

### ***About this report***

This is a summary of the City of Melbourne Annual Report 2006/07. It provides a snapshot of highlights and disappointments over the year and our plans to ensure the future sustainability of our organisation, our city and the community we serve.

This annual report incorporates our sustainability report which was produced as a separate document in 2005/06. The report principally covers our direct operations and not those of our three wholly owned subsidiaries or other associated companies/entities.

### ***Our approach to sustainability reporting***

We recognise our responsibility to lead by example and report publicly and transparently on our activities to promote sustainable development.

Our report draws on the criteria of the Global Reporting Initiative (GRI) Guidelines and particularly the GRI Public Sector Supplement for Public Agencies. These guidelines are increasingly being applied worldwide to provide a consistent approach to sustainability reporting. You can find out more about this initiative here: [www.globalreporting.org](http://www.globalreporting.org)

### ***Our process to develop the Annual Report 2006/07***

The starting point for this report was the feedback we received from our stakeholders in response to our *Annual Report 2005/06* and our *Sustainability Report 2005/06*. In particular, we undertook interviews with key stakeholders to understand the sustainability issues that were most relevant and that we needed to report on. Our decision to combine the two reports was made as a consequence of the feedback we received.

A cross-organisational working group was formed to consider the stakeholder feedback and develop the report focusing on the GRI principles of inclusiveness, relevance, materiality and completeness. They also collated the data for the performance indicators and consulted regularly with management and Council throughout the process.

### ***Our Annual Report audience***

There are a number of stakeholders who are impacted by the City of Melbourne's decisions and therefore have a strong interest in this report. They include the community, residents, ratepayers, businesses, our partners and other government departments and agencies.

## ***About Melbourne***

The City of Melbourne is Victoria's gateway, the seat of the Victorian Government and the headquarters of many local, national and international companies, peak bodies, government and non-government agencies.

Our municipality is 36.5 square kilometers and comprises the communities of Carlton and Parkville, east Melbourne, Kensington, North and West Melbourne, Southbank and parts of Flemington, Port Melbourne and South Yarra. On 1 July 2007, we also undertook municipal responsibility for Docklands.

In 2006 the City of Melbourne had more than 67,000 residents, more than 13,000 businesses operating in our city and more than 700,000 daily visitors, including workers.

## ***About Melbourne City Council***

Melbourne City Council is the local government body responsible for the municipality of Melbourne. The Council consists of the Lord Mayor, Deputy Lord Mayor and seven councilors democratically elected by voters across the municipality for a four-year term. The current Council was elected for a four-year term in November 2004.

As at 30 June 2007, the organisation had a Chief Executive, seven Directors and approximately 1,100 staff.

The role of the Council is to provide leadership for the good governance of Melbourne. We aim to foster community cohesion, encourage active participation in civic life and to advocate and partner with others to achieve the best outcomes for our community.

## ***Our vision***

Melbourne, the capital of Victoria, will be internationally recognised for the opportunities it offers all Victorians to live, learn, work and prosper.

Melbourne is a vibrant, thriving and sustainable city that is viewed with pride by all Victorians.

## ***Our values***

*Integrity:* I will do and others will see it.

*Respect:* I will treat others as I expect to be treated.

*Excellence:* I will do the best that I can

*Courage:* I will make a difference.

## ***An overview of our performance in 2006/07***

Our strategic objectives, strategies and performance goals are outlined in our *Council Plan 2005-2009*. Our *Annual Report 2006/07* reports our progress against our six strategic objectives:

1. Connected and accessible city
2. Innovative and vital business city
3. Inclusive and engaging city
4. Environmentally responsible city
5. Well-managed and leading corporation
6. Financially responsible corporation

### **Strategic Objective 1: Connected and Accessible City**

We aim to be a city with accessible infrastructure, connected to its immediate surrounds, the nation and the world through delivery of the following core services including roads and infrastructure, parks and gardens, parking and traffic management, and international connections.

#### *Financial Performance*

	Expenditure (\$M)	Revenue (\$M)
Planned	83.7	74.5
Actual	83.8	74.2

#### *Highlights*

- \$51.14m worth of capital works projects were delivered including upgrades of streetscapes and bluestone paving throughout the city, redevelopment of the Kings Domain section of the Tan track and renewal of roadways, footpaths and parks pathways
- Council adopted its Transport Strategy 'Moving People and Freight'. The strategy advocates for significant spending on infrastructure over the next two decades.
- A new 'Copenhagen' style bike lane was installed in Swanston Street.
- Milan celebrated our sister city relationship with an 11-event program to promote Melbourne.
- We participated in the Australia-Japan Year of Exchange with the running of the Melbourne Osaka Cup 2007.
- A Draft Parks Interpretative Framework exploring the community education potential of our parks and gardens was finalised.

#### *Disappointment*

Our high expectations for the Travel Smart Map illustrating sustainable transport options have proven difficult to maintain in a capital city setting. As a result, we are now reviewing options with the Department of Infrastructure.

#### *Looking Ahead*

Docklands will add an exciting new dimension to Melbourne as a world class waterfront city and boating destination. We will undertake a complete review of the waterways management and operations to ensure facilities are world class.

## **Strategic Objective 2: Innovative and Vital Business City**

We aim to be a city characterised by business development, job growth and gateway infrastructure strengthened by its intelligence, creativity and positive outlook. Our core services contributing to these goals include business and retail development and local laws compliance and street trading.

### *Financial performance*

	Expenditure (\$M)	Revenue (\$M)
Planned	6.7	2.0
Actual	6.3	2.1

### *Highlights*

- We launched the *Melbourne Retail Strategy 2006-2012* which aims to establish Melbourne as an international retail destination.
- Our business relationship with Seattle was further strengthened with the signing of an important Trade Development Alliance.
- \$330,000 in funding was provided through our Small Business Grants to a number of exciting ventures in the city, including start-ups, business expansions and an export entry.
- The Melbourne Business Festival 2006 attracted over 2,300 people to its events.
- The City of Melbourne was a major sponsor of the Boston Bio-Relationships conference in May 2007.
- Findings from our 2006 Census of Land Use and Employment (CLUE) survey were released and very well received by businesses.
- Our Savings in the City – Green Hotels programs continues to go from strength to strength with a number of hotels experiencing environmental and economic benefits since joining.

### *Disappointment*

A disappointing response to the forums aimed at bringing small businesses in North West Melbourne community together resulted in a number of planned actions such as the formation of a North West Melbourne Business and Industry group being deferred pending review.

### *Looking Ahead*

We will be piloting a Melbourne Office of Knowledge Capital in joint collaboration with eight Victorian universities. This will further reinforce Melbourne's reputation as 'Australia's Knowledge Capital'.

### **Strategic Objective 3: Inclusive and Engaging City**

We aim to create a creative city with a strong cultural spirit and an inviting, inclusive and stimulating place for all who live, work and visit. We deliver a vast range of services to achieve this goal including: Building Development and Planning; Urban Policy and Design; Arts and Culture; Visitor and Resident Services; Events; City Promotion and Tourism; Community Services; Public Health Promotion and Management; and recreation and Leisure Services.

#### *Financial Performance*

	Expenditure (\$M)	Revenue (\$M)
Planned	80.2	17.4
Actual	79.2	20.9

#### *Highlights*

- We became the first Australian city to adopt an Action Plan under Reconciliation, Australia's new National Program of Action.
- We resumed direct management of the three libraries in our municipality with the disbanding of the Yarra Regional Library Corporation. Loans for the year increased by 10 per cent.
- A new East Melbourne library opened in August 2006 with a new community meeting space and an extensive range of Chinese/Vietnamese materials.
- Council endorsed its *Strategy for a Safe City 2007-10* after extensive public consultation.
- We launched the Relationship Declaration Register, the first of its type in Victoria. The register enables couples, regardless of gender, to formally declare their relationship and may be used to demonstrate the existence of a de facto relationship.
- A major survey of international students was undertaken to better understand and accommodate why students select universities and their needs while they are studying in a different country and culture.
- We hosted more than 320 major events in the city, including FINA World Championships, the Moomba Waterfest and the Motorola Melbourne Spring Fashion Week 2006.
- Almost 25,000 square metres of graffiti was removed using our graffiti removal service, removal kits provided through our incentive program and our arrangement with the Department of Justice.

#### *Disappointment*

While we were able to make more childcare places available in our childcare centres in 2006/07, Council remains concerned about the number of children on waiting lists in the city. This is an issue that Council remains committed to addressing in 2007/08.

#### *Looking Ahead*

As well as looking at ways to improve services to Indigenous youth, we will be developing a strategy to further strengthen the profile of the Victoria Market precinct. Implementation of our three-year arts strategy will continue to grow our reputation as a city for the arts.

## **Strategic Objective 4: Environmentally Responsible City**

We aim to provide environmental leadership and sustainable decision making that increases and improves our natural assets through the provision of services including street cleaning and waste management, and sustainable environmental management.

### *Financial Performance*

	Expenditure (\$M)	Revenue (\$M)
Planned	19.6	0.4
Actual	19.7	0.6

### *Highlights*

- We joined the prestigious Chicago Climate Exchange (CCX) in February 2007. Membership of the CCX will provide the city with the potential to sell carbon credits in future if it desires.
- Melbourne also became a member of the William J. Clinton-backed Large Cities Climate Leadership Group (C20). Member cities are collaborating to reduce carbon emissions.
- Our use of renewable energy as a percentage of total energy increased from 20 per cent in 2005/06 to 33 per cent in 2006/07.
- We reduced our total water usage by 17.8 per cent over last year. Since 2000 we have reduced water usage through Council operations by 29.2%, well on our way to our target of 40 per cent by 2020.
- Our new purpose-built green office building, Council House 2, was officially opened in November 2006. The building provides a 'living' example of ecologically sustainable design and its environmental features are expected to pay for themselves over 10 years.

### *Disappointment*

The City of Melbourne Community Power program, designed to educate residents on reducing emissions, fell short of its target of recruiting 50 residents. As a result we have reviewed the program and decided it is not the best option for our residents. However, we will still be encouraging residents to take up green power.

### *Looking Ahead*

In anticipation of impending water restrictions we will be implementing Stage 1 of a Sustainability Water Management Plan to future proof our city parks and gardens. We will also be implementing an education strategy around Green Building Principles.

## Strategic Objective 5: Well Managed and Leading Corporation

We aim to be recognised for our high calibre staff, processes, products and interactions with stakeholders - an organisation that delivers effective and accountable governance and business processes.

### *Financial Performance*

	Expenditure (\$M)	Revenue (\$M)
Planned	55.2	17.3
Actual	55.8	14.8

### *Highlights*

- We achieved three year re-certification of our SafetyMAP Fourth Edition – Initial Level Certification, an essential part of our ongoing commitment to a safe workplace.
- Our Workcover premium continues to fall to an all time low of 1.15 per cent.
- More than 100 courses were delivered through our Corporate Learning and Development Program to encourage staff to maximise their contribution and to further their careers.
- Our Employee Recreation Association offered a number of interesting and varied activities, from fitness classes and health checks to Italian classes.
- Two City of Melbourne teams of high achievers scooped the Local Government Managers Australia (LGMA) management challenge, taking out first and second place in the Victorian finals, with the first placed team going on to win the Australasian finals held in Tasmania.
- Eighteen high potential staff participated in the inaugural Emerging Leaders program designed to support the organisation's succession planning initiatives.
- Our Contract Management System was recertified in May 2007 in accordance with the Australian Standard ISO 9001:2000.
- An organisation-wide Influenza Pandemic Action Plan was developed to ensure we are fully prepared to continue service delivery in case of a major outbreak.
- We maintained our commitment to sound corporate governance and fully met all legislative requirements over the year.
- We undertook major surveys of our residents, businesses, students and key stakeholders to better understand and respond to their needs.
- A major operational and efficiency review was conducted to identify opportunities for improving the cost effectiveness of our services. This is the first major review of the administration in 15 years.

### *Disappointment*

A planned project to replace our corporate project management system was not delivered due to a decision to pursue a new financial system in 2007/08; this means that we will achieve a fully integrated system which is a much better long-term solution.

### *Looking Ahead*

We will be implementing the outcomes of the major Operational and Efficiency Review and also be finalising Future Melbourne, our highly anticipated long-term vision for our great city.

## **Strategic Objective 6: Financially Responsible Corporation**

We will ensure long-term sustainability through strategic planning and well-managed financial services and assets.

### *Financial Performance*

	Expenditure (\$M)	Revenue (\$M)
Planned	16.0	163.5
Actual	30.3	157.1

### *Highlights*

- The City of Melbourne continued its strong financial performance delivering an operating surplus of \$174m, which includes a once-off recognition of \$167m for the Docklands transition.
- Our investment portfolio provided revenue of \$22.3m, representing an 8.5 per cent return.
- Our investment success continues to help underpin modest rate increases with rates being maintained at only a 3.2 per cent increase for 2007/08.
- Our subsidiary companies' performance was strong, returning 12 per cent.
- Collaboration continued with VicUrban for the smooth transition of municipal responsibility to the City of Melbourne on 1 July 2007.
- We funded 594 organisations to the value of \$31.3m through the distribution of donations and grants.
- The City of Melbourne entity maintained its debt free status and Standard and Poor's AAA credit rating, first achieved in March 2000.

### *Disappointment*

We had planned to complete a 10-year Financial Plan in 2006/07 but although many elements of the plan were delivered, the plan is not expected to be finalised until 2007/08.

### *Looking Ahead*

Along with the Financial Plan, we will develop a 10 Year Infrastructure Plan to assist in planning resource requirements to meet future service and infrastructure needs.

## **Talk to Us**

We pride ourselves in reporting our activities to you clearly and confidently and your feedback helps us to do this. If you would like more information about any item in the Annual Report or would like to comment on our report we'd love to hear from you. Send your comments by email to [enquiries@melbourne.vic.gov.au](mailto:enquiries@melbourne.vic.gov.au) or mail to:

Corporate Communications  
City of Melbourne  
PO Box 1603 Melbourne VIC 3001