaces currently exist to support music performance, collaboration and rehearsal in the City of Melbourne, as identified at the Melbourne Music Symposium 2015 Complete a desktop review of Melbourne's arts, entertainment and community activity calendar to establish the quality and quantity of free activities with a view to providing the outcomes to Council
Strengthen national and international artistic and cultural connections	<ul style="list-style-type: none"> Deliver the Biennial Festival of Live Art 	<ul style="list-style-type: none"> Deliver the biennial Dance Massive festival
Support emerging artists	<ul style="list-style-type: none"> Implement the Arts House Strategic Plan 	<ul style="list-style-type: none"> Work supporting this priority is included in our regular business for the year
Contribute to artistic, cultural and heritage outcomes for the Aboriginal and Torres Strait Islander people	<ul style="list-style-type: none"> In collaboration with key partners, develop the content for the 2017 Melbourne Indigenous Arts Festival 	<ul style="list-style-type: none"> (Major Initiative) Deliver the 2017 Melbourne Indigenous Arts Festival in partnership with community and arts stakeholders (Major Initiative) As agreed in the Queen Victoria Market Renewal Master Plan, work with indigenous stakeholders and Traditional Owner Groups to prepare a Cultural Heritage Management Plan

Our 4-year priorities are...	Our 2015–16 focus was...	Over the next year we will...
<p>Implement the Heritage Strategy</p>	<ul style="list-style-type: none"> • Following the 2014-15 review, undertake a planning scheme amendment to revise heritage policies under Clause 22.04 (Heritage Places within the Capital City Zone) and Clause 22.05 (Heritage Places outside the Capital City Zone) ✓ • Undertake a Heritage Review of Guildford and Hardware Lanes ↻ • Undertake a planning scheme amendment for the West Melbourne Structure Plan - Heritage Review ✓ • Investigate mechanisms to provide financial or other incentives for property owners to preserve heritage ↻ • Undertake a planning scheme amendment to identify heritage places and introduce statements of significance for buildings in the Bourke Hill Precinct ✓ • Establish an information portal to provide access to Melbourne heritage information repositories, including our own collection ✓ • Implement Planning Scheme Amendment C241 - Palace Theatre Heritage Review ✗ 	<ul style="list-style-type: none"> • Progress the planning scheme amendment for the Heritage Policies Review • Implement the Heritage Strategy by progressing planning scheme amendments for Southbank for Council consideration • Implement the agreed priority actions from the revised Heritage Implementation Plan 2013 • Implement the Heritage Strategy by progressing the planning scheme amendment to conserve the heritage value of The Palace Theatre to completion* • Work with the Victorian Government to undertake a heritage review of Fishermans Bend, including the Lorimer and Employment precincts • Implement the Heritage Strategy by progressing the planning scheme amendment for West Melbourne to panel • Implement the Heritage Strategy by progressing the planning scheme amendment for Guildford and Hardware lanes to exhibition • Undertake stage one of the Hoddle Grid Heritage Review
<p>Build on the municipality's cultural heritage in creative and dynamic ways, ensuring appreciation by future generations (wording under review)</p>	<ul style="list-style-type: none"> • (Major Initiative) Install a Tunnerminnerwait and Maulboyheenner commemorative marker ↻ 	<ul style="list-style-type: none"> • Begin the digitisation of the City of Melbourne's art and heritage collection, enabling immediate access to a comprehensive online catalogue for all Melburnians

*This action was developed as part of our 2016–17 Annual Plan and Budget and has since been discontinued due to a VCAT decision.



COMEDY FESTIVAL

BIG LAUGH OUT
59 FREE COMEDY

Collins St
216 - 140

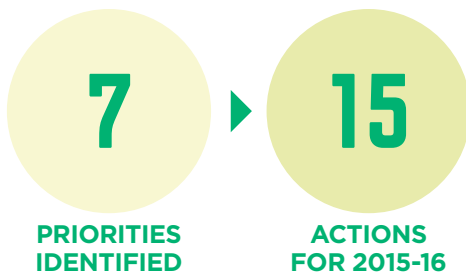
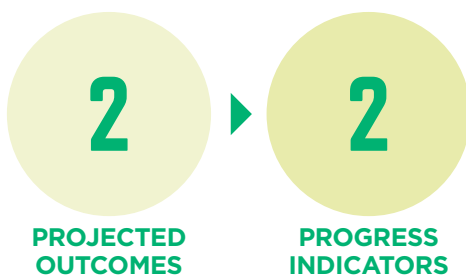
BUS ZONE

GOAL 3 A PROSPEROUS CITY



Melbourne will have a global focus with first-rate infrastructure and services, a highly skilled workforce and affordable business accommodation. It will share knowledge, mentor emerging businesses, collaborate and attract global investment and visitors.

OVERVIEW



DELIVERED VIA



OUR APPROACH

The City of Melbourne supports entrepreneurs and enterprises, small and large, to thrive and prosper in the local and global economy, in turn helping to create a high standard of living for all Melburnians. The changing face of local businesses, coupled with changes abroad in the global marketplace, new digital technology and consumer behaviour, require us to become agile in supporting the city's continued prosperity.

Building a 'prosperous city' is about supporting a sustainable and resilient municipal economy, as well as fostering a globally connected municipal economy by strengthening partnerships locally, nationally and globally.

ISSUES AND CHALLENGES

As part of our work to support the development of and access to Melbourne waterfronts, we worked on two projects: developing a recreational fishing plan for Docklands waterways and developing a berthing strategy for Docklands waterways. Due to key stakeholders delaying their response to the recreational fishing plan, we have deferred finalising it until December 2016 so we can include their feedback. The deadline for the Docklands berthing strategy has also been extended until late 2016, so we can integrate with Parks Victoria's planning and allocation of commercial berthing arrangements. We are also continuing to implement the outcomes of the Errol and Victoria streets retail, streetscape and activation study. We've funded the North West Melbourne Precinct Association for marketing and promotion activities and other activities will progress in 2016-17.

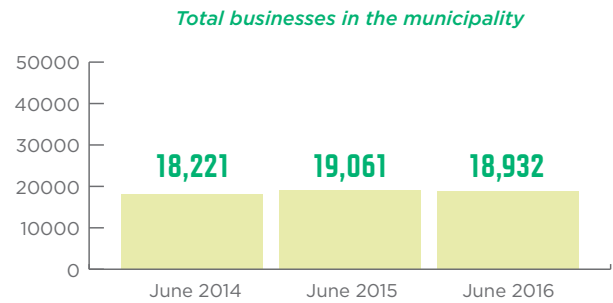
FUTURE DIRECTIONS

A major initiative in the coming year is to develop an action plan to support the Melbourne start-up and entrepreneurial ecosystem.

FUTURE MELBOURNE SNAPSHOT

How the city measures up as a ‘prosperous city’ based on: *Business growth: total number of businesses in the municipality.*

There are now less than 19,000 businesses in the municipality reflecting a small downward trend from 2015.



MAJOR INITIATIVES



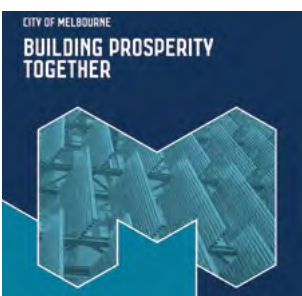
BEGIN IMPLEMENTING THE 2015–19 TOURISM ACTION PLAN

Implementation of our Tourism Action Plan commenced and highlights include a seven per cent increase in visitation to Cooks’ Cottage and six per cent increase in visitation to the Melbourne Visitor Centre. The international student volunteer program expanded to include placements at the Fitzroy Gardens Visitor Centre. We recorded a 95 per cent customer satisfaction rating of either ‘good’ or ‘excellent’ at the Melbourne Visitor Centre and Fitzroy Gardens Visitor Centre.



DEVELOP AND RUN CITY OF MELBOURNE BUSINESS MISSIONS TO KEY MARKETS IN CHINA AND JAPAN

During February and March 2016, the City of Melbourne led 28 delegates from 15 companies from the life sciences, clean technology and urban design sectors to Osaka, Tianjin and Beijing. More than 150 individual targeted meetings were arranged to create trade connections for the businesses and to contribute to building a resilient municipal economy that is globally connected. As part of the mission, a Melbourne architecture firm signed a memorandum of understanding which will significantly facilitate its bidding for commissions in China.



USE THE BUILDING PROSPERITY TOGETHER FRAMEWORK TO IDENTIFY TWO ACTIVITIES TO STRENGTHEN CROSS-COUNCIL ECONOMIC DEVELOPMENT ACTIVITIES

The two activities selected to strengthen cross-Council economic activities were the business mission to Japan and China in February and March 2016, and the Tourism Action Plan. The mission consisted of 15 companies with 28 representatives. Over 150 individual business meetings, networking sessions and seminars were delivered as part of the mission. Our Tourism Action Plan was developed using the Building Prosperity and the Visitor Information Journey frameworks and in consultation with major industry stakeholders.

HIGHLIGHTS



FASHION IN THE CITY

The city came alive with all things fashion for the Melbourne Spring Fashion Week. The week-long event involved more than 50,000 patrons, over 1000 City of Melbourne stakeholders, six precincts and five sold out designer and emerging shows.



SHARING BIG IDEAS OVER BREAKFAST

180 retailers, hospitality and small businesses; hotel managers; precinct associations and industry stakeholders attended an inspirational business breakfast in February. Keynote speakers from renowned global trend forecasters, The Future Laboratory and local entrepreneur, innovator and creative success Dave Roper, co-founder of Crumpler ignited big picture thinking and generated big ideas on creativity, innovation and entrepreneurship for Future Melbourne. The event was held as part of Future Melbourne and was an initiative of the Melbourne Retail and Hospitality Strategy.



MELBOURNE MUSIC WEEK

Melbourne Music Week returned for its sixth iteration this year. The jam-packed program featured 115 events and 240 artists across forty locations, attracting around 41,000 patrons. Melbourne Music Week is dedicated to supporting and promoting our world-renowned music industry.



FIRST CONSUMER-GENERATED MARKETING CAMPAIGN #MELBMOMENT LAUNCHED

We launched our first consumer-generated social media campaign to capture quintessential Melbourne experiences. The campaign, through the use of #melbmoment, converts Melbourne fans into city advocates and inspires consumers with authentic city experiences. There have been more than 14,000 uses of #melbmoment on Instagram.



BUSINESS NETWORKING DINNER

Designed to bring together local academics, associations, universities and luminaries of the knowledge sector, the inaugural business networking dinner saw more than 60 guests enjoying a thought-provoking evening. Guests discussed how they could help promote Melbourne as a leader in knowledge, innovation and business know-how through international business events.



MAKING DEMOCRACY WORK BETTER FOR YOU

Citizen empowerment and the democratic process across Australia and the Middle East were the focus of a vigorous conversation lead by Future Melbourne Ambassador, Maria Katsonis. A live cross to Lebanon-based humanitarian campaigner Samah Hadid opened up a global conversation with an audience of more than 250 people.

HOW WE'RE PERFORMING AGAINST OUR INDICATORS OF PROGRESS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2013-17. We measure progress by the indicators below.

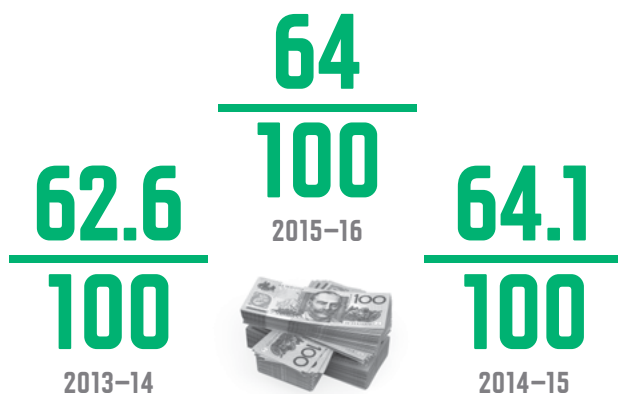
PROJECTED OUTCOME:

A sustainable and resilient municipal economy

INDICATOR

Business sentiment about the City of Melbourne's contribution to the resilience of the municipality's economy, per year.

Businesses' average satisfaction score for our contribution to the local economy



OUR PROGRESS

This year saw a very similar level of satisfaction to what was recorded in 2014-15. Business attraction initiatives were administered through the following channels: Tourism, marketing and promotion, visitor information services, business support activities and programs and public events. These initiatives were designed to engage individuals to visit and spend within the City of Melbourne.

TOURISM VOLUNTEERS

In addition to our paid workforce, we also have a volunteer workforce within our Business and Tourism Melbourne Branch of more than 420 individuals. Collectively known around the world as the 'red coats', our tourism volunteers work across seven programs:

- City Ambassador Program
- Cooks' Cottage
- Cruise ship Program
- Fitzroy Gardens Visitor Centre
- Melbourne Greeter Service
- Melbourne Visitor Booth
- Melbourne Visitor Centre.

The work of our 'red coats' in encouraging visitors to see more, do more, stay longer and spend more in the city is highly valued by our businesses, arts and cultural institutions and attractions. Extensive training and ongoing support is provided to all volunteers to enhance their general knowledge of all things happening in our city.

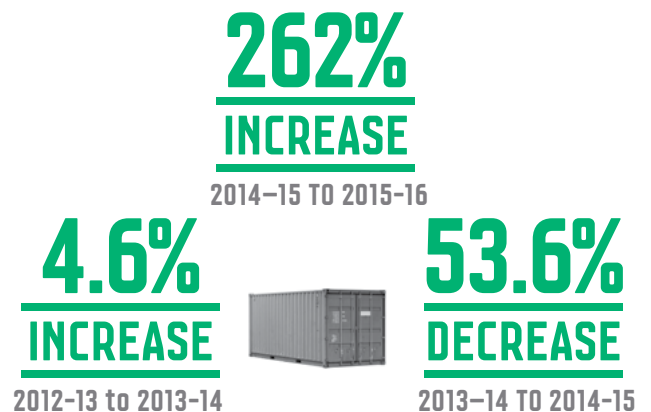
PROJECTED OUTCOME:

A globally connected municipal economy

INDICATOR

The proportional change in trade connections made through business matching and information sessions with in-bound business delegations, per year.

Change in trade connections made per year



OUR PROGRESS

The number of trade connections made (defined as introductions between local and overseas businesses and governments) was 581 this year compared with 221 in 2014-15. This 262 per cent increase was in part due to the success of the 2016 mission to Osaka and Japan, which delivered more than 300 trade connections.

PRIORITIES AND ACTIONS

A total of 13 actions and activities were completed under Goal 3, a prosperous city. Two actions were not completed in 2015-16 and will continue to be delivered in the 2016-17 financial year.

Completed ✓ Ongoing ↻

Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
<p>Support innovative and emerging sectors</p>	<ul style="list-style-type: none"> • (Major Initiative) Use the Building Prosperity Together framework to identify two activities to strengthen cross-Council economic development activities ✓ • Continue to work with the Melbourne Retail and Hospitality Advisory Board and Melbourne Convention Bureau to identify key business events and exhibitions ✓ 	<ul style="list-style-type: none"> • (Major Initiative) Develop an action plan to support the Melbourne start-up and entrepreneurial ecosystem for Council • Undertake a stakeholder event to examine the implications of the 'sharing economy' for Melbourne, as input into action 4.2.2 smart city approach
<p>Support businesses through marketing, events and tourism activities including a special program for Docklands</p>	<ul style="list-style-type: none"> • Work with others to attract events and people to Docklands, including extending to Docklands other city events when appropriate and beneficial to their overall event concept ✓ • Through collaboration and commercial partnerships implement the Retail Connection Strategy for Melbourne Spring Fashion Week and the Hub concept for Melbourne Music Week ✓ • (Major Initiative) Begin implementing the 2015-19 Tourism Action Plan ✓ • Investigate encouraging younger people to participate in our tourism volunteer programs at key times ✓ 	<ul style="list-style-type: none"> • Implement the business strategy to activate Docklands through a collaborative model consolidating funding, marketing, tourism activities and events
<p>Build on city-to-city connections and identify opportunities in BPC member cities within the ASEAN region for the municipality's businesses</p>	<ul style="list-style-type: none"> • (Major Initiative) Develop and run City of Melbourne business missions to key markets in China and Japan ✓ • Implement the Melbourne - Doing Business Globally framework, including evaluating further the opportunities related to Singapore, Kuala Lumpur and Bandung ✓ 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
<p>Improve retail and hospitality experience in laneways and shopping strips through good design, cultural and artistic activities and infrastructure</p>	<ul style="list-style-type: none"> • Identify and upgrade selected central city laneways as part of the Love Your Laneway Program ✓ • Implement the outcomes of the Errol and Victoria streets retail, streetscape and activation study ✓ 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year

Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
<p>Make information about the municipality available to businesses and investors</p>		<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
<p>Support the development of a vibrant social enterprise sector</p>	<ul style="list-style-type: none"> • Review and renew the 2010 Social Enterprise strategy 	<ul style="list-style-type: none"> • Implement year one of the City of Melbourne Social Enterprise Strategy
<p>Support the development of and access to a Melbourne waterfront, and support the local port status of Victoria harbour</p>	<ul style="list-style-type: none"> • Develop a recreational fishing plan for Docklands waterways • Develop a berthing strategy for Docklands waterways • Work with the Victorian Government to rationalise governance arrangements for the city's waterways • Work with Places Victoria to prepare an Implementation Plan to deliver the Harbour Esplanade Master Plan 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year

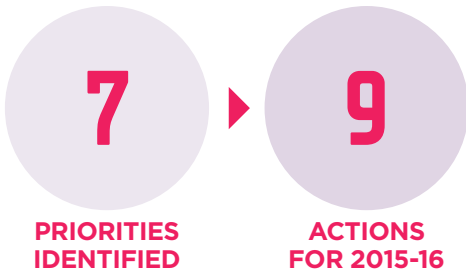
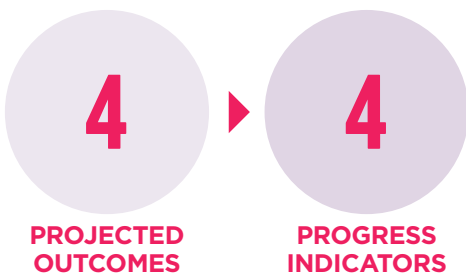


GOAL 4

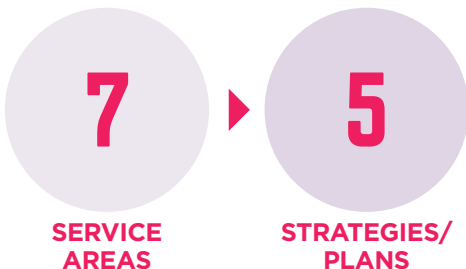
A KNOWLEDGE CITY

Melbourne will be a place where ideas and talent thrive, based on a well-resourced education and research sector and knowledge networks. It will have a dynamic online culture to amplify our knowledge capability.

OVERVIEW



DELIVERED VIA



OUR APPROACH

The City of Melbourne supports those at the forefront of knowledge and innovation to ensure the fruits of that knowledge benefit the whole city. We know that tomorrow's success depends on growing our capacity today to participate in the currency of ideas. We also recognise that participation in lifelong learning is intrinsic to individual wellbeing and the growth of ideas that enrich our society as a whole.

Building a 'knowledge city' is about capitalising on our knowledge-city credentials to foster new businesses and grow our networks of talent. This includes supporting international students to have a positive experience, investing in our infrastructure, and facilitating knowledge sharing between people and businesses.

ISSUES AND CHALLENGES

In order to transition the annual timing of Melbourne Knowledge Week, from October to May, we held two festivals this year. To make this possible, we significantly reduced the size and scope of the 2015 program. Melbourne Knowledge Week 2016 was delivered in line with the development plan, which identified areas of focus to grow and progress the festival.

FUTURE DIRECTIONS

A major initiative in the coming year is to co-create a smart city approach.

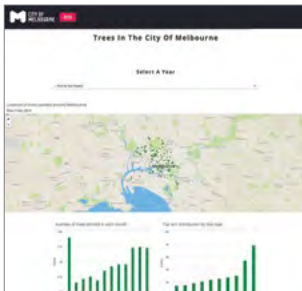
FUTURE MELBOURNE SNAPSHOT

How the city measures up as a 'knowledge city' based on: *Skilled and talented professionals: workers employed in highly skilled occupations in the municipality as a proportion of the total workforce.*

The proportion of residents in highly skilled occupations remained stable at about 49 per cent from 2009 to 2011.

49.1% RESIDENTS EMPLOYED IN HIGHLY SKILLED OCCUPATIONS
(2011, BASED ON LATEST AVAILABLE DATA)

MAJOR INITIATIVE



IMPLEMENT STAGE TWO OF THE OPEN DATA PROGRAM, INCLUDING INCREASING THE CAPACITY OF THE QUARTERLY SERVICES DASHBOARD

We completed all eight actions in our Open Data program this year, including holding an engagement and training program to address internal data capability, literacy and culture. We also implemented an Open Data Roadmap of datasets, with almost 1000 high-value datasets now available for release. Working alongside other metropolitan councils through the MAV and IMAP, we provided leadership to enable more Open Data programs. Our Quarterly Services Dashboard has also been enhanced with a live to the public beta platform available. The Dashboard is a set of measures to show the community how we are performing: dashboard.melbourne.vic.gov.au.

HIGHLIGHTS



MELBOURNE WOMEN IN BUSINESS LUNCH

Megan Quinn, Chief Executive Officer of Q&CO, co-founder of Net-A-Porter and named one of Australia's most powerful women in retail by Inside Retail, gave an engaging and inspiring keynote speech at the annual Melbourne Women in Business lunch. The event, hosted by the City of Melbourne, addressed the theme 'Creating your personal brand'.



INTERNATIONAL VISITORS LEARN ABOUT THE URBAN FOREST

A delegation, led by the President of Guangzhou Institute for Urban Innovation, was hosted by the City of Melbourne to learn about our urban forest strategy and the goal to cool the city by four degrees, with the aim of using this knowledge in Guangzhou. A visit was also hosted for a delegation from Los Angeles that was seeking to mitigate the effects of an unprecedented drought there.



URBAN WATER PROJECT SPLASHES DOWN

We launched the Urban Water website melbourne.vic.gov.au/urbanwater to help the community understand the importance of sustainable water management. The interactive digital platform is designed to share information on our Integrated Water Cycle Management projects with the water industry and the community.



PLATINUM CERTIFICATION FOR OUR SMART CITY

Cementing Melbourne's reputation as a smart, resilient and liveable city, we achieved platinum level (highest possible) of certification according to the world's first standard on city indicators, ISO137120 Sustainable Development of Communities: Indicators for City Services and Quality of Life. This accolade also contributes to our open data agenda.



MELBOURNE KNOWLEDGE WEEK 2015

Melbourne Knowledge Week 2015 was a huge success with more than 50 events, including 18 curated by the City of Melbourne, celebrating the most innovative trends, ideas and inventions coming out of our city. Highlights included more than 150 festival-goers trying out virtual reality and businesses sharing expertise on all things digital to prepare for the future economy.

HOW WE'RE PERFORMING AGAINST OUR INDICATORS OF PROGRESS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2013-17. We measure progress by the indicators below.

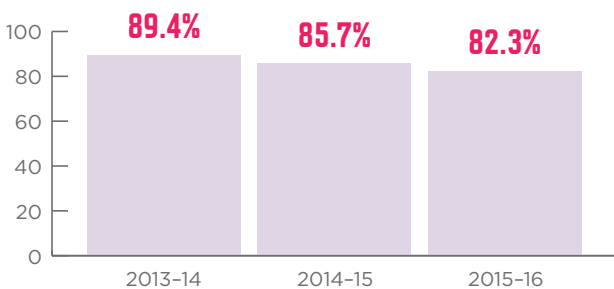
PROJECTED OUTCOME:

International students to have a positive experience

INDICATOR

The proportion of student service users who feel their participation in selected City of Melbourne programs increased their positive experience of Melbourne, per year.

Students participating in our programs who had a more positive experience of Melbourne



OUR PROGRESS

There appears to have been a decline, over recent years, in the proportion of student participants and volunteers who feel their involvement in student activities has increased their positive experience in Melbourne.

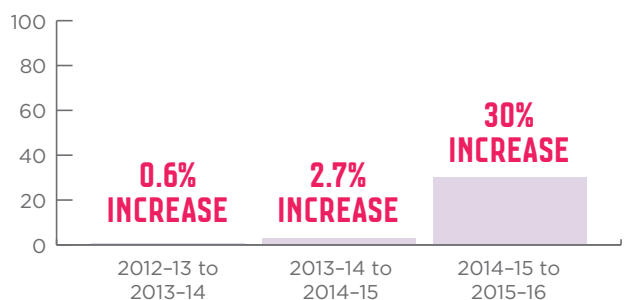
PROJECTED OUTCOME:

Infrastructure that supports knowledge and learning

INDICATOR

The proportional increase in the number of visitors to City of Melbourne libraries per year.

Change in the number of visitors to our libraries per year



OUR PROGRESS

The number of library visitors has increased from 1,142,025 in 2014-15 to 1,482,920 this year. The increase in visitation of 30 per cent for the City of Melbourne libraries is attributable to the opening of the Kathleen Syme Library and Community Centre in July 2015 and to significant increases in visitation at Library at the Dock (74 per cent increase) and North Melbourne Library (32 per cent). City Library is the most visited of Melbourne's libraries with over 800,000 visits last financial year - an increase of 15 per cent from the previous year.

PROJECTED OUTCOME:

People to participate in knowledge-related activities

INDICATOR

The proportional increase in the number of attendees participating in City of Melbourne knowledge events.

Change in number of participants to our knowledge events

254%
INCREASE

2014-15 TO 2015-16

62.6%
INCREASE

2012-13 to 2013-14



4.5%
INCREASE

2013-14 TO 2014-15

OUR PROGRESS

More than 19,300 people participated in knowledge-related activities developed and delivered by the City of Melbourne through Melbourne Knowledge Week and Melbourne Conversations. Figures are significantly higher this year as two Melbourne Knowledge Week festivals were delivered within the one year due to the transition to a new date from October to May.

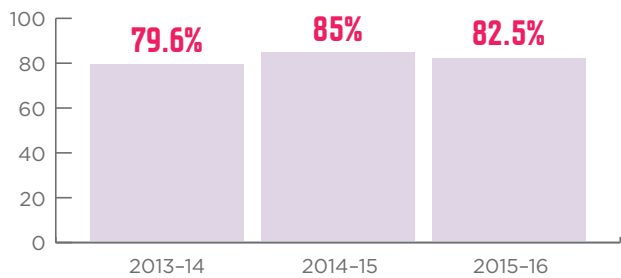
PROJECTED OUTCOME:

Businesses that are better informed about the knowledge sector

INDICATOR

The proportion of Knowledge Week participants who feel more informed about the municipality's knowledge sector, per year.

Knowledge Week participants who feel more informed about the municipality's knowledge sector



OUR PROGRESS

More than 82 per cent of participants surveyed reported that Melbourne Knowledge Week activities made them feel more informed about the municipality's knowledge sector. This result is from Melbourne Knowledge Week held in October 2015.

PRIORITIES AND ACTIONS

A total of nine actions and activities were completed under Goal 4, a knowledge city.

Completed ✓

Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
Develop programs, relationships and initiatives to support the wellbeing of international students	<ul style="list-style-type: none"> • Implement Year 3 Actions of the International Student Strategy 2013-17 ✓ 	<ul style="list-style-type: none"> • Continue to meet with tertiary providers and peak bodies to discuss housing accommodation options for international students
Provide high-quality municipal data and information to the knowledge sector and public	<ul style="list-style-type: none"> • (Major Initiative) Implement stage two of the Open Data program, including increasing the capacity of the Quarterly Services Dashboard ✓ • Implement selected actions from the Smart City Strategy ✓ 	<ul style="list-style-type: none"> • Implement stage three of the Open Data Program and release new data sets on the City of Melbourne's open data platform • (Major Initiative) Co-create a smart city approach for Council
Support the development of knowledge precincts and innovation hubs as part of the City North Structure Plan	<ul style="list-style-type: none"> • Complete the University of Melbourne-led Carlton Connect Planning Scheme Amendment ✓ 	<ul style="list-style-type: none"> • Progress the development of an innovation precinct to the north of the central city in partnership with the University of Melbourne, RMIT, the Queen Victoria Market (QVM) and 'smart city' stakeholders
Continue to provide comprehensive high-quality libraries and support neighbourhood learning programs		<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
Develop a strategy for Wi-Fi hotspots in the municipality	<ul style="list-style-type: none"> • Continue to help the Victorian Government with the city-wide Wi-Fi roll-out and associated opportunities ✓ 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
Encourage knowledge sector engagement and promote the municipality's knowledge sector	<ul style="list-style-type: none"> • Continue to implement Knowledge City Strategy actions, including a knowledge city benchmarking framework, redeveloped website including a knowledge asset map, and a feasibility assessment related to hosting inbound delegations ✓ • As part of the Melbourne Knowledge Week development plan, partner with key organisations and individuals to curate the program of events and activities ✓ 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
Develop strategies in partnership with the knowledge sector to attract experts to the municipality	<ul style="list-style-type: none"> • Provide a second City of Melbourne knowledge fellowship and determine the future of this program ✓ • Run Knowledge Melbourne events and activities ✓ 	<ul style="list-style-type: none"> • Review the Melbourne Conversations program to determine its future direction

GOAL 5 AN ECO-CITY



As an eco-city, City of Melbourne and its community take shared responsibility for building and maintaining a healthy and resilient environment for Melburnians today and far into the future.

OVERVIEW



DELIVERED VIA



OUR APPROACH

We partner with the community to respond to impacts from our changing climate, population and economic growth – challenges that prompt us to explore new ways to adapt, while maintaining our status as one of the world’s most liveable cities. We lead by example by setting ambitious climate and environmental targets for the city and our operations.

Transforming Melbourne into an ‘eco-city’ is about the whole community coming together to help the city prosper while minimising environmental impacts, managing climate change risks and leading the way on renewable energy, biodiversity, waste and water management.

ISSUES AND CHALLENGES

Our project to develop a roadmap for the city’s future electricity supply has now progressed into a collaborative, ongoing partnership – the Future Grid Program. A Steering Committee has been set up and work will continue throughout 2016-17. Our work to complete the Melbourne Renewable Energy Project is well underway, with the tender closing in June and a contract to be awarded in 2016-17. The project has also expanded in scope, and now includes the development of a replication strategy for the large energy-user-purchasing model. Other projects did not progress as planned due to unforeseen issues. We were unable to collect drainage data collection due to issues with the quality of the field data captured and transfer of this data between Citywide and the City of Melbourne. We will improve our collection and data transfer processes and continue this work in the coming year.

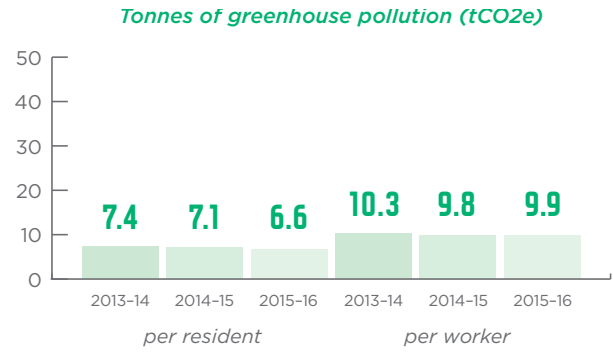
FUTURE DIRECTIONS

Major initiatives include completing the Melbourne Renewable Energy Project and the development of a replication strategy for the large energy-user-purchasing model. We will also deliver a pilot laneway greenings program within the central city, and ensure the findings are used to inform policy recommendations.

FUTURE MELBOURNE SNAPSHOT

How the city measures up as an 'eco-city' based on:
Municipal emissions: *tonnes of greenhouse pollution (tCO2e) per resident and per worker in the municipality.*

Data is only available through 2014-15 in accordance with international reporting schedules. 2015-16 data will be available in 2017. Figures from previous years have been adjusted using updated data and a consistent methodology to divide total municipal emissions between residents and worker populations.



MAJOR INITIATIVES



PROGRESS WORK ON LINCOLN SQUARE STORMWATER HARVESTING, THE UNIVERSITY SQUARE EXPANSION AND SUB-PRECINCT PLANNING AS KEY PROJECTS CONTRIBUTING TO ELIZABETH STREET'S INTEGRATED WATER CYCLE MANAGEMENT PLAN AND ALIGNED WITH THE STREET'S MASTER PLAN

We have installed four of the seven stormwater harvesting and flood mitigation tanks at Lincoln Square, and the project is set for completion in early 2016-17. The University Square expansion is progressing well, with successful negotiations with Melbourne Metro Rail Authority to minimise above ground station infrastructure. In addition, large chilling plant infrastructure will be able to be incorporated in a building at University Square rather than occupying Barry Street. Construction of University Square will begin in 2017 and run concurrently with the construction of the new Parkville Station, ensuring that usable public space is retained in Carlton during construction of the Melbourne Metro Project. These key projects contribute to Elizabeth Street's Integrated Water Cycle Management Plan and are aligned with the street's Master Plan.



DEVELOP A RESILIENCE IMPLEMENTATION PLAN THAT MEETS THE NEEDS OF METROPOLITAN MELBOURNE AND OUR MUNICIPALITY, IN KEEPING WITH THE REQUIREMENTS OF THE 100 RESILIENT CITIES PROGRAM

The Future Melbourne Committee officially endorsed the Resilient Melbourne strategy on 17 May. The Committee also endorsed the establishment of a five-year Resilient Melbourne Delivery Office, hosted by the City of Melbourne. The City of Melbourne and the Victorian Government will jointly fund the office in year one, with equal funding from metropolitan Councils in years two-to-five. We launched the strategy with 100 Resilient Cities, stakeholders and project partners on 1 June at Meat Market in North Melbourne.

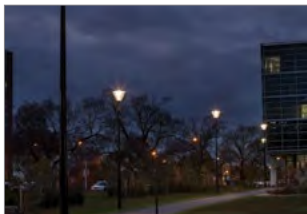
Picture Credit: Cardinia Shire Council

HIGHLIGHTS



INNOVATIVE APPROACH TO CENTRAL CITY RUBBISH

To reduce waste overflow, we installed six BigBelly bins with smart sensor technology at busy central city locations. The new bins hold 560 litres, compared with a standard public little bin, which holds 80 litres. This will help reduce waste overflow at some of our city's busiest destinations. The bins include sensor technology that is solar-powered and a contractor is alerted when a bin is 70 per cent full and needs emptying with the hour.



GREEN LIGHT FOR OUR CITY STREETS

As part of our three-year program to provide more energy efficient and eco-friendly lighting solutions for the city, we replaced 1075 streetlights in residential streets with energy saving LEDs. The new LED lights will reduce emissions as well as operation, maintenance and replacement costs.



SPRING CLEAN GOES ONLINE

Residents were busy sprucing up their homes last spring, making a record 1838 bookings for a free hard waste or garden organics collection as part of our annual Spring Clean campaign. Nearly 90 per cent of bookings were made using our new self-serve online booking system, saving our Contact Centre staff just over 120 hours on the phone.



CARLTON BATHS MOVES TO GREEN ELECTRICITY PROVIDER

Carlton Baths has switched its power supply to a 100 per cent green option with Momentum Energy. The electricity is sourced from the hydro-electric power station in Tasmania and is boosted by the 40 plus solar panels installed as part of the stage two redevelopment project.



GREEN YOUR LANEWAYS

More than 800 city residents, building owners and businesses nominated their favourite laneways to 'go green' as part of our Green Your Laneway program. The program was established to help transform the city's laneways into leafy, green and usable spaces for everyone to enjoy. The four pilot laneways selected for their great potential for greening were Katherine Place, Meyers Place, Guildford Lane and Coromandel Place.

HOW WE'RE PERFORMING AGAINST OUR INDICATORS OF PROGRESS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2013-17. We measure progress by the indicators below.

PROJECTED OUTCOME:

Our greenhouse gas emissions are reduced

INDICATOR

The proportional change in greenhouse gas emissions generated by City of Melbourne activities, per year.

Change in greenhouse gas emissions from our activities

3.85%
DECREASE

2013-14 to 2014-15

5.83%
DECREASE

2014-15 to 2015-16

The gross reduction we achieved in greenhouse gas emissions in tonnes of CO2 equivalent

1993 tCO2e

REDUCTION

2013-14 to 2014-15

2864 tCO2e

REDUCTION

2014-15 to 2015-16

OUR PROGRESS

From 2014-15 to 2015-16, we reduced direct and indirect emissions associated with our operations. All greenhouse gas emissions are offset and the City of Melbourne is a carbon-neutral certified organisation.



WHAT IS A CARBON NEUTRAL ORGANISATION?

Our operations have been certified carbon-neutral since 2011-12. As part of reducing the city's emissions under our Zero Net Emissions by 2020 strategy, we maintain carbon-neutrality in our own operations by measuring, auditing, reporting and offsetting our greenhouse gas emissions through the National Carbon Offset Standard Carbon Neutral Program.

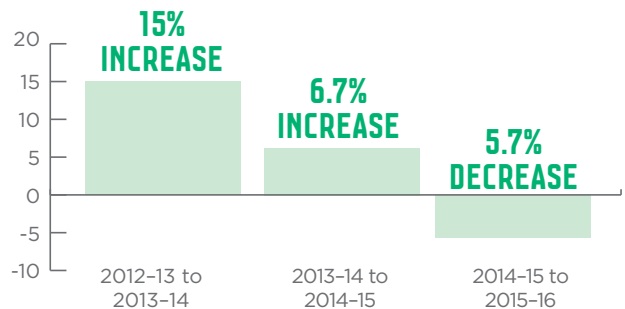
PROJECTED OUTCOME:

Less municipal waste-to-landfill with less negative impact on amenity from collecting waste

INDICATOR

The proportional change in total tonnes of waste-to-landfill.

Change in total tonnes of waste-to-landfill



OUR PROGRESS

There has been an overall decrease of 5.7 per cent total residential tonnes of garbage-to-landfill this year (including street litter bins but excluding hard waste), reversing the recent upward trend and in spite of growing numbers of households. This is the first year since 2011-12 that the reported residential waste collected has been less than the previous year and the first significant decrease since 2008-09.

INDICATOR

The proportional change in total tonnes of waste-to-landfill.

Complaints per capita about waste removal



0.02 2013-14
2014-15
2015-16

OUR PROGRESS

There were 3,446 waste related complaints in 2015-16, with recycling and general waste missed bin collection representing 82 per cent of this figure.

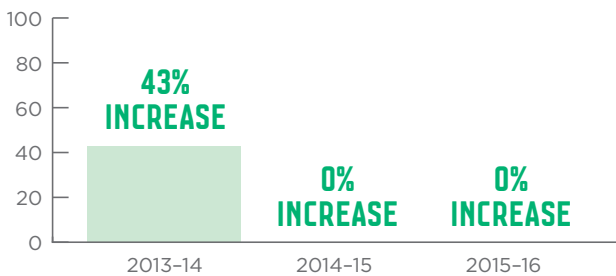
PROJECTED OUTCOME:

Sustainable water management

INDICATOR

The proportional change in the capacity of infrastructure to capture and reuse stormwater, per year.

Change in stormwater storage capacity, per year



OUR PROGRESS

The stormwater storage capacity is unchanged from last year (30,508 kilolitres) as no significant harvesting storage was created. We expect the benefits of planned new stormwater harvesting projects to be reflected in future results.

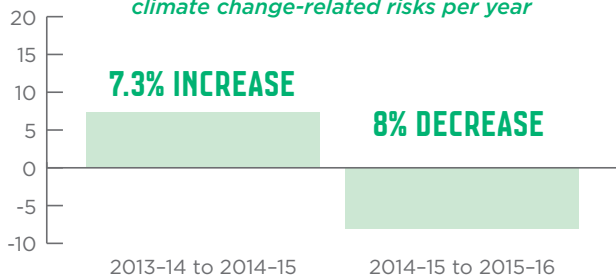
PROJECTED OUTCOME:

Climate change impacts on the municipality are managed

INDICATOR

The proportional change in the number of residents who are aware of climate change-related risks and the actions they should be taking, annually.

Change in number of residents aware of climate change-related risks per year



OUR PROGRESS

Just over 70 per cent (71.8 per cent) of residents surveyed are aware of climate change, connect extreme weather to climate change and have done or intend to do something to prepare for extreme weather events. This reflects a decrease of over 8 per cent from last year, when 79.8 per cent of residents reported awareness of climate change risks.

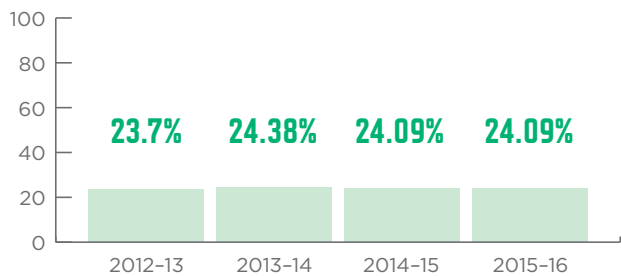
PROJECTED OUTCOME:

Increased biodiversity and tree canopy cover in the municipality

INDICATOR

The percentage of tree canopy cover of the municipality, annually.

Tree canopy cover



OUR PROGRESS

Canopy cover in 2015-16 has remained consistent with the 2014-15 figure of 24.09 per cent. This is a positive reflection on the tree planting program and consistent with our projected canopy cover change modelling. The tree planting rate continues to be above the required level to reach our 40 per cent canopy cover target by 2040. The benefits of the current planting program will be realised in the decade leading up to 2040 with an increased rate of canopy expansion. This year we planted 3274 new trees, which includes 871 trees in the new landscape at Ron Barassi Senior Park in Docklands.

PRIORITIES AND ACTIONS

A total of 15 actions and activities were completed under Goal 5, an eco-city. Several actions not completed in 2015-16 will continue to be delivered in the 2016-17 financial year. Some relate to projects that span multiple years and some were delayed due to unforeseeable external factors.

Completed ✓	Ongoing ↻
New Action in 2016-17 ○	Discontinued ✕

Our 4-year priorities are...	Our 2015-16 focus was...		Over the next year we will...
Update and continue to implement our Zero Net Emissions Strategy	<ul style="list-style-type: none"> In partnership with Citipower, develop a future electricity supply roadmap for the municipality 	↻	<ul style="list-style-type: none"> To advance our vision of a carbon neutral city, convene a forum of business, government and community leaders to co-design a plan for partnering on future climate action In consultation with the sector, establish a baseline 2020 emissions reduction target for the residential apartment building sector Develop a 12-month integrated communication plan to engage Melbourne's community on climate action, including delivery of a pilot project to test new digital communication methods
Provide services to enable residents and businesses to transition to zero net emissions through energy efficiency and renewable energy sources	<ul style="list-style-type: none"> Extend 1200 Buildings and CitySwitch to include renewable energy services 	✓	<ul style="list-style-type: none"> Work supporting this priority is included in our regular business for the year
Develop low-carbon and renewable energy infrastructure through structure plans and planning approvals	<ul style="list-style-type: none"> Facilitate a group procurement model to encourage investment in large-scale renewable energy Prepare a planning scheme amendment to help provide solar access certainty for future solar facilities Develop sustainability plans for the Lorimer and West Melbourne structure plans and the Queen Victoria Market renewal project Investigate and consider options to document and make public the environmental performance of buildings approved under the Melbourne Planning Scheme - Clause 22.19 (energy, water and waste efficiency) 	<ul style="list-style-type: none"> ○ ↻ ○ ✓ 	<ul style="list-style-type: none"> (Major Initiative) Complete the Melbourne Renewable Energy Project and begin the development of a replication strategy for the large energy user purchasing model Complete a review of innovative finance, governance and operational models for the implementation of sustainable infrastructure within urban renewal areas Finalise sustainability plans for the Lorimer and West Melbourne structure plans Work with other partner cities to deliver the 2016-17 work streams of the C40 Land Use Planning Network and Low Carbon Districts Network to develop Council's capacity in policy development, strategies and mechanisms to drive sustainable development Develop a plan to increase the uptake of renewable energy for small energy users in the commercial and residential sectors Select preferred approach to the use of incentives and/or regulatory mechanisms to help provide solar access certainty for existing or future solar facilities, and begin implementation

Our 4-year priorities are...	Our 2015–16 focus was...	Over the next year we will...
<p>Embed municipal-wide waste management practices to increase recycling, reduce waste generation and lessen amenity impacts</p>	<ul style="list-style-type: none"> • Continue to implement the High Rise Recycling Program and public housing program in collaboration with the Department of Human Services, student housing providers and building managers ✓ • Operate four waste compactors in the city ✓ • Trial residential organic processing technologies ✓ 	<ul style="list-style-type: none"> • Implement Waste and Resource Recovery Plan • Deliver a trial of green waste collection in North Melbourne and Kensington
<p>Improve sustainable water management by updating and implementing our Total Watermark Strategy</p>	<ul style="list-style-type: none"> • Using preliminary analysis of municipal and related catchment areas, prepare a scoping document for the development of an Integrated Water Management Plan for the municipality ✓ • (Major Initiative) Progress work on: <ul style="list-style-type: none"> • (a) Lincoln Square stormwater harvesting, ✓ • (b) the University Square expansion and • (c) sub-precinct planning • as key projects contributing to Elizabeth Street's Integrated Water Cycle Management Plan and aligned with the street's Master Plan 	<ul style="list-style-type: none"> • Develop an integrated water management plan to include flood prevention and the meeting of Total Watermark targets for Council approval • Complete Master Plan and commence construction of University Square expansion
<p>Develop integrated water management infrastructure through structure plans and planning approvals</p>	<ul style="list-style-type: none"> • Accelerate the program of closed circuit television (CCTV) inspections of selected drains to create 3D flood modelling 	<ul style="list-style-type: none"> • In partnership with the Victorian Government, investigate new financial mechanisms for the delivery of open space and community infrastructure in growth areas
<p>Improve resilience to environmental impacts by implementing our Urban Forest and Open Space strategies and also develop a Biodiversity Strategy</p>	<ul style="list-style-type: none"> • Complete the Urban Ecology and Biodiversity Strategy and begin implementation ✓ • Continue to improve the resilience of the city's parks and street trees to climate change and plant at least 3000 trees to reduce the urban heat island effect ✓ • Undertake the development of both a participatory framework and a financial mechanism to enable community and stakeholder contribution to the urban forest ✓ 	<ul style="list-style-type: none"> • Implement the Urban Ecology and Biodiversity Strategy and continue annual mapping of existing biodiversity through research, Bioblitz and partnering with institutions and community • Undertake research to identify suitable species for planting that will improve the resilience of the urban forest to climate change • Plant at least 3000 trees to reduce the urban heat island effect • Complete a strategic action plan for encouraging green roofs, walls and facades, including incentives and regulatory mechanisms, and begin implementation • (Major Initiative) Deliver pilot laneway greenings within the central city and ensure findings are used to inform policy recommendations • Evaluate the community engagement process for Green Your Laneway

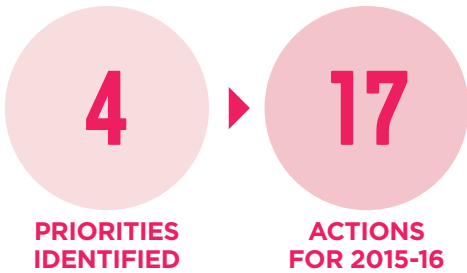
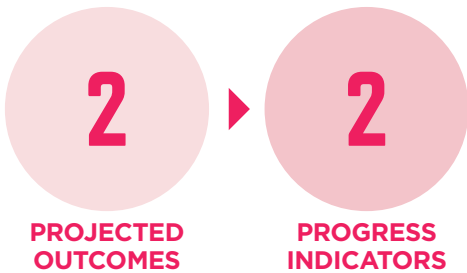
Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
<p>Update and continue to implement our Climate Change Adaptation Strategy and Action Plan</p>	<ul style="list-style-type: none"> • (Major Initiative) Develop a resilience implementation plan that meets the needs of metropolitan Melbourne and our municipality, in keeping with the requirements of the 100 Resilient Cities program ✓ • Review and update our Climate Change Adaptation Strategy ○ • Work with the University of Melbourne to establish a City of Melbourne chair in Resilient Cities ✓ 	<ul style="list-style-type: none"> • Working with all other metro councils, commence implementation of the Resilient Melbourne strategy • Complete the refresh of the 2009 Climate Adaptation Strategy and Implementation Plan and commence delivery of year one actions
<p>Embed a stronger focus on sustainability and climate change adaptation in our systems, governance, tools and knowledge and in our interactions with the community</p>	<ul style="list-style-type: none"> • Measure the environmental impact of Melbourne Music Week and select Melbourne Celebration events to identify opportunities to reduce their environmental impact ✓ • Review current emission reduction actions and develop a new five-year emissions reduction plan for our operations ✓ • Implement actions from the Lighting Strategy, including continuing to change over street lights from mercury vapour to LED ✓ • Complete 2015-17 actions from the solar action plan for Council-owned facilities ✓ 	<ul style="list-style-type: none"> • Continue implementation of the lighting strategy, including energy efficient and smart city communications technology



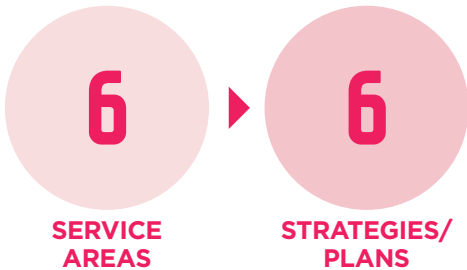
GOAL 6 A CONNECTED CITY

In Melbourne, all people will be able to move freely to communicate and trade without sacrificing essential social or ecological values. Melbourne’s connections will give people access to a rich seam of opportunities.

OVERVIEW



DELIVERED VIA



OUR APPROACH

The City of Melbourne manages movement in and around our city to help people trade, meet and move about safely and freely. We know that catering for our growing city and safeguarding its continued prosperity means planning for an efficient and sustainable transport network of the future.

Building a ‘connected city’ is about working closely with our partners and advocating for the free movement of people and goods in the city. It is about making it easier for more people to make more sustainable choices as they travel to and around the city, whether by foot, bicycle, tram or train.

ISSUES AND CHALLENGES

Our Road Safety Plan actions have been implemented, with the exception of the proposed widening of the Spring Street footpath at Collins Street. This has been delayed indefinitely due to significant costs and complexities associated with relocating the Public Transport Victoria’s tram track ‘points’ controller. We completed 31 bicycle projects this year, with another nine currently under construction. Due diligence and preparatory research has been undertaken to investigate the strategic opportunities for Elizabeth Street, with the streetscape works at the Southern end being expedited.

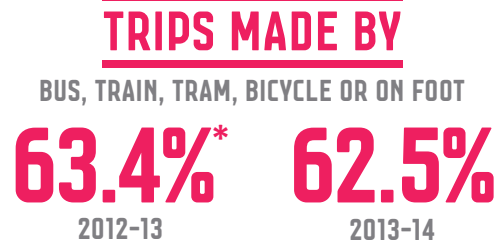
FUTURE DIRECTIONS

Major initiatives include working with the Victorian Government on the Melbourne Metro Rail Project and coordinating our response to the Environmental Effects Statement planning process. We will also complete consultation and seek endorsement for the Elizabeth Street Strategic Opportunities Plan and deliver a detailed design for the southern end of Elizabeth Street.

FUTURE MELBOURNE SNAPSHOT

How the city measures up as a 'connected city' based on: *Shift to sustainable travel: proportion of trips of all purposes to and within the municipality using bus, train, tram, bicycle or walking as the main mode on weekdays and weekends.*

Samples from regional Local Government Areas were removed from the survey for 2013-14 (and will be excluded from future surveys).



*Based on latest and updated available data from 2012-13, from the Victorian Integrated Survey of Travel and Activity.

MAJOR INITIATIVES



WORK WITH THE VICTORIAN GOVERNMENT ON THE MELBOURNE METRO RAIL PROJECT

Our work on the Melbourne Metro Rail Project continues, including creating an organisation-wide response to Melbourne Metro Rail Authority's (MMRA) Environment Effects Statement (EES) planning process. Our submission to the EES has been completed and will be presented for endorsement to the Future Melbourne Committee in July 2016. The Melbourne Metro Rail Project is a complex project affecting many areas throughout the municipality, and we are working closely with the MMRA and other key stakeholders, to support the successful planning and delivery of this key piece of infrastructure that will aid future growth for the city.

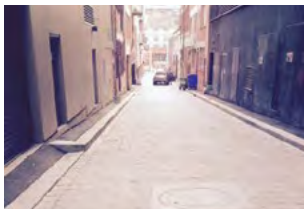
Project alignment of the Metro Tunnel supplied by Melbourne Metro Rail Authority



FINALISE AND BEGIN IMPLEMENTING THE STREETScape MASTER PLAN FOR ELIZABETH STREET (FLINDERS STREET TO LA TROBE STREET), INCLUDING ALIGNMENT WITH THE STREET'S INTEGRATED WATER CYCLE MANAGEMENT PLAN

This project is on hold pending a decision from Public Transport Victoria as to the locations of tram stops in Elizabeth and Flinders Streets. In the meantime, we have undertaken due diligence and preparatory research so we are ready to prepare material for consultation as soon as a decision has been made.

HIGHLIGHTS



NEW IDEA FOR A HERITAGE LANE

A creative new paving design in Literature Lane balances heritage values with the need for safe access. As part of our Streetscape Improvements Program, original bluestone pavers in the lane were individually lifted, sawn flat and then re-laid to maintain the classic laneway look while ensuring a level-walking surface.



NEW CROSSINGS GET THUMBS UP FROM RESIDENTS

Zebra pedestrian crossings and kerb extensions were installed in Bellair and Eastwood streets to improve safety and access in the Kensington railway pedestrian underpass. The crossings were well-received by locals, with one resident telling us, "Kensington is a great place to live and these thoughtful improvements make it even better."



40 IS THE NEW 50 FOR KENSINGTON

A popular community survey resulted in a reduced speed limit of 40 km/h in all previously 50 km/h local roads in Kensington. Sixty per cent of the 643 respondents supported the proposal, which aims to reduce the likelihood and severity of accidents involving vulnerable road users, such as walkers, cyclists and motorcyclists.



ALEXANDRA AVENUE BIKE RAMP NOW COMPLETE

Cycling through South Yarra will be even easier now that the new bike ramp is complete. Part of our Bicycle Plan 2012-16, the ramp improves access for people walking and riding bikes and means that cyclists no longer need to dismount when travelling between the Main Yarra/Capital City Trail (along the Yarra River) and Alexandra Avenue and Morell Bridge.



BETTER BIKE LINKS FROM THE WEST

A new, wider off-road bike path along Dynon Road has provided a safer and more comfortable link for people riding their bikes from the western suburbs. The path will link to works currently underway in Lloyd Street and through to upgraded routes on Arden Street and Flemington Road in Kensington and North Melbourne.



CITY ROAD MASTER PLAN

The City Road Master Plan will transform City Road to make it a safe and welcoming place for everyone. The Master Plan proposes a series of capital works projects, with an estimated total implementation cost of \$38.5 million over a seven year period. The improvements include new signalised pedestrian crossings and intersections, a new bike route through Southbank, street trees, new street materials and furniture and upgrades to public spaces.



LAST KILOMETRE FREIGHT PLAN

The City of Melbourne's Last Kilometre Freight Plan was endorsed by Council in June. Last kilometre freight is at the heart of how our city works. It is the last leg of the journey of goods into our shops, cafes, restaurants, offices and homes. Efficient freight movement improves liveability, economic prosperity and sustainability. The Plan was developed to realise our vision to foster innovative and low-impact freight in central Melbourne, whilst ensuring the central city is designed for people with safe and convivial streets and a prosperous central city for business. It identifies actions to ensure last kilometre freight is considered as our city grows and changes.

HOW WE'RE PERFORMING AGAINST OUR INDICATORS OF PROGRESS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2013-17. We measure progress by the indicators below.

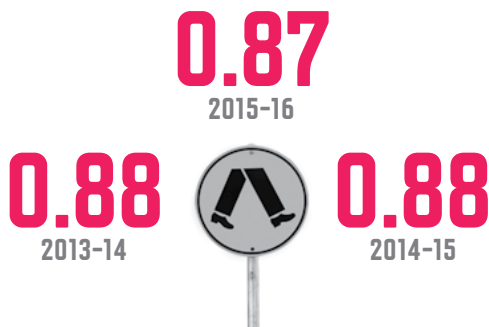
PROJECTED OUTCOME:

People and goods can move efficiently within the municipality

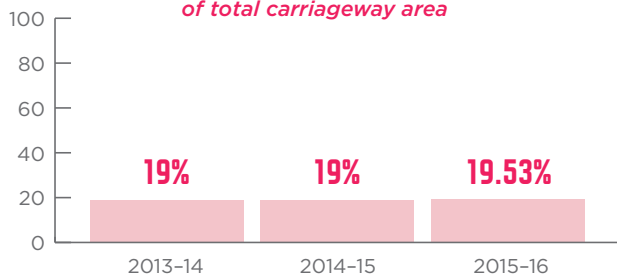
INDICATOR

The number of street connections that allow pedestrian movement in the municipality.

Average connections per block for pedestrians



Average footpath space out of total carriageway area



OUR PROGRESS

The number of pedestrian street connections is measured in two ways. The first relates to the average connections per block allowing pedestrians to travel safely from one side of the street to the other, and from one street to another, including via mid-block pedestrian crossings, lanes and arcades. The second measure relates to the average area of footpaths, roads and nature-strips combined that is devoted to pedestrians. This year, the average connections per block and footpath space remained unchanged.

PROJECTED OUTCOME:

More people walking, cycling or using public transport to travel to and from the municipality

INDICATOR

The proportional change in the number of city users reporting walking or cycling as the main mode of travelling to and within the municipality.



Percentage walking or cycling to and within the city

25.3%
DECREASE

TO THE CITY

2012-13 to 2013-14

7%
INCREASE

WITHIN THE CITY

2012-13 to 2013-14

OUR PROGRESS

Updated results for 2012-13 include a proportional change to the baseline data reported on previously from the Victorian Integrated Survey of Travel and Activity and exclude regional residents (those living outside greater Melbourne). These results show that in 2013-14, while people reported walking or cycling to the city less often, walking trips within the municipality increased.

PRIORITIES AND ACTIONS

A total of 12 actions and activities were completed under Goal 6, a connected city. Five actions not completed in 2015-16 will continue to be delivered in the 2016-17 financial year. Some relate to projects that span multiple years and some were delayed due to unforeseeable external factors.

Completed ✓	Ongoing ↻
New Action in 2016-17 ○	Discontinued ✕

Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
<p>Expand and prioritise a connected, safe and easy to access pedestrian network</p>	<ul style="list-style-type: none"> • Implement actions from the Walking Plan including upgrading pedestrian traffic signals along Elizabeth Street, Exhibition Street and Russell Street, installing new zebra crossings within the central city and across the municipality, installing new shared zones within the central city and lowering speed limits on local Kensington roads to 40 km/h • Exhibit a planning scheme amendment to require, in future, walking links through city blocks 	<ul style="list-style-type: none"> • Implement the Walking Plan
<p>Make the municipality more bicycle friendly through our Bicycle Plan 2012-16 and endorse a new bicycle plan by March 2016</p>	<ul style="list-style-type: none"> • Complete the Bike Plan 2012-16, including Year 4 projects such as the installation of Arden Street, Epsom Road and Smithfield Road bike lanes and the installation of additional bike hoops and bike corrals across the municipality, as well as outstanding actions carried over from the previous years 	<ul style="list-style-type: none"> • Implement the Bike Plan

Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
<p>Implement the Transport Strategy 2012 for flexible and adaptable private transport, effective and integrated public transport and efficient urban freight, so as to:</p> <ul style="list-style-type: none"> - Integrate transport and land use planning - Support 'go anywhere, anytime' public transport for inner Melbourne - Optimise the transport effectiveness of inner Melbourne's roads - Develop high-mobility pedestrian and public transport streets in the central city - Make Melbourne a true cycling city - Foster innovative, low-impact freight and delivery in central Melbourne 	<ul style="list-style-type: none"> • Review the area over which Amendment C133 (maximum residential parking rate) applies and investigate a planning scheme amendment to set maximum parking rates for all land uses in the municipality ↻ • Finalise the City Road Master Plan ✓ <hr/> <ul style="list-style-type: none"> • Implement Road Safety Plan actions including work on: ✓ <ul style="list-style-type: none"> - a motorcycle plan - the Spring Street footpath at Collins Street - footpaths and a pedestrian crossing on Flinders Lane between Spring and Exhibition streets - the O'Connell Street pedestrian refuge at Peel Street • (Major Initiative) Work with the State Government on the Melbourne Metro Rail Project ✓ • Exhibit a planning scheme amendment to change motorcycle parking requirements ○ • Install a permanent Safe City Taxi Rank in Bourke Street between Russell Place and Russell Street ✓ • Begin implementing our new car-share scheme policy ✓ • (Major Initiative) Finalise and begin implementing the streetscape Master Plan for Elizabeth Street (Flinders Street to LaTrobe Street), including alignment with the street's Integrated Water Cycle Management Plan ↻ • Investigate the role we may have in relation to emerging technologies and trends associated with transport, such as online apps for taxis, cars and parking ✓ • Finalise a last-kilometre freight plan for central Melbourne ✓ • Advocate for greater services for the 402 bus through the municipality from East Melbourne to Footscray ✓ • Investigate and advocate for more city pick-up points and greater services for the NightRider bus ✓ 	<ul style="list-style-type: none"> • (Major Initiative) Continue to work with the Victorian Government on the Melbourne Metro Rail Project, including coordinating the City of Melbourne's response to Environment Effects Statement planning process • Consult on the development of a Master Plan for Spencer Street, focusing on the area around Southern Cross Station <hr/> <ul style="list-style-type: none"> • (Major Initiative) Seek endorsement from Council to consult on the Draft Elizabeth Street Strategic Opportunities Plan and consult on design options for the southern end of Elizabeth Street • Review the Car Share Policy • Work with the Victorian Government to progress a planning scheme amendment for the purposes of revising off-street bicycle and motorcycle parking requirements and facilities in the municipality • Engage in the development of plans for the Western Distributor and advocate Council's position consistent with council policy • Develop a coordinated approach to the Flinders Street Station Precinct that builds on individual projects (MMRA, PTV, Elizabeth Street etc.) to improve the overall amenity of the precinct
<p>Facilitate access by water transport in the municipality</p>	<ul style="list-style-type: none"> • Continue to facilitate the introduction of a water transport - ferry service between the Docklands and Federation Square ✓ 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
<p>New Action</p>	<ul style="list-style-type: none"> • In order to move towards the creation of a 'Fly Neighbourly Advice', undertake the preparatory analysis and stakeholder discussions identified by the Civil Aviation Safety Authority so as to enable the Council to consider recommendations by February 2016 ✓ 	



GOAL 7 RESOURCES ARE MANAGED WELL

An organisation that manages its resources well will use what it has available efficiently and effectively to achieve its goals and ensure the community will continue to grow and prosper locally, nationally and internationally.

OVERVIEW



DELIVERED VIA



OUR APPROACH

As an organisation, the City of Melbourne aims to constantly improve what we deliver and how we deliver it. We strive to make everything we do easier, better, faster and cheaper for our customers, gaining more value from our limited resources. Ensuring our 'resources are managed well' is about making sure we are financially sustainable as an organisation, our customers are satisfied with the service they receive and that we attract, retain and develop the workforce we need.

ISSUES AND CHALLENGES

Ongoing projects include the financing and funding strategy for the Queen Victoria Market renewal project. A funding model has been developed and will be implemented by the end of 2016. Our real estate portfolio review is also underway, with a report and summary of recommendations now complete. The report will be presented to our leadership team in July 2016. We are also currently reviewing the 1999 policy on how we sell surplus sub-scale land holdings. The policy has been reviewed with internal stakeholders, a critical process map has been prepared and a report has been drafted for the Future Melbourne Committee to consider in August 2016.

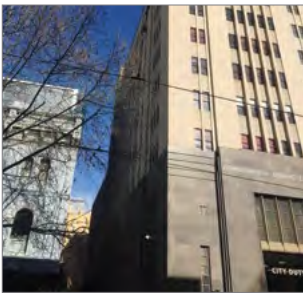
FUTURE DIRECTIONS

A major initiative in the coming year will be to endorse the scope, staging and financing of the revitalisation of the Town Hall precinct.

As an organisation where 'resources are managed well' we continue to look for ways to achieve this in every facet of what we do. Find out more on how we apply this approach throughout our business in these sections:

- **Improvement** (page 95-96)
- **Our people** describing our approach to fostering a talented, engaged workforce as well as safe and diverse workplace (page 85)
- **Our procurement and supply chain** (page 104)

MAJOR INITIATIVE



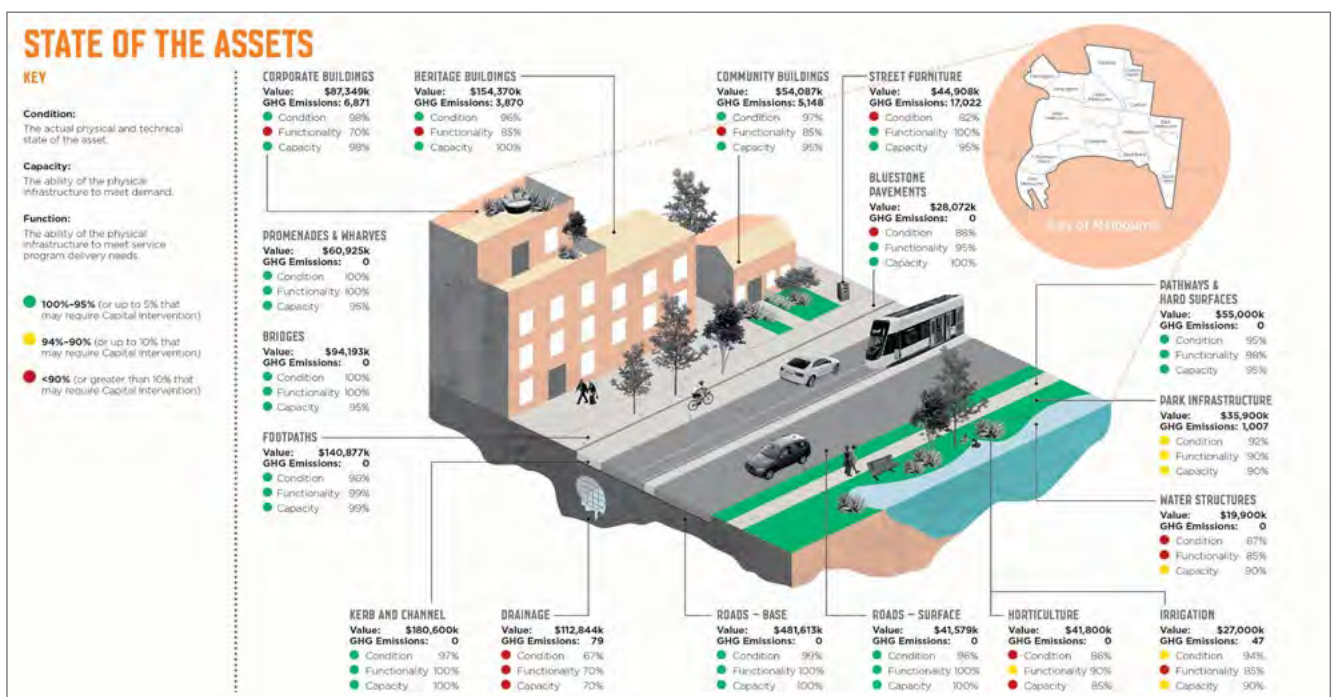
DEVELOP A TOWN HALL PRECINCT PLAN, INCLUDING CONSIDERING OPTIONS SUCH AS LIBRARY SERVICES AND EXHIBITION SPACE FOR CITY MEMORABILIA

We are currently developing a Town Hall Precinct Plan, and as part of this, Council passed a resolution on the Town Hall Precinct (Council House 1 portion) Redevelopment Proposal in May 2016. This Proposal will advance the process of redeveloping the Council House 1 portion of the Precinct, which contains Council House, the Commonwealth Bank Building and associated land holdings. We are now preparing expression of interest documents and a comprehensive financial analysis by late 2016.

HIGHLIGHT

ASSET MANAGEMENT STRATEGY 2015-25

The City of Melbourne is serious about taking care of our assets now and into the future. This strategy was developed as part of a long-term plan to assess, monitor and plan for the assets we will need in the coming decade. By managing our assets carefully we aim to meet future challenges and ensure long-term sustainability and liveability. We want Melbourne to grow and prosper over the next decade without diminishing service levels. This strategy outlines our understanding of the assets we own and manage on behalf of the community. It explains why we need to change the way we manage our assets, what future assets will look like, what we need to do to design, build and manage these assets, and how we intend to deliver this strategy.



Goal 7 service areas: Finance - Information technology - Customer relations - Human resources - Learning and development - Property and assets - Building, development and planning - Lean thinking - Corporate planning and performance - Sustainability

HOW WE'RE PERFORMING AGAINST OUR INDICATORS OF PROGRESS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2013-17. We measure progress by the indicators below.

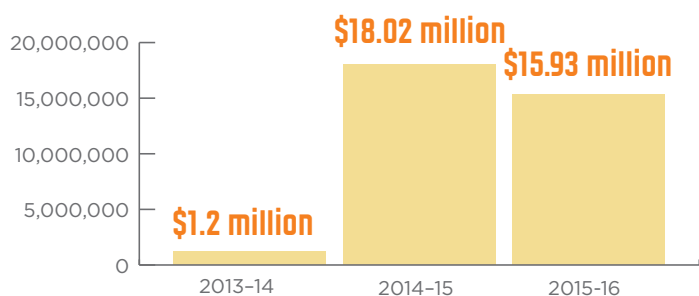
PROJECTED OUTCOME:

Financial sustainability as an organisation

INDICATOR

Long-term underlying surplus.

City of Melbourne's long-term underlying surplus



OUR PROGRESS

The underlying surplus is the most appropriate measure of the City of Melbourne's long-term financial sustainability. Unlike the comprehensive result reflected in the Financial Statements, the underlying surplus removes once-off non-cash gains from revaluations and external contributions towards capital projects. In 2015-16 our underlying surplus was \$15.93 million and higher than planned. The higher underlying surplus is attributed to higher revenues across most major revenue streams. The result has strengthened the City of Melbourne's financial flexibility and goes some way towards funding important and significant infrastructure that has been identified in our 10-Year Financial Plan.

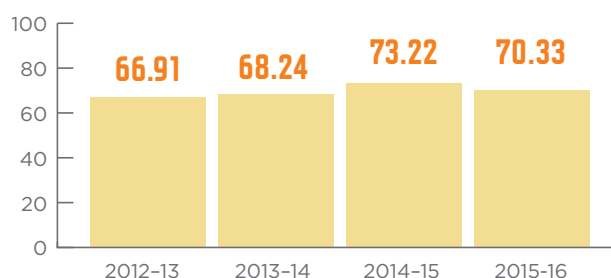
PROJECTED OUTCOME:

Financial sustainability as an organisation

INDICATOR

Rateable property assessments per full-time employee.

Rateable property assessments per employee



OUR PROGRESS

The figure 70.33 represents the rateable property assessments per equivalent full-time City of Melbourne employees (1393.33) at 30 June 2016.

\$millions	2015-16		
	Budget	Actual	Variance
Revenue	409.69	424.81	15.12
Operating expenditure	385.80	386.81	1.01
Results from ordinary activities	23.89	38.00	14.11
Net gain/(loss) on disposal of assets	0.92	-0.53	-1.45
Gain on Investment Revaluation	0.00	16.84	16.84
Contributed assets	0.00	4.16	4.16
Writedown on Investment	0.00	-0.26	-0.26
Profit/(Loss)	24.80	58.21	33.41
Less external contributions to capital	-15.39	-21.54	-6.15
Less gain on investment revaluation	0.00	-16.84	-16.84
Less contributed assets	0.00	-4.16	-4.16
Add transfer assets to external parties	0.00	0.00	0.00
Add writedown on investment	0.00	0.26	0.26
Underlying surplus/(deficit)	9.41	15.93	6.52

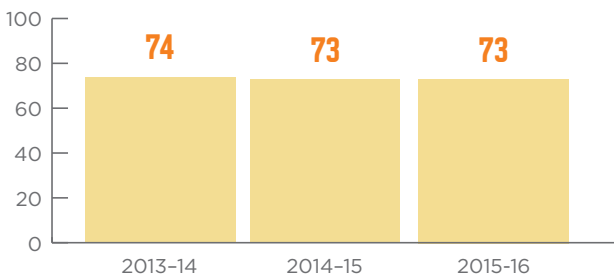
PROJECTED OUTCOME:

Customers who are satisfied with the service they receive

INDICATOR

Customer satisfaction with how City of Melbourne staff members deliver services.

Customer satisfaction with our services



OUR PROGRESS

The Department of Transport, Planning and Local Infrastructure surveys residents' satisfaction with their local council's customer service performance each year. In 2015-16, the City of Melbourne scored 73 out of a possible 100. This year's result is unchanged from last year.

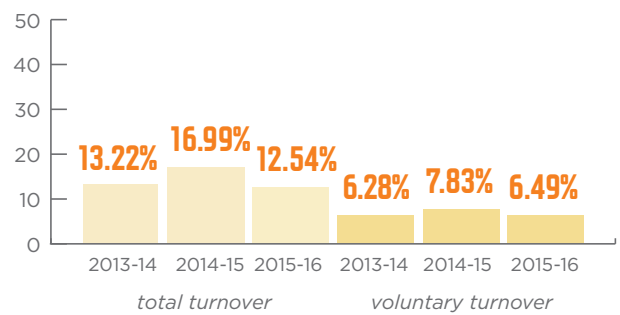
PROJECTED OUTCOME:

The attraction, retention and development of the workforce we need

INDICATOR

Staff retention rate/workforce turnover.

Workforce turnover rate



OUR PROGRESS

Our workforce turnover rate (including voluntary and involuntary turnover) for all employment types was 12.54 per cent for the year, down from last year's rate.

PRIORITIES AND ACTIONS

A total of seven actions and activities were completed under Goal 7, resources are managed well. Three actions not completed in 2015-16 will continue to be delivered in the 2016-17 financial year. Some relate to projects that span multiple years and some were delayed due to unforeseeable external factors.

Completed ✓ Ongoing ↻

Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
Develop and endorse a 10-year financial strategy	<ul style="list-style-type: none"> • Complete and implement the financing and funding strategy for the Queen Victoria Market renewal project 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
Maximise the return on our existing or potential commercial assets	<ul style="list-style-type: none"> • Review the complete real estate portfolio and make recommendations on future portfolio rationalisations • (Major Initiative) Develop a Town Hall Precinct Plan, including considering options such as library services and exhibition space for city memorabilia • Improve our delivery of capital works to optimise sustainability • Review the 1999 policy on how we sell surplus sub-scale land holdings 	<ul style="list-style-type: none"> • (Major Initiative) Endorse the scope, staging and financing of the revitalisation of the Town Hall precinct • Further engage with Procurement Australia on reform of its constitution
Improve customer experience while increasing organisational productivity	<ul style="list-style-type: none"> • On behalf of our customers and community, better align the organisation's efforts around our goals, services, improvement, culture and response to global challenges • Strengthen and align our organisational leadership and improvement efforts to respond to the City of Melbourne's Capability Review and the 10-year Financial Plan • Extend the measurement of customer experience to more services, allowing the results to guide improvement efforts 	<ul style="list-style-type: none"> • Begin implementation of the City of Melbourne Organisational Plan • Through the centre-led procurement model review major expiring service contracts in 2016-17 related to coin collection, the tourist shuttle bus, security services and street cleaning
Improve information management and systems by implementing our IT Strategy	<ul style="list-style-type: none"> • Implement selected actions from the Information and Communication Technology (ICT) Strategy, focussing on road-mapping, data and business process improvement 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
Implement a workforce planning model	<ul style="list-style-type: none"> • Determine and implement 4-year People Strategy 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year



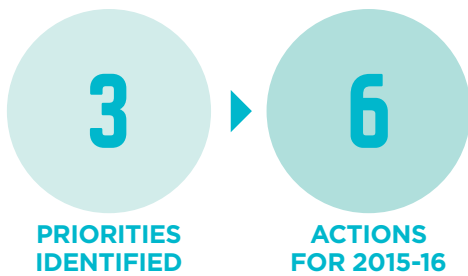


GOAL 8

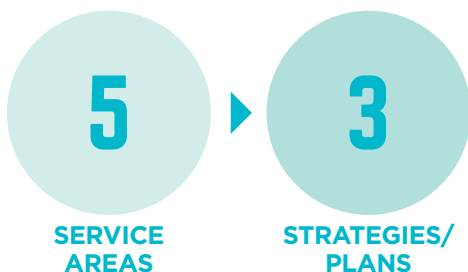
AN ACCESSIBLE, TRANSPARENT AND RESPONSIVE ORGANISATION

An accessible, transparent and responsive organisation is willing to share what it has done and why it has done it with people who need to know. It acts in a professional, timely manner and ensures the community can feel a sense of pride in its operations.

OVERVIEW



DELIVERED VIA



OUR APPROACH

As an organisation, the City of Melbourne strives to improve opportunities for the community to participate in and engage with our decision-making. We seek to share information about our decisions and performance with our community. Ensuring we are an 'accessible, transparent and responsive organisation' is about increasing public disclosure of and access to information to become one of the most transparent councils in Australia, fostering a more involved community as well as a better informed community.

ISSUES AND CHALLENGES

A framework to improve the way we commission, implement, and evaluate organisational strategies has been developed and tested but not yet fully embedded. The production of a public year-end media report, is in progress and scheduled for delivery in August 2016. We invited the community to refresh the Future Melbourne Community Plan that guides all aspects of the city's development, prosperity and liveability. A Citizen's Jury also worked together to refresh the Plan. As part of this work we commissioned an independent review of the Future Melbourne engagement process, which has pushed back project timing slightly. This Plan is now due for completion in early August 2016.

FUTURE DIRECTIONS

A major initiative in the coming year will be to broaden the quarterly services dashboard to include measures on customer experience and organisational performance.

To become an 'accessible, transparent and responsive organisation' we continue to look for ways to achieve this in every facet of what we do. Find out more on how we apply this approach in different areas of our business in these sections:

- **Involving the community in our decisions**, demonstrating our commitment to being accessible and responsive to our community (page 92)
- **Our reporting approach**, describing how we have improved the transparency of our reporting (page 107)

MAJOR INITIATIVES



AS PART OF THE DIGITAL TRANSFORMATION PROGRAM, CONSOLIDATE AND REDEVELOP THE CORPORATE WEBSITE; REDEVELOP THE SERVICE DIRECTORY

Our redeveloped corporate website is fully operational, and has been well received by the community. We consolidated 13 subsites into a single site, resulting in a more streamlined user experience. A mobile-first approach has been implemented and the site is fully responsive. More than 6000 pages of content were reviewed, redeveloped and reduced to 2500. We are undertaking regular user experience research to make sure the content and design is clear, easy to find and helpful for our customers and users. See melbourne.vic.gov.au.

HIGHLIGHTS



MAV TECHNOLOGY AWARDS FOR EXCELLENCE

The City of Melbourne CityLab team won two Municipal Association of Victoria (MAV) Technology Awards for Excellence. The awards, one for collaboration of the year and the other an exemplar award, were for a project to expand the number of open data sets available for GovHack2015. The Cities of Greater Geelong, Melbourne and Ballarat worked together with three Code for Australia fellows on the project.



NEW SMOKE-FREE AREAS

QV Melbourne, Goldsbrough Lane and City Square all became smoke-free as of 1 October 2015 after a thorough community consultation. All areas have a 24-hour smoking ban except for City Square, which has a smoking ban imposed only during the hours of 6am to 8pm. In May 2016, the Future Melbourne Committee endorsed popular running tracks The Tan and Princes Park to be the next smoke-free areas, with community surveys revealing strong public support for the proposal.



FUTURE MELBOURNE

Melbourne is constantly growing and evolving so it's important to plan ahead to ensure we remain a prosperous, resilient and liveable city. To prepare for the next decade, the City of Melbourne invited the community to refresh Future Melbourne, the strategic plan for our city that guides all aspects of the city's development, prosperity and liveability. We asked the community to share their ideas for the city's future in a range of face-to-face workshops, forums, seminars, and online. A Citizen's Jury of 50 people who live and work in the municipality were then invited to work together to refresh Future Melbourne using the ideas shared in phase one. Six Future Melbourne ambassadors were appointed to represent the community for the duration of the project and to ensure the Plan reflects the community's aspirations and priorities. More information can be found in the *Involving the community in our decisions* section of this report on page 92 and at melbourne.vic.gov.au/future.

HOW WE'RE PERFORMING AGAINST OUR INDICATORS OF PROGRESS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2013-17. We measure progress by the indicators below.

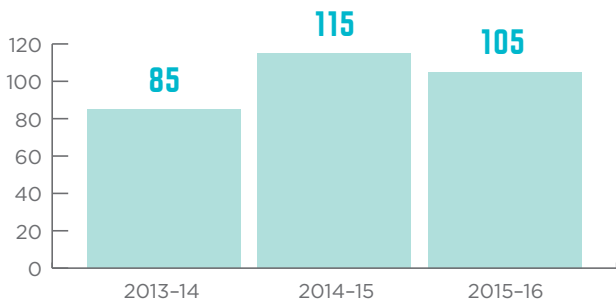
PROJECTED OUTCOME:

Increased public disclosure and access to information to become one of the most transparent councils in Australia

INDICATOR

A decrease in the *number* of Future Melbourne Committee and Council agenda items dealt with in confidential session, per year.

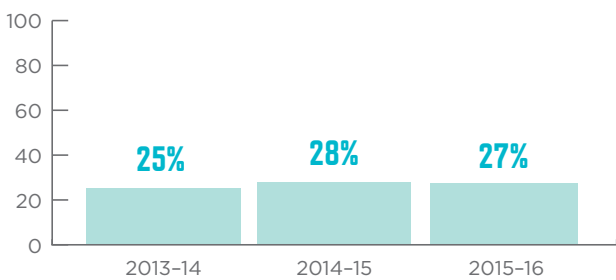
Number of items handled in confidential session



INDICATOR

A decrease in the *proportion* of Future Melbourne Committee and Council agenda items dealt with in confidential session, per year.

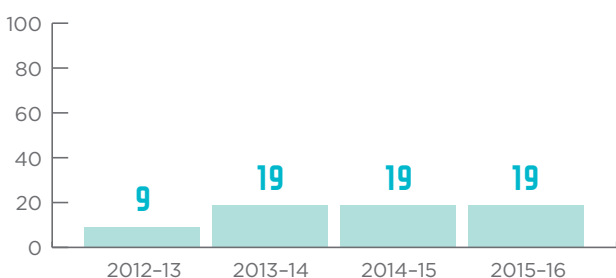
Proportion of items handled in confidential session



INDICATOR

An increase in the level of online publication of data and information about the Council's decision-making.

Number of registers online



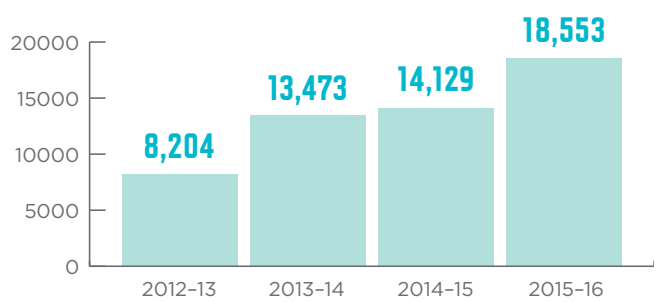
PROJECTED OUTCOME:

Increased public disclosure and access to information to become one of the most transparent councils in Australia

INDICATOR

An increase in the number of visits to webpages where Council registers and decisions made under delegation under the *Planning and Environment Act 1987* are published, per year.

Total visits to web pages



OUR PROGRESS

The number and proportion of items handled in confidential session (which include subsidiary company reports and grants, funding and sponsorship applications) decreased slightly this year. No publications have been added to our public website in the past two years. Visits to webpages with Council registers and Council decisions made under the *Planning and Environment Act 1987* increased 31 per cent (4424 more visits). On 16 December 2015 some of our webpage addresses changed with the transition to the new City of Melbourne website. Particular registers were located at different webpages so it is difficult to measure whether visits to each webpage were to view registers or other information located on the same webpage.

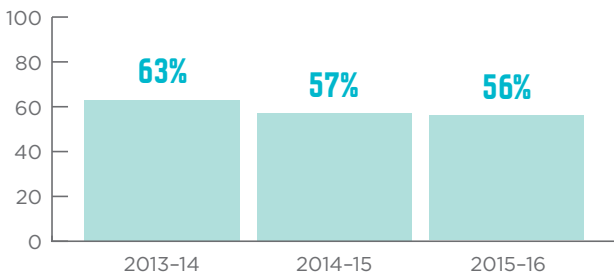
PROJECTED OUTCOME:

A more involved community;
A better informed community

INDICATOR

An increase in community awareness of the Council's community engagement processes.

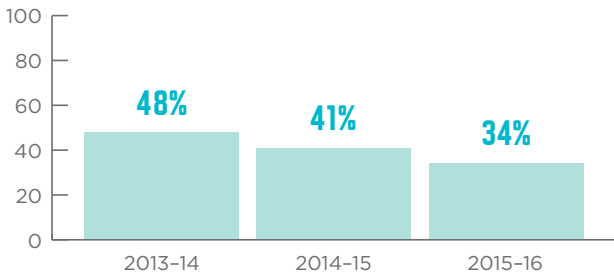
Residents who are aware of our community engagement processes



INDICATOR

An increase in participation in the Council's community engagement processes.

Residents who participated in our community engagement processes



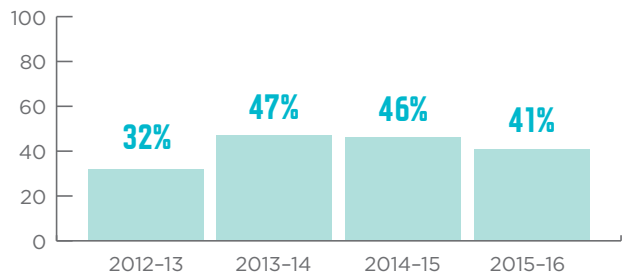
PROJECTED OUTCOME:

A more involved community;
A better informed community

INDICATOR

An increase in satisfaction with the Council's community engagement processes.

Residents who rated our community engagement processes 'good' or 'very good'



OUR PROGRESS

The proportion of residents surveyed who are aware of our community engagement processes this year is 56 per cent, down only one per cent from last year. Thirty-four per cent of residents surveyed participated in at least one City of Melbourne community engagement activity in the past 12 months, down seven per cent from last year.

The percentage of residents reporting satisfaction with our community engagement processes (i.e. as 'good' or 'very good') was 41 per cent, down slightly from last year. This decline of five percentage points is not statistically significant.

PRIORITIES AND ACTIONS

A total of three actions and activities were completed under Goal 8, an accessible, transparent and responsive organisation. Three actions not completed in 2015-16 will continue to be delivered in the 2016-17 financial year. Some relate to projects that span multiple years and some were delayed due to unforeseeable external factors.

Completed ✓ Ongoing ↻

Our 4-year priorities are...	Our 2015-16 focus was...	Over the next year we will...
<p>Improve transparency by increasing accessibility to information, advice or consultation we consider when making decisions</p>	<ul style="list-style-type: none"> • Test and embed a framework to improve the way we commission, develop, implement, report and evaluate organisational strategies 	<ul style="list-style-type: none"> • Work supporting this priority is included in our regular business for the year
<p>Continue to increase and improve opportunities for our community to participate and engage with us</p>	<ul style="list-style-type: none"> • Continue to implement recommendations from the community engagement audit ✓ • Plan and run three developer forums to improve communication with the development industry and increase our contribution to public debate about planning and major development applications ✓ • Refresh the Future Melbourne Community Plan based on the long-term challenges and opportunities facing the city and aspirations of the community ↻ 	<ul style="list-style-type: none"> • Facilitate and participate in programs hosted by local government peak bodies aimed at increasing participation by women in council elections
<p>Make our information and data accessible to our community and stakeholders where possible</p>	<ul style="list-style-type: none"> • (Major Initiative) As part of the digital transformation program, consolidate and redevelop the corporate website; redevelop the service directory ✓ • Produce a public year-end media report ↻ 	<ul style="list-style-type: none"> • (Major Initiative) Broaden the quarterly services dashboard to include measures on customer experience and organisational performance • Implement the agreed improvements from Audit Committee of Council's transparency review • Develop a report summarising City of Melbourne's reform program on disclosure and transparency over the last council term





OUR ORGANISATION



OUR FUNCTIONS

The City of Melbourne's functions are prescribed by the *Local Government Act 1989*.

A list of our major functions and services is provided on our website at melbourne.vic.gov.au/about-council/our-profile/Pages/functions-services.aspx.

There also are several Acts and local laws we enforce, listed at melbourne.vic.gov.au/about-council/governance-transparency/acts-local-laws/Pages/acts-local-laws.aspx.

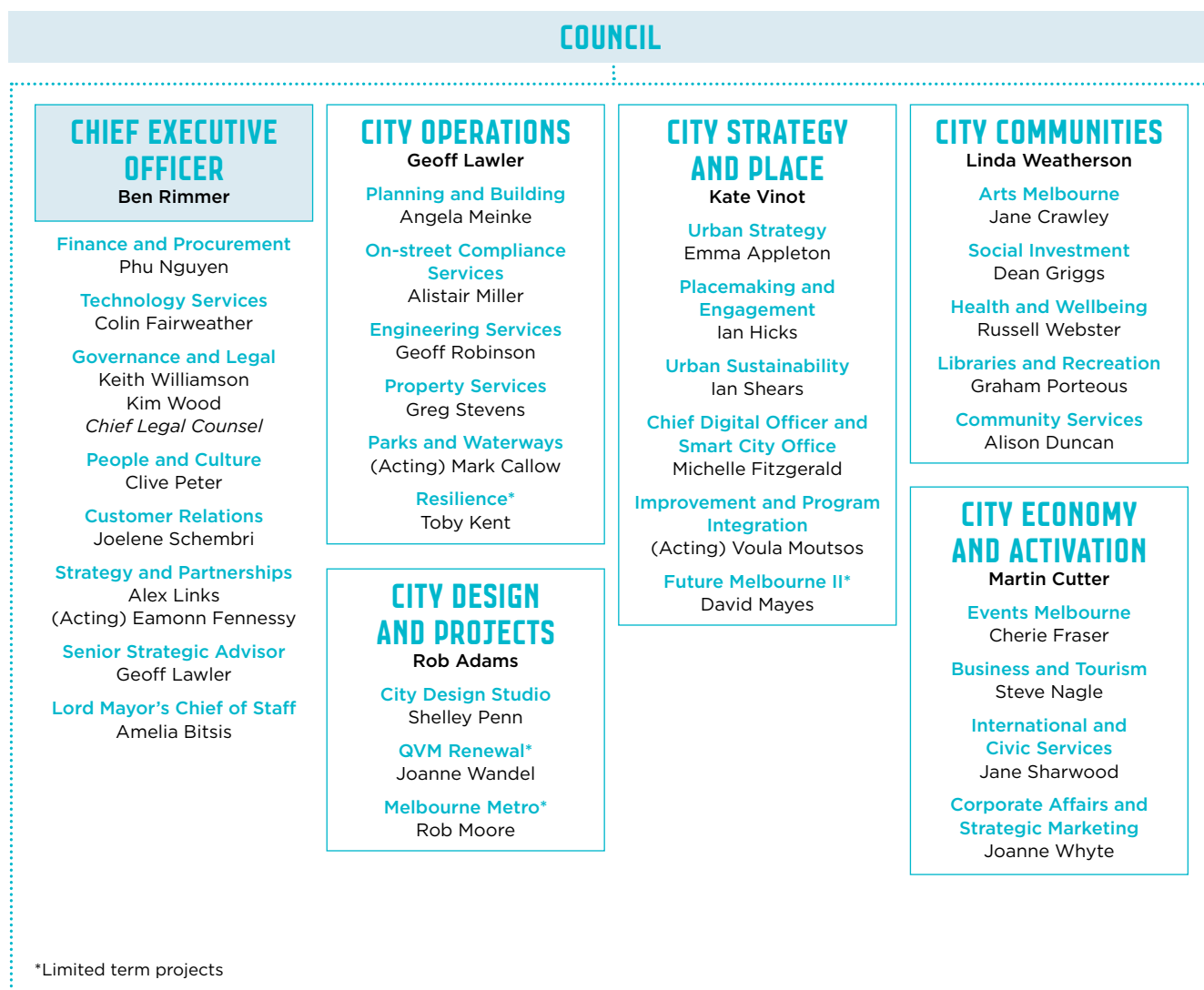
For more information on how we perform our functions, provide services and exercise our powers visit our website, melbourne.vic.gov.au.

Our core administrative and operational functions are conducted out of three buildings: Melbourne Town Hall on Swanston Street and Council House 1 and Council House 2

on Little Collins Street. The organisation also operates a range of facilities, services and additional administrative functions at more than 30 other locations across Melbourne including childcare centres, parks and gardens and swimming pools.

The organisation comprises five groups and 29 branches. Finance and Procurement, Technology Services, Governance and Legal, People and Culture, Customer Relations, Strategy and Partnerships and the Lord Mayor's Chief of Staff report directly to the Chief Executive Officer. All branches are responsible for providing quality services that provide maximum benefits at the best cost for all stakeholders. They do this by building partnerships with the community, business and government to promote the growth, prosperity and quality of Melbourne.

CITY OF MELBOURNE ORGANISATION STRUCTURE



SENIOR EXECUTIVE TEAM

Until 30 June 2015 the City of Melbourne had an organisational structure of five divisions, each led by a Director who reported to the Chief Executive Officer. The Chief Executive Officer and Directors managed our operations and ensured the Council received the strategic information and advice it needed to plan for the municipality and make decisions. On 1 July 2015 an organisational realignment came into force that broadened the composition of the executive team.

Branches within each division perform specific functions, collaborate on projects and share their particular knowledge and expertise across the organisation. Information on the Directors and their divisions is provided below.



BEN RIMMER
Chief Executive Officer

Ben returned to his hometown of Melbourne in early 2015 after three years as Associate Secretary in the Australian Government's Department of Human Services, where he led the Service Delivery Transformation Group. He previously worked for the Department of the Prime Minister and Cabinet and for the Victorian Department of Premier and Cabinet. In these roles he focused on health reform, Commonwealth - State relations, workforce participation, early childhood and mental health, among other issues. He has degrees in Arts and Law from the University of Melbourne, and an MBA with distinction from the University of Oxford.



LINDA WEATHERSON
Director of City Communities

A homegrown success story, Linda Weathersson has risen progressively through the ranks at the City of Melbourne. Since starting with us in 1987 working with our childcare centres and kindergartens, Linda has managed Family and Children's Services, Human Resources, Business Development and Best Value. Linda was appointed as a Director in 2004 and was initially responsible for the Corporate Performance division but in 2007, with a shuffle of Director's chairs, Linda moved across to lead the City Communities group. Linda's group contributes to the city's enhancement and its reputation as a safe, attractive, liveable and accessible city for people of all cultures, religions, ages and abilities.



PROFESSOR ROB ADAMS
Director of City Design and Projects

Rob's 33 years at the City of Melbourne, and 40 years' experience as an architect and urban designer, have seen him and his team receive more than 150 local, national and international awards. Rob was awarded the Prime Minister's Environmentalist of the year Award in 2008, has an Order of Australia for his contribution to architecture and design and is a member of the World Economic Forum's Future of Cities Council.



MARTIN CUTTER
Director of City Economy and Activation

Martin joined the City of Melbourne 11 years ago as the Director of Corporate Business before leading our City Economy and Activation division. Prior to that Martin was Chief Financial Officer at the Australian Government's national shipping line ANL Limited, playing a critical role in its privatisation, wind up and the management of its residual assets. Previously Martin served as a senior audit manager with KPMG.

SENIOR EXECUTIVE TEAM



GEOFF LAWLER

Director of City Operations

With qualifications in architecture and public policy, Geoff spent 17 years in urban planning and heritage conservation with the Victorian Government before joining the City of Melbourne. His first role with us was in 1996 as Manager of Capital City Planning before he was appointed to the role of Director within a few short years. Geoff was awarded a Public Service Medal in 2016, recognising his outstanding public service in the development of financial structures to improve the sustainability of the built environment in Victoria.



KATE VINOT

Director of City Strategy and Place

Our newest Director, Kate joined the City of Melbourne in October 2015 to lead our recently established City Strategy and Place group. Prior to this, Kate held a number of Executive roles in the water industry, manufacturing and waste management. She is a Rhodes Scholar and a Fellow of Engineers Australia, and has degrees in civil engineering, economics for development, and business administration. Kate is also a Non-Executive Director of Parks Victoria and a member of the Audit and Risk Committee of Uniting Agewell.

EXECUTIVE TEAM

The City of Melbourne also has a broader executive team that assists in the overall leadership and governance of the organisation. In particular, it:

- provides impartial and professional advice to Council
- implements Council decisions efficiently and effectively
- leads the organisation and its people, including enhancing collaboration and providing stewardship for the future
- manages ongoing programs and services
- supports good local governance in the community
- builds partnerships and advocates in the best interests of the community, consistent with Council priorities.

OUR PEOPLE

The City of Melbourne strives to be a leading organisation for a leading city. It is our people, our high performing, talented workforce that ensures delivery of excellent service to the community and achievement of our goals.

We are proud to be an inclusive, diverse and flexible organisation. We strive to deliver the best service to our community and enable a culture that drives innovative and creative solutions through a flexible workforce.

We have a great track record in providing learning and development opportunities for employees, which enables us to attract and retain the workforce we need to deliver on our services and activities.

We have a number of policies and procedures that support good governance and provide transparency and clarity to all employees about the principles, rules and guidelines that apply to their work and conditions of employment.

The National Employment Standards (NES) underpin the Melbourne City Council Enterprise Agreement 2013, providing the legal framework through which our employment terms and conditions are established for most of our employees. Executive employment terms and conditions are governed by the NES, Local Government Industry Award 2010 and individual employment contracts.

This year saw us establish the City of Melbourne Leaders group for all people managers, providing this group with key strategic and operational information. City of Melbourne Leaders are required to ensure their team members know the values, policies and procedures and encourage a workplace culture that is safe, inclusive and diverse.

There are a range of benefits and services available to help all employees (full-time, part-time and casuals) to maintain a healthy work-life balance and reach their full potential. Employees have access to a range of professional and personal development activities; health and wellbeing advice and programmes, flexible work arrangements and leave variations. The Club is our non-profit employee recreation association that aims to improve work-life balance and create a cooperative work environment. The Club organises a wide range of social, recreational and sporting activities, ranging from discounted theatre and cinema tickets to subsidised health club memberships and entry to sporting events.

During this year we developed a People Plan as part of our broader new four-year Organisational Plan. The People Plan details how we will introduce workforce planning, talent management, succession planning and much more to the organisation. The People Plan aligns to Goal 7 'Resources

are managed well'. Through the implementation of the plan we will continue creating a more flexible and mobile workforce that enables employees to be outcome focused and to promote higher levels of engagement through work-life balance.

EMPLOYEE CODE OF CONDUCT

We have reviewed our Employee Code of Conduct this year, with the revised code set for release later in 2016. The code applies to all our employees including service providers, representatives and agents who act on our behalf. All new employees receive a copy of the Code of Conduct with their letter of offer.

ENTERPRISE AGREEMENT

At the City of Melbourne 95 per cent of employees are covered by a single enterprise agreement. The current agreement expired on 30 June 2016. Negotiations are currently under way to establish a new agreement that will cover the next three years. We monitor the current agreement's operation and application through a staff consultative committee.

STAFF CLASSIFICATIONS

- **Classification 1 and 2** – child care workers, school crossing supervisors, fitness instructors, information officers.
- **Classification 3** – child care workers, compliance officers, office administrative support.
- **Classification 4** – administrative support, environmental health, project officers and kindergarten teachers.
- **Classification 5 and 6** – professionals, analysts, programmers, technical staff, maternal and child health nurses, immunisation nurses and event managers.
- **Classification 7** – team leaders and professionals.
- **Executive** – managers, directors and the Chief Executive Officer.

STAFF PROFILE

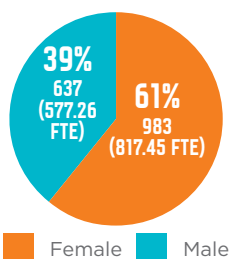
As at June 2016, we employed 1619 people, with a full-time equivalent (FTE) of 1393.33. Whilst our staff numbers increase slightly during summer due to a seasonal operating pool, direct employees of the organisation complete most of our work. A breakdown of our direct employees is:

- 1040 permanent full-time (1031.42 FTE)
- 320 permanent part-time (179.45 FTE)
- 215 maximum-term temporary - full-time and part-time (180.22 FTE)
- 44 casual (2.25 FTE)

Most of our employees work in the central city, with the remainder based at other sites across the municipality.

Note that all employee data excludes supervised worker data, as this is currently unavailable.

TOTAL WORKFORCE BY GENDER



WORKFORCE TURNOVER FOR ALL

12.54%

VOLUNTARY AND INVOLUNTARY TURNOVER

(down from last year's rate of 16.99%) for all employee types

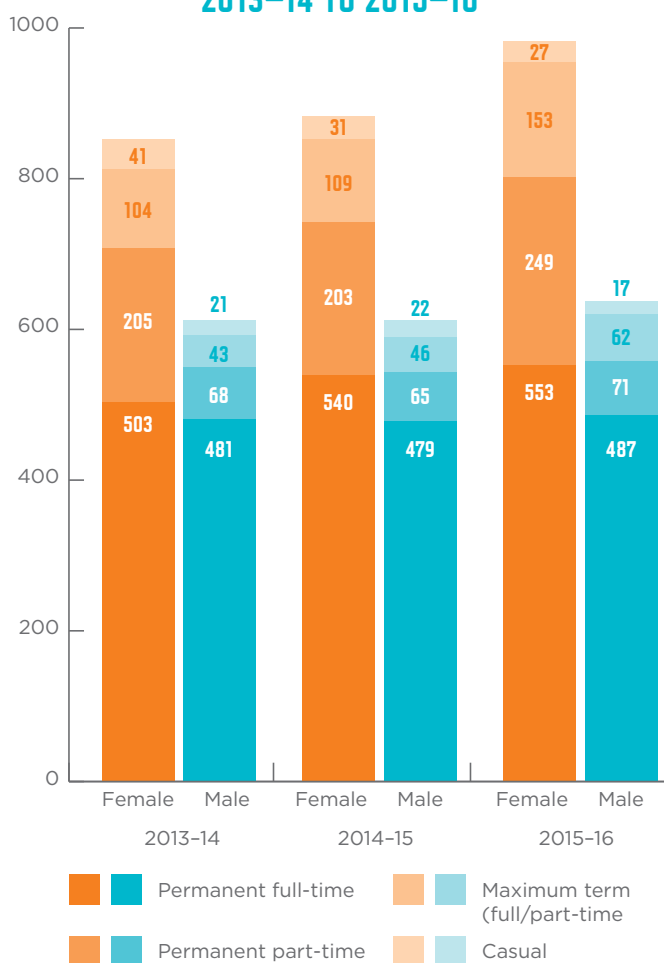


6.49%

VOLUNTARY TURNOVER ONLY

(down from last year's rate of 7.83%) for permanent employees

NUMBER OF STAFF (HEAD COUNT) BY EMPLOYMENT TYPE AND GENDER 2013-14 TO 2015-16



NEW STAFF BY GENDER AND AGE

Age	Female	Male	Total
Under 29 years 11 months	76 (56.52 FTE)	50 (41.86 FTE)	126 (98.38 FTE)
30-49 years 11 months	131 (107.45 FTE)	70 (62.21 FTE)	201 (169.66 FTE)
Over 50 years	22 (15.47 FTE)	15 (13.67 FTE)	37 (29.14 FTE)
Total	229 (179.44 FTE)	135 (117.74 FTE)	364 (297.18 FTE)

Our rate of new employee hires during the reporting period was 4.45 (by head count) or 4.69 FTE.

WORKFORCE TURNOVER BY GENDER AND AGE

Age	Female	Male	Total
Under 29 years 11 months	21 (20.06 FTE)	27 (26.84 FTE)	48 (46.90 FTE)
30–49 years 11 months	76 (69.55 FTE)	42 (39.61 FTE)	118 (109.16 FTE)
Over 50 years	15 (13.54 FTE)	22 (20.01 FTE)	37 (33.55 FTE)
Total	112 (103.15 FTE)	91 (86.46 FTE)	203 (189.61 FTE)

NUMBER OF STAFF (FTE) BY ORGANISATIONAL DIVISION, EMPLOYMENT TYPE AND GENDER

	Gender	City Economy and Activation	City Design and Projects	City Strategy and Place	City Communities	Executive Services	City Operations	Grand Total
Permanent part-time	Female	16.46	4.55	11.39	74.72	19.36	16.08	142.56
Permanent part-time	Male	1.66	0.00	2.17	20.39	5.48	7.18	36.89
Permanent full-time	Female	90.75	10.72	56.41	184.93	92.49	110.16	545.46
Permanent full-time	Male	35.00	21.00	44.85	63.40	91.99	229.72	485.96
Maximum term part-time	Female	3.90	0.63	4.94	20.44	2.60	6.56	39.07
Maximum term part-time	Male	0.95	0.79	2.57	3.25	0.00	2.32	9.88
Maximum term full-time	Female	15.00	1.84	15.70	25.80	16.57	13.36	88.27
Maximum term full-time	Male	6.00	1.00	6.00	12.00	6.00	12.00	43.00
Casual	Female	0.21	0.00	0.00	0.61	0.00	0.21	1.03
Casual	Male	0.49	0.00	0.00	0.49	0.00	0.24	1.22
Grand total		170.42	40.53	144.02	406.03	234.50	397.83	1393.33

CITY OF MELBOURNE EXECUTIVE REMUNERATION

Position	Name	Total employment package	Start at COM	Current contract start	Current contract end
CEO	Ben Rimmer	\$460,000	9 February 2015	9 February 2015	8 February 2019
Director City Design and Projects	Rob Adams	\$383,617	14 October 1986	15 September 2014	14 September 2017
Director City Operations	Geoff Lawler	\$362,700	7 October 1996	25 October 2013	24 October 2016 A new contract has been entered into ending 31 December 2017.
Director City Economy and Activation	Martin Cutter	\$352,345	16 August 2004	1 November 2015	31 October 2017
Director City Strategy and Place	Kate Vinot	\$350,000	6 October 2015	6 October 2015	5 October 2018
Director City Communities	Linda Weatherson	\$346,520	7 December 1987	19 July 2015	18 July 2016 A new contract has been entered into ending 18 July 2018.

EQUALITY AND DIVERSITY

We are an equal opportunity employer, committed to our values and to providing a work environment that is safe and supportive, free of discrimination, harassment and bullying, where all individuals treat each other fairly and with respect.

Equal opportunity refers to the fair and equal treatment of all people who are employed or seeking employment, regardless of extraneous factors and personal differences. Our equal opportunity policies and practices ensure people are not disadvantaged and receive fair and equal treatment.

By having diversity ingrained in our culture and part of our existing values of integrity, courage, accountability, respect and excellence, we can continue to be a high performing, harmonious and positive organisation.

Our Chief Executive Officer continues to be part of the Male Champions of Change Program, committed to breaking down the barriers for gender equity. In 2016 the Male Champions of Change have pledged to create greater workplace flexibility, address everyday sexism and support the prevention of violence against women in our community. Male Champions of Change promote the recognition that gender equality is not just a women's problem, the issues stemming from gender inequality affects us all.

Importantly it has been recognised that we can't champion gender equality without addressing violence against women. Everyone at the City Of Melbourne is encouraged to step up to reduce the prevalence and impact of violence against women. We believe that together, we can make a real difference.

In support of gender equity a number of programs, actions and benefits have been proposed through the new enterprise agreement negotiations. Gender equity actions are also featured in our new Organisational Plan.

We have also rolled out a series of initiatives to improve flexibility. The first of these was a new approach to parental leave. The updated parental leave policy is based on the belief that parental leave should support employees before they go on leave, while they take it, and when they return to work. In addition, we also introduced a refreshed approach to flexibility with the launch of the 'All Roles Flex' policy which is underpinned by the belief that flexibility is not 'one size fits all' and not just for staff with carer commitments. Our approach to flexibility is based on trust with our employees and an open dialogue on what suits the needs of the employee, organisation and our commitments to the community.

To further our commitment to diversity and inclusion we joined Jawun - where corporate government and philanthropic organisations come together with Indigenous people to effect real change. We placed six employees as secondees into Indigenous organisations across Australia. These secondees used their skills and expertise to support the Indigenous organisations in achieving their aims.

We collect data on the gender and age makeup of our workforce to help us assess how well our equality and diversity goals are being achieved (see 'Staff profile'). No incidents of discrimination were recorded during the reporting year.

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY



Definitions: *Award employees (Class 1 to Class 7 also including senior officer staff) **Executive employees (Exec 1 to Exec 5)

EMPLOYEE CLASSIFICATION BY GENDER (FTE)

Gender	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7 / Snr Off.*	Exec	Grand total
Female	12.55	53.42	153.90	170.25	174.50	142.37	85.45	23.93	816.38
Male	11.71	19.82	114.73	96.71	107.64	109.76	80.68	35.90	576.95
Grand total	24.26	73.25	268.63	266.96	282.14	252.13	166.13	59.83	1393.33

*Snr Off. – senior officer

EMPLOYEE CLASSIFICATION BY AGE GROUP (FTE)

Age Group	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7 / Snr Off.*	Exec	Grand total
Under 29 years 11 months	14.04	22.65	47.99	44.48	20.10	6.22	1.00	0.00	156.48
30-49 years 11 months	6.12	34.25	133.66	172.60	193.50	166.92	105.75	24.13	836.93
Over 50 years	4.10	16.35	86.98	49.88	68.54	78.99	59.38	35.70	399.92
Grand Total	24.26	73.25	268.63	266.96	282.14	252.13	166.13	59.83	1393.33

*Snr Off. – senior officer

EMPLOYEE HEALTH AND SAFETY

We strive to provide a safe and healthy workplace and environment for our staff, suppliers, contractors, volunteers and visitors. Each person is responsible for recognising workplace hazards and correcting or reporting them in a timely manner.

Our Occupational Health and Safety Policy Statement outlines our approach to safety in the workplace. We manage risk and occupational hazards by continuously evaluating and improving work environments and our occupational health and safety (OHS) management system.

This system is audited against the Australian Safety Standard AS/NZS 4801:2001 and our accreditation was maintained in 2015-16. This is the third year we have reported OHS rates data. The data below is representative of our employees only; currently we do not record this data for contractors. There were zero fatalities recorded during 2015-16.

We have a proactive injury prevention strategy and an early intervention approach to all work-related injuries and illnesses that focuses on sustainable return-to-work programs.

Lost Time Injury Frequency Rate (LTIFR)*	Total Recordable Injury Frequency Rate (TRIFR)**	Occupational Disease Rate (ODR)	Absentee Rate (AR)***	Total work-related fatalities
5.2	29.7	0	3.65%	0

*LTIFR calculated as number of Lost Time Injuries recorded in the reporting period divided by total hours worked multiplied by 1,000,000.

**TRIFR calculated as number of Lost Time Injuries plus number of Medical Treatment Injuries (MTIs) recorded in the reporting period divided by total hours worked multiplied by 1,000,000.

***Absentee Rate (AR) is total sick leave absences as a percentage of ordinary time available. Last year's AR rate was 3.42% as reported in Annual Report. This includes sick leave with and without medical certificate, carer's leave, sick unpaid leave, sick pending WorkCover and WorkCover.

LOST TIME AND MEDICALLY TREATED INJURIES BY TYPE

Nature of injury (medically treated)	Number of reported incidents
Slips, trips and falls	15
Other types of accident	14
Mental stress	4
Vehicle accident	1
Lacerations	3
Verbal assault by person or persons	3
Physical assault by other person or persons	5
Struck by moving object	2
Manual handling	3
Occupational overuse syndrome	2
Type of accident not known	1
Bite (insect, animal)	1
Thermal Environment	1
Falling object during handling	1
Falling object other than during handling	2
Striking against moving objects	1
Stepping on object	1
Contact With Electric Current	1
Fall from height or into depth	2
Total	63

WORKCOVER CLAIMS

We received 33 WorkCover claims in 2015-16. Six of these claims were rejected with 27 accepted. Our WorkCover premium rate is currently 0.67 per cent and our performance rating is currently 0.79.

Financial year	Standard claims	Minor claims	Premium incl GST (\$)	Premium as % of remuneration
2015-16	19	8	1,072,540.39	0.67
2014-15	16	3	729,389.86	0.52
2013-14	20	9	541,289.74	0.40
2012-13	18	4	456,981.23	0.34

Data for 2015-16 is a projection only and will be updated in the following year's report.

Annual claims data will change retrospectively as the result of minor claims progressing to standard claims and claims having been rejected. This data does not include claims that are rejected at the time of reporting as these claims do not contribute to premium cost.

EMPLOYEE DEVELOPMENT AND TRAINING

To get the best out of our people we want to build a culture that empowers employees to use their skills and judgement to make good decisions. We take our commitment to our employees seriously, providing opportunities to develop and grow and evolve their capabilities.

Last year we ran 86 courses through our City of Melbourne learning program, with a total of 2887 participants.

A breakdown of average training hours by gender and classification can be seen in the Average formal training hours by gender and classification table (below). The increase of training hours for males at classification 3 can be attributed to the extensive technical training delivered to our On-Street Compliance Services team.

We are committed to improving the customer experience and building a customer centric culture. We created a new set of customer service standards and delivered training to all staff to improve capability and support all employees to work together to deliver the best outcomes for Council, our residents, ratepayers, businesses and visitors.

The City of Melbourne is proud to make a commitment to fully support reconciliation. As part of our Reconciliation Action Plan 2015-18, we have revised our corporate induction program to include an Aboriginal Cultural Awareness Walk for all new employees facilitated by the Koorie Heritage Trust.

Our leaders play a pivotal role in shaping our organisational culture and we continue to support their development as contemporary public sector leaders. Building on our Leading Diversity program, the management team participated in Unconscious Bias training to support them in actively promoting inclusion and diversity. They also participated in a program of 360-degree feedback to increase self-awareness and understanding of leadership capability and impact.

Our Mentoring programs this year focussed on two streams, with one program for female leaders and the other for parents returning from parental leave. The program supports the development of employees through pairing them with experienced leaders to build their leadership capability in addition to formal training.

The City of Melbourne's Fraud and Corruption Policy is a key part of its risk management approach. All employees are made aware of updated policies, procedures and training requirements upon commencement and via regular CEO messages. This year, all our employees completed mandatory refresher training on anti-corruption/fraud awareness. The table below shows the total number of employees who received training.

AVERAGE FORMAL TRAINING HOURS BY GENDER AND CLASSIFICATION

Gender	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7/ Snr Off.*	Exec	Total Ave.
Female	7.6	2.5	6.1	5.2	7.0	6.1	6.0	2.6	5.4
Male	7.6	2.7	14.2	8.6	7.0	4.5	6.0	4.9	6.9

*Snr Off. - senior officer

ANTI-CORRUPTION TRAINING BY CLASSIFICATION

	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7/ Snr Off.*	Exec	Total
Number	63	127	303	275	298	258	163	60	1547

*Snr Off. - senior officer

INVOLVING THE COMMUNITY IN OUR DECISIONS

Over the past few years the City of Melbourne has been building our capacity to engage with our community, and involving the community in our decisions is firmly embedded in everything we do.

As we face the challenges of a growing and changing city we can only build resilience and flourish if we do more together. To do this we work to connect people with our organisation, to other agencies, to each other and to the places they live.

In addition to the many programs, services and strategies that seek community input, our engagement activities now routinely include deliberative processes. This means that we want to work with community members to help us solve some of the complex issues facing our city in to the future: how can we grow and maintain our liveable status, how do we mitigate the impacts of climate change and how do we embrace a digital future?

These were some of the questions tackled by the Future Melbourne 2026 Citizen's Jury, a group of 50 randomly selected Melburnians who came together over a six-week period to; learn – understand – focus – deliberate, and finally, to agree. The City's second citizen's jury in as many years was made up of residents, business owners and city workers. This group reached an 80 per cent majority on a refreshed vision, goals and priorities for Future Melbourne 2026.



Other partnership approaches to engagement with our community include our urban forest strategy, which has grown into advocacy with the Citizen Forester program. A growing group of volunteers partner with us to map vegetation, identify trees that have significant habitat values and help to collect samples for genetic testing. This innovative research will ultimately help us to create a more diverse urban forest that is resilient to the impacts of climate change, pests and diseases.

Four of our city's laneways are being co-designed with businesses, owners and residents for the Greening Laneways project. Four laneways were chosen for the 2016-17 pilot from over 800 nominations. There is ongoing community input into the design and use of our open spaces and much-loved icons such as the Queen Victoria Market.

Our community has also helped shape the direction and detail of other projects including:

- Active Melbourne Strategy
- Bicycle Plan 2016-20
- Bioblitz
- City Road Master Plan
- Domain Parklands Master Plan
- Lady Huntingfield redevelopment
- Last Kilometre Freight Plan
- Skate Melbourne Framework
- Smoke-free zones
- Southbank Boulevard
- Sunlight to Public Places
- University Square
- Waste collection zones in the central city.

Our online engagement on Participate Melbourne continues to evolve with new and improved digital tools that make it easier for the community to submit their ideas on projects, plans and strategies.

Cross-organisational collaboration has resulted in the development of new participatory mapping, citizen science, interactive planning and data visualisation tools that have helped community members understand and engage on projects including Green your Laneways, BioBlitz, University Square and City Road.

Learn more about the results of the community engagement undertaken on these projects at melbourne.vic.gov.au/participate.

The City of Melbourne has also been proactive in bringing the community into the conversation on collaborative engagement projects with the Victorian Government, including the Melbourne Metro Rail Project, the Western Distributor Project, Fishermans Bend and the Arden Macaulay Renewal Area.

We also consult regularly with a variety of specific interest groups including those representing vulnerable groups, for example the:

- African Australian Community Partnership
- Disability Advisory Committee
- Homelessness Advisory Committee
- Melbourne Youth Services Forum
- Service Coordination Group.

As part of our commitment to continuous improvement, we have prioritised building our organisational capacity to improve engagement with our diverse communities, with a focus on our Aboriginal communities, to ensure these voices are included in our decision-making.

The outcomes of our community engagement are better decisions that result in improved policy and services and greater community satisfaction and wellbeing.

INTERACTING WITH CUSTOMERS

Our customers are our community. In interacting with them, we are guided by certain legislative standards and requirements. We also have a general commitment towards providing a positive experience to those we serve.

LEGISLATIVE COMPLIANCE

The following pieces of legislation set out basic standards for how we look after our customers' interests.

Privacy and Data Protection Act 2014

Standards set out by Victoria's *Privacy and Data Protection Act 2014* and our Privacy Policy Statement control how we manage personal information. Privacy compliance is included in our staff induction program. We have a dedicated privacy team within our Governance and Legal Branch to help staff and members of the public with privacy-related queries or issues.

Two privacy complaints were received by the organisation during the 2015-16 financial year. Both were resolved internally. No complaints from regulatory bodies were received and no losses of customer data occurred.

Disability Act 2006

The City of Melbourne strategy Melbourne for All People 2014-17 has supported the participation of people of all ages and abilities through ensuring services and programs planned, provided or funded by the City of Melbourne are in accordance with the *Disability Discrimination Act 1992* (Cth).

Key initiatives delivered by the City of Melbourne work to reduce and eliminate access barriers and support equity of access for all people who come to the city. Examples of key achievements include:

- Twenty footpath infrastructure projects that improve access through upgrades of step free ramps, installation of tactile ground surface indicators, stair nosing and tactile street nameplates to enhance directional information for people with mobility and vision impairments.
- Facility upgrades to enhance participation of people with disability through toilet upgrade works at the Council House Car Park, City Library and upgrade of a lift within the Lower Town Hall.
- Through the delivery of disability awareness programs such Good Access is Good Business, Deaf Access and Deaf Blind World Workshops, over 350 participants were provided with information and experiential experiences that raised their awareness of access barriers and helped them address these issues.

Protected Disclosure Act 2012

To access our procedures, please refer to melbourne.vic.gov.au/about-council/governance-transparency/policies-protocols/pages/protected-disclosures.aspx.

During 2015-16 no disclosures were notified to the Independent Broad-based Anti-corruption Commission.

Carers Recognition Act 2012

We have taken all practicable measures to comply with our responsibilities under Victoria's *Carers Recognition Act 2012* (the Act). We have promoted the principles of the Act to people in care relationships who receive City of Melbourne Home and Community Care services, to people in care relationships and to the wider community in the following ways:

- developing and implementing a peer support carers group
- liaising closely with other service providers such as Carer Respite Centres on behalf of carers
- providing information via our intake and information service
- assessing and responding to the needs of primary carers
- recognising the role of carers by including carers in the assessment, planning, delivery and review of services that impact on them and their role as carers
- providing respite and planned activity services to provide the primary carer a break from caring responsibilities
- providing information to organisations represented in Council and community networks.

Our services have policies that satisfy the Community Care Common Standards, which incorporate recognition of carers in relation to services that impact on them in their role as carers.

Domestic Animals Act 1994

In accordance with Victoria's *Domestic Animals Act 1994* we prepare a Domestic Animal Management Plan at four-year intervals, in consultation with the Victorian Department of Economic Development, Jobs, Transport and Resources.

As a part of delivering the 2013-17 plan, over 270 hours were delivered in proactive enforcement and community education including patrols utilising sustainable electric bicycles as transport covering over 3500 km in public spaces.

In 2015 we made submissions to the Parliamentary Inquiry to Restricted Breed Dogs and advocated to the Victorian Government for participation in the review of the Code of Practice for the Operation of Pet Shops.

A full evaluation of the plan will be carried out in 2016-17 to guide the preparation of the 2017-21 Plan.

CUSTOMER HEALTH AND SAFETY

Customer health and safety is addressed through our risk management procedures (see page 100) and responsibilities under occupational health and safety legislation. Health and safety impacts are assessed for all our services and products in accordance with legislation, our occupational health

and safety management system and internal policies and procedures. This requirement is evidenced through internal and external audit results. Due to the diverse nature of our services and products, no statistical evaluation is undertaken on the percentage of services and products for which health and safety impacts are assessed for improvement.

IMPROVEMENT

ONE MELBOURNE, ONE COM ACTION PLAN

The City of Melbourne Organisational Action Plan – One Melbourne, One CoM was a blueprint for change in 2015-16. Its purpose was to respond to the areas identified for improvement from the Organisational Capability Review. This independent and forward thinking assessment informed the City of Melbourne of its ability to meet future objectives and challenges.

Whilst continuing to deliver for Council is our first priority this plan detailed that, an increased focus on how we deliver, working together purposefully and building a better organisation that is more integrated, more collaborative and more efficient.

Key drivers of success for City of Melbourne's improvement actions were to:

- Strengthen our organisational vision in the face of future challenges
- Ensure our leaders were accountable, inclusive and collaborative
- Become smarter at integrating innovation into the great work we do every day
- Get better at knowing who our customers are and what they want
- Develop our people to best meet current and future needs.

Overall our efforts were focused on the themes of Organisational Vision and Plan, Leadership, People, Customer, Processes and Systems with improvement highlights including:

ORGANISATIONAL AND COUNCIL VISION AND PLAN

The successful implementation of a consistent approach to the branch planning process across the organisation saw 100 per cent of branches applying the new and improved

organisational standards. Additionally a branch plan expo ensured an opportunity to share plans across the organisation supporting the agenda of collaboration and transparency across the City of Melbourne.

Leadership

A focus on improving how we support our people leaders resulted in the establishment of the CoM Leaders forum. Consistent and clear communication channels including hearing directly from the Executive and sharing opportunities via organisation wide expos have ensured our leaders make informed decisions and enable a collaborative environment.

Processes and Systems

A cross functional team collaborated to identify overlap in our core operations with the intention to simply and reduce duplication. Those processes identified included asset management, contract management, waste management, enforcement and processing of customer documentation.

Customers

An action focused on developing a prototype for future online and social media presence to support city liveability, community engagement and customer service. The City of Melbourne currently provides a range of services aimed at providing support to our customers through 'life episodes'. We engaged with more than 50 customers who were either 'having a baby' or 'moving to Melbourne as an international student'. The insights and ideas generated fed directly into the creation of series of prototypes, aimed at curating the information available to our customers in a way that responded to their needs. A great example of how the City of Melbourne can work directly with our customers to design solutions with a future-lens.

People

The active promotion of mobility across the organisation has enabled a workforce that can better develop and evolve their capability. The improvement to the visibility of internal opportunities resulted in 191 temporary transfers offered since 1 July 2015. This unprecedented access to development for all City of Melbourne staff saw all backfill opportunities for people leadership roles going through an expression of interest process.

Continuous Improvement

In addition to the One Melbourne, One CoM Action Plan, a number of improvement efforts continued within the organisation. Individuals and teams continued to seek out opportunities for improving efficiency and the customer experience.

Highlights this year include:

- Melbourne Music Week was created to support and celebrate the local music scene. Every year, our Events branch is faced with delivering the best experience for our customers while minimising the impact on surrounding residents and businesses. This time, by improved stakeholder engagement and utilising an enclosed underground space we saved \$17,000, improved the sound quality and received zero noise complaints. A great outcome for us, our customer and our stakeholders.

- The City of Melbourne Services Dashboard was also the focus of the continuous improvement efforts to enable access to information that is deemed important and relevant to our community. Our goal was to improve the capacity of the data that we report ensuring its timeliness and flexibility. The new and improved interactive dashboard supports City of Melbourne's goal of transparency and accountability. The Services Dashboard will continue to improve as we become more responsive to community needs and use our open data principles to enhance our performance information. See page 49 for more on the Services Dashboard.
- The new City of Melbourne website enables customers to provide feedback on the content of each page they visit providing an interactive forum for them to provide timely input. The functionality includes a link to submit a general enquiry, request a service, provide feedback on products and services or make a complaint.

A CROSS SECTION OF ORGANISATIONAL CONTINUOUS IMPROVEMENT ACTIVITIES:

Action	Outcome
Improved the servicing of the municipality's 470 syringe bins	A reduction in costs of 44 per cent (\$49,000) per annum
The What's On website was made mobile responsive	With 6.3 million visits to What's On each year, 67 per cent of which are on mobile/tablet devices, the website now provides a better user experience for its primary mobile audience
Reviewed and renegotiated the Car Park Services Contract in Property Services	A \$140,000 opportunity saving
Improved the process for Wayfinding and Information Signage in Parks	A time saving of 10 weeks to have a single sign replaced from 4 months to 6 weeks
New paperless program implemented for Festival of Live Art 2016	A saving of \$4800 and a reduction of 5000 printed programs
A paperless ticket system implemented for all Arts House shows	A decreased expenditure of \$1662, print reduction of 10,000 tickets and productivity gains of 236 hours per annum
Reduced hire costs and improved venue accessibility at the Meat Market	A saving of \$880 in labour costs for every two clients, each month, making the space more affordable and accessible to the smaller arts and community sector
Process changes within On-street Compliance Services to improve timely identification of a vehicles new owner	An annual saving of \$8000 and a reduction in the manual processing of infringements

OUR ENVIRONMENTAL PERFORMANCE

The City of Melbourne plays a key role in managing and improving environmental outcomes across the city. We set ambitious targets, support innovation and new technologies, and work with the community to support city-scale change.

WE ALSO MONITOR OUR ENVIRONMENTAL ACTIONS AS PART OF COUNCIL PLAN GOAL 5.

Our approach to managing both our organisational and city environmental performance is driven by our eco-city goal (Council Plan Goal 5) and the city-wide strategies which support it including Zero Net Emissions by 2020, Total Watermark – City as a Catchment, Urban Forest Strategy – Making a great city greener 2012–32, and the Climate Change Adaptation Strategy. To lead and inspire action throughout the community we continually work on improving our own operations.

We have identified four key impact areas in which to improve our environmental performance: greenhouse gas emissions, energy consumption, and water and waste management.

ENERGY AND EMISSIONS

Our Zero Net Emissions by 2020 Strategy sets clear, ambitious objectives to reduce greenhouse gas emissions across the municipality and maintain carbon neutrality. The City of Melbourne has been a carbon neutral organisation since 2011-12 and we continue to focus on reducing the emissions impact of our organisation. We maintain carbon-neutrality in our own operations by measuring, auditing, reporting and offsetting our greenhouse gas emissions through the National Carbon Offset Standard Carbon Neutral Program.

A key focus of our efforts over the past year has been the development of an Emissions Reduction Plan for Council

Operations, which summarises the actions that the City of Melbourne will take to reduce emissions from our operations between 1 July 2016 and 30 June 2021. We are committed to reporting annually to the community on our progress in delivering these actions.

Improving the energy efficiency of our operations and increasing our uptake of renewable energy sources is critical to achieving our ambitious emissions reductions targets. Over the past year we have added a total of 355 kW of generation to the electricity network through solar installation at the North Melbourne Recreation Centre (200 kW), Fitzroy Gardens Visitors Centre and Park Depot (75 kW), Carlton Baths and Family Resources Centre (45 kW), and Community Hub at the Dock (35 kW). These projects save Melbourne the equivalent of 588 tonnes of greenhouse gas emissions each year, or electricity consumption of 120 houses for a year.

Our emissions and energy reporting is guided by the National Greenhouse and Energy Reporting Act 2007 and NCOS Carbon Neutral Program. Due to the timing of the Annual Report and our reporting obligations within these frameworks, the data for 2015-16 includes estimations and is subject to change. Final 2015-16 data will be published online within the sustainability section of our website following recertification of our carbon neutral status.

We aim to reduce our greenhouse gas emissions 10 per cent by 2018 against our baseline year 2010-11. You can see how we are tracking against this target under our Goal 5 performance section.

ENERGY CONSUMPTION WITHIN THE ORGANISATION (GJ)

	2011-12	2012-13	2013-14	2014-15	2015-16 ¹
Total fuel consumption from non-renewable sources	27,890	31,336	20,705	21,343	23,500
Total fuel consumption from renewable sources	-	3	7	9	10
Total electricity consumption from non-renewable sources	40,605	46,350	54,462	48,927	48,013
Total electricity consumption from renewable sources	17,600	12,412	1,648	1,683	1,893
Total energy consumption	86,095	90,101	76,822	71,962	73,416

¹ All 2015-16 figures include estimations and are subject to change.

GROSS GREENHOUSE GAS EMISSIONS² (tCO₂e)

	2011-12	2012-13	2013-14	2014-15	2015-16 ¹
Scope 1	1,804	1,770	1,140	1,459	1,268
Scope 2	13,648	15,321	17,700	16,037	15,071
Scope 3 ³	33,934	36,480	35,033	31,632	29,925 ⁴
Total	49,386	53,571	53,873	49,128	46,264

¹ All 2015-16 figures include estimations and are subject to change.

² Previous figures have been revised, as accounts were reconciled during the implementation of a new environmental data management system. Accounts now also include GreenPower.

³ Updated annually in October as part of the National Carbon Offset Standard (NCOS). Categories and activities in Scope 3 include:

- Transport (flights, hire car, taxis, employee commuting, public transport)
- Energy (emissions associated with production and transmission of electricity, natural gas and fuel; street lighting not under City of Melbourne control)
- Subsidiaries (Queen Victoria Market services, City of Melbourne Citywide contracts)
- Services (ageing and inclusion services, civil design and traffic engineering, courier and postage, parks contractors, street cleaning, tourist shuttle bus, vehicle towing, coin collection, security, waste, recreation services, building and property maintenance, asphalt production)
- Goods (paper, water, oils, solvents, lubricants).

⁴ Supply chain data has been estimated using financial data. Supply chain data will be updated in October.

WATER MANAGEMENT

Water is essential for liveability in Melbourne, helping to keep our green spaces healthy and cooling the city. Our ambition is a healthy city in a healthy catchment. To achieve this, we are working to create a sustainable and resilient approach to water use, which will support liveability into the future. We want the whole of Melbourne's community – residents, workers and businesses alike – to think about water and its role in our future.

During the past year we have been working with the Victorian Government, upstream municipalities, Melbourne Water and others to develop our water planning, flood management and water sensitive urban design responses in the city. This has included the development of catchment and flood management plans to inform our long-term goals in

areas like Southbank, Arden Macaulay and Fishermans Bend, as well as ongoing studies into how we could supply more non-potable sources of water to our parks for irrigation.

We extended our approach to managing the city as a catchment by beginning works on the Lincoln Square stormwater harvesting system. The stormwater tank will keep the nearby parks healthy while contributing to flood mitigation in Elizabeth Street. Long-term planning for additional stormwater harvesting projects is underway so that we can maximise our ability to capture stormwater and minimise flooding and nutrient run off into waterways. We have also started discussions with major infrastructure project proponents about building water sensitive urban design into the legacies their projects leave for the city.

Our total surface water withdrawal and the amount of rainwater we collected and stored has reduced over the past year due to the below average rainfall. The water level in Royal Park wetland depleted to below the sustainable level during the peak of the irrigation season, and the stormwater tanks in Fitzroy, Queen Victoria, and Darling Gardens ran out of water several times during the irrigation season.

The total irrigated area has significantly increased this year due to the irrigation of new sites including Fawkner Park North, Flemington Oval and Ron Barassi Senior Park. Due to the dry summer, we have also increased our irrigation service level at many sites, and used potable water top ups for areas normally irrigated by the Royal Park wetland. Despite this, the total municipal water use in open spaces has reduced over the past year by about two per cent.

We will keep improving our irrigation water use efficiency in order to achieve optimum water use and a healthy, functional landscape.

More information on our water management approach can be found at melbourne.vic.gov.au/urbanwater.

TOTAL WATER WITHDRAWAL BY SOURCE

Source	Volume of water withdrawn
Surface water, including water from wetlands, rivers, lakes and oceans*	87,761 kl
Groundwater	Not applicable
Rainwater collected directly and stored by the organisation**	42,253 kl
Wastewater from another organisation	Not applicable
Municipal water supplies or other water utilities***	811,382 kl

*Surface water is total water withdrawn from Royal Park wetland **From stormwater harvesting systems, manual and automatic (IRRInet) water meters readings ***Total municipal water used in open spaces (parks, gardens and water features).

WASTE MANAGEMENT

We play a key role in waste management, working hard to help our city increase recycling and recovery of valuable resources, decrease the amount of waste sent to landfill and improve amenity so our streets are kept clean for everyone to enjoy.

One of our key priorities is to reduce landfill, which will reduce greenhouses gas emissions from the breakdown of waste and reduce the amount of contaminants that leak into our soil and water. Increasing recycling not only reduces landfill, it also reduces the amount of new resources needing to be mined and manufactured. Another key priority is to improve the collection and storage of waste to increase amenity by managing noise, odour, vermin, and reducing dumped rubbish.

This year saw the successful continuation of the High Rise recycling program that improves recycling in apartment buildings and the Green Money program that rewards residents for recycling. We also installed compactors and recycling hubs that consolidate bins and apply a precinct approach to waste management, such as operating the Degraeves Street Recycling Facility to divert organics and recycling from businesses.

Over the past year we engaged with the community to produce an Integrated Waste Management Plan to ensure continual improvement of our waste management approach. The Future Melbourne Committee approved the final Waste and Resource Recovery Plan 2015-18 on Tuesday 8 September 2015.

TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD FOR COUNCIL OPERATIONS



This includes waste collection for an expanded list of City of Melbourne buildings from previous years.

We also aim to reduce our total municipal waste-to-landfill ratio. You can see how we are tracking against this target under our Goal 5 performance section. We also measure diversion rates through the Local Government Performance Reporting Framework (page 117).

RISK MANAGEMENT

The City of Melbourne has four policies to help guide our risk management approach: the Risk Management Policy, Business Continuity Policy, Crisis Management Policy and Fraud and Corruption Policy. These are enacted through the Risk Management Framework and various processes and procedures. They also detail the objectives and key responsibilities and timeframes for the review, reporting and approval of risks. Our risk management approach is based on the international standard for risk management, AS/NZS ISO 31000:2009.

Risk management planning is done as an organisation-wide exercise, covering the top strategic risks as well as operational and project risks. It also is part of the daily business activities of individual branches and contractors. Quarterly reporting on operational risks is provided to the Chief Executive Officer and Directors. Strategic risks are reported on a monthly basis to the Executive Leadership Team and key risks are also reported to the Audit Committee throughout the year.

ADAPTING TO CLIMATE CHANGE

The City of Melbourne is working to achieve the community's vision of Melbourne as a bold, inspirational, and sustainable city. Climate change has the potential to radically alter our way of life, disrupting our environment, lifestyle and services that we rely upon to thrive, so to achieve this vision, it's imperative that we manage climate change effectively.

To manage climate change, the following two responses are needed:

- Mitigation of greenhouse gas to avoid the changes in climate becoming unmanageable.
- Adaptation to the changes in the climate that are already locked in, managing the unavoidable.

The City of Melbourne has taken many actions to both adapt and mitigate climate change.

Our Zero Net Emissions by 2020 strategy outlines our commitment to mitigate our municipality's contribution to climate change, and the Climate Change Adaptation Strategy 2009 outlines actions that we have taken to adapt to a changing climate. Zero Net Emissions 2020 was updated in 2014, and in 2016 we will do the same for our Climate Change Adaptation Strategy.

For the City of Melbourne, adaptation involves managing the risks that climate change presents, but also building resilience to changes that may occur. There are also opportunities presented with climate change, and City of Melbourne can take advantage of them. Opportunities to make our city a greener, more productive, and more engaging place to be. Thoughtful planning, flexibility, and a willingness to experiment are vital contributions to the process of adapting to climate change.

OUR ADAPTATION PROGRESS

The focus of our first Climate Change Adaptation Strategy was to manage the impacts of heat and the increasing intensity of rainfall events, as these two risks were seen to be most immediate risks. This emphasis has shaped much of the work we have done since the strategy's release in 2009.

THE NEXT ADAPTATION STRATEGY

Adaptation is about strengthening our ability to be a bold, inspirational, and sustainable city. We have already made significant progress in our adaptation work and are now looking to refresh our strategy so we can review where we should focus our future work. The aim of the new strategy is to continue our ambitious, innovative program of adaptation, but to focus on what matters most to the community.

BROKERAGE PROGRAM

In 2014-15, City of Melbourne established the *Heatwave and Homelessness Action Plan*, as people experiencing homelessness were identified as vulnerable to heatwaves within the city. The brokerage program was developed in response. This program provides free swim and locker pass, movie passes (limited in number), and maps of

cool spaces and drinking fountains to homeless service providers to provide to their clients.

“Having these positive engagement mechanisms can help us build stronger relationships with our clients quickly.”

Launch Housing – Daniel Sedgely

STORMWATER CAPTURE AND REUSE AT FITZROY GARDENS

In response to the millennial drought, a stormwater harvesting system was installed at Fitzroy Gardens and completed in December 2013. The system supplies 70 million litres of water every year, and helps us keep the heritage garden healthy in a changing climate.

Through the design, construction and operation of this project, we have grown our knowledge in relation to the operation of these systems. We are sharing what we learned from this project on our Urban Water website, see melbourne.vic.gov.au/urbanwater.

LA TROBE STREET GREEN BICYCLE LANE

Strategically, greening and permeability were added to La Trobe Street as part of works to separate the bicycle lane from the road. A key action in our *Bicycle Plan 2012-16*, La Trobe Street was also highlighted as an area that required increased tree canopy as part of

the Urban Forest Strategy and subsequent precinct planning. This project represented the useful combining of projects, to efficiently achieve the targets in our Urban Forest Strategy, Total Watermark, the Climate Change Adaptation Strategy and the *Bicycle Plan*.

AUDIT OPERATIONS

AUDIT COMMITTEE

In line with good governance practices and in accordance with section 139 of the *Local Government Act 1989*, the City of Melbourne has operated an Audit Committee since 1999. The committee oversees the activities of our external and internal auditors and gives us independent advice on appropriate accounting, auditing, internal control, business risk management, compliance and reporting systems, processes and practices within the organisation.

The Audit Committee met five times during 2015-16 and considered issues including our:

- risk profile
- statement of annual accounts and performance report as well as reports on our wholly owned subsidiaries
- occupational health and safety risks
- information technology risks
- fraud and corruption risks
- business continuity planning and exercises
- governance responsibilities applicable to associated entities and trusts in which we have either an indirect interest or stake
- legal action reports
- internal and external audit reports.

AUDIT COMMITTEE MEMBERS

Our Audit Committee comprises three Council representatives and four independent members. In 2015-16 they were: Chair Richard Moore, Theresa Glab, Therese Ryan, Stuart Hall, Deputy Lord Mayor Susan Riley and Future Melbourne (Finance and Governance) Committee Chair Councillor Stephen Mayne. Councillor Rohan Leppert served on the Audit Committee for the second half of 2015 and then handed over to Councillor Beverley Pinder-Mortimer for the first half of 2016. Information about our independent Audit Committee members is below:

Richard Moore – appointed July 2009, and as Committee Chair from July 2009

Richard Moore was appointed to the Audit Committee in July 2009 and has acted as Chair of the Committee from that date. Richard served as a Partner of PricewaterhouseCoopers for 23 years and more recently as Group Manager, Audit for the ANZ Banking Group. Richard has extensive consulting and management experience in corporate governance, risk management and internal audit. Richard is now a professional non-executive audit committee member of a number of not-for-profit organisations. Richard holds a Bachelor of Arts, Honours, (Economics) from Liverpool University and a Graduate Diploma in Accounting from RMIT.

Therese Ryan – appointed July 2013

Therese is a professional non-executive director who sits on a number of listed, government and not-for-profit boards. Therese was Vice President and General Counsel of General Motors International Operations and has over 35 years' experience as a business executive and commercial lawyer. She is a graduate of the Australian Institute of Company Directors and holds a law degree from Melbourne University.

Theresa Glab – appointed July 2007

Theresa is an experienced risk management, finance, governance and compliance consultant, sits on a number of public and private sector boards and is the independent member for several Local Government Audit Committees. Theresa holds a Bachelor of Economics, Graduate Diploma in Banking and Finance, Master of Accountancy and is a graduate of the Australian Institute of Company Directors.

Stuart Hall – appointed August 2013

Stuart is an independent mining consultant with over 33 years experience in corporate roles in the mining industry, most recently as Chief Executive Officer at Crosslands Resources. Prior senior management positions included roles at Marathon Resources, BHP Billiton and WMC Resources. Stuart is a graduate of the Australian Institute of Company Directors and holds a Masters of Arts from Lancaster University and a Bachelor of Science from Sussex University.

INTERNAL AUDIT

Our internal audit service helps us, and our subsidiaries, Citywide Service Solutions Pty Ltd and Queen Victoria Market Pty Ltd, maintain strong, relevant and effective internal controls. The contract for the Provision of Internal Audit Services was awarded to Oakton Services Pty Ltd in July 2014 for a period of three years.

EXTERNAL AUDIT

The Victorian Auditor-General's Office is responsible for our external audit and that of our subsidiary companies. It focuses mainly on three key areas: strategic planning, detailed audit system testing and financial statements.

AUDIT COMMITTEE MEETING ATTENDANCE

Attendee	Role	7/08/15 Quarterly	28/08/15 Special	20/11/15 Quarterly	19/02/16 Quarterly	13/05/16 Quarterly
Richard Moore	Chair	✓	✓	✓	✓	✓
Theresa Glab	Member	✓	✓	✓	✓	✓
Therese Ryan	Member	✓	✓	✓	✓	✓
Stuart Hall	Member	✓	✓	✓	✓	✓
Deputy Lord Mayor Susan Riley	Council Representative	✓	✓	✓	✓	X
Cr Stephen Mayne	Council Representative	✓	✓	✓	✓	✓
Cr Rohan Leppert	Council Representative	✓	✓	✓		
Cr Beverley Pinder-Mortimer	Council Representative				✓	✓

OUR PARTNERSHIPS AND CHARTERS

The following is a list of external charters and principles (including city-to-city memoranda of understanding) the City of Melbourne subscribes to or endorses. All are non-binding and voluntary.

Name	Date of adoption	The range of stakeholders involved in the development and governance of the initiative
International Safe Communities	2014	World Health Organisation Collaborating Centre on Community Safety Promotion
Cooperative Memorandum of Understanding between the City of Melbourne and the Tianjin Municipal People's Government	2014	Tianjin Municipal People's Government and City of Melbourne
100 Resilient Cities - Pioneered by the Rockefeller Foundation	2013	Global network of 100 cities and multi-sectoral collaboration across metropolitan Melbourne
White Ribbon Australia	2012	White Ribbon Board
Memorandum of Understanding between the City of Melbourne and the Confederation of Indian Industry	2006	Delhi-Melbourne Strategic City Alliance
C40 Climate Leadership Group	2005	Global network of 83 cities - City of Melbourne leads the Low Carbon District Network
Milan-Melbourne Sister City Relationship	2004	City of Milan, City of Melbourne, Italian Chamber of Commerce and Industry, RMIT and Monash Universities, Melbourne Movement, Victorian Government, Italian Consulate General
Business Partner City Network (BPC)	1998	Osaka BPC Council, chambers of commerce and or city governments - Hong Kong, Shanghai, Seoul, Bangkok, Ho Chi Minh City, Singapore, Kuala Lumpur, Mumbai, Melbourne, Jakarta, Manila, Tianjin, Auckland
St Petersburg-Melbourne Sister City Relationship	1989	City of St Petersburg and City of Melbourne, Melbourne St Petersburg Sister City Association
Boston-Melbourne Sister City Relationship	1985	City of Boston, City of Melbourne, Melbourne-Boston Sister Cities Association
Mayors for Peace	1985	Various cities as part a global network hosted by the City of Hiroshima
Thessaloniki-Melbourne Sister City Relationship	1984	City of Thessaloniki, City of Melbourne, White Tower Association
Tianjin-Melbourne Sister City Relationship	1980	Tianjin Municipal Government Foreign Affairs Office, Tianjin District Government Agencies and industry development zones, Tianjin Commission of Commerce, China Council for the Promotion of International Trade, Tianjin Education Commission, City of Melbourne, RMIT University, peak industry bodies
Osaka-Melbourne Sister City Relationship	1978	Municipal, prefectural governments of Osaka, City of Melbourne, Australian and Victorian governments, peak industry bodies, Japanese Consulate
Memorandum of understanding - City of Melbourne with the Wuxi Municipal Government, Tianjin	2016	A five-year agreement to promote mutual economic benefit, enhance visitation and promote the exchange of talent.
Memorandum of understanding between the City of Melbourne and Tianjin Association for Overseas Chinese Affairs	2016	A five-year agreement to promote friendly exchanges and cooperation in the field of Chinese language education, arts and culture between schools, universities and community organisations.
Carbon Neutral Cities Alliance	2014	The Alliance aims to address what it will take for leading international cities to achieve at least an 80 per cent reduction in GHG emissions by 2050. The City of Melbourne is a founding member.
Paris Pledge for Action	2015	The Paris Pledge Agreement provides a platform for non-Party stakeholders to welcome the objectives of the Paris Agreement. Over 1300 businesses, cities, civil society groups, investors, regions, trade unions and other signatories pledged their support.
Department of Economic Development, Jobs, Transport and Resources (DEDJTR) and City of Melbourne Partnership Agreement	2016	A partnership between the administrative departments of the City of Melbourne and DEDJTR which aims to leverage from shared opportunities and meet future challenges through collaboration and strategy integration.
The Compact of Mayors	2014	Led by a global coalition of 510 city leaders, the Compact establishes a common platform for capturing the impact of cities' collective action on climate change.

OUR PROCUREMENT AND SUPPLY CHAIN

In accordance with the *Local Government Act 1989* the City of Melbourne has developed a procurement policy encompassing the principles, processes and procedures applied to the purchase of all goods, services and work by the organisation.

Our procurement policy states that in procuring goods, work and services under a contractual arrangement, we will:

- support our corporate strategy, aims and objectives
- ensure we achieve best value in terms of time, cost and value
- establish and put in place appropriate performance measures
- commit to achieving sustainability objectives
- provide effective and efficient commercial arrangements.

The policy uses a sustainable approach to procurement to reduce the social, financial and environmental impact of the procurement cycle. As a result we seek to procure environmentally preferred products and services and to do business with contractors and providers who have similar sustainability objectives and policies.

Whenever practicable and relevant, we give preference to the supply of goods, machinery or material manufactured or produced in Australia or New Zealand, and work collaboratively with suppliers to achieve these objectives.

The organisation has a procurement and corporate contract management system that prescribes best practice methodologies in its contract management and processes and is adhered to at all times.

In 2015-16 we carried out a strategic review of our existing procurement model. The City of Melbourne has always operated with a fully decentralised procurement model, allowing employees across the organisation at various locations the authority to purchase goods and services within a set delegation. A cross-organisational working

group came together a year ago to investigate the effectiveness of procurement across the organisation with the aim of achieving the following:

- reduced risk
- value for money
- sustainability outcomes
- a simpler way to do business.

As a result of this review, we rolled out Category Management Model in the organisation in 2015-16. This is a contemporary model, which aligns with best procurement practice to achieve our procurement objectives.

During 2015-16, we processed 71 tenders and awarded 48 service and capital contracts.

Contracts were awarded or extended in the following key service categories (not including miscellaneous one-off services):

- events services
- marketing services
- community services
- consultancy and other work
- capital works
- engineering
- information technology.

See also melbourne.vic.gov.au/business/opportunities/tenders/pages/register-major-service-contracts.aspx for a list of all current major service contracts greater than \$1 million annually.

For large service contracts with a value greater than \$150,000, strategic service reviews are carried out to determine whether or not the service is still required, if it should continue to be contracted out or brought in-house and whether the service meets our sustainability objectives. Note: these reviews do not apply to capital works contracts.

CONTRACTS

During the year, the City of Melbourne did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) of the *Local Government Act 1989*. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

The City of Melbourne entered into the following contracts in accordance with section 186(5)(c) of *Local Government Act 1989*. These contracts were entered into in reliance on Ministerial exemption.

Ministerial Exemption	Contract Title
MAV Procurement	MAV - IT Services Panel
MAV Procurement	Corporate Uniforms Panel Contract
MAV Procurement	Office and Workplace Supplies
MAV Procurement	Mobile, Fixed Phone And Data Services
Procurement Australia	Desktop Refresh
Procurement Australia	IT Products and Services
Procurement Australia	Electricity Supply to Public Lighting
Procurement Australia	Learning and Development Services Panel; PA Panel 1410/0618 - Recruitment and Associated Services
Procurement Australia	Courier Services
Procurement Australia	Library Books, AV Media, Periodicals, Subscriptions and Related Services
Procurement Australia	Provision of Printing and Related Services
Procurement Australia	Retail Supply of Fuel
Procurement Australia	Provision of Security Services
Procurement Australia	Fleet Consumables
Procurement Australia	Fleet Leasing Services
Procurement Australia	Metered Electricity Services
Procurement Australia	Natural Gas Supply to Council Buildings
City of Melbourne Ministerial Exemption	WoG Cloud Services Panel (Federal Government Contract)
State Purchase Contract	Provision of Travel Services
State Purchase Contract	Mail and Postal Services
State Purchase Contract	Print Management and Associated Services
State Purchase Contract	Provision of Banking Services
State Purchase Contract	Master Agency Media Services (MAMS)

INNER MELBOURNE ACTION PLAN 2016–26

The Inner Melbourne Action Plan (IMAP) is a collaborative partnership between the Cities of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong, which seeks to help foster creativity, liveability, prosperity and sustainability across the inner Melbourne region. The first Plan was adopted in 2005 and implementation was finalised in 2015.

An extensive review of IMAP 2005–15 commenced in February 2014. This review was overseen by the IMAP Implementation Committee, which comprises elected officials and executive staff from across the five IMAP councils. The IMAP Executive Officer presented a draft Plan at the City of Melbourne Councillor Forum on 1 December 2015 and Councillors were invited to provide comments on the draft during December 2015. Community feedback was then sought from 27 January to 29 February 2016.

The IMAP 2016–26 takes into account the significant changes to the social, economic, environmental and policy context that have occurred since IMAP was first created a decade ago, together with consideration of the likely challenges and opportunities facing the region in the coming decades. The Plan sets out five goals and 27 strategies all of which will help achieve a vision of making the inner Melbourne region more liveable while responding to the challenges of rapid growth.

LOOKING AHEAD

The draft Plan has been approved by the Cities of Stonnington and Maribyrnong, and is currently under consideration at the City of Melbourne, as well as Port Phillip and Yarra. The final Plan will be published after all member Councils endorse it.

OUR REPORTING APPROACH

The City of Melbourne seeks to improve its understanding and management of the issues that matter most to the way we operate and the community we serve. To help us meet this ambition, we have applied the newest Global Reporting Initiative (GRI) Sustainability Reporting Framework (version G4) in the development of the Annual Report 2015-16. Where possible, we have reported fully against the core requirements of the G4 framework; in other areas we have noted where our current reporting and data collection approaches allow us to enter a partial report only. We have not sought external assurance for the GRI components of this report.

GLOBAL REPORTING INITIATIVE

The Global Reporting Initiative (GRI) is an international not-for-profit organisation. GRI's mission is to make sustainability reporting standard practice for all companies and organisations. It promotes the use of sustainability reporting as a way for organisations to become more sustainable and contribute to sustainable development.

A sustainability report conveys disclosures on an organisation's most critical impacts – be they positive or negative – on the environment, society and the economy.

CREATING A REPORT THAT MATTERS

A robust sustainability report is far more than a mere data gathering or compliance exercise. It makes abstract issues tangible and concrete, helping organisations to set goals, measure performance, and manage change.

As part of our effort to be an accessible, transparent and responsive organisation that manages its resources well, a commitment was made in 2012-13 to develop the Annual Report in accordance with GRI's Sustainability Reporting Framework, G4. This will be the third year in a row we have incorporated the G4 framework into our Annual Report.

IDENTIFYING THE ISSUES THAT MATTER MOST

The requirements of the *Local Government Act 1989* and Council Plan 2013-17, substantially determine the City of Melbourne's Annual Report contents. The Council Plan in turn reflects the community's goals identified in the development of Future Melbourne in 2008, representing some 15,000 views from across the community to guide the city's development to 2020.

Like most local governments, we have a long history of reporting both financial and non-financial performance to stakeholders. Many of these disclosures align with the GRI Framework. We have used these 'must report' disclosures as the starting point in understanding the most important issues for the City of Melbourne.

The following is a description of the original process we used in 2014 to identify issues to be included in our Annual Report.



To confirm the issues identified from this process were still relevant for the purposes of this report from the point of view of our external stakeholders, this year we also completed a stock-take of feedback we received from major community engagement activities we held over the last 12 months. See *Involving the community in our decisions* (page 92) for detail about these activities.

OUR MATERIAL ISSUES

G4 places the concept of materiality at the heart of sustainability reporting. This means encouraging reporting organisations to only provide information on the issues that are really critical to achieve the organisation's goals for sustainability and manage its impact on environment and society.

We define material issues as the issues that matter most to our organisation. These issues reflect our organisation's most significant economic, environmental and social impacts or substantively influence the assessments and decisions of our stakeholders. The City of Melbourne's material issues are summarised in the table below.

See also the GRI index (pages 109-113) for information on how these issues have been addressed in this report.

City of Melbourne material issue	Related GRI aspects	Boundaries
Creating opportunities for all	Indirect Economic Impacts, Local Communities	Customer
Community participation	Local Communities, General Standard Disclosure (stakeholder engagement)	Customer
Sustainable economic development	Indirect Economic Impacts	Customer
Climate change/ resilience	Energy, Water, Biodiversity, Emissions, Effluence and Waste	Organisation and Customer
Leadership and innovation	General Standard Disclosure	Organisation and Customer
Workforce capability/ learning and development	Training and Education, Anti-corruption	Organisation
Sustainable financial management	Economic Performance	Organisation
Customer satisfaction (including health and safety)	Customer Health and Safety, Product and Service Labelling, Customer Privacy	Customer
Staff health and safety	Occupational Health and Safety	Organisation
Diverse and fair work environment	Employment, Diversity and Equal Opportunity, Equal Remuneration, Non-discrimination	Organisation
Supply chain management	Supplier Assessments (Environment, Labour, Human rights, Society)	Supply Chain

GLOBAL REPORTING INITIATIVE INDEX

The following includes an index of the Global Reporting Initiative (GRI) disclosures contained in this report, the location they can found, an indication of the level of disclosure and an explanation where appropriate.

GRI standard disclosure	GRI reference	Level of reporting	Comment	Report section / page
Strategy and analysis				
Introductory statement	G4-1	Full		Year in review: messages from the and CEO and CFO - pages 4-5
Organisational profile				
Name of organisation	G4-3	Full	Melbourne City Council	-
Primary products and services	G4-4	Full		Welcome to the City of Melbourne - page 2; Our organisation: our functions - page 82; Performance against our goals: chapters 1 to 8 - pages 26-78
Location of headquarters	G4-5	Full	Melbourne, Victoria	-
Country of operations	G4-6	Full	Australia	-
Nature of ownership and legal form	G4-7	Full		Council governance - page 14
Sectors served	G4-8	Full		Welcome to the City of Melbourne - page 2
Scale of organisation	G4-9	Full		Our organisation: our people - page 85; Financial Report - page 143; Our organisation: our functions - page 82
Employees and workforce	G4-10	Partial	Reporting covers permanent, fixed-term and temporary employees only; gender breakdown for supervised workers (non-employees) not available. Detailed data unavailable on work performed by non-employees; however, substantial portion of work is performed by employees.	Our organisation: our people - page 85
Employees covered by collective bargaining	G4-11	Full		Our organisation: our people - page 85
Organisational supply chain	G4-12	Full		Our organisation: our procurement and supply chain - page 104
Changes in organisational size, structure, ownership or supply chain	G4-13	Full		Financial report - page 114; Our organisation: procurement and supply chain - page 104
Precautionary approach	G4-14	Full		Our organisation: risk management - page 100
External charters	G4-15	Full		Our organisation: our partnerships and charters - page 103
Organisational memberships	G4-16	Full	The City of Melbourne holds memberships to various organisations it has a strategic interest in. In 2015-16 our memberships were: www.melbourne.vic.gov.au/sitecollectiondocuments/council-memberships-register.pdf	

GRI standard disclosure	GRI reference	Level of reporting	Comment	Report section / page
Identified material aspects and boundaries				
Organisational entities	G4-17	Full		Financial report – page 149
Report content and material issues	G4-18 - 23	Full		Our reporting approach – page 107
Stakeholder engagement				
Stakeholder groups, stakeholder identification, engagement approach and concerns	G4-24 - 27	Full		Our organisation: involving the community in our decisions – page 92
Report profile				
Reporting period	G4-28	Full	Financial year 2015-16	-
Date of previous report	G4-29	Full	2014-15. See www.melbourne.vic.gov.au/about-council/our-performance/Pages/annual-report.aspx for past reports.	-
Reporting cycle	G4-30	Full	Annual	-
Contact point for questions	G4-31	Full		Inside cover
Reporting option chosen and external assurance	G4-32 - 33	Full		Our reporting approach – page 107
Governance				
Governance structure	G4-34	Full		Council governance – pages 14-21
Ethics and integrity				
Values, principles, standards and norms and codes of conduct	G4-56	Full		Council governance – page 14 Our organisation: our people – page 85, 91
GRI specific disclosures				
Economic				
Economic performance management approach	G4-DMA	Full		Message from the CFO – page 5; Performance against our goals: chapter 7 – pages 68-72; Local Government Performance Reporting Framework – page 133
Direct economic value generated and distributed	G4-EC1	Full		Financial report – pages 141-211
Financial implications and other risks and opportunities for the organisation's activities due to climate change	G4-EC2	Full		Our organisation: risk management – pages 100-101
Indirect economic impacts management approach	G4-DMA	Full		Performance against our goals: chapters 2 to 4 – pages 34-53
Significant indirect economic impacts	G4-EC8	Full		Performance against our goals: chapter 3 – pages 42-47; Our organisation: our procurement and supply chain – page 104
Environmental				
Energy management approach	G4-DMA	Full		Our organisation: our environmental performance – pages 97-99; Goal 5 chapter – pages 54-61
Energy consumption in the organisation	G4-EN3	Full		Our organisation: our environmental performance – page 97

GRI standard disclosure	GRI reference	Level of reporting	Comment	Report section / page
Water management approach	G4-DMA	Full		Our organisation: our environmental performance – pages 98-99; Performance against our goals: chapter 5 – pages 54-61
Total water withdrawal by source	G4-EN8	Full	Municipal water data relates to water used in open spaces and excludes water used in buildings. Total water consumption is reported under the National Carbon Offset Standard (NCOS) published at a later date.	Our organisation: our environmental performance – page 99
Biodiversity management approach	G4-DMA	Full		Performance against our goals: chapter 5 – pages 54-61
Habitats protected or restored	G4-EN13	Partial	Tree canopy cover is used as an indicator of biodiversity. Our new Urban Ecology and Biodiversity Strategy will allow us to explore new ways of monitoring progress in the future.	Performance against our goals: chapter 5 – page 58
Emissions management approach	G4-DMA	Full		Our organisation: our environmental performance – pages 97-98; Performance against our goals: chapter 5 – pages 54-61
Direct greenhouse gas (GHG) emissions (Scope 1, 2 and 3)	G4-EN15 - 17	Full	All 2015-16 figures include estimations and are subject to change.	Our organisation: our environmental performance – page 98; Performance against our goals: chapter 5 – pages 54-61;
Greenhouse gas (GHG) emissions intensity	G4-EN18	Full	All 2015-16 figures include estimations and are subject to change.	Performance against our goals: chapter 5 – page 57
Reduction of greenhouse gas (GHG) emissions	G4-EN19	Full		Our organisation: our environmental performance – page 97-98; Performance against our goals: chapter 5 – page 57
Effluents and waste management approach	G4-DMA	Full		Our organisation: our environmental performance – pages 99; Performance against our goals: chapter 5 – pages 54-61
Total weight of waste by type and disposal method	G4-EN23	Partial	Reporting based on recycling and landfill data only.	Our organisation: our environmental performance – page 99; Performance against our goals: chapter 5 – page 57
Management of supplier assessments for environmental impacts	G4-DMA	Full		Our organisation: our procurement and supply chain – page 104
Percentage of new suppliers that were screened using environmental criteria	G3-EN32	Partial	We do not systematically screen for sustainability criteria, although such criteria may be included in the tendering process. We are currently transitioning to a new procurement model that aligns with best practice in the public and private sector and aims to achieve better outcomes, including sustainability.	Our organisation: our procurement and supply chain – page 104

GRI standard disclosure	GRI reference	Level of reporting	Comment	Report section / page
Social				
Employment management approach	G4-DMA	Full		Our organisation: our people - page 85
Total number and rates of new employee hires and employee turnover	G4-LA1	Full	Based on GRI calculations, staff turnover rate is 4.45. However, for the purposes of reporting turnover based on voluntary and voluntary-plus-involuntary staff departures under Goal 7 of our report, we use the common industry standard calculation, which results in a 6.49 per cent (voluntary) and 12.54 per cent (total) turnover rate respectively.	Performance against our goals: chapter 7 - page 71; Our organisation: our people - page 85
Occupational health and safety management approach	G4-DMA	Full		Our organisation: employee health and safety - pages 89-90
Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	G4-LA6	Partial	Occupational health and safety rates relate to employees only. No contractor data available. Subject to improved data collection procedures we may be able to report this data in subsequent years.	Our organisation: employee health and safety - pages 89-90
Training and education management approach	G4-DMA	Full		Our organisation: employee development and training - pages 91 Performance against our goals: chapter 7 - pages 68-72
Average hours of training per year per employee	G4-LA9	Full		Our organisation: employee development and training - page 91
Diversity and equal opportunity management approach	G4-DMA	Full		Our organisation: equality and diversity - pages 88-89
Composition of governance bodies and breakdown of employees per employee category according to indicators of diversity	G4-LA12	Full		Our organisation: equality and diversity - page 89
Equal remuneration for women and men management approach	G4-DMA	Full		Our organisation: equality and diversity - page 88
Ratio of basic salary and remuneration of women to men	G4-LA13	Full		Our organisation: equality and diversity - page 88
Management of supplier assessment for labour practices	G4-DMA	Full		Our organisation: our procurement and supply chain - page 104
Percentage of new suppliers that were screened using labour practices criteria	G4-LA14	Partial	We do not systematically screen for sustainability criteria, although such criteria may be included in the tendering process. We are currently transitioning to a new procurement model that aligns with best practice in the public and private sector and aims to achieve better outcomes, including sustainability.	Our organisation: our procurement and supply chain - page 104
Non-discrimination management approach	G4-DMA	Full		Our organisation: our people - page 88
Total number of incidents of discrimination and corrective actions taken	G4-HR3	Full		Our organisation: our people - page 88
Management of supplier assessment for human rights practices	G4-DMA	Full		Our organisation: our procurement and supply chain - page 104

GRI standard disclosure	GRI reference	Level of reporting	Comment	Report section / page
Percentage of new suppliers that were screened using human rights criteria	G4-HR10	Partial	We do not systematically screen for sustainability criteria, although such criteria may be included in the tendering process. We are currently transitioning to a new procurement model that aligns with best practice in the public and private sector and aims to achieve better outcomes, including sustainability.	Our organisation: our procurement and supply chain – page 104
Local communities management approach	G4-DMA	Full		Our organisation: involving the community in our decisions – pages 92-93; Performance against our goals: chapters 1, 8 – pages 26-33, 74-78
Percentage of operations with implemented local community engagement, impact assessments, and development programs	G4-SO1	Full		Our organisation: involving the community in our decisions – page 92-93
Anti-corruption management approach	G4-DMA	Full		Council governance – page 14-15; Our organisation: our people – pages 91
Communication and training on anti-corruption policies and procedures	G4-SO4	Full		Council governance – page 14-15; Our organisation: our people – page 91
Management of supplier assessment for social impacts	G4-DMA	Full		Our organisation: our procurement and supply chain – page 104
Percentage of new suppliers that were screened using criteria for impacts on society	G4-SO9	Partial	We do not systematically screen for sustainability criteria, although such criteria may be included in the tendering process. We are currently transitioning to a new procurement model that aligns with best practice in the public and private sector and aims to achieve better outcomes, including sustainability.	Our organisation: our procurement and supply chain – page 104
Customer health and safety management approach	G4-DMA	Full	The diverse nature of our services and products means no data is available on the percentage for which health and safety impacts are assessed for improvement.	Our organisation: interacting with customers – pages 94-95; Local Government Performance Reporting Framework – pages 117-119
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	G4-PR1	Partial	All products and services are assessed for health and safety impacts in accordance with our legislative obligations and policy procedures. The diverse nature of our services and products means no statistical evaluation is available.	Our organisation: interacting with customers – page 94-95
Product and service labelling management approach	G4-DMA	Full		Our organisation: continuous improvement – page 95-96; Our organisation: interacting with customers – pages 94-95; Performance against our goals: chapter 7 – pages 68-72; Local Government Performance Reporting Framework – pages 117-127
Results of surveys measuring customer satisfaction	G4-PR5	Full		Performance against our goals: chapter 7 – page 71; Local Government Performance Reporting Framework – pages 117-127
Customer privacy management approach	G4-DMA	Full		Our organisation: interacting with customers – page 94
Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	G4-PR8	Full		Our organisation: interacting with customers – page 94

PROPERTY HOLDINGS

Address	2016 Consolidated value \$million	2015 Consolidated value \$million	2014 Consolidated value \$million
Royal Park, Flemington Road, PARKVILLE VIC 3052	\$298.20	\$287.50	\$287.10
Fawkner Park, 24-88 Commercial Road, SOUTH YARRA VIC 3141	\$194.30	\$190.10	\$190.10
Fitzroy Gardens, 230-298 Wellington Parade, EAST MELBOURNE VIC 3002	\$185.40	\$168.60	\$162.80
Kings Domain, Alexandra Avenue, MELBOURNE VIC 3004	\$107.90	\$130.90	\$130.90
Queen Victoria Market, 65-159 Victoria Street, MELBOURNE VIC 3000	\$123.90	\$103.80	\$103.30
Princes Park, 200-590 Royal Parade, CARLTON NORTH VIC 3054	\$107.90	\$97.40	\$97.40
Melbourne Town Hall - "including Administration Building" 90-130 Swanston Street, MELBOURNE VIC 3000	\$99.60	\$95.40	\$96.30
Council House 2, 218-242 Little Collins Street, MELBOURNE VIC 3000	\$71.60	\$53.70	\$53.70
Flagstaff Gardens, 309-311 William Street, WEST MELBOURNE VIC 3003	\$51.50	\$50.30	\$50.30
Birrarung Marr, Batman Avenue, MELBOURNE VIC 3000	\$45.10	\$40.40	\$40.40
Carlton Gardens South, Victoria Street, CARLTON VIC 3053	\$42.70	\$36.20	\$36.20
Alexandra Gardens, St Kilda Road, MELBOURNE VIC 3004	\$37.00	\$33.70	\$33.70
Queen Victoria Gardens, St Kilda Road, MELBOURNE VIC 3004	\$36.10	\$33.00	\$33.00
Alexandra Park, Alexandra Avenue, MELBOURNE VIC 3004	\$34.70	\$31.60	\$31.60
Council House, 196-212 Little Collins Street, MELBOURNE VIC 3000	\$30.20	\$31.00	\$31.00
Carlton Gardens North, 1-111 Carlton Street, CARLTON VIC 3053	\$34.80	\$29.60	\$29.60
Treasury Gardens, 2-18 Spring Street, EAST MELBOURNE VIC 3002	\$35.20	\$29.30	\$29.30
J.J. Holland Park, 67-121 Kensington Road, KENSINGTON VIC 3031	\$29.90	\$27.80	\$27.80
Carlton Baths, 216-248 Rathdowne Street, CARLTON VIC 3053	\$26.80	\$25.00	\$25.00
City Square, 199-209 Collins Street, MELBOURNE VIC 3000	\$20.70	\$19.50	\$19.00

- All valuations as at 30 June of the respective year.
- The consolidated values contained within this list include both land and building asset values applicable to the specific sites.
- The land values included in the Council Asset Register relate to land holdings both owned and controlled by the Council.
- The City of Melbourne has significant crown land holdings controlled on behalf of the Crown via various structures including crown grants, committees of management and other reservations.
- The Council is required to value land and building assets pursuant to the provisions of AASB 116 and AASB 13. The 'fair value' applicable to land value assessments, specifically parks and alike, are significantly adjusted against full market value reflecting legislative provisions, site control, use restrictions and other limitations directly associated with their public use.

GOVERNANCE AND MANAGEMENT CHECKLIST

The following are the results of the Council's assessment against the governance and management checklist prescribed by the Local Government (Planning and Reporting) Regulations 2014.

Governance and Management Items	Assessment	
1 Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 1 June 2012	<input checked="" type="checkbox"/>
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 1 July 2010	<input checked="" type="checkbox"/>
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 28 June 2016	<input checked="" type="checkbox"/>
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 28 June 2016	<input checked="" type="checkbox"/>
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: Roads Asset Management Plan 1 March 2012 Drainage Asset Management Plan 1 March 2015 Bridges Asset Management Plan 30 June 2015 Metered Public Lighting Asset Management Plan 30 June 2015 Docklands Marine Structure Plan 21 March 2012	<input checked="" type="checkbox"/>
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 28 June 2016	<input checked="" type="checkbox"/>
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 1 August 2014	<input checked="" type="checkbox"/>
8 Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 1 August 2014	<input checked="" type="checkbox"/>
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 25 February 2015	<input checked="" type="checkbox"/>
10 Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 24 November 2015	<input checked="" type="checkbox"/>
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: 1 June 2016	<input checked="" type="checkbox"/>
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 1 June 2016	<input checked="" type="checkbox"/>

13 Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 1 August 2014	<input checked="" type="checkbox"/>
14 Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 1 July 1999	<input checked="" type="checkbox"/>
15 Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Engaged Date of engagement of current provider: 1 July 2014	<input checked="" type="checkbox"/>
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 1 July 2014	<input checked="" type="checkbox"/>
17 Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	No Current performance reporting is completed monthly and quarterly against actions and major initiatives as outlined in Council's Annual Plan. Strategic indicators are by definition focused on strategic and long term results and are reported annually in Council's Annual Report.	<input type="checkbox"/>
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to council in accordance with section 138(1) of the Act Date statements presented: 11 August 2015, 17 November 2015, 23 February 2016, 17 May 2016	<input checked="" type="checkbox"/>
19 Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 20 November 2015 and 13 May 2016	<input checked="" type="checkbox"/>
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports Date of reports: 22 July 2015 and 27 January 2016	<input checked="" type="checkbox"/>
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of council in accordance with section 134 of the Act Date statements presented: 27 October 2015	<input checked="" type="checkbox"/>
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 28 June 2016	<input checked="" type="checkbox"/>
23 Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 30 September 2015	<input checked="" type="checkbox"/>
24 Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 26 October 2010	<input checked="" type="checkbox"/>

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



Martin Cutter

Acting Chief Executive Officer
Dated: 7 September 2016



Cr Robert Doyle

Lord Mayor
Dated: 7 September 2016

LOCAL GOVERNMENT PERFORMANCE

REPORTING FRAMEWORK PERFORMANCE INDICATORS

Service Performance Indicators Service/Indicator/measure		Results 2015	Results 2016	Material Variations and Comments
Aquatic Facilities				
Service standard				
AF2	Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.75	1.00	The City of Melbourne manages four aquatic facilities within the municipality. Melbourne City Baths (MCB) and North Melbourne Recreation Centre (NMRC) are managed directly. Carlton Baths (CB) and Kensington Community Recreation Centre (KCRC) are managed via contract with the YMCA. Each facility was inspected once during the financial year by an authorised officer.
Health and Safety				
AF3	Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	4.00	2.00	Both incidents occurred at North Melbourne Recreation Centre (NMRC). The first was in August 2015 (electric shock to staff member from damaged toaster cord). No injuries sustained however medical advice sought as a precaution. The second was in January 2016 and involved a child removed from the pool unconscious as a result of a known medical condition and transported to hospital for medical follow up. Life Saving Victoria engaged at the time to complete a Critical Incident Systems Review.
Service cost				
AF4	Cost of indoor aquatic facilities* [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$3.66	\$2.77	The City of Melbourne directly manages indoor aquatic facilities at Melbourne City Baths (MCB and via contract with the YMCA at Kensington Community Recreation Centre (KCRC) year round. The lower cost per visit this year is due to a reduction in maintenance requirements at MCB. All City of Melbourne aquatic facility lifeguard to customer ratios are double the minimum standard, resulting in increased staff costs.

Service Performance Indicators		Results	Results	Material Variations and Comments
Service/Indicator/measure	2015	2016		
Service cost				
AF5	<p><i>Cost of outdoor aquatic facilities*</i></p> <p>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]</p>	\$4.42	\$4.61	The City of Melbourne directly manages outdoor aquatic facilities at North Melbourne Recreation Centre (NMRC) and Carlton Baths (CB) via contract with the YMCA. Both facilities typically operate from October to April. Carlton Baths was closed for redevelopment until February 2016. Costs per visit this year are not materially different to last year. All City of Melbourne aquatic facility lifeguard to customer ratios are double the minimum standard resulting in increased staff costs.
Utilisation				
AF6	<p><i>Utilisation of aquatic facilities</i></p> <p>[Number of visits to aquatic facilities / Municipal population]</p>	1.62	1.57	There were no factors that had material impacts on our results this year.
Animal Management				
Timeliness				
AM1	<p><i>Time taken to action animal management requests</i></p> <p>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</p>	-	1.44	There were no factors that had material impacts on our results this year.
Service standard				
AM2	<p><i>Animals reclaimed</i></p> <p>[Number of animals reclaimed / Number of animals collected] x100</p>	41.00%	38.44%	We estimate that around 45 per cent of the animals collected in the City of Melbourne originate from other municipal areas. These animals are often delivered up by members of the public to large animal shelters or veterinarians within the City of Melbourne municipal boundary.
Service cost				
AM3	<p><i>Cost of animal management service</i></p> <p>[Direct cost of the animal management service / Number of registered animals]</p>	\$112.25	\$114.01	The City of Melbourne has a lower number of animals registered in comparison to many other councils. As a capital city our service can include additional costs associated with promoting animal regulation at major events, patrolling a larger number of public venues in the city and monitoring compliance at domestic animal businesses (pet shops, boarding establishments and animal shelters). The City of Melbourne also provides a contracted 24 hour emergency service and pound facilities for animals at the RSPCA.
Health and safety				
AM4	<p><i>Animal management prosecutions</i></p> <p>[Number of successful animal management prosecutions]</p>	1.00	4.00	Two of the prosecutions reported were for the same accused and carried forward from the previous year due to adjournments at the request of the accused.

Service Performance Indicators		Results	Results	Material Variations and Comments
Service/Indicator/measure		2015	2016	
Food Safety				
	Timeliness			
FS1	<i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints] Service standard	-	3.58	Response times to food complaints may vary depending on the severity of the complaint. For example alleged food poisonings are actioned within 24 hours, while complaints that do not have an immediate risk to public health may be actioned between three to five days.
FS2	<i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100 Service cost	94.00%	96.16%	There were no factors that had material impacts on our results this year.
FS3	<i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984] Health and safety	\$648.65	\$647.77	There were no factors that had material impacts on our results this year.
	[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984] Health and safety			
FS4	<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	95.00%	99.64%	There were no factors that had material impacts on our results this year.

Service Performance Indicators		Results	Results	Material Variations
Service/Indicator/measure		2015	2016	
Governance				
G1	<p>Transparency</p> <p><i>Council decisions made at meetings closed to the public</i></p> <p>[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100</p>	28.00%	26.65%	The Council considers reports from its subsidiary companies and applications for grants, funding and sponsorships in confidential session.
	<p>Consultation and engagement</p> <p><i>Satisfaction with community consultation and engagement</i></p> <p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>	59.00	58.00		The level of satisfaction with community consultation and engagement in 2016 is equal to the average for other councils across metropolitan Melbourne and four points higher than the state wide average for councils who participate in the same community satisfaction survey.
G2	<p>Attendance</p> <p><i>Councillor attendance at council meetings</i></p> <p>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100</p>	87.01%	90.91%	Records and meeting documentation from all ordinary and special council meetings (excluding confidential items) can be found on our website. (http://www.melbourne.vic.gov.au/about-council/committees-meetings/Pages/committees-meetings.aspx)
G3	<p>Service cost</p> <p><i>Cost of governance</i></p> <p>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p>	\$89,230.00	\$86,967.27		The allowances set by the Victorian Government for councillors (including the Lord Mayor and Deputy Lord Mayor) are higher for the capital city council than those for other municipalities.
G4				

Service Performance Indicators		Results	Results	Material Variations and Comments
Service/Indicator/measure		2015	2016	
Satisfaction				
G5	Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	60.00	62.00	The level of community satisfaction with how the Council has performed in making decisions in the interest of the community in 2016 is two points higher than 2015, and three points higher than the average for councils across metropolitan Melbourne who participate in the same community satisfaction survey.
Home and Community Care (HACC)				
Timeliness				
HC1	Time taken to commence the HACC service [Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]	-	17.42	This result is within the City of Melbourne's service responsiveness standards for client assessment and service commencement for domestic care, personal care and respite care services.
Service standard				
HC2	Compliance with Community Care Common Standards [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	89.00%	100.00%	The triennial Community Care Common Standards audit was carried out in February 2016 and all 18 standards were met achieving 100 per cent.
Service cost				
HC3	Cost of domestic care service [Cost of the domestic care service / Hours of domestic care service provided]	-	\$47.69	Domestic care services provide assistance to improve or maintain people's capacity to manage everyday activities in a safe, secure and healthy home environment.
Service cost				
HC4	Cost of personal care service [Cost of the personal care service / Hours of personal care service provided]	-	\$47.79	Personal care services provide assistance with self-care tasks such as showering, dressing and mobility, assistance with medication, and assistance with other activities of daily living such as shopping, meal preparation and escorting to medical appointments and community activities.
Service cost				
HC5	Cost of respite care service [Cost of the respite care service / Hours of respite care service provided]	-	\$49.96	Respite care services support care relationships and strengthen the capacity of carers to maintain their caring role. Respite support provides a break for the carer from their usual caring role to enable them to participate in community, social and other activities.

Service Performance Indicators		Results	Results	Material Variations
Service/Indicator/measure		2015	2016	
Participation				
HC6	Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	19.00%	19.94%	While this result is not materially different to 2014-15, it represents an 8 per cent increase in the number of clients who received a HACC service compared to last year, or 52 people.
HC7	Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	15.00%	16.52%	There was a 15 per cent increase in the number of clients who received a HACC service in 2015-16 compared to last year, or 33 people. The top five non-English speaking countries of birth for HACC clients in 2015-16 were Italy, China, Vietnam, Egypt and Greece.
Libraries				
LB1	Utilisation Library collection usage [Number of library collection item loans / Number of library collection items]	5.18	5.08	There were no factors that had material impacts on our results this year.
LB2	Resource standard Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	85.00%	85.83%	There were no factors that had material impacts on our results this year.
LB3	Service cost Cost of library service [Direct cost of the library service / Number of visits]	\$8.63	\$7.39	The reduction in cost per visit is due to higher numbers of visitors to our libraries in 2015-16. The increase in visitation of 30 per cent for the City of Melbourne libraries is attributable to the opening of the Kathleen Syme Library and Community Centre in July 2015 and to significant increases in visitation at Library at the Dock (74 per cent increase) and North Melbourne Library (32 per cent). City Library is the most visited of Melbourne's libraries with over 800,000 visits last financial year an increase of 15 per cent from the previous year.
LB4	Participation Active library members [Number of active library members / Municipal population] x100	34.00%	35.38%	While this result is not materially different to 2014-15, the 2015-16 active library users also include those who borrow ebooks and eAudiobooks (eContent) through two of our many online lending platforms 4.5 per cent of our active users only borrow eContent, and 16 per cent of our active users borrow both physical and eContent.

Service Performance Indicators		Results	Results	Material Variations
Service/Indicator/measure		2015	2016	
Maternal and Child Health (MCH)				
MC1	<p>Satisfaction</p> <p><i>Participation in first MCH home visit</i></p> <p>[Number of first MCH home visits / Number of birth notifications received] x100</p> <p>Service standard</p>	103.00%	110.37%	The City of Melbourne has had an increase of birth notices carried over from the previous year, including mothers who are residing in Melbourne temporarily.
	MC2	<p><i>Infant enrolments in the MCH service</i></p> <p>Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</p> <p>Service cost</p>	100.00%	99.91%	There were no factors that had material impacts on our results this year.
MC3	<p><i>Cost of the MCH service</i></p> <p>[Cost of the MCH service / Hours worked by MCH nurses]</p> <p>Participation</p>	-	\$75.25	The City of Melbourne's maternal and child health (MCH) service provides support and information to families with children aged from birth to school age who live within the municipality. We also provide additional services and programs such as drop in breastfeeding clinics and open maternal and child health sessions (with no appointment), parental information sessions and a six-month group. More details can be found on our website. (http://www.melbourne.vic.gov.au/community/health-support-services/for-my-family/Pages/maternal-child-health.aspx)
MC4	<p><i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p> <p>Participation</p>	81.00%	84.30%	There were no factors that had material impacts on our results this year.
MC5	<p><i>Participation in the MCH service by Aboriginal children</i></p> <p>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	56.00%	81.08%	In the last 12 months, participation and engagement of Aboriginal children in the MCH service has increased from 56 per cent (less than 8 children) to 81 per cent (15 children). As a demand-based service, results may vary from one year to the next without the active influence of Council.

Service Performance Indicators		Results	Results	Material Variations
Service/Indicator/measure		2015	2016	
Roads				
R1	<p><i>Sealed local road requests</i></p> <p>[Number of sealed local road requests / Kilometres of sealed local roads] x100</p> <p>Condition</p>	84.89	109.04	Improved accessibility through mobile apps and the City of Melbourne website allow the public to more easily report requests. Increased works by utility companies resulting in reinstated road trenches which may be substandard, leading to more potholes being reported.
R2	<p><i>Sealed local roads below the intervention level</i></p> <p>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</p> <p>Service cost</p>	93.0%	96.7%	There were no factors that had material impacts on our results this year.
R3	<p><i>Cost of sealed local road reconstruction</i></p> <p>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</p> <p>Service Cost</p>	\$249.58	\$264.27	Costs per square metre of reconstruction within the central city and adjoining areas such as Docklands can be high due to increased traffic management costs and works taking place mainly after hours and weekends in order to reduce disruption to city residents, pedestrian and vehicle traffic.
R4	<p><i>Cost of sealed local road resealing</i></p> <p>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</p> <p>Satisfaction</p>	\$59.04	\$48.32	<p>Costs per square metre of reconstruction within the central city and adjoining areas such as Docklands can be high due to increased traffic management costs and works taking place mainly after hours and weekends in order to reduce disruption to city residents, pedestrian and vehicle traffic.</p> <p>This year, the increase in the number of service authority and building works within the CBD and planned Melbourne Metro rail project works have caused some of the planned Council works to be deferred. More works were undertaken outside of the CBD and therefore had a lower cost.</p>
R5	<p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	76.00	75.00	There were no factors that had material impacts on our results this year.

Service Performance Indicators		Results	Results	Material Variations
Service/Indicator/measure		2015	2016	
Statutory Planning				
	Timeliness			
SP1	<i>Time taken to decide planning applications</i>	60.00	74	<p>State Government policy changes have increased Council's statutory requirement when responding to the referral of Ministerial Applications for Planning Permit.</p> <p>This has required significant procedural changes and reallocation of resources to reduce assessment timeframes for these complex major projects, with the aim of responding to the Minister within 28 days.</p> <p>It is noted that Ministerial referrals are not captured by this data.</p>
	The median number of days between receipt of a planning application and a decision on the application]			
	Service standard			
SP2	<i>Planning applications decided within 60 days</i>	81.00%	75%	<p>State Government policy changes have increased Council's statutory requirement when responding to the referral of Ministerial Applications for Planning Permit.</p> <p>This has required significant procedural changes and reallocation of resources to reduce assessment timeframes for these complex major projects, with the aim of responding to the Minister within 28 days.</p> <p>It is noted that Ministerial referrals are not captured by this data.</p>
	[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100			
	Service cost			
SP3	<i>Cost of statutory planning service</i>	\$2,086.73	\$1,996.53	There were no factors that had material impacts on our results this year.
	[Direct cost of the statutory planning service / Number of planning applications received]			
	Decision making			
SP4	<i>Council planning decisions upheld at VCAT</i>	66.00%	61.76%	While this result is not materially different to 2014-15, it represents a large increase in the number of VCAT decisions from the previous year. In 2015-16, 42 out of 68 council decisions were not set aside by VCAT, compared to 21 out of 32 decisions in 2014-15. Council does not influence the number of applications that are lodged with VCAT each year.
	[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100			

Service Performance Indicators		Results	Results	Material Variations
Service/Indicator/measure		2015	2016	
Waste Collection				
WC1	<p>Satisfaction Kerbside bin collection requests*</p> <p>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000</p> <p>Service standard</p>	62.23	77.73	The increase of 15.5 requests per 1000 households is attributed to significant staff changes within our service provider. This is currently being addressed.
	WC2	<p>Kerbside collection bins missed</p> <p>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</p> <p>Service cost</p>	2.41		3.75	There were no factors that had material impacts on our results this year.
WC3	<p>Cost of kerbside garbage bin collection service</p> <p>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</p>	\$249.93	\$213.62	<p>The City of Melbourne's kerbside garbage collection service includes properties that are serviced multiple times a week (up to five times a week for high rise apartments and two or three times for other apartment complexes). These apartments require 240, 660 and 1100 litre bins.</p> <p>A decrease in garbage tonnage this year resulted in a decrease in landfill fees.</p>

Service Performance Indicators		Results	Results	Material Variations
Service/Indicator/measure		2015	2016	
Service cost				
WC4	<i>Cost of kerbside recyclables collection service</i>	\$66.97	\$63.25	The City of Melbourne's kerbside recyclable collection service includes properties that are serviced multiple times a week (up to five times a week for high rise apartments and two or three times for other apartment complexes). These apartments require 240, 660 and 1100 litre bins. Also, the cost is offset by a rebate we receive from SKM recycling for the recyclables we collect as per contract rate. An increase in recycling tonnage this year resulted in an increase in recycling revenue.
	[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]			
Waste diversion				
WC5	<i>Kerbside collection waste diverted from landfill</i>	23.00%	25.92%	Recycling tonnages have increased over the past year, while total garbage tonnages have reduced over the same period. This has led to a higher overall percentage of kerbside waste being diverted from landfill.
	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100			

* Results from 2014-15 have been updated to reflect changes in reporting practices in 2015-16. This report contains two years of comparable data for these indicators. Because of this change, results differ from those published in the 2014-15 Annual Report.

I certify that this information presents fairly the status of Council's LGPRF - Report of Operations.



Martin Cutter
Acting Chief Executive Officer
Dated: 7 September 2016

CITY OF MELBOURNE 2015–16 PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

REFERENCES

Reg R

Better Practice BP

R17(1)

Description of municipality

- The Melbourne municipality covers the central city and 16 inner city suburbs from South Yarra to Parkville. It is estimated that around 129,000 people called the municipality home in 2015 and a further 741,000 people visit every day for work and play. The Melbourne Local Government Area is the central precinct for Greater Melbourne and is a thriving residential, entertainment, cultural and educational precinct with a rapidly growing population as more people seek its many business, work, study and social opportunities.
- Melbourne is one of the fastest growing municipalities in Australia with unprecedented population growth expected over the next decade and beyond. This is expected to grow to more than 200,000 by 2030. Daily users are expected to increase almost 22 per cent by 2024.
- The Local Government Area covers an area of 37.7 square kilometres and in 2016 has 579.8 hectares of parkland.

SUSTAINABLE CAPACITY INDICATORS

FOR THE YEAR ENDED 30 JUNE 2016

REFERENCES Reg R Better Practice BP	Indicator/measure	Results		Material Variations
		2015	2016	
R15(3) Sch3 R16(1) R17(2)	Population			
	<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,074	\$3,000	No material variation.
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$14,894	\$14,513	No material variation.
	<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	492	519	Our estimated residential population has increased from 122,207 last year to almost 129,000, leading to a higher population density per km of road.
	Own-source revenue			
	<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$3,099	\$3,153	No material variation.
	Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$147	\$123	No material variation.	
	Disadvantage			
	<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	8	8	No material variation.
BP	Definitions			
	“adjusted underlying revenue” means total income other than:			
	(a) non-recurrent grants used to fund capital expenditure; and			
	(b) non-monetary asset contributions; and			
	(c) contributions to fund capital expenditure from sources other than those referred to above			
	“infrastructure” means non-current property, plant and equipment excluding land			
	“local road” means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>			
	“population” means the resident population estimated by council			
	“own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)			
	“relative socio-economic disadvantage”, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA			
	“SEIFA” means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website			
	“unrestricted cash” means all cash and cash equivalents other than restricted cash.			

SERVICE PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2016

REFERENCES Reg R Better Practice BP	Service/Indicator/measure	Results		Material Variations
		2015	2016	
R15(1) Sch3 R16(1) R17(2)	Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.62	1.57	No material variation.
	Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	1	4	Two of the prosecutions reported were for the same accused and carried forward from the previous year due to adjournments at the request of the accused.
	Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	95%	100%	No material variation.
	Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	60	62	No material variation.
	Home and community care Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	19%	20%	No material variation.
	Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	15%	17%	There was a 15 per cent increase in the number of CALD clients who received a HACC service in 2015-16 compared to last year, or 33 people. As a demand-based service, results may vary from one year to the next without the active influence of Council.

REFERENCES Reg R Better Practice BP	Service/Indicator/measure	Results		Material Variations
		2015	2016	
	Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	34%	35%	While this result is not materially different to 2014-15, the 2015-16 active library users also include those who borrow ebooks and eAudiobooks (eContent) through two of our many online lending platforms. 4.5 per cent of our active users only borrow eContent, and 16 per cent of our active users borrow both physical and eContent.
	Maternal and child health Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	81%	84%	No material variation.
	Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	56%	81%	In the last 12 months, participation and engagement of Aboriginal children in the MCH service has increased from 56 per cent (less than 8 children) to 81 per cent (15 children). As a demand-based service, results may vary from one year to the next without the active influence of Council.
	Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	76	75	No material variation.
	Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	66%	62%	While this result is not materially different to 2014-15, it represents a large increase in the number of VCAT decisions from the previous year. In 2015-16, 42 out of 68 council decisions were not set aside by VCAT, compared to 21 out of 32 decisions in 2014-15. Council does not influence the number of applications that are lodged with VCAT each year.

Service/Indicator/measure	Results		Material Variations
	2015	2016	
<p>Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	23%	26%	Recycling tonnages have increased over the past year, while total garbage tonnages have reduced over the same period. This has led to a higher overall percentage of kerbside waste being diverted from landfill.

BP

Definitions

- "Aboriginal child" means a child who is an Aboriginal person
- "Aboriginal person" has the same meaning as in the *Aboriginal Heritage Act 2006*
- "active library member" means a member of a library who has borrowed a book from the library
- "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act
- "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English
- "class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act
- "class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act
- "Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth
- "critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
- "food premises" has the same meaning as in the *Food Act 1984*
- "HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act 1985* of the Commonwealth
- "HACC service" means home help, personal care or community respite provided under the HACC program
- "local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*
- "major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
- "MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
- "population" means the resident population estimated by council
- "target population" has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act 1985* of the Commonwealth
- "WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2016

REFERENCES Reg R Better Practice BP	Dimension/ <i>Indicator</i> / <i>measure</i>	Results		Forecasts				Material Variations
		2015	2016	2017	2018	2019	2020	
R15(2) Sch3 R16(1) R16(2) R17(2) R17(3)	Efficiency Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,086	\$1,130	\$1,146	\$1,175	\$1,188	\$1,209	No material variation.
	Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,954	\$3,950	\$3,793	\$3,687	\$3,509	\$3,419	There is a higher forecast growth rate in property assessments compared with expenditure over the forecast years.
	Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.91%	8.41%	8.39%	8.63%	8.87%	9.16%	The number of resignations/terminations has decreased during 2015-16, while the number of permanent filled positions has increased by close to 6 per cent. This is partly due to the organisational realignment that occurred in July 2015.
	Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	163.60%	141.28%	68.27%	31.35%	34.53%	29.28%	The settlement of the Munro site in 2015-16 had a material impact on the City Of Melbourne's cash balance. The Council's forecast cash balance will be impacted by the timing of QVM Renewal project expenditure in the four-year forecast.
	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	81.38%	48.48%	28.88%	0%	0%	0%	The settlement of the Munro site in 2015-16 had a material impact on the City Of Melbourne's cash balance. The Council's forecast cash balance will be impacted by the timing of QVM Renewal project expenditure in the four-year forecast. No unrestricted cash balances projected in 2018-2020.

REFERENCES
Reg R
Better Practice BP

Dimension/ <i>Indicator/measure</i>	Results		Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Obligations							
Asset renewal							
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	73.54%	68.82%	86.13%	88.70%	94.37%	101.16%	The decrease in ratio is due to slight reduction in renewal expenditure in 2015-16 due to timing of projects.
Loans and borrowings							
<i>Loans and borrowings repayments compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	0%	12.31%	11.66%	11.02%	47.57%	76.50%	Council borrowed funds with Clean Energy Finance Corporation (CEFC) in 2015-16 to fund sustainability initiatives. Council is forecasted to have higher borrowings over the medium term to fund QVM Renewal Expenditure.
Loans and borrowings							
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	0%	0.37%	0.51%	0.83%	1.84%	2.23%	Council borrowed funds with Clean Energy Finance Corporation (CEFC) in 2015-16 to fund sustainability initiatives. Council is forecasted to have higher borrowings over the medium term to fund QVM Renewal Expenditure.
Indebtedness							
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	0.77%	8.19%	9.34%	9.08%	33.44%	53.80%	Council borrowed funds with Clean Energy Finance Corporation (CEFC) in 2015-16 to fund sustainability initiatives. Council is forecasted to have higher borrowings over the medium term to fund QVM Renewal Expenditure.
Operating position							
Rates concentration							
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	6.24%	9.53%	4.96%	6.50%	6.56%	5.40%	No material variation.
Stability							
Rates concentration							
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	57.71%	56.96%	60.84%	61.10%	62.36%	64.06%	No material variation.

REFERENCES Reg R Better Practice BP	Dimension/ <i>Indicator/measure</i>	Results		Forecasts				Material Variations
		2015	2016	2017	2018	2019	2020	
BP	Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.26%	0.27%	0.27%	0.27%	0.27%	0.27%	No material variation.
	Definitions “adjusted underlying revenue” means total income other than: (a) non-recurrent grants used to fund capital expenditure; and (b) non-monetary asset contributions; and (c) contributions to fund capital expenditure from sources other than those referred to above “adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure “asset renewal expenditure” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability “current assets” has the same meaning as in the AAS “current liabilities” has the same meaning as in the AAS “non-current assets” means all assets other than current assets “non-current liabilities” means all liabilities other than current liabilities “non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council’s Strategic Resource Plan “own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants “population” means the resident population estimated by council “rate revenue” means revenue from general rates, municipal charges, service rates and service charges “recurrent grant” means a grant other than a non-recurrent grant “residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties “restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year “unrestricted cash” means all cash and cash equivalents other than restricted cash.							

OTHER INFORMATION

FOR THE YEAR ENDED 30 JUNE 2015

REFERENCES

Reg R

Better Practice BP

BP

1. Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. The City of Melbourne has adopted materiality thresholds relevant to each indicator and measure according to the range of results we are prepared to accept based on the known changes that have occurred during the year. Explanations have not been provided for variations within the materiality thresholds unless the variance is considered to be of interest to the public for other reasons.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 28 June 2016 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Statement

R18(1) In my opinion, the accompanying Performance Statement has been prepared in accordance with the
 R18(2) *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.



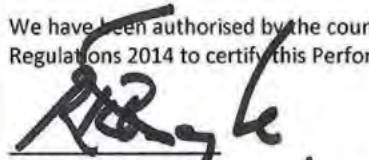
Sam Rumoro
 Acting Principal Accounting Officer
 Dated: 06/09/16

In our opinion, the accompanying Performance Statement of the Melbourne City Council for the year ended 30 June 2016 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

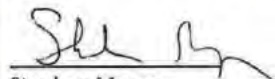
The Performance Statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

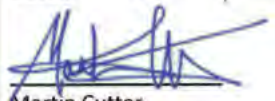
We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this Performance Statement in its final form.



Robert Doyle
 Lord Mayor
 Dated: 6/9/16



Stephen Mayne
 Councillor
 Dated: 6/9/16



Martin Cutter
 Acting Chief Executive Officer
 Dated: 6/9/2016

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Melbourne City Council

The Performance Statement

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

The Councillors' Responsibility for the Performance Statement

The Councillors of the Melbourne 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, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

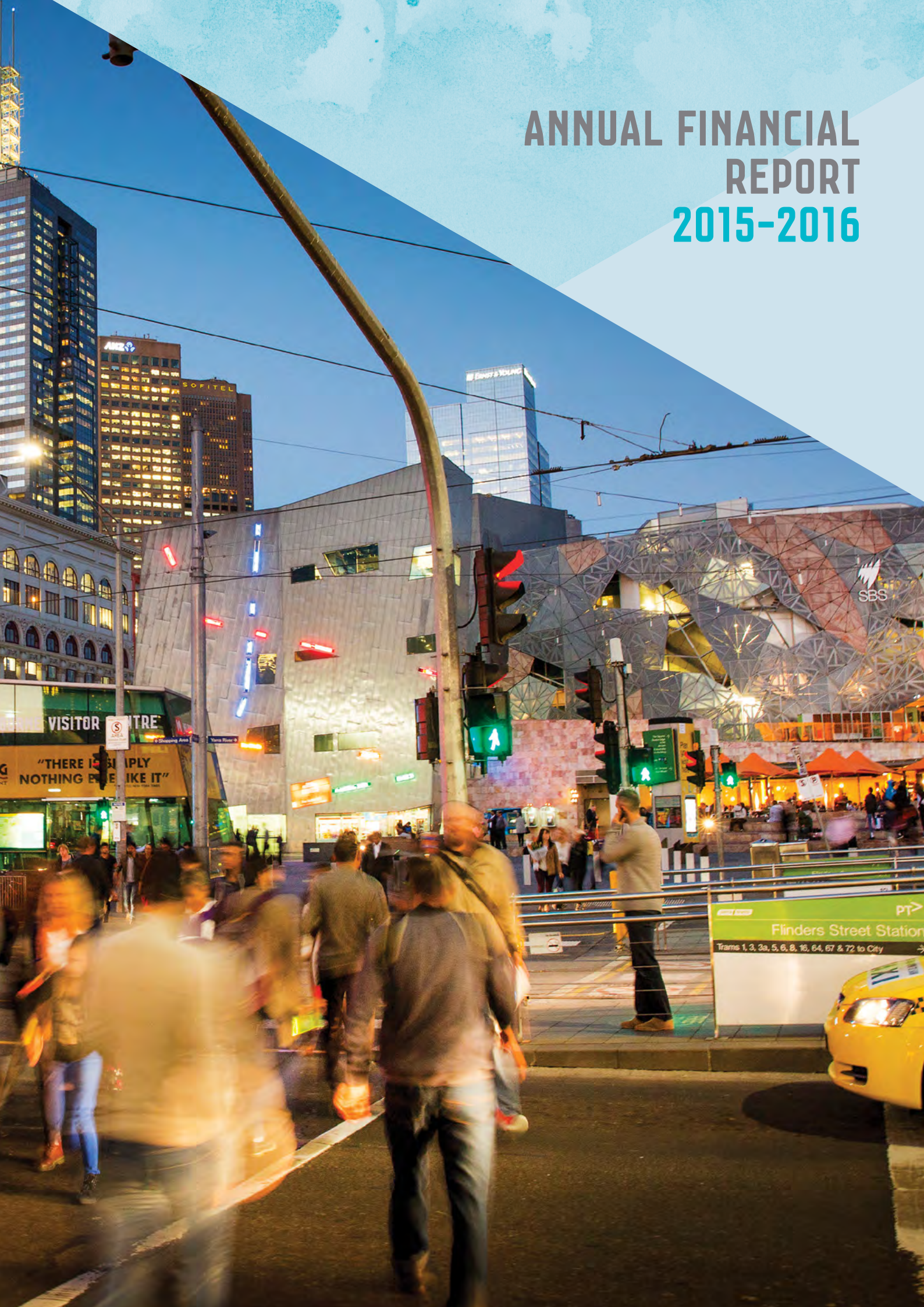
In my opinion, the performance statement of the Melbourne City Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
9 September 2016


Dr Peter Frost
Acting Auditor-General



ANNUAL FINANCIAL REPORT 2015-2016



VISITOR CENTRE
"THERE IS SIMPLY NOTHING ELSE LIKE IT"

PT
Flinders Street Station
Trams 1, 3, 2a, 5, 6, 8, 16, 64, 67 & 72 to City

CONTENTS

Financial Statements	143	Liabilities	188
Comprehensive Income Statement	143	Note 25. Trade and other payables	188
Balance Sheet	144	Note 26. Trust funds and deposits	188
Statement of Changes in Equity	145	Note 27. Provisions	189
Statement of Cash Flows	146	Note 28. Interest-bearing loans and borrowing	190
Statement of Capital Works	147	Equity	190
Notes to financial statements	148	Note 29. Reserves	190
Introduction	148	Other disclosures	193
Statement of compliance	148	Note 30. Reconciliation from net cash provided by operating activities to surplus	193
Note 1. Significant accounting policies	148	Note 31. Reconciliation of cash and cash equivalents	193
Note 2. Budget comparison	156	Note 32. Financing arrangements	193
Revenue	161	Note 33. Commitments	194
Note 3. Rates and charges	161	Note 34. Operating leases	195
Note 4. Statutory fees and fines	161	Note 35. Contingent liabilities and contingent assets	195
Note 5. User fees	162	Note 36. Superannuation funds	196
Note 6. Grants	162	Note 37. Financial instruments	201
Note 7. Contributions	164	Note 38. Related party transactions	207
Note 8. Net gain on disposal of property, infrastructure, plant and equipment	164	Note 39. Events occurring after balance date	210
Note 9. Other income	164	Certification of the financial statements	211
Expense	165		
Note 10. Employee benefit expenses	165		
Note 11. Materials and services	165		
Note 12. Bad and doubtful debts	166		
Note 13. Depreciation and amortisation	166		
Note 14. Borrowing costs	166		
Note 15. Other items of expenses	166		
Assets	167		
Note 16. Cash and cash equivalents	167		
Note 17. Trade and other receivables	167		
Note 18. Other financial assets	169		
Note 19. Inventories	169		
Note 20. Other assets	169		
Note 21. Investments	169		
Note 22. Property, infrastructure, plant and equipment	175		
Note 23. Investment property	185		
Note 24. Intangible assets	185		

FINANCIAL STATEMENTS

Comprehensive Income Statement

For the Year Ended 30 June 2016

	Consolidated			Council	
	2016 \$'000	2015 \$'000	Note	2016 \$'000	2015 \$'000
Income					
Rates and charges	243,433	230,919	3	243,689	231,184
Statutory fees and fines					
Parking fines	41,573	42,316	4	41,573	42,316
Other statutory fees and fines	8,755	9,458	4	8,755	9,458
User fees					
Parking fees	52,794	53,648	5	48,386	49,269
Other user fees	18,044	16,165	5	17,370	15,477
Grants - operating	8,783	10,489	6	8,783	10,489
Grants - capital	11,533	19,516	6	11,533	19,516
Contributions - monetary	14,367	15,795	7	14,118	15,497
Contributions - non monetary	4,157	32,094	7	4,157	32,094
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8,218	2,033	8	(526)	1,381
Fair value adjustments for investment properties	16,849	364	23	16,849	364
Other income	211,241	218,414	9	30,579	30,762
Total Income	639,747	651,211		445,266	457,807
Expenses					
Employee benefit expense	235,835	225,346	10	143,292	132,798
Materials and services	240,960	239,409	11	159,761	160,621
Bad and doubtful debts	5,446	6,754	12	5,331	6,630
Depreciation and amortisation	73,529	74,092	13	58,785	57,685
Borrowing cost	927	164	14	897	-
Other expenses	10,983	9,345	15	6,097	4,669
Grants and contributions	12,891	13,217		12,891	13,217
Total Expenses	580,571	568,327		387,054	375,620
Surplus For The Year	59,176	82,884		58,212	82,187
Other Comprehensive Income					
Net asset revaluation increment	242,260	61,943	29	230,771	61,943
Net Investments decrement	-	(424)		-	(424)
Gain/(loss) on defined benefits plans	(1,089)	863	36	-	-
Total Other Comprehensive Income	241,171	62,382		230,771	61,519
Total Comprehensive Result	300,347	145,266		288,983	143,706

The Comprehensive Income Statement should be read in conjunction with the accompanying notes

Balance Sheet

For the Year Ended 30 June 2016

	Consolidated			Council	
	2016 \$'000	2015 \$'000	Note	2016 \$'000	2015 \$'000
Assets					
Current Assets					
Cash and cash equivalents	88,340	110,472	16	83,110	101,519
Trade and other receivables	52,108	49,787	17	26,625	27,135
Other financial assets	12,550	13,800	18	5,000	7,000
Inventories	580	816	19	-	-
Other assets	8,664	15,660	20	7,087	12,664
Total Current Assets	162,242	190,535		121,822	148,318
Non-Current Assets					
Investment in subsidiaries, associates and trust	7,250	7,250	21	31,395	31,660
Property, infrastructure, plant and equipment	3,779,627	3,522,284	22	3,703,978	3,458,729
Investment property	208,020	114,069	23	208,020	114,069
Intangible assets	37,798	34,597	24	14,353	10,853
Trade and other receivables	1,342	797	17	-	-
Net assets of City of Melbourne's Defined Benefits Superannuation fund	-	1,195	36	-	-
Total Non-Current Assets	4,034,037	3,680,192		3,957,746	3,615,311
Total Assets	4,196,279	3,870,727		4,079,568	3,763,629
Liabilities					
Current Liabilities					
Trade and other payables	70,228	77,175	25	47,553	53,308
Trust funds and deposits	9,112	8,526	26	6,718	6,111
Provisions	45,146	44,350	27	31,959	30,269
Total Current Liabilities	124,486	130,051		86,230	89,688
Non-Current Liabilities					
Provisions	5,064	4,849	27	3,314	2,900
Interest bearing loans and borrowings	30,000	-	28	30,000	-
Net liabilities of City of Melbourne's Defined Benefits Superannuation fund	555	-	36	-	-
Total Non-Current Liabilities	35,619	4,849		33,314	2,900
Total Liabilities	160,105	134,900		119,544	92,588
Net Assets	4,036,174	3,735,827		3,960,024	3,671,041
Equity					
Accumulated surplus	2,019,630	1,975,781		1,959,006	1,915,032
Reserves	2,016,544	1,760,046	29	2,001,018	1,756,009
Total Equity	4,036,174	3,735,827		3,960,024	3,671,041

The Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2016

Consolidated	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at beginning of the financial year		3,735,827	3,590,561	1,975,781	1,897,661	1,735,446	1,673,503	24,600	19,397
Surplus for the year		59,176	82,884	59,176	82,884	-	-	-	-
Net asset revaluation increment	29	242,260	61,519	-	-	242,260	61,943	-	(424)
Transfers to other reserves	29	-	-	(25,972)	(13,286)	-	-	25,972	13,286
Transfers from other reserves	29	-	-	11,734	7,659	-	-	(11,734)	(7,659)
Actuarial gain/(expense) - City of Melbourne's Defined Benefits Superannuation Fund	36	(1,089)	863	(1,089)	863	-	-	-	-
Balance at the end of the financial year		4,036,174	3,735,827	2,019,630	1,975,781	1,977,706	1,735,446	38,838	24,600

Council	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at beginning of the financial year		3,671,041	3,527,335	1,915,032	1,838,472	1,731,409	1,669,466	24,600	19,397
Surplus for the year		58,212	82,187	58,212	82,187	-	-	-	-
Net asset revaluation increment	29	230,771	61,519	-	-	230,771	61,943	-	(424)
Transfers to other reserves	29	-	-	(25,972)	(13,286)	-	-	25,972	13,286
Transfers from other reserves	29	-	-	11,734	7,659	-	-	(11,734)	(7,659)
Balance at the end of the financial year		3,960,024	3,671,041	1,959,006	1,915,032	1,962,180	1,731,409	38,838	24,600

The Consolidated and Council Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the Year Ended 30 June 2016

	Consolidated			Council	
	2016 \$'000	2015 \$'000	Note	2016 \$'000	2015 \$'000
Cash Flows from Operating Activities					
Rates and charges	242,296	232,979		242,552	233,245
Statutory fees and fine	50,328	50,276		50,328	50,276
User fees	84,366	71,613		80,768	62,235
Grants - operating	10,247	12,615		10,247	12,615
Grants - capital	11,533	19,516		11,533	19,516
Contributions - monetary	14,367	15,795		14,118	15,497
Interest received	2,755	3,851		2,312	3,419
Dividends received	-	-		3,667	2,744
Trust funds and deposits taken	5,802	1,188		5,802	1,188
Other receipts	228,128	234,108		24,229	24,235
Net GST refund/payment	8,781	2,261		20,366	14,798
Employee cost	(234,449)	(224,636)		(141,365)	(131,345)
Materials and services	(299,179)	(283,332)		(210,292)	(196,626)
Other payments	(25,517)	(23,357)		(19,228)	(16,822)
Net cash provided by operating activities	99,458	112,877	30	95,037	94,975
Cash Flows from Investing Activities					
Payments for property, infrastructure, plant and equipment	(164,093)	(96,333)		(146,899)	(87,722)
Receipts from investments	-	425		-	-
Proceeds from sale of property, infrastructure, plant and equipment	11,253	2,579		1,453	1,927
Proceeds from sale of Investments	1,250	7,900		2,000	11,000
Net cash used in investing activities	(151,590)	(85,429)		(143,446)	(74,795)
Cash Flows from Financing Activities					
Proceeds from borrowing	30,000	-		30,000	-
Repayment of borrowing	-	(6,000)		-	-
Net cash provided by/(used in) financing activities	30,000	(6,000)		30,000	-
Net increase(decrease) in cash and cash equivalents	(22,132)	21,448		(18,409)	20,180
Cash and cash equivalents at beginning of the financial year	110,472	89,024		101,519	81,339
Cash and cash equivalents at the end of the financial year	88,340	110,472	31	83,110	101,519
Financing arrangements			32		
Restrictions on cash assets			16		

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Capital Works

For the Year Ended 30 June 2016

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Property				
Land	-	4	-	4
Total Land	-	4	-	4
Buildings				
Buildings	3,688	10,818	3,643	10,818
Heritage buildings	(151)	8,549	(151)	8,549
Leasehold improvements	8,634	509	5,985	-
Total Buildings	12,171	19,876	9,477	19,367
Total Property	12,171	19,880	9,477	19,371
Plant & Equipment				
Plant, machinery and equipment	19,968	10,713	2,906	1,865
Fixtures, fittings and furniture	476	165	87	41
Computers and telecommunications	9,907	8,231	9,082	7,170
Library books	1,132	915	1,132	915
Total Plant & Equipment	31,483	20,024	13,207	9,991
Infrastructure				
Roads	13,710	13,110	13,710	13,110
Bridges	169	659	169	659
Footpaths and cycleways	2,818	5,480	2,818	5,480
Drainage	7,700	3,465	7,700	3,465
Recreational, leisure and community facilities	5,578	10	5,578	10
Parks, open space and streetscapes	18,535	1,239	18,535	1,239
Statues, sculptures and artworks	-	72	-	72
Other infrastructures	4,547	28,681	4,547	28,681
Total Infrastructure	53,057	52,716	53,057	52,716
Total Capital Works Expenditure	96,711	92,620	75,741	82,078
Represented by:				
New asset expenditure	49,144	50,036	28,174	39,494
Asset renewal expenditure	38,184	39,934	38,184	39,934
Asset expansion expenditure	8,212	485	8,212	485
Asset upgrade expenditure	1,171	2,165	1,171	2,165
Total Capital Works Expenditure	96,711	92,620	75,741	82,078

The Statement of Capital Works should be read in conjunction with the accompanying notes.

Note the capital works expenditure is reflective of "Council" works program only. This excludes the purchase of Munro Site.

NOTES TO FINANCIAL STATEMENTS

Introduction

These financial statements are for the entity the Melbourne City Council (the "Council") and controlled entities. Council is the ultimate successor at law to the Mayor Aldermen Councillors and Burgesses of the Town of Melbourne which was incorporated on 12 August 1842 by An Act to Incorporate the Inhabitants of the Town of Melbourne 6 Victoria No. 7. The name 'Melbourne City Council' replaced the former 'Council of the City of Melbourne' via the City of Melbourne Act 1993. The Town Hall is located at 90-120 Swanston Street, Melbourne VIC 3000.

The purpose of Council is to:

- Promote the social, economic and environmental viability and sustainability of the municipality
- Ensure that resources are used efficiently and effectively.

Council's external auditors, advisers and bankers as at 30 June 2016:

- External Auditor – The Victorian Auditor-General
- Internal Auditor – Oakton Services Pty Ltd
- Solicitors - Hunt & Hunt, Ashurst, Maddocks
- Bankers - Westpac Banking Corporation.

Council's website is www.melbourne.vic.gov.au.

The consolidated financial statements of Council as at and for the year ended 30 June 2016 comprise Council, controlled entities and interest in associated entities.

Statement of compliance

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

Note 1. Significant accounting policies

The significant policies, which have been adopted in the preparation of this Financial Report, are:

a) Basis of preparation

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

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

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

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

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives (refer to note 1(aa)).

b) Change in accounting policies

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

c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2016, and their income and expenses for that part of the reporting period in which control existed.

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

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

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

Entities consolidated into Council include:

- Citywide Service Solutions Pty Ltd and its subsidiaries
- Queen Victoria Market Pty Ltd
- Sustainable Melbourne Fund Trust
- Enterprise Melbourne Pty Ltd.

d) Committees of management

Council does not control any entities under a Committee of Management structure.

e) Accounting for investments in associates and joint arrangements***Associates***

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

MAP's Group Pty Ltd (trading as Procurement Australia) and Regent Management Company Pty Ltd are accounted for using the equity method of accounting.

Joint arrangements

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

f) Revenue recognition

Income is recognised when 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 Council and the amount of the contribution can be measured reliably.

Rates and Charges

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

Statutory fees and fines

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

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs. Citywide recognises revenue arising from service contracts by reference to the

stage of completion of the contract. Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as and when expenses are incurred and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Dividends

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

Other Income

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

g) Fair value measurement

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

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

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

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

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

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

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value

measurement as a whole) at the end of each reporting period.

h) Cash and cash equivalents

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

i) Trade and other receivables

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

j) Other financial assets

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

k) Inventories

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

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

l) Non-current asset classified as held for sale

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

m) Recognition and measurement of property, plant, equipment and infrastructure

Acquisition

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

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

In accordance with Council's policy, the threshold limits of \$2,000 have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the amount for which the assets could be exchanged subsequent to the initial recognition of assets. At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis every year. The valuation is performed either by experienced Council officers or independent experts.

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

Land under roads

Council recognises land under roads it controls at deemed cost.

Capital and recurrent expenditure

As a general rule, expenditure incurred in the purchase or development of assets is capital expenditure. Expenditure necessarily incurred in either maintaining the operational capacity of the non-current asset or ensuring that the original life estimate of the asset is achieved, is considered maintenance expenditure and is treated as an expense as incurred. Items of a capital nature with a total value of less than \$2,000 are treated as an expense.

Leases

Council does not currently use any finance lease arrangements. In respect of operating leases, where the lessor effectively retains substantially the entire risks and benefits incidental to ownership of the leased property, the payments are charged to expense over the lease term.

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

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

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

Trees, land and artworks are not depreciated as they are considered to have either unlimited useful lives or to be self-generating assets.

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

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

Asset recognition thresholds and depreciation periods:

	Depreciation Period (Years)	Threshold Limit \$000
Property		
Land	0	2
Buildings		
Heritage buildings	100	2
Buildings	8-40	2
Leasehold improvements	10-17	2
Plant and equipment		
Plant, machinery and equipment	3-20	2
Fixtures, fittings and furniture	5-10	2
Computers and telecommunications	3-8	2
Library books	4-5	2
Infrastructure		
Road pavements and seals	12-20	2
Road substructure	50-78	2
Road kerb, channel and minor culverts	32-50	2
Bridge deck	15-25	2
Bridge substructure	25-94	2
Footpaths and cycleways	7-50	2
Drainage	90-120	2
Recreational, leisure and community facilities	12-50	2
Parks, open space and streetscapes	0-20	2
Off street car parks	4-15	2
Intangible assets	5-8	2

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

o) Repairs and maintenance

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

p) Investment property

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

q) Impairment of assets

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

r) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 26).

s) Borrowings

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

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

Borrowing costs

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

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

t) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

Long service leave

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

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

The components of this current liability are measured at:

- Present value - component that is not expected to be wholly settled within 12 months
- Nominal value - component that is expected to be wholly settled within 12 months.

Non-Current Liability- conditional long service leave that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current long service leave liability is measured at present value.

Long service leave entitlements for employees with over seven years of service and all annual leave entitlements are classified as current. Long service leave entitlements for employees with less than seven years of service is classified as non-current.

u) Recognition and measurement of intangibles

Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. Goodwill is not amortised, but tested annually for impairment.

Software

Software, that is not an integral part of the related hardware, is classified as intangibles, recorded at cost and amortised on a straight line basis over a seven year period.

	Goodwill	Software
Useful lives	Indefinite	Finite
Method used	Not depreciated or re-valued	7 years – straight line
Internally generated / acquired	Acquired	Acquired
Impairment test / recoverable amount test	Reviewed annually for indication of impairment	Amortised method reviewed at each financial year end and reviewed annually for indication of impairment

Customer relationship assets

The fair value of customer relationships acquired is calculated considering the estimated future recurring revenues from existing customers in the acquired operations at the date of the acquisition. Any deferred tax liabilities related to customer relationships are calculated and recorded as a part of goodwill. Customer relationships have a useful life of five years and are amortised on a straight-line basis.

v) Leases

Financial leases

Council does not have financial leases.

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 10 to 17 year period.

w) Goods and Services Tax (GST)

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

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

x) Financial guarantees

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

y) Contingent assets and contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed at Note 35 and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable. Commitments are disclosed at Note 33 separated into categories of operating and capital expenditure.

z) Rounding

Unless otherwise stated, amounts in the Financial Statements are rounded to the nearest thousand dollars.

aa) Changes to Comparatives

An adjustment has been made in the 2015 accounting period to record the gifting of 6.553 hectares of land from state government and partial gifting of a playground on this parcel of land. The land gifted relates to the demolition and removal of the former Royal Children's Hospital provided to Melbourne City Council on 30 June 2015. The financial implications of the transaction are an increase in Contributed Income of \$20.531 million, Land increased by \$17.605 million and Infrastructure by \$5.680 million. Work in Progress reduced by \$2.755 million reflecting Council's contribution to the playground. The changes impact the Comprehensive Income Statement, Balance Sheet and Statement of Changes in Equity.

An adjustment has been made for Building and Planning Permit fees relating prior accounting periods. For the 2015 financial year comparatives for Building and Planning Permits Fees in the Comprehensive Income Statement have been increased by \$1.498 million, Other Receivables in the Balance Sheet have been increased by \$1.585 million and to reflect changes within years prior to 2015 Accumulated Surplus in the Statement of Changes in Equity has been increased by \$0.087.

An adjustment to Note 33 for Commitments has been made to reflect the full value of contracts outstanding where three contracts were previously recorded at annual value and not contract value. The effect of the changes to 30 June 2015 Commitments is \$12.557 million.

Note 2. Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 5 per cent and \$1 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 30 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity

resulting from asset revaluations, as their impacts were not considered predictable.

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

The budget information provided only relates to Council. No consolidated budget is prepared.

a) Income and Expenditure

Council	Budget	Actual	Variance		Ref
	2016 \$'000	2016 \$'000	2016 \$'000	%	
Income					
Rates and charges	243,601	243,689	88	0%	
Statutory fees and fines					
Parking fines	42,232	41,573	(659)	-2%	
Other statutory fees and fines	8,285	8,755	470	6%	
User fees					
Parking fees	46,593	48,386	1,793	4%	
Other user fees	16,196	17,370	1,174	7%	1
Grants - operating	9,428	8,783	(645)	-7%	
Grants - capital	8,323	11,533	3,210	39%	2
Contributions - monetary	10,482	14,118	3,636	35%	3
Contributions - non monetary	-	4,157	4,157	100%	4
Net gain on disposal of property, infrastructure, plant and equipment	920	(526)	(1,446)	-157%	5
Fair value adjustments for investment properties	-	16,849	16,849	100%	6
Other income	24,548	30,579	6,031	25%	7
Total Income	410,608	445,266	34,658	8%	
Expenses					
Employee benefit expense	139,429	143,292	(3,863)	-3%	
Materials and services	161,760	159,761	1,999	1%	
Bad and doubtful debts	6,888	5,331	1,557	23%	8
Depreciation and amortisation	59,749	58,785	964	2%	
Other expenses	5,444	6,994	(1,550)	-28%	9
Grants and contributions	12,533	12,891	(358)	-3%	
Total Expenses	385,803	387,054	(1,251)	0%	
Surplus for the year	24,805	58,212	33,407	135%	
Other Comprehensive Income					
Net asset revaluation increment	-	230,771	230,771	100%	10
Total Other Comprehensive Income	-	230,771	230,771	100%	
Total Comprehensive Result	24,805	288,983	264,178	1065%	

i. Explanation of material variations

Ref.	Item	Explanation
1	<i>Other user fees</i>	Mainly due to higher than anticipated hoarding permits, space occupancy revenue, hoarding rental, property and site service fees.
2	<i>Grants - capital</i>	Substantially due to additional funding received, including Docklands Park Enhancement Works - Victoria Harbour (\$2.30 million) and VicRoads Blackspot funding (\$0.65 million).
3	<i>Contributions - monetary</i>	Due to higher public open spaces contributions (\$3.61 million).
4	<i>Contributions - non monetary</i>	Due mainly to external asset contributions on Community Hub in Dockland (\$1.23 million), Cardigan Street Chapel (\$1.19 million) and Monument Park (\$0.84 million).
5	<i>Net gain on asset disposal</i>	Due mainly to loss on artworks and motor vehicles. Net gains on sale of land were not as high as anticipated.
6	<i>Fair value adjustments for investment properties</i>	Due to investment land revaluation.
7	<i>Other income</i>	Due to higher investment interest (\$1.67 million) from higher than anticipated cash balance, commercial rent (\$1.43 million), grants in kind revenue (\$0.97 million), valuation data sales (\$0.72 million) and other various sales and cost recoveries.
8	<i>Bad and doubtful debts</i>	Due to lower provision for Parking Infringement Notice doubtful debts as a result of lower PINs revenue and improving recovery rates.
9	<i>Other expenses</i>	Substantially due to land tax for the Munro site (\$0.69 million), write-down on investment (\$0.27 million), higher insurance provision (\$0.24 million) and rent increase of CAE library (\$0.20 million).
10	<i>Net asset revaluation increment</i>	Due to gain on fixed asset valuation including land (\$188.53 million), building (\$26.13 million) and Roads (\$13.68 million).

b) Capital Works

Council	Budget	Actual	Variance		Ref
	2016 \$'000	2016 \$'000	2016 \$'000	%	
Buildings					
Buildings	8,348	3,643	4,705	56%	1
Heritage buildings	139	(151)	290	209%	
Leasehold improvements	3,689	5,985	(2,296)	(62%)	2
Total Buildings	12,176	9,477	2,699	22%	
Plant & Equipment					
Plant, machinery and equipment	3,846	2,906	940	24%	
Fixtures, fittings and furniture	230	87	143	62%	
Computers and telecommunications	9,990	9,082	908	9%	
Library books	1,129	1,132	(3)	0%	
Total Plant & Equipment	15,195	13,207	1,988	13%	
Infrastructure					
Roads	12,871	13,710	(839)	(7%)	
Bridges	843	169	674	80%	
Footpaths and cycleways	4,216	2,818	1,398	33%	3
Drainage	9,280	7,700	1,580	17%	4
Recreational, leisure and community facilities	6,780	5,578	1,202	18%	5
Parks, open space and streetscapes	34,237	18,535	15,702	46%	6
Other infrastructure	6,193	4,547	1,646	27%	7
Total Infrastructure	74,420	53,057	21,363	29%	
Total capital works expenditure	101,791	75,741	26,050	26%	
Represented by:					
New asset expenditure	46,773	28,174	18,599	40%	
Asset renewal expenditure	39,646	38,184	1,462	4%	
Asset expansion expenditure	10,848	8,212	2,636	24%	
Asset upgrade expenditure	4,524	1,171	3,353	74%	
Total capital works expenditure	101,791	75,741	26,050	26%	

i. Explanation of material variations

Ref.	Item	Explanation
1	<i>Buildings</i>	Due mainly to (\$4.53 million) works in City Square being cancelled owing to the Melbourne Metro Rail Project progressing and works on the CH1 Precinct being deferred due to the Town Hall Precinct Plan with design work due to commence in 2016-17.
2	<i>Leasehold Improvements</i>	Due mainly to the Queen Victoria Market Precinct Renewal (QVMPR) budgeted to be managed via a separate fund, however in December 2015 Council approved establishment of the City of Melbourne QVMPR Program Reserve. This was offset by various projects carried forward to 2016-17.
3	<i>Footpaths and cycleways</i>	Due to projects (\$1.11 million) and Westwood Place public lighting installation (\$0.16 million) to be completed in 2016-17.
4	<i>Drainage</i>	Due mainly to Wells Street drain upgrade and stormwater harvesting (\$0.94 million), Queensbridge Street upgrade works (\$0.40 million), Haig Street/Cardigan Street kerb and channel renewal (\$0.17 million) and Rankins Road drain renewal (\$0.07 million) carried forward to 2016-17.
5	<i>Recreational, leisure & community facilities</i>	Due mainly to lower than anticipated costs on Carlton Kathleen Syme Library and Community Centre (\$1.36 million).
6	<i>Parks, open space & streetscapes</i>	Substantially due to water projects located at University Square as a result of consideration for Melbourne Metro Rail Project and Lincoln Square delayed at the design stage (\$5.43 million), upgrade to sports facilities at Princes and Royal Park delayed due to tenders (\$2.28 million), Railway Place and Miller Street Reserve Park expansion delayed due to external authority approvals (\$1.35 million), Streetscape program adjusted due to the deferral of Elizabeth Street Stage One Masterplan works (\$1.19 million), works on various new open spaces delayed due to scope change (\$1.73 million) and Parks Renewal Program delayed due to events in parks in addition to seasonal horticultural and irrigation works planned for winter (\$0.96 million) carried forward to 2016-17.
7	<i>Other infrastructure</i>	Substantially due to design and construction of Docklands Park (\$0.71 million), street lighting network upgrade to LED lights (\$0.62 million) and acquisition of Public Art across various projects including University Square (\$0.53 million) carried forward to 2016-17.

REVENUE

Note 3. Rates and charges

Council uses 'net annual value' as the basis of valuation of all properties within the municipal district. The net annual value of a property approximates the annual net rental for a commercial property and five per cent of the capital improved value for a residential property.

The valuation base used to calculate general rates for 2015-16 was \$5.443 million (2014-15 \$5.206 million).

	Valuation base		Rate in \$	
	2016 \$'000	2015 \$'000	2016	2015
Residential	2,004,927	1,827,534	4.193	4.047
Non-residential	3,384,160	3,324,224	4.755	4.590
Cultural & recreational	54,656	54,656		
	5,443,743	5,206,414		

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Residential	84,064	73,521	84,064	73,521
Non-residential	160,661	152,737	160,917	153,002
Cultural & recreational	411	397	411	397
Supplementary rates and rate adjustments	(1,703)	4,264	(1,703)	4,264
	243,433	230,919	243,689	231,184

The date of the latest general valuation of land for rating purposes within the municipal district was 1 January 2014 and the valuation first applied to the rating period commencing 1 July 2014. The valuation for rating purposes is performed on a two year cycle.

Note 4. Statutory fees and fines

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Infringements and costs				
Parking fines	41,573	42,316	41,573	42,316
General fines	1,501	1,499	1,501	1,499
Town planning fees	2,447	3,558	2,447	3,558
Land Information Certificates	193	182	193	182
Permits	1,603	1,310	1,603	1,310
Food and Health Act registration	3,011	2,909	3,011	2,909
	50,328	51,774	50,328	51,774

Note 5. User fees

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Aged and health services	259	300	259	300
Leisure centre and recreation	4,917	4,641	4,922	4,643
Child care/children's programs	2,681	2,692	2,681	2,692
Parking	52,794	53,648	48,386	49,269
Registration and other permits	1,758	1,759	1,758	1,759
Building services	5,238	3,597	5,238	3,597
Waste management services	59	44	59	44
Berthing	703	665	703	665
Other fees and charges	2,429	2,467	1,750	1,777
	70,838	69,813	65,756	64,746

Note 6. Grants

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Summary of Grants				
Commonwealth funded grants	1,495	986	1,495	986
State funded grants	18,821	29,019	18,821	29,019
	20,316	30,005	20,316	30,005
Operating Grants				
<i>Recurrent - Commonwealth Government</i>				
General home care	201	181	201	181
Other	39	43	39	43
	240	224	240	224
<i>Recurrent - State Government</i>				
Victoria Grants Commission	1,274	3,610	1,274	3,610
Aged care	2,888	2,796	2,888	2,796
Libraries	763	761	763	761
Maternal & Child Health	572	518	572	518
Pre School Services	374	316	374	316
Support Services for Families	438	323	438	323
Disability Services Grant	127	122	127	122
Other	986	918	986	918
	7,422	9,364	7,422	9,364
Total Recurrent Operating Grants	7,662	9,588	7,662	9,588
<i>Non-recurrent - Commonwealth Government</i>				
Arts Programs	-	315	-	315
Other	321	-	321	-
	321	315	321	315
<i>Non-recurrent - State Government</i>				
Recycling Projects	181	-	181	-
Roads & Streets	137	-	137	-
Other	482	586	482	586
	800	586	800	586
Total Non-recurrent Operating Grants	1,121	901	1,121	901
Total Operating Grants	8,783	10,489	8,783	10,489

Note 6. Grants (cont'd)

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Capital Grants				
<i>Recurrent - Commonwealth Government</i>				
Roads to recovery	934	327	934	327
Park & Gardens	-	-	-	-
	934	327	934	327
<i>Recurrent - State Government</i>				
Parking Levy	7,000	7,000	7,000	7,000
Road & Streets	328	1,003	328	1,003
	7,328	8,003	7,328	8,003
Total Recurrent Capital Grants	8,262	8,330	8,262	8,330
<i>Non-recurrent - Commonwealth Government</i>				
Other	-	120	-	120
	-	120	-	120
<i>Non-recurrent - State Government</i>				
Buildings	50	288	50	288
Sporting Facility	-	3,525	-	3,525
Park & Gardens	2,380	4,525	2,380	4,525
Water Initiatives	-	178	-	178
Road & Streets	741	250	741	250
Living Victoria Fund	100	2,300	100	2,300
	3,271	11,066	3,271	11,066
Total Non-recurrent Capital Grants	3,271	11,186	3,271	11,186
Total Capital Grants	11,533	19,516	11,533	19,516

Conditions on grants

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Grants recognised as revenues during the financial year and which were obtained on the condition that they be expended in a specific manner that had not occurred at balance date:				
Grants for capital works	1,596	4,999	1,596	4,999
Grants for other purposes	441	398	441	398
	2,037	5,397	2,037	5,397
Deduct				
Grants which were recognised as revenues in prior year and which were expended during the current year in the manner specified were:				
Grants for capital works	4,999	5,266	4,999	5,266
Grants for other purposes	398	1,038	398	1,038
	5,397	6,304	5,397	6,304
Net decrease in restricted assets resulting from grant revenue for the financial year	(3,360)	(907)	(3,360)	(907)

Note 7. Contributions

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Public Open Space Contributions	9,615	12,111	9,615	12,111
Child Care Benefit	1,978	1,834	1,978	1,834
Sponsorships	1,046	873	797	575
Non-Government - Capital	392	314	392	314
Other Contributions	1,336	663	1,336	663
Total Monetary Contributions	14,367	15,795	14,118	15,497
Land	2,252	19,355	2,252	19,355
Buildings	720	-	720	-
Infrastructure	1,185	12,739	1,185	12,739
Total Non-Monetary Contributions	4,157	32,094	4,157	32,094
Total Contributions	18,524	47,889	18,275	47,591

Note 8. Net gain/ (loss) on disposal of property, infrastructure, plant and equipment

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Land & Buildings & Infrastructure				
Proceeds of sales	1,034	1,477	1,034	1,477
Written down value of assets disposed	(797)	(62)	(797)	(62)
Gain on sale	237	1,415	237	1,415
Plant, Equipment				
Proceeds of sales	10,219	1,102	419	450
Written down value of assets disposed	(2,238)	(484)	(1,182)	(484)
(Loss)/Gain on sale	7,981	618	(763)	(34)
Total proceeds of sale	11,253	2,579	1,453	1,927
Total written down value of assets disposed	(3,035)	(546)	(1,979)	(546)
Total net gain / (loss) on disposal of property, infrastructure, plant and equipment	8,218	2,033	(526)	1,381

Note 9. Other income

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest	2,755	3,851	2,311	3,417
Dividends	-	-	3,667	2,744
Investment property/market rentals*	27,800	25,657	9,484	7,724
Intercompany revenue	-	-	8,083	9,142
Sales & recoveries**	180,396	188,450	6,778	7,409
Project income	290	456	256	326
Total Other Income	211,241	218,414	30,579	30,762

* Market rentals consolidated includes Queen Victoria Market stall holder revenue of \$18.204 million for 2016 (2015: \$17.774 million).

** Sales & recoveries consolidated includes Citywide rendering of services revenue of \$171.471 million for 2016 (2015: \$178.372 million).

EXPENSE

Note 10. Employee benefit expenses

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Wages and salaries	186,373	176,159	110,921	101,121
WorkCover	2,622	3,280	615	886
Temporary non-permanent	5,083	4,829	4,363	4,675
Superannuation	19,563	17,926	12,251	11,262
Fringe benefits tax	1,849	1,878	592	464
Annual leave and long services leave	20,345	21,274	14,550	14,390
	235,835	225,346	143,292	132,798

Superannuation

Council	2016 \$'000	2015 \$'000
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	170	138
Melbourne City Council Superannuation sub-plan (Vision Super)	1,077	1,019
	1,247	1,157
Employer contributions payable at reporting date	-	-
Accumulation funds		
Employer contributions to Vision Super	8,119	7,534
Employer contributions - other funds	2,885	2,571
	11,004	10,105
Employer contributions payable at reporting date	-	-

Council's contributions and exposure in relation to super funds are detailed at note 36.

Note 11. Materials and services

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Contract payments	131,708	125,355	109,338	108,726
Building maintenance	268	729	268	472
General maintenance	28,961	30,031	11,652	10,986
Utilities	11,484	11,386	7,712	7,577
Supplies	27,410	28,641	2,172	2,069
Administration	15,913	17,115	11,553	12,348
Information technology	4,839	5,512	3,724	4,242
Insurance	3,359	3,391	1,522	1,496
Professional Services	17,018	17,249	11,820	12,705
	240,960	239,409	159,761	160,621

Note 12. Bad and doubtful debts

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Parking fine debtors	5,279	6,487	5,279	6,487
Other debtors	167	267	52	143
	5,446	6,754	5,331	6,630

Note 13. Depreciation and amortisation

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Property	7,781	7,470	7,028	6,893
Plant and equipment	20,791	19,506	7,100	6,719
Infrastructure	39,780	39,553	39,780	39,468
Library	1,574	1,226	1,574	1,226
Intangible assets	3,603	6,337	3,303	3,379
	73,529	74,092	58,785	57,685

Note 14. Borrowing costs

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest - Borrowings	927	164	897	-
	927	164	897	-

Note 15. Other expenses

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Auditors' remuneration-VAGO-audit of the financial statements	252	229	149	129
Audit services - external other	33	32	33	32
Audit services - internal	459	450	202	196
Fire brigade levy	176	105	176	105
Taxes and levies	2,920	2,197	1,532	885
Operating lease rental	4,551	4,301	1,727	1,639
Finance Costs	927	164	897	-
Other costs	1,665	1,867	1,381	1,683
	10,983	9,345	6,097	4,669

ASSETS

Note 16. Cash and cash equivalents

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash on hand	71	76	41	37
Cash at bank	43,569	88,378	36,069	81,783
Term deposits	44,700	22,018	47,000	19,699
Cash and cash equivalents	88,340	110,472	83,110	101,519

Council held cash at bank of \$76 million, as at 30 June 2015 in order to make final payment on the Munro Site.

Restricted funds

Council has cash and cash equivalents that are subject to external restrictions that limit amounts available for discretionary use. These include:

	Consolidated			Council	
	2016 \$'000	2015 \$'000	Note	2016 \$'000	2015 \$'000
Trust funds and deposits	9,112	8,526	26	6,718	6,111
Reserve funds (Public Open Space)	23,091	18,671	29	23,091	18,671
Total restricted funds	32,203	27,197		29,809	24,782
Total unrestricted cash and cash equivalents	56,137	83,275		53,301	76,737

Intended allocations

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

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash held to fund carried forward capital works	26,442	27,417	26,442	27,417
Total funds subject to intended allocations	26,442	27,417	26,442	27,417

Note 17. Trade and other receivables

Current	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Rate debtors	1,955	818	1,955	818
Parking infringement debtors	32,525	31,265	32,525	31,265
Provision for doubtful debts - Parking infringements	(17,722)	(16,633)	(17,722)	(16,633)
Other debtors	33,178	32,235	5,560	6,770
Provision for doubtful debts - Trade debtors	(826)	(794)	(288)	(371)
Net GST receivable	2,998	2,896	4,595	5,286
Total current trade and other receivables	52,108	49,787	26,625	27,135

Non-Current	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Project Loans	1,342	797	-	-
Total current trade and other receivables	1,342	797	-	-

Project loans relate to funds on loan from the Sustainable Melbourne Fund to organisations undertaking works for environmentally sustainable projects.

Note 17. Trade and other receivables (cont'd)

Ageing of receivables - Other debtors	Consolidated		Council	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current (not yet due)	26,572	27,050	3,206	4,597
Past due by up to 30 days	2,561	3,277	1,167	1,093
Past due between 31 and 180 days	3,134	1,544	1,033	880
Past due between 181 and 365 days	888	280	131	116
Past due by more than 1 year	23	84	23	84
Total	33,178	32,235	5,560	6,770

Provision for doubtful debts	Consolidated		Council	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Provision for doubtful debts - Parking infringement	17,722	16,633	17,722	16,633
Provision for doubtful debts - Trade debtors	826	794	288	371
Total	18,548	17,427	18,010	17,004

Movement in doubtful debts - parking infringement	Consolidated		Council	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the year	16,633	14,732	16,633	14,732
New provisions recognised	5,279	6,487	5,279	6,487
Amounts written off as uncollectible	(6,630)	(6,984)	(6,630)	(6,984)
Amounts recovered during the year	2,440	2,398	2,440	2,398
Balance at the end of the year	17,722	16,633	17,722	16,633

Movement in doubtful debts - trade debtors	Consolidated		Council	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the year	794	556	371	246
New provisions recognised	64	279	(82)	126
Amounts written off as uncollectible	(165)	(124)	(134)	(84)
Amounts recovered during the year	133	83	133	83
Balance at the end of the year	826	794	288	371

Ageing of impaired receivables

At balance date, trade debtors representing financial assets with a nominal value of \$0.826 million (2015: \$0.794 million) were impaired. The amount of the new provision raised against these debtors was \$0.064 million (2015: \$0.279 million). They individually 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 receivables that have been individually determined as impaired at reporting date was:

Ageing of receivables (impaired)	Consolidated		Council	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current (not yet due)	172	169	-	-
Past due by up to 30 days	3	67	-	-
Past due between 31 and 180 days	88	143	79	129
Past due between 181 and 365 days	472	332	118	159
Past due by more than 1 year	91	83	91	83
Total	826	794	288	371

Note 18. Other financial assets

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Term deposits	12,550	13,800	5,000	7,000
	12,550	13,800	5,000	7,000

Term deposits with an original maturity date of greater than three months from acquisition of the financial asset.

Note 19. Inventories

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Inventory held for distribution	580	816	-	-
	580	816	-	-

Note 20. Other assets

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Prepayments	4,174	2,027	1,789	2,430
Deposit of property purchase*	-	7,600	-	7,600
Accrued income	4,490	6,033	2,307	1,927
Other	-	-	2,991	707
	8,664	15,660	7,087	12,664

* Deposit of property purchase \$7.6 million deposit paid for Munro site. Site cost was \$76 million, balance was paid in 2015-16.

Note 21. Investment in subsidiaries, associates and trust

Non-Current	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
a) Subsidiaries				
CityWide Service Solutions Pty Ltd	-	-	18,406	18,406
Queen Victoria Market Pty Ltd	-	-	200	200
Sustainable Melbourne Fund	-	-	5,539	5,804
Enterprise Melbourne*	-	-	-	-
	-	-	24,145	24,410
b) Associates				
Regent Management Company Pty Ltd	7,000	7,000	7,000	7,000
MAPS Group Ltd (Procurement Australia)	250	250	250	250
	7,250	7,250	7,250	7,250
	7,250	7,250	31,395	31,660

* Investment in Enterprise Melbourne is \$2.

Note 21. Investment in subsidiaries, associates and trust (cont'd)**a) Subsidiaries*****Citywide Service Solutions Pty Ltd (100% owned subsidiary of Council)***

The Company is a proprietary company incorporated under the Corporations Act 2001, and is domiciled in Australia. The Company's registered office and principal place of business is 294 Arden St, North Melbourne VIC 3001.

Citywide has 100% equity interest in the following subsidiaries: Sterling Group Services Pty Ltd, AWD Earthmoving Pty Ltd, Technigro Australia Pty Ltd and Technigro Pty Ltd.

The principal activities are to meet the contract service needs of local government, other government and private and public sector corporations and the community by providing a comprehensive range of quality, physical services.

Council has 100% voting rights which clearly demonstrate power over investee and the ability to affect the amount of the investor's returns. Council is exposed to variable returns in the form of dividends and tax equivalent payments. Controlling interest held.

	2016 \$'000	2015 \$'000
Summarised statement of comprehensive income		
Total income	244,337	245,698
Total expenses	238,782	242,329
Surplus/(deficit) for the year	<u>5,555</u>	<u>3,369</u>
Other comprehensive income	7,893	-
Total comprehensive result	<u>13,448</u>	<u>3,369</u>
Summarised balance sheet		
Current assets	47,820	52,520
Non-current assets	103,366	88,352
Total assets	<u>151,186</u>	<u>140,872</u>
Current liabilities	57,330	57,046
Non-current liabilities	7,207	6,975
Total liabilities	<u>64,537</u>	<u>64,021</u>
Net assets	<u>86,649</u>	<u>76,851</u>
Summarised statement of cash flows		
Net cash provided/(used in) operating activities	6,297	23,558
Net cash provided/(used in) investing activities	(6,539)	(8,964)
Net cash provided/(used in) financing activities	(2,600)	(9,400)
Net increase / (decrease) in cash and cash equivalents	<u>(2,842)</u>	<u>5,194</u>

Note 21. Investment in subsidiaries, associates and trust (cont'd)**Queen Victoria Market Pty Ltd (100% owned subsidiary of Council)**

The principal activities are to ensure that the market maintains and enhances an industry reputation as Australia's foremost leading market, whilst meeting world's best practice standards.

Council has 100% voting rights which clearly demonstrate power over investee and the ability to affect the amount of the investor's returns. Council is exposed to variable returns in the form of dividends and tax equivalent payments. Controlling interest held.

	2016 \$'000	2015 \$'000
Summarised statement of comprehensive income		
Total income	23,706	23,314
Total expenses	23,666	22,950
Surplus/(deficit) for the year	40	364
Other comprehensive income	-	-
Total comprehensive result	40	364
Summarised balance sheet		
Current assets	7,499	7,540
Non-current assets	2,885	3,095
Total assets	10,384	10,635
Current liabilities	3,196	3,520
Non-current liabilities	1,822	1,771
Total liabilities	5,018	5,291
Net assets	5,366	5,344
Summarised statement of cash flows		
Net cash provided/(used in) operating activities	809	548
Net cash provided/(used in) investing activities	(1,030)	(3,157)
Net cash provided/(used in) financing activities	(146)	(252)
Net increase / (decrease) in cash and cash equivalents	(367)	(2,861)

Note 21. Investment in subsidiaries, associates and trust (cont'd)***Sustainable Melbourne Fund Trust (100% owned subsidiary of Council)***

A self-sustaining fund set up by Council which invests funds in projects with environmental benefits to the City. The projects may extend beyond the boundaries of Council to the broader state of Victoria, reflecting the position of Melbourne as the capital city of Victoria.

Council has 100% voting rights which clearly demonstrate power over investee and the ability to affect the amount of the investor's returns. Council is exposed to variable returns in the form of conversion of surpluses to units. Controlling interest held.

	2016	2015
	\$'000	\$'000
Summarised statement of comprehensive income		
Total income	279	386
Total expenses	(543)	(618)
Surplus/(deficit) for the year	(264)	(232)
Other comprehensive income	-	-
Total comprehensive result	(264)	(232)
Summarised balance sheet		
Current assets	4,304	5,079
Non-current assets	1,342	795
Total assets	5,646	5,874
Current liabilities	88	57
Non-current liabilities	20	14
Total liabilities	108	71
Net assets	5,538	5,803
Summarised statement of cash flows		
Net cash provided/(used in) operating activities	(513)	(440)
Net cash provided/(used in) investing activities	-	400
Net cash provided/(used in) financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(513)	(40)

Note 21. Investment in subsidiaries, associates and trust (cont'd)***Enterprise Melbourne Pty Ltd (100% owned subsidiary of Council)***

Enterprise Melbourne was established by Council to drive economic development for the City through supporting existing business growth, as well as attracting new local and international investment.

Council has 100% voting rights which clearly demonstrate power over investee and the ability to affect the amount of the investor's returns. Council is exposed financially to the investee as it funds its operations. Controlling interest held.

	2016 \$'000	2015 \$'000
Summarised statement of comprehensive income		
Total income	26	2
Total expenses	597	369
Surplus/(deficit) for the year	(571)	(367)
Other comprehensive income	-	-
Total comprehensive result	(571)	(367)
Summarised balance sheet		
Current assets	116	59
Non-current assets	-	-
Total assets	116	59
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net assets	116	59
Summarised statement of cash flows		
Net cash provided/(used in) operating activities	(571)	(367)
Net cash provided/(used in) investing activities	629	380
Net cash provided/(used in) financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	58	13

Note 21. Investment in subsidiaries, associates and trust (cont'd)

b) Associates

Regent Management Company (50% owned by Council)

- Council and the State Government of Victoria hold an equal 50% share in this entity. Council has 50% voting rights. Both parties collectively control the entity but neither party can direct activities without co-operation of the other. Therefore a significant interest is held but not a controlling interest.
- Regent Management Pty Ltd reported an operating loss of \$261,040 for year ended 30 June 2016 and an operating profit of \$408,063 for the previous year.
- The latest valuation of the Regent Management Company Pty Ltd's assets was undertaken on 29 June 2015 on the basis of fair value by a qualified valuer Beau Jarvis, Certified Practising Valuer, member of Australian Property Institute, member number 77334. Land and building values are \$14.0 million as at 30 June 2015. The 2015 valuation is the most current valuation pending an upcoming rental review in the 2016/17 financial year.

MAPS Group Ltd (63% owned by Council)

- MAPS Group Ltd (MAPS) has issued a total of 396,862 fully paid ordinary shares. Council holds 250,000 shares in the Company, being 63 per cent of the issued capital of the Company. However due to the company constitution Council has 9% of voting rights (does not have the ability to direct activities of the entity without the co-operation of the other Councils). Therefore a significant interest is held but not a controlling interest.
- MAPS reported an operating profit for the year ending 30 September 2015 of \$988,974 compared to a profit of \$910,536 for the previous year. The Company paid a dividend for the 2015 financial year of 21.0 cents per share. Dividend payment of \$52,500 was received in December 2015. Net assets are \$4.1 million as at 30 September 2015.

Note 22. Property, infrastructure, plant and equipment**Summary of Property Plant and Equipment**

Consolidated	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,867,835	-	1,867,835	1,659,004	-	1,659,004
Buildings	346,912	(6,823)	340,089	306,457	(5,907)	300,550
Plant and Equipment	217,847	(137,108)	80,739	210,870	(128,837)	82,033
Infrastructure	1,423,703	(11,079)	1,412,624	1,391,414	(9,015)	1,382,399
Work in progress	78,340	-	78,340	98,298	-	98,298
Total	3,934,637	(155,010)	3,779,627	3,666,043	(143,759)	3,522,284

Summary of Work in Progress

Consolidated	Opening WIP	Additions	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000
Land & Buildings	27,634	13,779	(26,822)	14,591
Plant and Equipment	10,055	9,291	(7,709)	11,637
Infrastructure	60,609	44,851	(53,348)	52,112
Total	98,298	67,921	(87,879)	78,340

Note 22. Property, infrastructure plant and equipment (cont'd)

Summary of Property Plant and Equipment

Council	At Fair Value 30 June 2016 \$'000	Accumulated Depreciation \$'000	WDV 30 June 2016 \$'000	At Fair Value 30 June 2015 \$'000	Accumulated Depreciation \$'000	WDV 30 June 2015 \$'000
Land	1,846,403	-	1,846,403	1,647,496	-	1,647,496
Buildings	334,702	(1,334)	333,368	296,977	(1,171)	295,806
Plant and Equipment	89,832	(56,263)	33,569	83,048	(47,956)	35,092
Infrastructure	1,423,703	(11,079)	1,412,624	1,391,414	(9,015)	1,382,399
Work in progress	78,014	-	78,014	97,936	-	97,936
Total	3,772,654	(68,676)	3,703,978	3,516,871	(58,142)	3,458,729

Summary of Work in Progress

Council	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Land & Buildings	27,272	13,647	(26,655)	14,264
Plant and Equipment	10,055	9,293	(7,709)	11,639
Infrastructure	60,609	44,851	(53,348)	52,112
Total	97,936	67,791	(87,712)	78,015

Note 22. Property, infrastructure plant and equipment (cont'd)
Property

Consolidated \$'000	Land - specialised	Land - non specialised	Total Land	Heritage Buildings	Buildings - specialised	Buildings - non specialised	Leasehold Improvements	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2015	1,556,084	102,920	1,659,004	155,806	94,657	55,059	7,664	313,186	27,634	1,999,824
Accumulated depreciation at 1 July 2015	-	-	-	(1,436)	(5,097)	(2,292)	(3,811)	(12,636)	-	(12,636)
	1,556,084	102,920	1,659,004	154,370	89,560	52,767	3,853	300,550	27,634	1,987,188
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	45	-	2,649	2,694	13,779	16,473
Transfers from WIP	8,166	1,715	9,881	1,818	13,598	2,327	167	17,910	(26,822)	969
Revaluation increments/decrements	180,671	19,131	199,802	13,648	(1,079)	13,558	-	26,127	-	225,929
Fair value of assets disposed	-	(785)	(785)	-	(108)	-	(23)	(131)	-	(916)
Impairment losses recognised in operating result	(1,350)	-	(1,350)	-	-	-	-	-	-	(1,350)
Reclassify and contributed assets	(9,870)	9,870	-	-	7,210	(7,210)	-	-	-	-
Contributed asset	498	785	1,283	-	720	-	-	720	-	2,003
	178,115	30,716	208,831	15,466	20,386	8,675	2,793	47,320	(13,043)	243,108
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	-	(1,591)	(3,949)	(1,495)	(746)	(7,781)	-	(7,781)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
	-	-	-	(1,591)	(3,949)	(1,495)	(746)	(7,781)	-	(7,781)
At fair value 30 June 2016	1,734,199	133,636	1,867,835	171,272	115,043	63,734	10,457	360,506	14,591	2,242,932
Accumulated depreciation at 30 June 2016	-	-	-	(3,027)	(9,046)	(3,787)	(4,557)	(20,417)	-	(20,417)
	1,734,199	133,636	1,867,835	168,245	105,997	59,947	5,900	340,089	14,591	2,222,515

Note 22. Property, infrastructure plant and equipment (cont'd)

Property

Council \$'000	Land - specialised	Land - non specialised	Total Land	Heritage Buildings	Buildings - specialised	Buildings - non specialised	Leasehold Improvements	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2015	1,544,576	102,920	1,647,496	155,806	90,052	55,059	2,790	303,707	27,272	1,978,475
Accumulated depreciation at 1 July 2015	-	-	-	(1,436)	(3,002)	(2,292)	(1,171)	(7,901)	-	(7,901)
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	13,647	13,647
Transfers from WIP	7,197	1,715	8,912	1,818	13,598	2,327	-	17,743	(26,655)	-
Revaluation increments/decrements	169,397	19,131	188,528	13,648	(1,079)	13,558	-	26,127	-	214,655
Fair value of assets disposed	-	(785)	(785)	-	-	-	-	-	-	(785)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Assets Reclassify	(9,870)	9,870	-	-	7,210	(7,210)	-	-	-	-
Contributed assets	1,467	785	2,252	-	720	-	-	720	-	2,972
	168,191	30,716	198,907	15,466	20,449	8,675	-	44,590	(13,008)	230,489
Movements in accumulated depreciation										
Depreciation and amortisation	-	-	-	(1,591)	(3,779)	(1,495)	(163)	(7,028)	-	(7,028)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
	-	-	-	(1,591)	(3,779)	(1,495)	(163)	(7,028)	-	(7,028)
At fair value 30 June 2016	1,712,767	133,636	1,846,403	171,272	110,501	63,734	2,790	348,297	14,264	2,208,964
Accumulated depreciation at 30 June 2016	-	-	-	(3,027)	(6,781)	(3,787)	(1,334)	(14,929)	-	(14,929)
	1,712,767	133,636	1,846,403	168,245	103,720	59,947	1,456	333,368	14,264	2,194,034

Note 22. Property, infrastructure plant and equipment (cont'd)
Plant and equipment

Consolidated \$'000	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Work In Progress	Total plant and equipment
At fair value 1 July 2015	154,253	7,399	37,717	11,501	10,055	220,925
Accumulated depreciation at 1 July 2015	(95,573)	(5,640)	(20,861)	(6,763)	-	(128,837)
	58,680	1,759	16,856	4,738	10,055	92,088
Movements in fair value						
Acquisition of assets at fair value	17,061	389	826	-	9,291	27,567
Transfers from WIP	3,427	74	3,089	1,119	(7,709)	-
Revaluation increments/decrements	-	-	-	-	-	-
Fair value of assets disposed	(18,159)	(401)	(448)	-	-	(19,008)
Impairment losses recognised in operating result	-	-	-	-	-	-
Reclassify and contributed assets	-	-	-	-	-	-
	2,329	62	3,467	1,119	1,582	8,559
Movements in accumulated depreciation						
Depreciation and amortisation	(15,257)	(795)	(4,739)	(1,574)	-	(22,365)
Accumulated depreciation of disposals	13,428	248	418	-	-	14,094
	(1,829)	(547)	(4,321)	(1,574)	-	(8,271)
At fair value 30 June 2016	156,582	7,461	41,184	12,620	11,637	229,484
Accumulated depreciation at 30 June 2016	(97,402)	(6,187)	(25,182)	(8,337)	-	(137,108)
	59,180	1,274	16,002	4,283	11,637	92,376

Note 22. Property, infrastructure plant and equipment (cont'd)
Plant and equipment

Council \$'000	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Work In Progress	Total plant and equipment
At fair value 1 July 2015	35,318	5,237	30,992	11,501	10,055	93,103
Accumulated depreciation at 1 July 2015	(21,019)	(4,251)	(15,923)	(6,763)	-	(47,956)
	<u>14,299</u>	<u>986</u>	<u>15,069</u>	<u>4,738</u>	<u>10,055</u>	<u>45,147</u>
Movements in fair value						
Acquisition of assets at fair value	-	-	-	-	9,293	9,293
Transfers from WIP	3,427	74	3,089	1,119	(7,709)	(0)
Revaluation increments/decrements	-	-	-	-	-	-
Fair value of assets disposed	(922)	-	(3)	-	-	(925)
Impairment losses recognised in operating result	-	-	-	-	-	-
Assets Reclassify	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-
	<u>2,505</u>	<u>74</u>	<u>3,086</u>	<u>1,119</u>	<u>1,584</u>	<u>8,368</u>
Movements in accumulated depreciation						
Depreciation and amortisation	(2,758)	(544)	(3,799)	(1,574)	-	(8,675)
Accumulated depreciation of disposals	366	-	3	-	-	369
	<u>(2,392)</u>	<u>(544)</u>	<u>(3,796)</u>	<u>(1,574)</u>	<u>-</u>	<u>(8,306)</u>
At fair value 30 June 2016	37,823	5,311	34,078	12,620	11,639	101,471
Accumulated depreciation at 30 June 2016	(23,411)	(4,795)	(19,719)	(8,337)	-	(56,262)
	<u>14,412</u>	<u>516</u>	<u>14,359</u>	<u>4,283</u>	<u>11,639</u>	<u>45,209</u>

Note 22. Property, infrastructure plant and equipment (cont'd)
Infrastructure

Consolidated \$'000	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Parks open spaces and streetscapes	Other infrastructure	Statuses, sculptures and artworks	Work In Progress	Total Infrastructure
At fair value 1 July 2015	747,628	95,560	148,478	131,443	5,953	38,765	204,926	56,123	60,609	1,489,485
Accumulated depreciation at 1 July 2015	(15,753)	(1,367)	(7,601)	(1,709)	(841)	-	(12,014)	(7,192)	-	(46,477)
	731,875	94,193	140,877	129,734	5,112	38,765	192,912	48,931	60,609	1,443,008
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	44,851	44,851
Transfers from WIP	15,530	798	8,027	6,380	806	3,311	17,707	790	(53,348)	-
Revaluation increments/decrements	13,676	(1,089)	2,163	(2,419)	(129)	(1,691)	5,606	-	-	16,117
Fair value of assets disposed	(12)	-	-	-	-	-	-	(637)	-	(649)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Reclassify and contributed assets	-	-	-	-	150	-	235	800	-	1,185
	29,194	(291)	10,190	3,961	827	1,620	23,548	953	(8,497)	61,504
Movements in accumulated depreciation										
Depreciation and amortisation	(16,917)	(1,413)	(6,454)	(1,736)	(367)	-	(12,230)	(663)	-	(39,780)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	3	-	3
	(16,917)	(1,413)	(6,454)	(1,736)	(367)	-	(12,230)	(660)	-	(39,777)
At fair value 30 June 2016	776,822	95,269	158,668	135,404	6,780	40,385	228,474	57,076	52,112	1,550,990
Accumulated depreciation at 30 June 2016	(32,670)	(2,780)	(14,055)	(3,445)	(1,208)	-	(24,244)	(7,852)	-	(86,254)
	744,152	92,489	144,613	131,959	5,572	40,385	204,230	49,224	52,112	1,464,736

Note 22. Property, infrastructure plant and equipment (cont'd)
Infrastructure

Council \$'000	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Parks open spaces and streetscapes	Other infrastructure	Statues, sculptures and artworks	Work In Progress	Total Infrastructure
At fair value 1 July 2015	747,628	95,560	148,478	131,443	5,953	38,765	204,926	56,123	60,609	1,489,485
Accumulated depreciation at 1 July 2015	(15,753)	(1,367)	(7,601)	(1,709)	(841)	-	(12,014)	(7,192)	-	(46,477)
	731,875	94,193	140,877	129,734	5,112	38,765	192,912	48,931	60,609	1,443,008
Movements in fair value										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	44,851	44,851
Transfers from WIP	15,530	798	8,027	6,380	806	3,311	17,707	790	(53,348)	-
Revaluation increments/decrements	13,676	(1,089)	2,163	(2,419)	(129)	(1,691)	5,606	-	-	16,117
Fair value of assets disposed	(12)	-	-	-	-	-	-	(637)	-	(649)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Assets Reclassify	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	150	-	235	800	-	1,185
	29,194	(291)	10,190	3,961	827	1,620	23,548	953	(8,497)	61,504
Movements in accumulated depreciation										
Depreciation and amortisation	(16,917)	(1,413)	(6,454)	(1,736)	(367)	-	(12,230)	(663)	-	(39,780)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	3	-	3
	(16,917)	(1,413)	(6,454)	(1,736)	(367)	-	(12,230)	(660)	-	(39,777)
At fair value 30 June 2016	776,822	95,269	158,668	135,404	6,780	40,385	228,474	57,076	52,112	1,550,990
Accumulated depreciation at 30 June 2016	(32,670)	(2,780)	(14,055)	(3,445)	(1,208)	-	(24,244)	(7,852)	-	(86,254)
	744,152	92,489	144,613	131,959	5,572	40,385	204,230	49,224	52,112	1,464,736

Note 22. Property, infrastructure, plant and equipment (cont'd)**a) Valuation of property**

Valuation of land and buildings were undertaken by a qualified valuer Pauline Lawson, Certified Practising Valuer, member of Australian Property Institute, member number 1138. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

Council	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Non-specialised land	-	123,406	10,230	133,636
Specialised land	-	13,350	1,699,417	1,712,767
Total land	-	136,756	1,709,647	1,846,403
Heritage Buildings	-	10,620	157,625	168,245
Buildings	-	63,037	100,630	163,667
Total buildings	-	73,657	258,255	331,912

No transfers between levels occurred during the year.

b) Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Thyagie Wettasinghe, Asset Engineer, Master of Asset Management.

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

Note 22. Property, infrastructure, plant and equipment (cont'd)

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

Council	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Roads	-	-	744,152	744,152
Bridges	-	-	92,489	92,489
Footpaths and cycleways	-	-	144,613	144,613
Drainage	-	-	131,959	131,959
Recreational, leisure and community facilities	-	-	5,572	5,572
Parks, open space and streetscapes	-	-	40,385	40,385
Promenades and wharves	-	-	61,344	61,344
Other infrastructure	-	-	142,886	142,886
Total Infrastructure	-	-	1,363,400	1,363,400

No transfers between levels occurred during the year.

c) Description of significant unobservable inputs into Level 3 valuations

Council	2016 \$'000	2015 \$'000
Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$41 and \$9,680 per square meter.	1,712,767	1,544,576
Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$74 to \$10,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.	103,720	87,050
Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure asses are determined on the basis of the current condition of the asset and vary from 10 years to 189 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.	1,363,400	1,333,468

Note 22. Property, infrastructure, plant and equipment (cont'd)**d) Reconciliation of specialised land**

Council	2016 \$'000	2015 \$'000
Land under roads	17,200	17,200
Parks and reserves	1,695,567	1,527,376
Total specialised land	1,712,767	1,544,576

Note 23. Investment property

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Land				
Balance at beginning of financial year	46,344	46,364	46,344	46,364
Additions	69,500	-	69,500	-
Disposals	-	(50)	-	(50)
Fair value adjustment	24,726	30	24,726	30
Balance at end of financial year	140,570	46,344	140,570	46,344
Buildings				
Balance at beginning of financial year	67,725	67,425	67,725	67,425
Additions	7,602	1,386	7,602	1,386
Transfer	-	(1,420)	-	(1,420)
Fair value adjustment	(7,877)	334	(7,877)	334
Balance at end of financial year	67,450	67,725	67,450	67,725
Total investment properties	208,020	114,069	208,020	114,069

Valuation of investment property

Valuation of investment property has been determined in accordance with a valuation by a qualified valuer Pauline Lawson, Certified Practising Valuer, member of Australian Property Institute, member number 1138. The valuation is at fair value, based on the current market value for the property.

Note 24. Intangible assets**a) Intangible assets**

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Software	14,353	10,853	14,353	10,853
Goodwill	22,770	22,770	-	-
Customer relationships	675	974	-	-
	37,798	34,597	14,353	10,853

Note 24. Intangible assets (cont'd)

Consolidated	Software	Goodwill	Customer relationships	Total
	\$'000	\$'000	\$'000	\$'000
Gross carrying amount				
Balance at 1 July 2014	34,625	25,928	1,500	62,053
Additions from acquisition	3,227	-	-	3,227
Other	(15,407)	(500)	-	(15,907)
Balance at 1 July 2015	22,445	25,428	1,500	49,373
Additions from acquisition	6,803	-	-	6,803
Other	-	-	-	-
Balance at 30 June 2016	29,248	25,428	1,500	56,176
Accumulated amortisation and impairment				
Balance at 1 July 2014	(23,621)	-	(226)	(23,847)
Amortisation expense	(3,378)	-	(300)	(3,678)
Impairment expense	-	(2,658)	-	(2,658)
Amortisation written back	15,407	-	-	15,407
Balance at 1 July 2015	(11,592)	(2,658)	(526)	(14,776)
Amortisation expense	(3,303)	-	(299)	(3,602)
Impairment expense	-	-	-	-
Amortisation written back	-	-	-	-
Balance at 30 June 2016	(14,895)	(2,658)	(825)	(18,378)
				-
Net book value at 30 June 2015	10,853	22,770	974	34,597
Net book value at 30 June 2016	14,353	22,770	675	37,798

Council	Software	Goodwill	Customer relationships	Total
	\$'000	\$'000	\$'000	\$'000
Gross carrying amount				
Balance at 1 July 2014	34,625	-	-	34,625
Additions from acquisition	3,227	-	-	3,227
Other	(15,407)	-	-	(15,407)
Balance at 1 July 2015	22,445	-	-	22,445
Additions from acquisition	6,803	-	-	6,803
Other	-	-	-	-
Balance at 30 June 2016	29,248	-	-	29,248
Accumulated amortisation and impairment				
Balance at 1 July 2014	(23,621)	-	-	(23,621)
Amortisation expense	(3,378)	-	-	(3,378)
Amortisation written back	15,407	-	-	15,407
Balance at 1 July 2015	(11,592)	-	-	(11,592)
Amortisation expense	(3,303)	-	-	(3,303)
Amortisation written back	-	-	-	-
Balance at 30 June 2016	(14,895)	-	-	(14,895)
				-
Net book value at 30 June 2015	10,853	-	-	10,853
Net book value at 30 June 2016	14,353	-	-	14,353

Note 24. Intangible assets (cont'd)**b) Impairment testing for cash generating units containing goodwill**

Goodwill is related with Council's subsidiary Citywide Service Solutions Pty Ltd. Goodwill has been reviewed for impairment for the year ending 30 June 2016.

For the purposes of impairment testing, goodwill is allocated to the consolidated entity's operating divisions. The aggregate carrying amounts allocated to each Cash Generating Unit (CGU) are as follows:

	2016 \$'000	2015 \$'000
Current		
Arboriculture VIC	194	194
Horticulture VIC	5,224	5,224
Street Cleaning VIC	3,296	3,296
Open Space NSW	7,868	7,868
Infrastructure Services	-	-
Open Space QLD	6,188	6,188
	22,770	22,770

The recoverable amount of each CGU has been determined based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The recoverable amount of each unit was determined to be in excess of the carrying value for each CGU, and therefore no impairments/adjustments have been recognised other than detailed below.

c) Key assumptions used in the discounted cash flow projections

The key assumptions used in the calculation of recoverable amounts are discount rates and earnings before income tax, depreciation and amortisation growth (EBITDA). These assumptions are as follows:

	2016 \$'000	2015 \$'000
Current		
Discount Rate	9.30%	9.30%
EBITDA Growth Rate	1.50%	1.00%

The discount rate used is a post-tax measure based on the Citywide's weighted average cost of capital. Previously the discount rate used was based on the risk-free rate for 10-year bonds issued by the Australian government. Impairment testing in the prior year was completed using a discount rate of 10.0%.

Each CGU has five years of cash flows included in its discounted cash flow models. The long-term compound annual growth rate in EBITDA is estimated by management using past experience and expectations for the future.

Budgeted EBITDA growth is expressed as the compound annual growth rates in the initial five years of the plans used for impairment testing and has been based on past experience and expectations for the future.

d) Sensitivity to change in assumptions

Citywide has modelled a 10% reduction in base EBITDA in each CGU and a 1% increase in the discount rate. In each case, the value in use would not be lower than the carrying amount and therefore no impairment charge would arise.

LIABILITIES

Note 25. Trade and other payables

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Trade creditors general	19,141	17,952	8,573	11,215
Accrued expenses	48,107	53,696	38,042	39,965
Income in advance	2,980	5,527	938	2,128
	70,228	77,175	47,553	53,308

Trade creditors are unsecured, not subject to interest charges and are normally settled within 30 days from the date of invoice.

Note 26. Trust funds and deposits

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Refundable deposits	5,752	4,545	3,893	2,726
Fire services levy	2,405	2,639	2,405	2,639
Retention amount	143	560	143	560
Other refundable deposits	812	782	277	186
	9,112	8,526	6,718	6,111

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

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

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

Note 27. Provisions

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current provisions				
Employee provisions	43,028	42,388	30,151	28,606
Other provisions	2,118	1,962	1,808	1,663
	45,146	44,350	31,959	30,269
Non-current provisions				
Employee provisions	5,064	4,849	3,314	2,900
	5,064	4,849	3,314	2,900
Total provisions	50,210	49,199	35,273	33,169

a) Employee provisions

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(a) Current provisions expected to be wholly settled within 12 months				
Annual leave	13,746	14,002	9,986	9,657
Long service leave	2,263	2,536	1,523	1,476
	16,009	16,538	11,509	11,133
(b) Current provisions expected to be wholly settled after 12 months				
Annual leave	1,836	1,857	-	21
Long service leave	25,183	23,993	18,642	17,452
	27,019	25,850	18,642	17,473
Total current provisions	43,028	42,388	30,151	28,606
(c) Non-Current				
Long service leave	5,064	4,849	3,314	2,900
Total non-current provisions	5,064	4,849	3,314	2,900
Aggregate carrying amount of employee provisions				
Current	43,028	42,388	30,151	28,606
Non-current	5,064	4,849	3,314	2,900
Total aggregate carrying amount of employee provisions	48,092	47,237	33,465	31,506

Assumptions adopted in measuring the present value of employee benefits

	Consolidated		Council	
	2016	2015	2016	2015
Weighted average increase in employee costs	3.19%	3.35%	2.61%	2.90%
Weighted average discount rates	1.62%	2.10%	1.59%	2.06%
Weighted average settlement period (months)	48	42	48	43

Note 27. Provisions (cont'd)

b) Other provisions

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(a) Current				
Insurance claims	558	413	558	413
Other	1,560	1,549	1,250	1,250
	2,118	1,962	1,808	1,663
(b) Reconciliation of movements				
Insurance claims				
Balance at the beginning of financial year	413	741	413	741
Additional provisions	285	82	285	82
Prior year finalised	(140)	(410)	(140)	(410)
Balance at the end of the financial year	558	413	558	413
Other *				
Balance at the beginning of financial year	1,549	1,542	1,250	1,250
Additional provisions	11	7	-	-
Balance at the end of the financial year	1,560	1,549	1,250	1,250

* Includes provision for rate objection and payroll tax

Note 28. Interest-bearing loans and borrowing

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-current				
Borrowing	30,000	-	30,000	-
Total	30,000	-	30,000	-
Maturity profile for borrowing is:				
Later than one year and not later than five years	30,000	-	30,000	-

Term borrowing consists of \$30 million 5 year fixed term loan with Clean Energy Finance Corporation, secured by a charge over general rates levied by Council.

EQUITY

Note 29. Reserves

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Asset revaluation - property and infrastructure	1,977,706	1,735,446	1,962,180	1,731,409
Other Reserves				
Restricted				
Reserve for public open space	23,091	18,671	23,091	18,671
Non-Restricted				
Investments revaluation reserve	4,225	4,225	4,225	4,225
Tree Compensation Reserve	2,249	1,704	2,249	1,704
Queen Victoria Market Renewal Project Reserve	9,273	-	9,273	-
	2,016,544	1,760,046	2,001,018	1,756,009

Note 29. Reserves (cont'd)

a) Movement in Reserves – Asset revaluation reserve

Consolidated	Balance at beginning of 2015 \$'000	Increment (Decrement) \$'000	Transfer to Accum Surplus \$'000	Balance at end of 2015 \$'000	Increment (Decrement) \$'000	Transfer to Accum Surplus \$'000	Balance at end of 2016 \$'000
Property							
Land	1,047,612	11,493	-	1,059,105	200,018	-	1,259,123
Buildings	73,600	(2,783)	-	70,817	26,130	-	96,947
Infrastructure							
Roads	321,585	55,718	-	377,303	13,676	-	390,979
Bridges	14,251	2,141	-	16,392	(1,090)	-	15,302
Footpaths and cycleways	109,509	(9,372)	-	100,137	2,162	-	102,299
Drainage	32,703	959	-	33,662	(2,419)	-	31,243
Recreational, leisure and community facilities	-	34	-	34	(130)	-	(96)
Parks, open space and streetscapes	9,027	(4,613)	-	4,414	(1,691)	-	2,723
Other infrastructure	59,606	8,366	-	67,972	5,604	-	73,576
Artworks	5,610	-	-	5,610	-	-	5,610
	1,673,503	61,943	-	1,735,446	242,260	-	1,977,706
Council							
	Balance at beginning of 2015 \$'000	Increment (Decrement) \$'000	Transfer to Accum Surplus \$'000	Balance at end of 2015 \$'000	Increment (Decrement) \$'000	Transfer to Accum Surplus \$'000	Balance at end of 2016 \$'000
Property							
Land	1,043,575	11,493	-	1,055,068	188,528	-	1,243,596
Buildings	73,600	(2,783)	-	70,817	26,130	-	96,947
Infrastructure							
Roads & Laneways	321,585	55,718	-	377,303	13,676	-	390,979
Bridges	14,251	2,141	-	16,392	(1,089)	-	15,303
Footpaths and cycleways	109,509	(9,372)	-	100,137	2,162	-	102,299
Drainage	32,703	959	-	33,662	(2,419)	-	31,243
Recreational, leisure and community facilities	2,188	34	-	2,222	(130)	-	2,092
Parks, open space and streetscapes	9,027	(4,613)	-	4,414	(1,691)	-	2,723
Other infrastructure	57,418	8,366	-	65,784	5,604	-	71,388
Artworks	5,610	-	-	5,610	-	-	5,610
	1,669,466	61,943	-	1,731,409	230,771	-	1,962,180

Note 29. Reserves (cont'd)

Summary of movements in asset revaluation

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Asset revaluation - property and infrastructure				
Balance at the beginning of the year	1,735,446	1,673,503	1,731,409	1,669,466
Increment	242,260	61,943	230,771	61,943
Balance at the end of the financial year	1,977,706	1,735,446	1,962,180	1,731,409

Summary of movements in other reserves

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at the beginning of the year	24,600	19,397	24,600	19,397
Transfers from accumulated surplus	25,972	13,286	25,972	13,286
Transfers to accumulated surplus	(11,734)	(8,083)	(11,734)	(8,083)
Balance at the end of the financial year	38,838	24,600	38,838	24,600

b) Movement in Reserves – Investments Revaluation Reserve - Regent Management Pty Ltd

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at the beginning of the year	4,225	4,649	4,225	4,649
Transfers from investment-non current asset	-	-	-	-
Transfers to investment-non current asset	-	(424)	-	(424)
Balance at the end of the financial year	4,225	4,225	4,225	4,225

c) Movement in Reserves – Reserve for Public Open Space

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at the beginning of the year	18,671	13,906	18,671	13,906
Transfers from accumulated surplus	9,615	12,424	9,615	12,424
Transfers to accumulated surplus	(5,195)	(7,659)	(5,195)	(7,659)
Balance at the end of the financial year	23,091	18,671	23,091	18,671

d) Movement in Reserves – Tree Compensation reserve

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at the beginning of the year	1,704	842	1,704	842
Transfers from accumulated surplus	545	862	545	862
Balance at the end of the financial year	2,249	1,704	2,249	1,704

e) Movement in Reserves – Queen Victoria Market Renewal Project reserve

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at the beginning of the year	-	-	-	-
Transfers from accumulated surplus	15,812	-	15,812	-
Transfers to accumulated surplus	(6,539)	-	(6,539)	-
Balance at the end of the financial year	9,273	-	9,273	-

Queen Victoria Market renewal reserve has been established to facilitate a major redevelopment of the Queen Victoria Market site.

OTHER DISCLOSURES

Note 30. Reconciliation from net cash provided by operating activities to surplus

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Surplus/(deficit) for the year	59,176	82,884	58,212	82,187
Depreciation/amortisation	73,529	74,092	58,785	57,685
Profit/(Loss) on disposal of property, plant and equipment	(8,218)	(2,033)	526	(1,381)
Fair value adjustments for investment property	(16,849)	(364)	(16,849)	(364)
Contributions - Non-monetary assets	(4,157)	(32,093)	(4,157)	(32,093)
Other	(3,369)	3,723	(4,517)	4,381
Changes in assets and liabilities in relation to operating activities:				
(Increase)/Decrease in trade and other receivables	(2,321)	7,926	510	1,076
(Increase)/Decrease in prepayment	5,453	(8,320)	8,235	(9,877)
(Increase)/Decrease in accrued income	1,543	(717)	(2,664)	1,130
(Decrease)/Increase in trade and other payables	(6,947)	(12,665)	(5,755)	(7,757)
(Increase) in Inventories	236	(160)	-	-
(Decrease)/Increase in provisions	156	(321)	559	(470)
(Decrease)/Increase in employee benefits	640	158	1,545	(752)
(Decrease)/Increase in trust funds and deposits	586	767	607	1,210
Net cash provided by operating activities	99,458	112,877	95,037	94,975

Note 31. Reconciliation of cash and cash equivalents

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash and cash equivalents	88,340	110,472	83,110	101,519
	88,340	110,472	83,110	101,519

Note 32. Financing arrangements

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Bank overdraft facility	-	600	-	-
Bank loan facility	75,000	29,000	75,000	-
Other financing facilities*	30,000	-	30,000	-
Used facilities	(30,000)	-	(30,000)	-
Unused facilities	75,000	29,600	75,000	-

* Clean Energy Finance Corporation

Note 33. Commitments

Council 2016	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Civil Infrastructure Services	20,913	20,913	-	-	41,826
Cleaning	2,349	2,349	2,349	-	7,047
Consultancies	2,062	2,011	1,565	18	5,656
Events Service	1,198	638	-	-	1,836
Home care service	176	-	-	-	176
IT system	1,230	87	72	-	1,389
Maintenance	8,311	8,100	6,636	-	23,047
Open space management	2,235	1,678	-	-	3,913
Other Service	12,749	8,120	6,135	-	27,004
Waste management	3,204	3,142	2,376	-	8,722
Total	54,427	47,038	19,133	18	120,616
Capital					
Land and buildings	1,741	17	17	-	1,775
Parks & gardens	273	-	-	-	273
Roads	-	-	-	-	-
Total	2,014	17	17	-	2,048

Council 2015	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Civil Infrastructure Services	20,913	20,913	20,913	-	62,739
Cleaning	2,349	2,349	4,698	-	9,396
Consultancies	400	66	44	33	543
Events Service	1,092	232	152	-	1,476
Home care service	175	-	-	-	175
IT system	994	228	158	-	1,380
Maintenance	8,123	8,043	14,294	-	30,460
Open space management	2,235	2,235	1,678	-	6,147
Other Service	13,296	8,786	6,033	-	28,115
Waste management	4,784	38	-	-	4,822
Total	54,361	42,890	47,970	33	145,253
Capital					
Land and buildings	71,986	17	34	-	72,037
Parks & gardens	228	-	-	-	228
Roads	92	-	-	-	92
Total	72,306	17	34	-	72,357

Council capital contract commitments are a combination of fixed and variable over the tender period varying between one and five years.

Note 34. Operating leases**a) Operating lease payables**

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):

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Property rentals				
Not later than one year	1,397	1,279	1,397	1,279
Later than one year and not later than five years	4,081	4,426	4,081	4,426
Later than five years	325	381	325	381
	5,803	6,086	5,803	6,086

b) Operating lease receivable

Council's leasing profile comprises of largely crown land. Others in the portfolio include freehold or lease commitments. Council has a varying number of leases varying from monthly over holding to short term to long term. The rental amounts are either fixed term, some are annual CPI reviews or market reviews.

Future minimum lease receipts under non-cancellable operating leases for rentals of property, contracted for at balance date, but not recognised as assets.

	Consolidated		Council	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Not later than one year	4,048	3,603	4,048	3,603
Later than one year and not later than five years	9,219	8,235	9,219	8,235
Later than five years	30,533	27,708	30,533	27,708
	43,800	39,546	43,800	39,546

Note 35. Contingent liabilities and contingent assets**Contingent liabilities**

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

A Council terminated staff member filed a HR related litigation seeking compensation. Council is not in a position to specify the quantum of potential settlement as no out-of-court settlement reached yet. If a settlement is not forthcoming the matter will to be determined in a Court.

Due to the nature of business operations, Council has a number of outstanding insurance claims at balance date of which a portion may result in legal proceedings to determine liability. At balance date, Council is unable to reliably measure outstanding insurance claims.

Citywide Service Solutions Pty Ltd has guarantees issued by the Bank in respect of contracts secured of \$10.311 million (2015: \$11.319 million).

Citywide Service Solutions Pty Ltd is a defendant from time to time in legal proceedings in respect of claims and court proceedings arising from the conduct of its business. The Group does not consider that the outcome of any current proceedings, for which allowance has not been made in these accounts, is either individually or in aggregate, likely to have a material effect on the operations or financial position of the Group.

Contingent assets

There are no contingent assets in this financial year (2015: Nil).

Note 36. Superannuation funds

Local Authorities Superannuation Fund

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% required under Superannuation Guarantee legislation (2015: 9.5%).

Defined Benefit

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

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

Funding arrangements

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

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 105.8%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

- Net investment returns 7.00% pa
- Salary inflation 4.25% pa
- Price inflation (CPI) 2.50% pa.

Vision Super has advised that the VBI as at 30 June 2016 is 102.0%

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

Employer contributions

Regular contributions

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

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

Note 36. Superannuation funds (cont'd)**Funding calls**

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

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

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

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

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

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

2015 interim actuarial investigation surplus amounts

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

- A VBI surplus of \$130.8 million
- A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015.

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

Council was notified of the 30 June 2015 VBI during August 2015.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2016 are detailed below:

Scheme	Type of scheme	Rate	2016 000's	2015 000's
Vision Super	Defined benefits	9.5%	170	138
Vision Super	Accumulation	9.5%	8,003	7,418
Other funds	Accumulation	9.5%	2,844	2,530

Melbourne City Council Superannuation Sub Plan (CMSSP) Members

A separate plan is operated for Council's defined benefit members under the Local Authorities Superannuation Fund (the Fund). This separate plan (the CMSSP) is a multi-employer sponsored plan and was closed to new members on 23 December 1993. The majority of the members in the CMSSP are employees of the participating employers that are wholly owned subsidiaries of Council.

As provided under paragraph 34 of AASB 119, Council does not use the defined benefit accounting for its defined benefit obligations under the CMSSP at the individual entity level. This is because the CMSSP is a multi-employer sponsored plan.

Note 36. Superannuation funds (cont'd)

As a multi-employer sponsored plan, the CMSSP is a mutual scheme between participating employers to allow for the mobility of the workforce between the participating employers without attaching a specific CMSSP liability to employees and their current employer. There is no proportional split of the CMSSP defined benefit liabilities, assets or costs between the participating employers as the CMSSP defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate CMSSP obligation is allocated to specific employers is when a funding call is made.

As a result, the level of participation of Council in the CMSSP cannot be measured as a percentage compared with other participating employers in Council's individual entity level financial statements. While there is an agreed methodology to allocate any CMSSP shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate CMSSP benefit liabilities, assets and costs between participating employers for accounting purposes. Therefore, the Fund Actuary is unable to allocate CMSSP benefit liabilities, assets and costs between employers on an individual entity basis for purposes of AASB 119 because of the pooled nature of the CMSSP's defined benefit category.

However, as the majority of the members of the CMSSP are employees of the Council group, the surplus or deficit of the CMSSP is recorded in accordance to AASB119 at the consolidated level for reporting purposes.

CMSSP member profiles are reviewed periodically to determine if and when reporting at the individual entity level is appropriate.

Funding arrangements

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

The CMSSP's latest actuarial investigation was as at 30 June 2014. As at 30 June 2015, the CMSSP's VBI was 117.8%, and at 30 June 2016 it was 119.6%.

The Australian Prudential Regulation Authority (APRA) superannuation prudential standard (SPS 160) - Defined Benefit Matters determines the requirements for actuarial investigations and the funding requirements of a defined benefit (DB) arrangement. Under this standard:

- The VBI is the measure to determine whether there is an unfunded liability; and
- Any unfunded liability that arises must be paid within three years.

Under SPS 160, the VBI is to be used as the primary funding indicator. Because the VBI was above 100% at 30 June 2014, the Fund Actuary determined that no change was necessary to the Defined Benefit category's funding arrangements from prior years, As the 30 June 2015 VBI was above 100%, the CMSSP was still in a satisfactory financial position as at 30 June 2015 under SPS 160.

The CMSSP's employer funding arrangements comprise of three components as follows:

- 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 arose
- 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 components 2 and 3 referred to above.

Employees are also required to make member contributions to the CMSSP. As such, assets accumulate in the CMSSP to meet member benefits, as defined in the Trust Deed, as they accrue.

Note 36. Superannuation funds (cont'd)***Employer contributions***Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Council makes employer contributions to the CMSSP at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 13 per cent of salary for active defined benefit members.

In addition, Council makes top-up payments to the CMSSP for exiting members equal to the exiting member's benefit payment less the existing member's vested benefit adjusted for the CMSSP's vested benefit index (VBI) where the VBI is less than 100%.

Funding calls

The Fund's Trustee is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund's Trustee is required to target full funding of its vested benefits for each of its sub-plans (including the CMSSP). There may be circumstances where:

- a sub-plan is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- a sub-plan 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 sub-plan has a shortfall for the purposes of SPS 160 and the Fund Trustee is required to put a plan in place for the sub-plan so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the APRA may approve a period longer than three years.

The Fund's Trustee monitors the CMSSP's VBI on a quarterly basis and the shortfall limit for the CMSSP is set at 98%.

In the event that the Fund Actuary determines that the CMSSP has a shortfall based on the above requirement, the CMSSP's participating employers (including Council) are required to make an employer contribution to cover the shortfall. The methodology used to allocate a shortfall should result in a fair and reasonable apportionment of the shortfall between the participating employers. A number of factors are taken into consideration when determining the fairness/reasonableness of the apportionment including:

- the salary of the CMSSP members in participating CMSSP employer
- the vested benefit of each CMSSP members.

Due to the nature of the contractual obligations between the participating CMSSP employers and the CMSSP, it is unlikely that the CMSSP will be wound up. In the unlikely event the CMSSP is wound up and there is a surplus in the CMSSP, the surplus cannot be applied for the benefit of the CMSSP employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting the defined benefit obligations of the CMSSP.

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

Difference between calculations

The CMSSP surplus or deficit (i.e. the difference between the CMSSP's assets and liabilities) is calculated differently for funding purposes (i.e. calculating the required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosures 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 CMSSP up to the measurement date, with no allowance for future benefits that may accrue.

Note 36. Superannuation funds (cont'd)

Retrenchment increments

During 2015 -16, Council was required to make a payment of \$50,564.26 to the CMSSP in respect of retrenchment increments (no payments required in 2014 -15). Council's liability to the CMSSP as at 30 June 2016 for retrenchment increments, accrued interest and tax is \$0 (2015: \$0).

Latest actuarial investigation surplus amounts

The CMSSP's latest actuarial investigation was as at 30 June 2014. This investigation identified the following in the defined benefit category:

- A VBI surplus of \$6.5 million; and
- A total service liability surplus of \$11.4 million.

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

The total service liability surplus means that the current value of the assets in the CMSSP's defined benefit category plus expected future contributions exceeded the value of expected future benefits and expenses as at 30 June 2014.

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

Accrued benefits

The CMSSP's liability was determined in the 30 June 2014 actuarial investigation pursuant to the requirements of the Australian Accounting Standard AAS 25 as follows:

	30 June 2014 \$ Million
Net market value of assets	60.9
Accrued benefits (per Accounting Standards)	48.7
Difference between Assets and Accrued benefits	12.2
Vested benefits	54.4
Vested benefits index	112%

The financial assumptions used to calculate the accrued benefits of the CMSSP as at 30 June 2014 were:

- Net investment return 7.5% pa
- Salary inflation 4.25% pa
- Price inflation 2.75% pa.

The Fund Trustee has begun to de-risk the investment portfolio of the CMSSP because of its VBI position. This has resulted in a change of its underlying strategic asset allocation. As a result the financial assumptions from 30 June 2015 are:

- Net investment return 6.0% pa.
- Salary inflation 4.25% pa.
- Price inflation 2.5% pa.

Favourable or unfavourable variations may arise should the experience of the CMSSP differ from the assumptions made by the Fund's Actuary in estimating the CMSSP's accrued benefit liability.

The next full actuarial investigation of the CMSSP's liability for accrued benefits will be based on the CMSSP's position as at 30 June 2017.

Note 36. Superannuation funds (cont'd)**Superannuation contributions**

The total amount of superannuation contributions paid by Council (inclusive of its wholly-owned subsidiaries Citywide Service Solutions Pty Ltd and Queen Victoria Market Pty Ltd) during the year was \$1.898 million (2015: \$2.251 million).

Citywide Service Solutions Pty Ltd contributes in respect of its employees to the following sub-plans of the Local Authorities Superannuation Fund:

- The Melbourne City Council sub-plan
- The Defined Benefits plan
- The Accumulation plan.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2017 is \$1.945 million (\$2.313million in 2016).

Melbourne City Council Superannuation Sub Plan	2016 000's	2015 000's
Asset/(Liability) Recognised in Balance Sheet	(555)	1,195
Total amount recognised in Comprehensive Income Statement	(1,089)	863

Note 37. Financial instruments**a) Objectives and policies**

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

b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed and floating rates which exposes council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manages interest rate risk by adopting an investment policy that ensures:

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

Note 37. Financial instruments (cont'd)

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

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

Council's interest rate liability risk arises from fixed and floating rate borrowing and our subsidiary company's Citywide Service Solutions Pty Ltd borrowings.

Council's subsidiary company Citywide Service Solutions Pty Ltd has a borrowing and overdraft facility which has been arranged with a major Australian bank. Council's subsidiary company manages the interest rate risk by:

- an ongoing review of borrowing levels
- having a limit imposed on the maximum borrowing amount allowed by Council.

c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. Council has exposure to credit risk on some financial assets included in Council's balance sheet. To help manage this risk:

- Council has a policy for establishing credit limits for the entities it deals with
- Council may require collateral, where appropriate
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Credit risk associated with Council's financial assets is minimal because the largest item in the receivables balance is comprised of a very large number of small amounts, being rate revenues due from ratepayers. In addition, all unpaid rates are secured by charges over rateable properties.

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of Council's contingent liabilities are disclosed in note 35.

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

Consolidated 2016	Notes	Floating Interest Rate \$'000	Fixed Interest \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	16	88,269	-	71	88,340
Trade and other receivables	17	2,034	-	51,416	53,450
Other financial assets		7,550	5,000	-	12,550
		97,853	5,000	51,487	154,340
Weighted average rate		4.29%			
Financial liabilities					
Trade and other payables	25	-	-	70,228	70,228
Trust funds and deposits	26	-	-	9,112	9,112
Interest-bearing loans and borrowings	28	-	30,000	-	30,000
		-	30,000	79,340	109,340

Note 37. Financial instruments (cont'd)

Council 2016	Notes	Floating Interest Rate \$'000	Fixed Interest \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	16	83,069	-	41	83,110
Trade and other receivables	17	-	-	26,625	26,625
Other financial assets	18	-	5,000	-	5,000
		83,069	5,000	26,666	114,735
Weighted average rate		4.33%			
Financial liabilities					
Trade and other payables	25	-	-	47,553	47,553
Trust funds and deposits	26	-	-	6,718	6,718
Interest-bearing loans and borrowings	28	-	30,000	-	30,000
		-	30,000	54,271	84,271

Consolidated 2015	Notes	Floating Interest Rate \$'000	Fixed Interest \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	16	110,396	-	76	110,472
Trade and other receivables	17	1,742	-	48,842	50,584
Other financial assets	18	13,800	-	-	13,800
		125,938	-	48,918	174,856
Weighted average rate		4.74%			
Financial liabilities					
Trade and other payables	25	-	-	77,175	77,175
Trust funds and deposits	26	-	-	8,526	8,526
		-	-	85,701	85,701

Council 2015	Notes	Floating Interest Rate \$'000	Fixed Interest \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	16	101,482	-	37	101,519
Trade and other receivables	17	-	-	27,135	27,135
Other financial assets	18	7,000	-	-	7,000
		108,482	-	27,172	135,654
Weighted average rate		4.67%			
Financial liabilities					
Trade and other payables	25	-	-	53,308	53,308
Trust funds and deposits	26	-	-	6,111	6,111
		-	-	59,419	59,419

Note 37. Financial instruments (cont'd)

d) Liquidity risk

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

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained
- have readily accessible standby facilities and other funding arrangements in place
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments
- monitor budget to actual performance on a regular basis.

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 28.

The Consolidated Entity's exposure to liquidity risk is deemed insignificant given our high levels of cash and cash equivalents unused facilities, Citywide Service Solutions Pty Ltd borrowing levels and our current assessment of risk.

Council has two loan facilities, CEFC \$30 million interest only loan with interest rate fixed at 3% due for repayment on 8 October 2020 and a \$75 million floating rate loan facility with ANZ Bank which expires on 30 June 2017. The interest rate on the ANZ Bank facility is the Bank Bill Interest Rate (for the relevant interest period plus a margin of 0.61%). A line fee of 0.05% is also applicable to the facility. Both facilities are secured by a charge over the general rates levied by Council.

With respect to borrowings at Citywide Service Solutions Pty Ltd the following should be noted. The bank overdraft facility is a secured facility. In February 2012 the Bill Acceptance and Discount Facility was increased. This facility is also a secured facility. There is a 1st ranking fixed and floating charge. The bank facilities may be drawn at any time and may be terminated by the bank subject to default under the loan agreement. Subject to the continuance of satisfactory covenant achievement, the bank facilities may be drawn at any time. The facilities expire on the 27 July 2019.

The table below lists the contractual maturities for financial liabilities. These amounts represent undiscounted gross payments including both principal and interest amounts.

Consolidated 2016	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Financial assets							
Cash and cash equivalents	88,340	-	-	-	-	88,340	88,340
Trade and other receivables	51,761	332	583	564	210	-	53,450
Other financial assets	11,550	1,000	-	-	-	12,550	12,550
	151,651	1,332	583	564	210	100,890	154,340
Financial liabilities							
Trade and other payables	65,328	2,455	2,445	-	-	70,228	70,228
Trust funds and deposits	6,840	85	2,187	-	-	9,112	9,112
Interest-bearing loans and borrowings	-	-	-	30,000	-	30,000	30,000
	72,168	2,540	4,632	30,000	-	109,340	109,340

Note 37. Financial instruments (cont'd)

Council 2016	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Financial assets							
Cash and cash equivalents	83,110	-	-	-	-	83,110	83,110
Trade and other receivables	26,625	-	-	-	-	-	26,625
Other financial assets	5,000	-	-	-	-	5,000	5,000
	114,735	-	-	-	-	88,110	114,735
Financial liabilities							
Trade and other payables	47,553	-	-	-	-	47,553	47,553
Trust funds and deposits	6,718	-	-	-	-	6,718	6,718
Interest-bearing loans and borrowings	-	-	-	30,000	-	30,000	30,000
	54,271	-	-	30,000	-	84,271	84,271

Consolidated 2015	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Financial assets							
Cash and cash equivalents	109,972	500	-	-	-	110,472	110,472
Trade and other receivables	49,508	267	447	362	-	-	50,584
Other financial assets	12,800	1,000	-	-	-	13,800	13,800
	172,280	1,767	447	362	-	124,272	174,856
Financial liabilities							
Trade and other payables	74,730	-	2,445	-	-	77,175	77,175
Trust funds and deposits	6,299	90	2,137	-	-	8,526	8,526
	81,029	90	4,582	-	-	85,701	85,701

Council 2015	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Financial assets							
Cash and cash equivalents	101,519	-	-	-	-	101,519	101,519
Trade and other receivables	27,135	-	-	-	-	-	27,135
Other financial assets	7,000	-	-	-	-	7,000	7,000
	135,654	-	-	-	-	108,519	135,654
Financial liabilities							
Trade and other payables	53,308	-	-	-	-	53,308	53,308
Trust funds and deposits	6,111	-	-	-	-	6,111	6,111
Interest-bearing loans and borrowings	-	-	-	-	-	-	-
	59,419	-	-	-	-	59,419	59,419

e) Fair value

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

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

Note 37. Financial instruments (cont'd)

f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the movements 'reasonably possible' over the next 12 months are a parallel shift of + 1.0% and -0.5% in market interest rates (AUD) from year-end rates of 1.72% (2015: 2.05%).

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

The table below discloses the impact on net operating result and equity for each category of financial instruments held by Council at year end, if the above movements were to occur.

	2016 \$'000	Interest rate risk			
		-0.50 % -50 basis points		+1.00% +100 basis points	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Consolidated					
Financial assets					
Cash and cash equivalents	88,340	(442)	(442)	883	883
Other financial assets	12,550	(63)	(63)	126	126
Financial liabilities					
Interest-bearing loans and borrowings	30,000	-	-	-	-
Council					
Financial assets					
Cash and cash equivalents	83,110	(416)	(416)	831	831
Other financial assets	5,000	(25)	(25)	50	50
Financial liabilities					
Interest-bearing loans and borrowings	30,000	-	-	-	-

The \$30 million interest bearing loan is a fixed interest facility.

Note 38. Related party transactions**a) Responsible Persons**

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

Councillors

Lord Mayor Robert Doyle	Richard Foster
Deputy Lord Mayor Susan Riley	Rohan Leppert
Cathy Oke	Stephen Mayne
Kevin Louey	Arron Wood
Ken Ong	Beverley Pinder-Mortimer
Jackie Watts	

Chief Executive Officer

Ben Rimmer

Remuneration of responsible persons

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

	2016	2015
\$40,000 - \$49,999	9	9
\$90,000 - \$99,999	-	1
\$100,000 - \$109,999	1	-
\$150,000 - \$159,999	-	1
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	1	-
\$460,000 - \$469,999	1	1
	12	13
	\$'000	\$'000
Total remuneration for the financial year for Responsible Persons included above	1,191	1,333

Reflects remuneration packages for the period that the responsible person was a Councillor. Councillors are also provided with a car park, office and executive support.

Responsible persons retirement benefits

There are no retirement benefits that have been made to responsible persons. There were no matters to report in the previous financial year.

Loans to responsible persons

There are no loans that have been made to responsible persons. There were no matters to report in the previous financial year.

Transactions with responsible persons

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

Note 38. Related party transactions (cont'd)

Responsible Officer	Position held (including related parties of responsible officer)	Supplier	Nature of transactions (on normal commercial terms)	Transaction Amount (\$'000)
Lord Mayor Robert Doyle	President	The Lord Mayor's Charitable Foundation	Funding support by Council	67
	Trustee	The Shrine of Remembrance	Funding support by Council	333
	Ex-Officio member	Cancer Council of Australia	Transactions with Council	-
	Chairman	Melbourne Health	Products/services	1
	Partner - employee	Australian Centre for the Moving Image	Funding support by Council	23
Deputy Lord Mayor Susan Riley	Director	Melbourne Media Pty Ltd	Transactions with Council	-
	Director	Procurement Australia	Products/services	64
	Director	Mag Media Pty Ltd	Transactions with Council	-
	Director	Tee up for Kids	Transactions with Council	-
	Son - Owner of company	The Delivery Boy	Transactions with Council	-
Councillor Ken Ong	Spouse - Committee Member	Australian Chinese Events Committee	Products/services	5
Councillor Beverley Pinder-Mortimer	Husband - CEO	QA Software	Products/services	31
Councillor Arron Wood	Board member	Melbourne Sustainable Society Institute	Transactions with Council	-
	Board member	Sustainability Victoria	Products/services	5
	Wife - Employee	Oohmedia	Products/services	33

b) Senior Officers' Remuneration

A Senior Officer is

- a) For Council, an officer who has management responsibilities and reports directly to the Chief Executive; or whose total annual remuneration exceeds \$139,000 (2015: \$136,000); or
- b) For subsidiaries, the Managing Director, Chief Executive Officers and executives, or whose total annual remuneration exceeds \$139,000 (2015: \$136,000).

Note 38. Related party transactions (cont'd)

The number of Senior Officers are shown below in their relevant income bands:

Income Range	Consolidated		Council	
	2016	2015	2016	2015
\$139,000 - \$139,999	5	5	5	5
\$140,000 - \$149,999	91	80	91	78
\$150,000 - \$159,999	18	10	17	8
\$160,000 - \$169,999	8	8	6	6
\$170,000 - \$179,999	7	12	6	11
\$180,000 - \$189,999	5	5	4	4
\$190,000 - \$199,999	14	9	14	9
\$200,000 - \$209,999	5	8	5	7
\$210,000 - \$219,999	4	2	3	2
\$220,000 - \$229,999	5	4	4	4
\$240,000 - \$249,999	2	3	2	3
\$250,000 - \$259,999	3	2	3	2
\$260,000 - \$269,999	4	2	2	2
\$270,000 - \$279,999	1	-	-	-
\$290,000 - \$299,999	3	2	1	-
\$300,000 - \$309,999	1	-	-	-
\$320,000 - \$329,999	-	2	-	1
\$330,000 - \$339,999	1	-	-	-
\$340,000 - \$349,999	1	1	1	1
\$350,000 - \$359,999	3	3	2	1
\$360,000 - \$369,999	1	1	1	1
\$380,000 - \$389,999	1	1	1	1
\$460,000 - \$469,999	1	1	1	1
\$480,000 - \$489,999	1	-	-	-
\$900,000 - \$909,999 *	-	1	-	-
	185	162	169	147
	\$'000	\$'000	\$'000	\$'000
Total remuneration for the financial year for Senior Officers included above	32,265	29,266	28,329	25,265

The remuneration threshold for Senior Officers' is reviewed each year by the Minister for Local Government. The threshold amount in 2015-16 was \$139,000 (2015: \$136,000). The number of senior officers and the total remuneration increased in 2015 is mainly due to salary incremental movement and enterprise bargaining agreement increase.

* As a result of retirement on 20 March 2015 a contractual payment of \$346,586 was made in addition to entitlements due to senior officer's 14 years of service.

Total employment package for senior officers includes:

- Under an executive contract, taxable salary, superannuation and motor vehicle component
- For award staff, salary, superannuation, leave loading and overtime
- Includes staff with termination/retirement payments.

c) Wholly-Owned Group

Council is the ultimate parent entity in the wholly-owned group. Transactions with the controlled entities, Citywide Service Solutions Pty Ltd and its subsidiaries, Queen Victoria Market Pty Ltd, Sustainable Melbourne Fund Trust and Enterprise Melbourne Pty Ltd during the financial year are included below.

All subsidiaries are established and are resident in Australia.

Note 38. Related party transactions (cont'd)***Transactions with Citywide Service Solutions Pty Ltd***

Transactions with the Citywide Service Solutions Pty Ltd during the financial year were based on a contract for the provision of services comprising property rental, contract sales and the payment of charges (tax equivalents) which includes income tax and payroll tax.

Revenue received from Citywide is \$432,000 (2015: \$426,000).

Expenditure to Citywide is \$53,135,603 (2015: \$54,902,000).

Income Tax and Payroll Tax Equivalent, and Dividend are \$7,274,000 (2015: \$6,355,000).

Debtor account balance to Citywide is \$107,000 (2015: \$78,000).

Creditor account balance to Citywide is \$14,611,000 (2015: \$14,325,000).

Transactions with Queen Victoria Market Pty Ltd

Transactions with the Queen Victoria Market Pty Ltd during the financial year were based on a contract for the provision of services comprising a Licence fee, IT charges and in accordance with the Tax Equivalent Policy, the payment of charges (tax equivalents) which includes income tax.

Revenue received from Queen Victoria Market is \$5,251,000 (2015: \$4,725,000).

Income Tax Equivalent and Dividend are \$-6,000 (2015: \$374,000).

Debtor account balance to QVM is \$541,000 (2015: \$436,000).

Creditor account balance to QVM is \$29,000 (2015: \$612,000).

Transactions with Sustainable Melbourne Fund Trust

Revenue received from Sustainable Melbourne Fund is \$34,000 (2015: \$37,000).

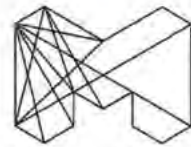
Expenditure to Sustainable Melbourne Fund for services provided is \$7,000 (2015: \$13,000).

Transactions with Enterprise Melbourne Pty Ltd

Funding to Enterprise Melbourne is \$598,000 (2015: \$369,000).

Note 39. Events occurring after balance date

There are no events that have occurred after balance date that need to be reflected in the Financial Statements.



CITY OF MELBOURNE

CERTIFICATION OF THE FINANCIAL STATEMENTS

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

Sam Rumoro (CPA)
Acting Principal Accounting Officer
Melbourne

Date: 06/09/16

In our opinion the accompanying financial statements present fairly the financial transactions of the Melbourne City Council Group and the Melbourne City Council for the year ended 30 June 2016 and the financial position of the Melbourne City Council Group and Melbourne City Council as at that date.

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

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

Robert Doyle
Lord Mayor
Melbourne

Date: 6/9/16

Stephen Mayne
Councillor
Melbourne

Date: 6/9/16

Martin Cutter
Acting Chief Executive Officer
Melbourne

Date: 6/9/2016

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Melbourne City Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Melbourne City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements. The financial report is the consolidated financial statements of the consolidated entity, comprising the Melbourne City Council and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 1(c) to the consolidated financial statements.

The Councillors' Responsibility for the Financial Report

The Councillors of the Melbourne City Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

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

Independent Auditor's Report (continued)*Independence*

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

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Melbourne City Council as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
9 September 2016


Dr Peter Frost
Acting Auditor-General

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CITY OF MELBOURNE