

**Management report to Council**

**Agenda item 3.1**

**Annual Report 2016–17**

**Special Council**

**Presenter:** Ben Rimmer, Chief Executive Officer

**24 October 2017**

**Purpose and background**

1. The purpose of this report is to have the Council consider the City of Melbourne Annual Report 2016–17 (Annual Report) in accordance with its obligations under section 134 of the *Local Government Act 1989*, which provides:
  - 134 (1) A Council must consider the annual report at a meeting of the Council.
  - 134 (2) The meeting:
    - (a) must be held as soon as practicable but within the time required by the regulations, after the Council has sent the annual report to the Minister
    - (b) must be advertised at least 14 days before the meeting is held in a public notice that states:
      - (i) that the annual report will be discussed at the meeting
      - (ii) the place from which copies of the annual report can be obtained before the meeting.
    - (c) must be kept open to the public while the annual report is discussed.
2. The Annual Report was delivered to the Minister for Local Government on 28 September 2017. Regulation 22(1) of the *Local Government (Planning and Reporting) Regulations 2014* requires the Council to hold a meeting to consider the Annual Report within one month after submitting it to the Minister.
3. Public notice of the Council meeting to consider the Annual Report was advertised on Tuesday 10 October 2017 and included a list of locations where it could be obtained or viewed prior to the Council meeting. These locations, and the document itself, can be viewed at:  
<https://www.melbourne.vic.gov.au/about-council/our-performance/Pages/annual-report.aspx>
4. The Annual Report is the final step in the statutory annual reporting process.

**Key issues**

5. The Annual Report documents Council's performance set out in the Annual Plan and Budget 2016–17. It also signifies the fourth year progress of Council's work against the Council Plan 2013–17.

**Recommendation from management**

6. That Council notes that it has considered the City of Melbourne Annual Report 2016–17 in accordance with section 134(1) of the *Local Government Act 1989*.

**Attachments:**

1. Supporting Attachment (page 2 of 222)
2. Report - Annual Report 2016-17 - Full Annual Report for Website (page 3 of 222)

## Supporting Attachment

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### Legal

1. The report accurately identifies the statutory requirements in respect to the Annual Report.

### Finance

2. The Annual Report provided to the Minister included the financial statements for 2016–17 and the Auditor General's audit opinion, which was unqualified.
3. There are no financial implications arising from the recommendations of this report.

### Conflict of interest

4. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

### Stakeholder consultation

5. Public notice regarding the Council meeting to consider the Annual Report was given on Tuesday 10 October 2017.

### Relation to Council policy

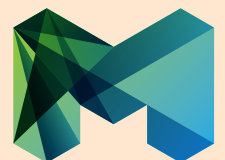
6. This recommendation is consistent with the 2013–17 Council Plan and the 2016–17 Annual Plan and Budget.

### Environmental sustainability

7. The City of Melbourne has again published its Annual Report online as a full version. Only minimal copies of the Annual Report have been produced in hard copy to satisfy the requirements of the *Local Government Act 1989*.

# CITY OF MELBOURNE ANNUAL REPORT

2016–2017



CITY OF MELBOURNE

# CITY OF MELBOURNE ANNUAL REPORT 2016–17

We are pleased to present the City of Melbourne's Annual Report for 2016–17. This report describes the City of Melbourne's performance over the 2016–17 financial year against the objectives of the 2016–17 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) Sustainability Reporting Framework (version G4).

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](http://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](mailto: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



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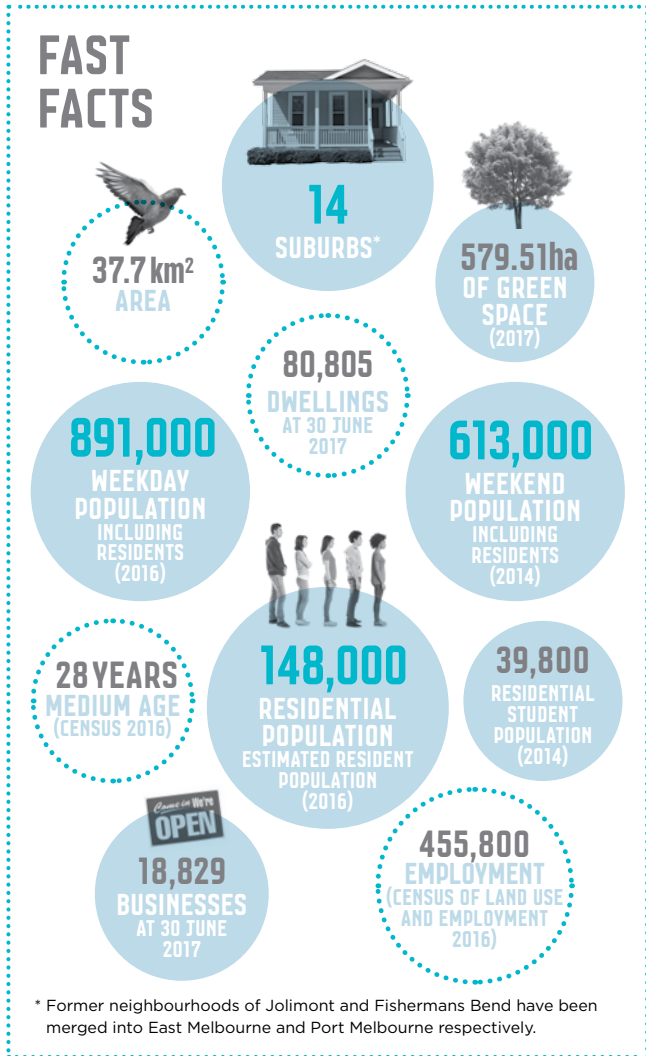
City of Melbourne Annual Report 2016-2017

September 2017

**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](http://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*.

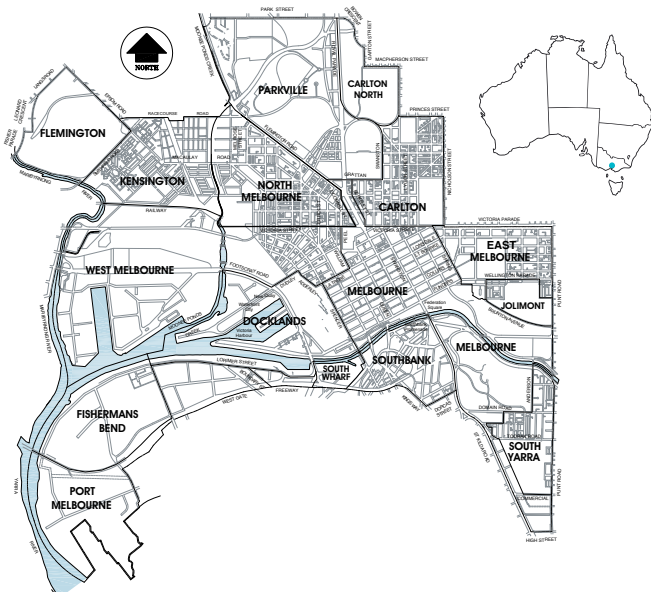
As a local government authority, the City of Melbourne aims to achieve the community's vision for Melbourne to be a bold, inspirational and sustainable city. How the City of Melbourne contributes towards this vision is set out in the Council Plan, including the priorities that shape its program of work and the outcomes sought during each Council's four-year term.

This 2016-17 Annual Report is the fourth and final 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. More than 148,000 people call the municipality home and a further 743,000 people visit every day for work and recreation. Our population is diverse: 48 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. The weekday population is forecast to increase by almost 30 per cent 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

Providing valued services to our customers and community is central to everything we do. Our ‘service families’ are groups of services that share a common purpose. We use this lens to consider what we offer to our customers, the outcomes that are delivered, benefits that can be achieved and how the needs of our community may change in the future. Our service families are listed below. These families may be further refined as we continue to manage and improve our services.

<b>Assistance and Care</b>	Supporting vulnerable people to enable safe and independent living.
<b>Creativity and Knowledge</b>	Providing opportunities to create, learn, connect, experience and share.
<b>Early Years Development</b>	Supporting families with children to develop and thrive.
<b>Economic Development</b>	Fostering the development of Melbourne’s economy.
<b>Movement and Traffic</b>	Facilitating movement into, around and out of the municipality.
<b>Safety Management</b>	Ensuring people are protected and safe when accessing and using spaces.
<b>Waste and Resource Management</b>	Repurposing, recycling or disposing of waste and reducing resource waste in the municipality.
<b>Welcome and Connection</b>	Supporting people to experience and engage with Melbourne.
<b>Wellbeing and Leisure</b>	Encouraging people to be healthy and active.

# YEAR IN REVIEW

## MESSAGE FROM THE LORD MAYOR



Last year was an exciting time for the City of Melbourne: we welcomed a new Council, completed several major commitments and began delivering the Queen Victoria Market Renewal Project, the largest venture in Council's history.

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I am proud to close the book on our 2013-17 Council Plan which produced what we promised: promoting Melbourne's competitive advantage as a premier location for the business community to thrive while at the same time creating opportunities for our community and providing world class infrastructure.

In 2016-17 we worked closely with the Victorian Government on plans for one of Victoria's biggest public transport projects in history: the Melbourne Metro Rail Project as well as the new urban growth areas of Fishermans Bend and Arden Macauley. These will all be game changers for our city and require collaborative and strategic planning.

We began early works across the Queen Victoria Market Precinct on basic amenities and safety, released the concept design for Australia's most sustainable mixed-use development on the Council-owned Munro site and released the design of the temporary New Market Pavilion.

Planning has also progressed on the Southbank Boulevard project and the pedestrianisation of Elizabeth Street South.

In the area of sustainability, we completed the Melbourne Renewable Energy Project, announced an innovative \$1.2 million Urban Forest Fund to encourage new projects to green our city and increase tree canopy cover, launched a laneway greening program, completed new stormwater harvesting and flood mitigation projects and delivered an expanded open space for Kensington.

Some other the highlights from last year were the Startup Action Plan launch, a new graffiti reporting tool, road and pedestrian safety works, expanding our integrated network of bike baths and plans for the redevelopment of Lady Huntingfield Child Care Centre.

In 2016-17 we continued to partner with other agencies to support Melbourne's most vulnerable by funding the \$2 million Pathways Innovation Package which was directed towards addressing homelessness.

This new Council has a strengthened focus on honouring our Aboriginal history and last year we were proud to deliver the first Yirramboi festival as part of our vibrant arts program. Yirramboi was one of almost 100 events that the City of Melbourne curated, sponsored or supported last financial year.

This report also outlines a lot of the work that goes on behind the scenes to collect and interpret data which then enables us to confidently and effectively plan for the Melbourne of tomorrow. Some examples of this are our CLUE data which looks at how land is used in the city and a new 3D Development Activity Monitor which analyses our ongoing construction boom. These tools are both available to the public.

On behalf of my fellow councillors I thank the dedicated City of Melbourne staff led by CEO Ben Rimmer and Acting CEO Martin Cutter. With a city economy now worth \$92.1 billion, our prosperity allows us to strengthen our community and build on our reputation as the World's Most Liveable City.

Next year is the first of a four year budget and Council plan that will deliver on our vision for Melbourne's growth, prosperity, sustainability and liveability and I look forward to working with this new Council on delivering for our Melbourne of the future.

A handwritten signature in black ink that reads "Robert Doyle". The signature is fluid and cursive, with a large, stylized 'D'.

**Robert Doyle AC**  
Lord Mayor  
City of Melbourne

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



On behalf of the City of Melbourne, it's my pleasure to present the 2016-17 Annual Report.

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As the nation's fastest growing city, Melbourne needs strong financial management to underpin our planning for the future. In the past year, the City of Melbourne has invested heavily in infrastructure and expanded services across the municipality.

With a \$92 billion economy, nearly half a million jobs, and more than two million visitors annually, the City of Melbourne is powering Australian technical, economic and ecological changes. And in some areas, we work on cutting-edge initiatives with the best cities in the world.

This prosperity and connectedness allows us to strengthen our community, and build on our reputation as the World's Most Liveable City.

Almost 148,000 people call Melbourne home and a further 891,000 people visit every day for work or recreation.

As the city grows it is vital we deliver initiatives, infrastructure and services to meet the needs of residents, workers and visitors - to ensure our city remains prosperous, sustainable and liveable.

Through prudent financial management we have been able to reinvest in our future. In 2016-17 we delivered the key projects we set out to achieve. The innovative Green Your Laneway Project, the planting of 3000 trees and energy efficient street light renewal were carried out along with a significant investment in developing urban landscapes and open spaces and major streetscape improvements and design.

Melbourne does not continue to be a leading city through the efforts of a single organisation alone, but through the collective effort and partnership of organisations and stakeholders. Collaborating with our community is critical to our success, particularly for major projects like Melbourne Metro Rail Project, Fishermans Bend and Arden Macauley that will transform our city.

It has been an exciting and rewarding year for the City of Melbourne and I am immensely proud to lead such a strong and innovative capital city local government that continues to grow and deliver on its vision of being a bold, inspirational and sustainable city. Local government elections in November saw us welcome four new Councillors, each bringing their different experiences, skills and perspectives to the development of our organisation and city. Voters returned the Lord Mayor for a third term, along with five serving Councillors.

I want to thank the Lord Mayor, the Deputy Lord Mayor and the Councillors for their dedication, commitment and leadership to our city over the past year.

Similarly, our achievements in 2016-17 would not have been possible without the support, dedication and true commitment of all the City of Melbourne staff. Whether that be supporting progress through traffic engineering, driving sustainability through a waste reduction project, looking after the wellbeing of our newest Melburnians in a child care centre, or holding it all together by paying the city's bills - they make a direct and invaluable contribution to the community.

I look forward to working alongside the Council and the community in 2017-18 as we further develop our city for the future.

A handwritten signature in black ink that reads "Ben Rimmer". The signature is fluid and cursive, with the first name "Ben" and the last name "Rimmer" clearly distinguishable.

**Ben Rimmer**  
Chief Executive Officer  
City of Melbourne

# MESSAGE FROM THE CHIEF FINANCIAL OFFICER



The Council has delivered a strong financial result in 2016-17. The underlying surplus was \$13.1 million compared to a budget of \$12.2 million and a comprehensive result of \$292.5 million. Delivering and outperforming against budget for the financial year.

The Council remains in a very strong financial position with growth in net assets during the year of close to \$300 million.

The positive result was underpinned by stronger than expected revenue reflecting continued growth and attraction to the City.

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).

The Council's balance sheet was strengthened during the year with increased net assets to \$4.3 billion and increased cash assets to over \$90 million. 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, increased from 1.41 to 2.30. This means for every \$1 of current liability, the Council had \$2.30 in current assets to meet those commitments. The strengthened balance sheet achieved during the year, means the Council has increased financial flexibility and is well positioned to meet the city's future infrastructure funding needs.

**Phu Nguyen CPA**  
Chief Financial Officer  
City of Melbourne

FINANCIAL RESULT	JUNE 2017 (\$'000)	JUNE 2016 (\$'000)
Income statement surplus / (Deficit)	98.8	58.2
Comprehensive result surplus / (Deficit)	292.5	289.0
Underlying result	13.1	15.9
Cash assets	90.6	83.1
Net assets	4,252.6	3,960.0
Current asset ratio	2.30	1.41



# 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 2016–17

This year we continued to deliver the Queen Victoria Market Precinct Renewal Program and developed plans for the Fishermans Bend employment precinct and Lorimer precinct. Work continued on the urban renewal of the Arden Macaulay area and we started to plan for the temporary relocation of Lady Huntingfield Childcare Centre places and redevelopment of the site. We continued work on the Moonee Ponds Creek Master Plan which will form part of our ongoing work in 2017-18.

In terms of our performance:

- 86 per cent of residents lived within an 800-metre walk of community facilities and 92 per cent lived within a 300-metre walk of open space – not significantly different from last year.
- Over 85 per cent of our customers thought the information they received and more than 96 per cent thought the support they received from our services helped them be healthier – not significantly different from last year.
- More than 86 per cent of participants in selected programs felt more a part of their community – down on last year.
- 67 per cent of respondents were satisfied with the quality of public spaces – a minor decrease from last year.
- Over 92 per cent of respondents felt safe in public in the daytime and over 58 per cent at night – an increase for daytime and a decrease for night-time compared to last year.

## GOAL 2 A CREATIVE CITY



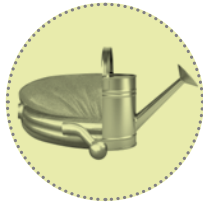
### LOOKING BACK ON 2016–17

To contribute to artistic, cultural and heritage outcomes for Aboriginal and Torres Strait Islander people, we delivered YIRRAMBOI, the 2017 Melbourne Indigenous Arts Festival. The Queen Victoria Market Precinct Renewal has also worked closely with Traditional Owners to develop the management of cultural heritage at the precinct, including plans for reflecting on the past and shaping the future of the site.

In terms of our performance:

- The number of artists looking to work or base themselves in the municipality who sought our support increased significantly by 230 per cent, mainly due to the inclusion of the triennial arts grants applications for 2018-20.
- More than 51 per cent of all surveyed participants in arts and cultural programs reported engaging in our programs for the first time – notably up from last year.
- 90 per cent of respondents said Melbourne is an artistic and cultural city – an increase from last year.
- Due to the approval of Amendment C207 – The Arden Macaulay Heritage Review 2012 – a total of 47 properties and structures were added to the Heritage Register, representing a 0.7 per cent 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.

## GOAL 3 A PROSPEROUS CITY



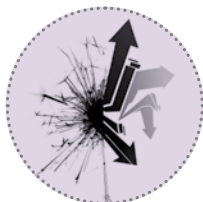
### LOOKING BACK ON 2016–17

To support innovative and emerging sectors we developed an action plan to strengthen the Melbourne start-up and entrepreneurial ecosystem for Council.

In terms of our performance:

- Business respondents gave an average satisfaction rating of 61 out of 100 for a range of City of Melbourne activities in terms of their contribution to economic resilience – a lower rating than last year.
- Trade connections made through business matching activities totalled 610 compared to 581 the previous year, partly due to productive partnerships with businesses and other organisations.

## GOAL 4 A KNOWLEDGE CITY



### LOOKING BACK ON 2016–17

We co-created a smart city approach to provide high-quality municipal data and information to the knowledge sector and public.

In terms of our performance:

- More than 86 per cent of student participants in our programs believed their involvement increased their positive experience of Melbourne – an increase from last year.
- Library visitation increased marginally by 0.9 per cent from last year.
- The number of attendees at knowledge-related events decreased 13 per cent from the previous year as we returned to our normal schedule of delivering one Melbourne Knowledge Week festival within the year.
- 83 per cent of Knowledge Week participants felt more informed about the local knowledge sector – a minimal increase from last year.

## GOAL 5 AN ECO-CITY



### LOOKING BACK ON 2016–17

To improve Melbourne's resilience to environmental impacts we delivered a pilot laneway greenings program within the central city and used the findings to inform policy recommendations. We completed the Melbourne Renewable Energy Project to the point of conducting a tender for the supply of renewable energy. The development of a replication strategy for the large energy user-purchasing model is underway.

In terms of our performance:

- We achieved an 11.5 per cent decrease in greenhouse gas emissions from City of Melbourne operations from 2014–15 to 2015–16.
- Municipal waste-to-landfill increased more than 21 per cent – partly due to the 12.9 per cent increase in the average number of households serviced and our population growth.
- The volume of complaints per capita about waste removal received by the City of Melbourne increased slightly to 0.03.
- There was a significant 7.4 per cent increase in the capacity of our infrastructure to capture and reuse stormwater this year – the result of benefits from new stormwater harvesting projects.
- Tree canopy cover in the municipality declined slightly to 23.8 per cent however the tree planting rate continues to be above the level required to reach our 40 per cent canopy cover target by 2040.
- Surveys showed that the number of residents aware of climate change risks increased 10.7 per cent – recovering from the decrease reported last year.



## GOAL 6 A CONNECTED CITY



### LOOKING BACK ON 2016–17

We worked with the Victorian Government on the Metro Tunnel Project and coordinated our response to the Environment Effects Statement planning process. We also completed consultation and sought endorsement for the Elizabeth Street Strategic Opportunities Plan and delivered a detailed design for the southern end of 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.

## GOAL 7 RESOURCES ARE MANAGED WELL



### LOOKING BACK ON 2016–17

To maximise return on our existing commercial assets we endorsed the scope, staging and financing of the revitalisation of the Town Hall precinct.

In terms of our performance:

- The City of Melbourne's long-term underlying surplus was \$13.10 million this year – marginally lower than last year.
- The rateable property assessments per employee at the City of Melbourne were 75.7 – up from 70.3 the previous year.
- Residents' satisfaction rating for our services was 72 out of 100 – slightly down from last year.
- Our voluntary and total workforce turnover was 8.1 per cent and 17.1 per cent respectively – both up from last year.

## GOAL 8 AN ACCESSIBLE, TRANSPARENT AND RESPONSIVE ORGANISATION



### LOOKING BACK ON 2016–17

To make our information and data accessible to our community and stakeholders, we broadened our quarterly services dashboard to include measures on customer experience and organisational performance.

In terms of our performance:

- There were 90 Council and Future Melbourne Committee items handled in confidential session – down from last year. The proportion of agenda items handled in confidential session increased slightly to 29 per cent.
- The number of online City of Melbourne registers increased by one to 20.
- Visits to webpages with Council registers and Council decisions made under the *Planning and Environment Act 1987* decreased to 19,904 visits.

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 new, more interactive reporting dashboard that links to our Open Data platform at [dashboard.melbourne.vic.gov.au](https://dashboard.melbourne.vic.gov.au)

# KEY PROJECTS

## 2016–2017 BUDGET FIGURES



# 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.

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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 32 to 71).

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, to 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 (version G4), 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.

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

- resources are managed well (see Goal 7 performance pages 72 to 75)
- we are an accessible, transparent and responsive organisation (see Goal 8 performance pages 76 to 80)
- 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 85 to 113).

To understand how we have applied the Global Reporting Initiative, see Our reporting approach pages 116 to 123.

## RESILIENT MELBOURNE – TODAY, TOMORROW, TOGETHER

Resilient Melbourne is a collaboration across metropolitan Melbourne's 32 councils, hosted by the City of Melbourne. It partners with many Victorian Government departments and non-government organisations. Resilient Melbourne's work was borne out of the international programme 100 Resilient Cities – pioneered by the Rockefeller Foundation (100RC). 100RC helps cities around the world prepare to meet the physical, social and economic challenges that are a growing part of the 21st century. Chief Resilience Officer (CRO) Toby Kent – the first CRO of any Australian city – leads the work.

### Definition of urban resilience

Urban resilience is the capacity of individuals, businesses and systems within a city to adapt, survive and thrive no matter what kind of chronic stresses and acute shocks they experience.

For more information on the shocks and stresses that Melbourne faces, and to read the strategy, visit the Resilient Melbourne website at: [www.resilientmelbourne.com.au](http://www.resilientmelbourne.com.au)

More information on urban resilience and 100RC is available at: [www.100resilientcities.org](http://www.100resilientcities.org)

The Resilient Melbourne strategy (released in June 2016) represents Australia's first city resilience strategy and Melbourne's first metropolitan-wide strategic plan led by local government.

The strategy offers a new way to address the chronic stresses and acute shocks that metropolitan Melbourne is likely to experience, and to achieve our vision of a city in which our diverse communities are viable, sustainable, liveable and prosperous.

Alongside the release of the strategy, the Resilient Melbourne Delivery Office was established for a five-year period to implement the actions agreed through the strategy process. Funded by the City of Melbourne, the Victorian Government and 31 other metropolitan councils, Resilient Melbourne is leveraging additional value to the city through services provided by 100RC Platform Partners and in kind support. With an operating budget of \$1 million in 2016-17, the office has already attracted additional investment 1.7 times its revenue.

### Embedding resilience

Resilient Melbourne has developed influential partnerships and networks by facilitating aligned agendas at the local, state and national levels. This has resulted in recognition of Resilient Melbourne's work and alignment of strategic vision and actions. For example, at the state level, the refresh of Plan Melbourne reinforces several Resilient Melbourne Actions, including the Metropolitan Urban Forest Strategy, the Integrated Water Management Framework and the metropolitan cycling network.

Water for Victoria (released in October 2016) reflects early strategic framing on Integrated Water Management and Protecting Victoria's Environment – Biodiversity 2037 (released April 2017) references the Resilient Melbourne Metropolitan Urban Forest Strategy action. Infrastructure Victoria's 30-year strategy also recognises the role of green infrastructure opening the way to investment in nature-based infrastructure solutions that provide multiple benefits.

Resilient Melbourne will build on this momentum and continue to inform – and be informed by – the strategic priorities of such partners. Integral to this work is building capacity and capability across 32 metropolitan Melbourne councils, Victorian Government departments, Melbourne's academic, business and community sectors and other partners to practice resilience for greater multiple and mutual benefit. Resilient Melbourne is fostering knowledge development and exchange locally and globally through formal training and participation within diverse working groups. All of this strengthens the City of Melbourne's Council Plan commitments.

**Progressing actions and key events**

At the end of year one, all of the actions in the Resilient Melbourne strategy have been initiated. Many of the actions in the strategy are designed to scale successful projects that have been implemented at a single municipal level. In addition to demonstrating leadership by hosting the office, the City of Melbourne is a critical partner in the Metropolitan Urban Forest Strategy, Integrated Water Management Framework and the Local Government Renewables Group Purchasing.

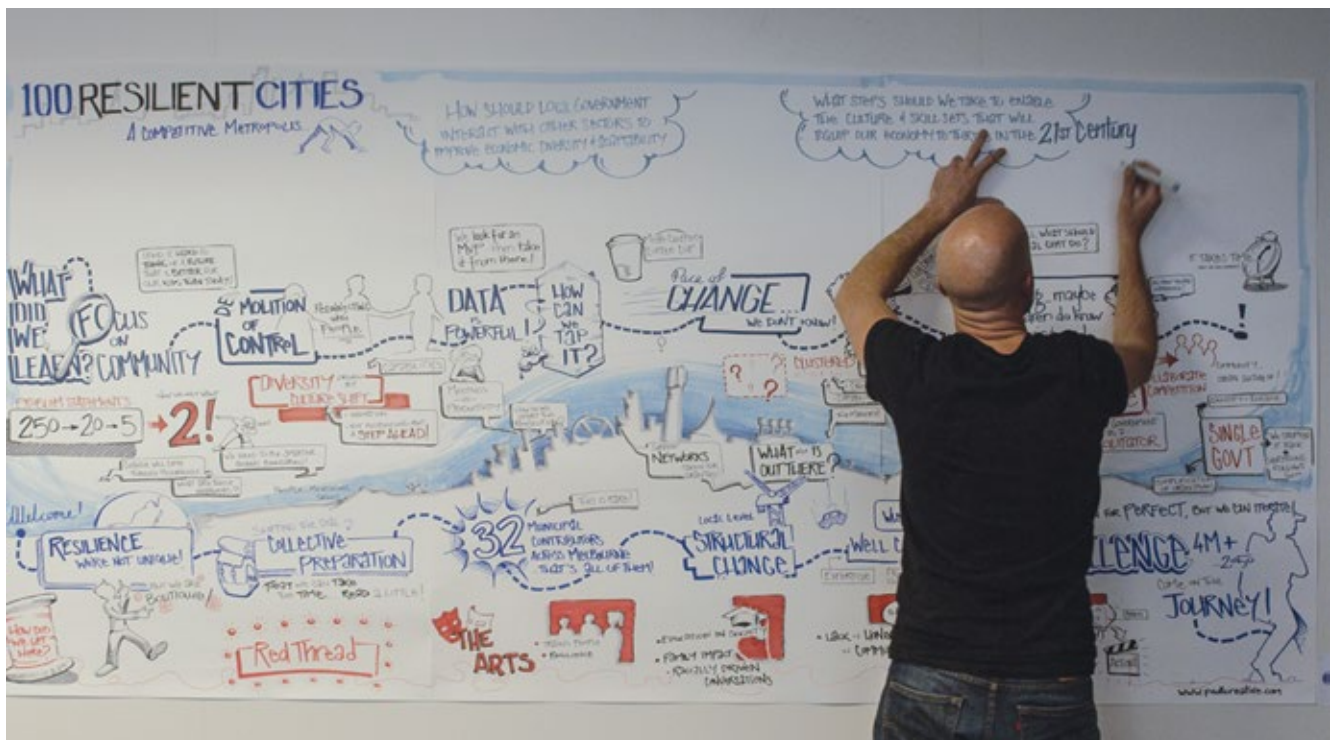
Resilient Melbourne was successful in applying to 100RC to participate in a global trial to measure city resilience. Using the City Resilience Index developed by ARUP, and drawing heavily on data currently collected by the City of Melbourne, Resilient Melbourne aims to create a resilience baseline for metropolitan Melbourne by December 2017.

In February 2016, experts from around the world met in Melbourne for a Network Exchange to explore ways to transform cities through nature. Through an investment from 100RC, the Network Exchange saw Chief Resilience

Officers and their teams from Boulder, Durban, New Orleans, Semarang, and Melbourne explore what cities can do to be more resilient to extreme weather events, secure the services provided by nature, and promote health and wellbeing. Opened by the Deputy Lord Mayor, this knowledge exchange evolved thinking on the benefits of urban biodiversity and provided an opportunity for City of Melbourne participants to share their knowledge and best practice.

In the coming year, Resilient Melbourne will ramp up its implementation efforts across the city. It will utilise metropolitan Melbourne as a living laboratory where new approaches, ways of working and thinking can be trialled to not only reduce our future exposure to shocks and stresses but to withstand disruption, bounce back better than before and significantly improve our citizens' quality of life.

More information on Resilient Melbourne can be found at [www.resilientmelbourne.com.au](http://www.resilientmelbourne.com.au)





# EVENTS CALENDAR

## 2016–2017

### JULY

- Docklands Winter Fireworks: (July – August)
- Melbourne Women in Business lunch
- The Age Run Melbourne
- Open House Melbourne
- Melbourne International Film Festival
- Performing Climates
- Melbourne WebFest 2016
- Naidoc Week

### AUGUST

- Melbourne Writers Festival
- Melbourne Spring Fashion Week
- Craft Cubed Festival
- Australian Centre for Contemporary Art
- Melbourne Day

### SEPTEMBER

- AFL Grand Final Week and Parade
- Lord Mayor's Commendations (Presentation Ceremony)
- Melbourne Fringe Festival
- The Other Film Festival

### OCTOBER

- Melbourne Festival
- Melbourne Marathon
- Victorian Seniors Festival
- Lucy Guerin's The Dark Chorus
- Koorie Heritage Trust's Lee Darroch Exhibition
- Around the Bay
- Spring Fling Street Festival

### NOVEMBER

- Santa's Grand Arrival
- Melbourne Awards (Gala Ceremony)
- Melbourne Music Week
- Melbourne Cup Carnival and Parade
- Sunday Age City2Sea
- Night Noodle Markets
- Christmas Festival (November – December)
- Jack Charles vs The Crown by Ilbijerri Theatre

### DECEMBER

- New Year's Eve
- Fruition – Public Art in Royal Park
- RMIT Graduation Parade
- Mapping Melbourne
- Koorie Heritage Trust's A Very Koorie Krismas
- Royal Croquet Club

### JANUARY

- Sunset Series
- Melbourne Latin Summer Festival
- Midsumma Festival
- NGV – Kids Summer Festival
- Chinese New Year
- Australian Open
- Australia Day
- Share the Spirit Festival
- Sugar Mountain

### FEBRUARY

- White Night Melbourne
- Sustainable Living Festival
- Lonsdale Street Greek Festival
- Herald Sun Tour
- Lankan Fest
- Melbourne Japanese Summer Festival
- Maslenitsa Slavic Pancake Festival
- Melbourne Symphony Orchestra's Melbourne Town Hall Series

### MARCH

- Moomba Festival
- Virgin Australia Melbourne Fashion Festival
- Melbourne Food & Wine Festival
- Melbourne International Comedy Festival
- NGV – Melbourne Art Book Fair
- Melbourne Queer Film Festival
- Turkish Pazar Festival
- Formula 1 Australian Grand Prix
- Korea Week Festival
- Spanish Language Fiesta
- Lord Mayor's Student Welcome Asia TOPA concert
- Cultural Diversity Week
- International Women's Day
- Dance Massive

### APRIL

- Melbourne International Flower & Garden Show
- Herald Sun / Citylink Run for the Kids
- Good Friday Appeal Kids Day Out
- ART + CLIMATE = CHANGE
- ANZAC Day
- Indonesia Street Festival

### MAY

- Mother's Day Classic
- Docklands Harvest Festival
- Melbourne Knowledge Week
- Melbourne Symphony Orchestra – Metropolis New Music Festival
- YIRRAMBOI First Nations Arts Festival
- Women in Super Mother's Day Classic
- Law Week
- Buddha's Day and Multicultural Festival
- The Long Walk

### JUNE

- Docklands Firelight Festival (June – July)
- Circus OZ
- Emerging Writers' Festival
- A Taste of Portugal
- Little Big Shots Festival
- Melbourne International Jazz Festival
- Melbourne WebFest 2017
- Light in Winter
- Refuge Week
- Reconciliation Week

# 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 Melbourne City Council elections were held in October 2016.

Following the election, the Victorian Electoral Commission (VEC) became aware of an allegation that a candidate in the Councillor election was ineligible to be enrolled on the Melbourne City Council voters' roll. The VEC referred the matter to the Local Government Investigations and Compliance Inspectorate (LGICI), who confirmed the particulars of the allegation.

As a result of the LGICI's findings, the Electoral Commissioner made an application to the Municipal Electoral Tribunal (MET) for an inquiry into the Councillor election and sought orders that would resolve the defect caused on the election by the inclusion of the ineligible candidate.

On 5 December 2016, the VEC appeared before the MET at a directions hearing. At the hearing the MET accepted the VEC's submission that the candidate was ineligible and, as the candidate had been declared elected by the Returning Officer, ordered the candidate was not duly elected. The effect of the decision created an extraordinary vacancy in accordance with the *Local Government Act 1989*.

The Electoral Commissioner subsequently made application to the Victorian Civil and Administrative Tribunal (VCAT) on the grounds that the defect on the election had not been resolved by the MET and the process for filling the extraordinary vacancy was not the appropriate response to the election of an ineligible candidate. The VEC, and other parties with an interest in the VEC's application, appeared before a Senior Member of VCAT at a directions hearing on 19 December 2016. A substantive hearing was held before Justice Greg Garde AO RFD, VCAT President, on

21 February 2017, following which the VEC was ordered to conduct a recount of the whole of ballot papers (for the Councillor election). The recount was conducted at the VEC office on 1 March 2017. At a further VCAT hearing on 7 March 2017, Justice Garde heard submissions from affected parties and on 14 March 2017, declared Nicolas Frances Gilley and Susan Riley duly elected and declared Michael Caiafa was not duly elected.

Nicolas Frances Gilley and Susan Riley were sworn into office on 21 March 2017.

The next Council election is scheduled for October 2020. More information about local government elections is available from the Victorian Electoral Commission at [www.vec.vic.gov.au](http://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 2016-2017. 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** – \$189,284
- **Deputy Lord Mayor** – \$94,641
- **Councillors** – \$44,444

Councillors are also provided with a range of services and support as described in the Councillor Expenses and Resources Guidelines.

## COUNCILLOR 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 March 2017 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](http://melbourne.vic.gov.au)

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 2016-17 year are set out in the table on the following page.

## 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 that 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 a taxi service, reimbursement for use of a 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 childcare and other forms of care needed to support immediate family members.

**PUBLISHED COUNCILLOR EXPENSE REPORTS**

Details of expenses incurred by councillors are published on Council's website on a quarterly basis. The following tables depict details of expenses incurred within the year 2016-17. The tables reflect a transition to a new Council following the election in October 2016 and are grouped by Leadership Team (Lord Mayor and Deputy Lord Mayor) and councillors.

**LEADERSHIP TEAM – PERIOD 1 JULY 2016 TO 1 NOVEMBER 2016**

COUNCILLOR	CONFERENCES, FUNCTIONS AND TRAINING	TRAVEL - LOCAL	COMMUNICATION	FUNCTIONS EXTERNAL TO TOWN HALL	CARER EXPENSES	TOTAL EXPENSES
Lord Mayor, Robert Doyle	\$0	\$8677.59	\$960.46	\$0	\$0	<b>\$9638.05</b>
Deputy Lord Mayor, Susan Riley	\$0	\$8332.27	\$389.26	\$0	\$0	<b>\$8721.53</b>
<b>CATEGORY TOTAL</b>	<b>\$0</b>	<b>\$17,009.86</b>	<b>\$1349.72</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,359.58</b>

**COUNCILLORS – PERIOD 1 JULY 2016 TO 22 OCTOBER 2016**

COUNCILLOR	CONFERENCES, FUNCTIONS AND TRAINING	TRAVEL – LOCAL	COMMUNICATION	FUNCTIONS EXTERNAL TO TOWN HALL	CARER EXPENSES	TOTAL EXPENSES
Cr Jackie Watts	\$54.55	\$459.87	\$617.61	\$713.28	\$0	<b>\$1845.31</b>
Cr Kevin Louey	\$614.55	\$270.38	\$1261.40	\$0	\$0	<b>\$2146.33</b>
Cr Cathy Oke	\$0	\$184.19	\$331.80	\$0	\$0	<b>\$515.99</b>
Cr Ken Ong	\$139.10	\$0	\$218.21	\$0	\$0	<b>\$357.31</b>
Cr Arron Wood	\$0	\$306.21	\$767.33	\$0	\$0	<b>\$1073.54</b>
Cr Beverley Pinder-Mortimer	\$890.00	\$1044.30	\$411.79	\$249.76	\$0	<b>\$2595.85</b>
Cr Richard Foster	\$54.55	\$281.87	\$143.18	\$0	\$0	<b>\$479.60</b>
Cr Stephen Mayne	\$0	\$288.23	\$218.16	\$0	\$0	<b>\$506.39</b>
Cr Rohan Leppert	\$0	\$879.55	\$799.68	\$0	\$0	<b>\$1679.23</b>
<b>CATEGORY TOTAL</b>	<b>\$1752.75</b>	<b>\$3714.60</b>	<b>\$4769.16</b>	<b>\$963.04</b>	<b>\$0</b>	<b>\$11,199.55</b>

**LEADERSHIP TEAM – PERIOD 2 NOVEMBER 2016 TO 30 JUNE 2017**

COUNCILLOR	CONFERENCES, FUNCTIONS AND TRAINING	TRAVEL – LOCAL	COMMUNICATION	FUNCTIONS EXTERNAL TO TOWN HALL	CARER EXPENSES	TOTAL EXPENSES
Lord Mayor, Robert Doyle	\$72.73	\$14,734.27	\$3198.95	\$0	\$0	<b>\$18,005.95</b>
Deputy Lord Mayor, Arron Wood	\$500.00	\$7994.47	\$831.46	\$0	\$0	<b>\$9325.93</b>
<b>CATEGORY TOTAL</b>	<b>\$572.73</b>	<b>\$22,728.74</b>	<b>\$4030.41</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,331.88</b>

## COUNCILLORS – PERIOD 2 NOVEMBER 2016 TO 30 JUNE 2017

COUNCILLOR	CONFERENCES, FUNCTIONS AND TRAINING	TRAVEL - LOCAL	COMMUNICATION	FUNCTIONS EXTERNAL TO TOWN HALL	CARER EXPENSES	TOTAL EXPENSES
Cr Jackie Watts	\$430.11	\$698.88	\$624.67	\$158.45	\$0	\$1912.11
Cr Kevin Louey	\$612.27	\$351.96	\$2897.45	\$0	\$0	\$3861.68
Cr Cathy Oke	\$0	\$1185.12	\$686.68	\$0	\$0	\$1871.80
Cr Nicholas Reece	\$0	\$375.38	\$1329.79	\$0	\$0	\$1705.17
Cr Nicolas Frances Gilley	\$300.00	\$323.66	\$280.56	\$64.01	\$0	\$968.23
Cr Tessa Sullivan	\$570.00	\$113.90	\$706.85	\$0	\$0	\$1390.75
Cr Philip Le Liu	\$1241.51	\$677.11	\$244.98	\$0	\$0	\$2163.60
Cr Susan Riley	\$586.36	\$89.03	\$111.62	\$65.73	\$0	\$852.74
Cr Rohan Leppert	\$0	\$1560.19	\$1016.77	\$0	\$0	\$2576.96
Cr Michael Caiafa*	\$0	\$225.91	\$931.41	\$136.12	\$0	\$1293.44
<b>CATEGORY TOTAL</b>	<b>\$3740.25</b>	<b>\$5601.14</b>	<b>\$8830.78</b>	<b>\$424.31</b>	<b>\$0</b>	<b>\$18,596.48</b>

\*Councillor Michael Caiafa held the office of Councillor between the period of 2 November 2016 and 14 March 2017

## SUBSIDIARIES AND TRUSTS

The City of Melbourne has three wholly owned subsidiaries and one wholly owned unit trust:

**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 operate the Queen Victoria Market.

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

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

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

**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](http://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 dates, destination, purpose and total cost to the Council of the overseas or interstate travel, including accommodation costs.
- Agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the *Local Government Act 1989* (the Act) except if the agendas or minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act.
- 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 and are confidential information within the meaning of section 77(2) 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 leases involving land entered into by the Council as lessor, including the details of the lessee and the terms and 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](http://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).
- Senior officers' remuneration (at 31 December and 30 June), 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.
- Travel by non-City of Melbourne passengers.
- Register of Councillor Conflicts of Interest (declarations made in open sessions of Council and Future Melbourne Committee meetings).
- A list of contracts valued at \$150,000 or more for the purchase of goods and services, 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*.
- Councillor Gift Register.

## 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 available on our website at [melbourne.vic.gov.au/committees](http://melbourne.vic.gov.au/committees)

## LEGISLATIVE COMPLIANCE

The following information is provided in accordance with legislative and other requirements applying to Council.

### **Carers Recognition Act 2012**

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

- Implementing a monthly peer support carers group.
- Implementing a carers network to provide information and support to carers unable to attend the peer support group.
- Liaising closely with other service providers such as Carer Respite Centres on behalf of carers.
- 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 people who contact Council.
- Providing information to organisations represented in Council and community networks.
- Our services have policies that satisfy the Home Care Common Standards, which incorporate recognition of carers in relation to services that impact on them in their role as carers.

### **Disability Act 2006**

The City of Melbourne strategy Melbourne for All People 2014-17 has supported equity of access through planning and provision of services, programs and initiatives in accordance with the *Disability Discrimination Act 1992* (Cth).

Key initiatives delivered by the City of Melbourne to reduce and eliminate access barriers have included:

- Coordination of advocacy for provision of Changing Places toilet facilities for people with severe disabilities.
- Capital, engineering and facility development and upgrades that address access requirements for people of all ages and abilities.
- Disability awareness training around meeting the needs of people with mobility and sensory disabilities.
- Support of community engagement and input to large developments such as the Queen Victoria Market Precinct Renewal Program, Metro Tunnel Project and Flinders Street Station redevelopment.
- International Day events that were funded to help promote the abilities of and contributions of people with a disability to our communities.

### **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 (the Department).

We are currently preparing our next plan for 2017-21 to be submitted to the Department by 3 November 2017. The current plan (2013-2017) is being evaluated to assist the preparation of the next plan.

As a part of delivering the current plan, we have conducted three dog-training sessions in Fawkner Park where a professional dog trainer offered their service to the community free of charge. This was an attempt to promote responsible pet ownership and to raise awareness and importance of having dogs under effective control in public places.

This year we began transitioning from paper registration renewal forms to sending forms via email and continued to communicate to pet owners on key topics via text message.

**Food Act 1984**

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year. We did not receive any Ministerial Directions during the financial year.

**Planning and Environment Act 1987**

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a council that is collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in the council's annual report. For the 2016-17 year the City of Melbourne did not have any infrastructure and development contributions to disclose.

**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.

Four privacy complaints were received by the organisation during the 2016-17 financial year. Three were resolved internally and one was still being investigated as at 30 June 2017. No complaints from regulatory bodies were received and no losses of customer data occurred.

**Protected Disclosure Act 2012**

To access our procedures, please go to [melbourne.vic.gov.au](http://melbourne.vic.gov.au) and put 'protected disclosures' in the search box.

During 2016-17 no disclosures were notified to the Independent Broad-based Anti-corruption Commission.

**Road Management Act 2004**

In accordance with section 22 of the *Road Management Act 2004*, council must publish a copy or summary of any Ministerial direction in its annual report. We did not receive any Ministerial Directions during the financial year.

## CUSTOMER HEALTH AND SAFETY

Customer health and safety is addressed through our risk management procedures (see page 105) 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.

# OUR COUNCILLORS

In 2016–17 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 AC

Robert Doyle AC was elected in 2008 and re-elected in 2012 and 2016.

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

- Honorary Founding Patron of the Lord Mayor's Charitable Foundation
- Trustee of the Shrine of Remembrance
- Ex officio Board Member of the Cancer Council Victoria
- Ex officio Co-Vice President of the Royal Humane Society of Australia
- Ex officio Member of the Melbourne Art Trust
- Council of Capital City Lord Mayors
- United Nations Advisory Committee of Local Authorities
- C40 Cities Climate Leadership Group
- Chief Executive Officer Employment Matters Committee
- World Economic Forum Advisory Committee (Davos)

**Phone:** 03 9658 9658

**Email:** lordmayor@melbourne.vic.gov.au



## DEPUTY LORD MAYOR ARRON WOOD

Elected in 2012 as a Councillor and elected in 2016 as Deputy Lord Mayor.

Deputy Lord Mayor Arron Wood is Chair of the Future Melbourne (Finance and Governance) Committee. Cr Wood also represents the City of Melbourne on the following advisory committees and external organisations:

- Audit and Risk Committee
- Chief Executive Officer Employment Matters Committee
- Committee for Melbourne
- Victorian Local Governance Association
- Fishermans Bend Advisory Committee
- Melbourne Sustainable Society Institute Advisory Board
- Ecocity World Summit 2017 Executive Advisory Board

**Phone:** 03 9658 9658

**Email:** arron.wood@melbourne.vic.gov.au



**COUNCILLOR  
NICOLAS FRANCES  
GILLEY MBE**

Elected in March 2017.

Cr Nicolas Frances Gilley is Chair of the Future Melbourne (Transport) Committee and Deputy Chair of the Future Melbourne (Aboriginal City) Committee. Cr Frances Gilley also represents the City of Melbourne on the Metropolitan Transport Forum.

**Phone:** 03 9658 9038

**Email:** nicolas.francesgilley@melbourne.vic.gov.au



**COUNCILLOR  
PHILIP LE LIU**

Elected in 2016.

Cr Philip Le Liu is Chair of the Future Melbourne (International Engagement) Committee and Deputy Chair of the Future Melbourne (Prosperous City) Committee. Cr Le Liu also represents the City of Melbourne on the following advisory committees and external organisations:

- Audit and Risk Committee
- Destination Melbourne
- Enterprise Melbourne Pty Ltd
- Municipal Association of Victoria  
– Multicultural Committee

**Phone:** 03 9658 9630

**Email:** philip.leliu@melbourne.vic.gov.au



**COUNCILLOR  
ROHAN LEPPERT**

First elected in 2012 and re-elected in 2016.

Cr Rohan Leppert is Chair of the Future Melbourne (Arts, Culture and Heritage) Committee and Deputy Chair of the Future Melbourne (Planning) Committee and the Future Melbourne (Knowledge City) Committee. Cr Leppert also represents the City of Melbourne on the following advisory committees and external organisations:

- Music Strategy Advisory Committee
- Municipal Association of Victoria. Cr Leppert is also a board member of the Municipal Association of Victoria and chairs its Planning Committee
- Victorian Local Governance Association

**Phone:** 03 9658 9051

**Email:** rohan.leppert@melbourne.vic.gov.au



**COUNCILLOR  
KEVIN LOUEY**

First elected in 2008 and re-elected in 2012 and 2016.

Cr Kevin Louey is Chair of the Future Melbourne (Prosperous City) Committee and Deputy Chair of the Future Melbourne (Arts, Culture and Heritage) Committee. Cr Louey also represents the City of Melbourne on the following advisory committees and external organisations:

- Business Partner City (BPC) Network
- Enterprise Melbourne Pty Ltd
- Music Strategy Advisory Committee

**Phone:** 03 9658 9170

**Email:** kevin.louey@melbourne.vic.gov.au





**COUNCILLOR  
NICHOLAS REECE**

Elected in 2016.

Cr Reece is Chair of the Future Melbourne (Planning Committee) and Deputy Chair of the Future Melbourne (Environment) Committee. Cr Reece also represents the City of Melbourne on the following advisory committees and external organisations:

- Parks and Gardens Advisory Committee
- Inner Melbourne Action Plan (IMAP) Committee

**Phone:** 03 9658 9704

**Email:** [nicholas.reece@melbourne.vic.gov.au](mailto:nicholas.reece@melbourne.vic.gov.au)



**COUNCILLOR  
CATHY OKE**

First elected in 2008 and re-elected in 2012 and 2016.

Cr Cathy Oke is Chair of the Future Melbourne (Environment) Committee and Deputy Chair of the Future Melbourne (Finance and Governance) Committee and Future Melbourne (Transport) Committee. Cr Oke also represents the City of Melbourne on the following advisory committees and external organisations:

- Parks and Gardens Advisory Committee
- Metropolitan Local Government Waste Forum
- Melbourne Ecocity World Summit Advisory Board (as Council's representative on ICLEI)
- International Council for Local Environment Initiatives (ICLEI) Global Executive Committee and Regional (Oceania) Executive Committee
- Yarra Park Advisory Committee
- Chief Executive Officer Employment Matters Committee

**Phone:** 03 9658 9086

**Email:** [cathy.oke@melbourne.vic.gov.au](mailto:cathy.oke@melbourne.vic.gov.au)



**COUNCILLOR  
SUSAN RILEY**

Cr Susan Riley served as Deputy Lord Mayor in 2001-2004, 2008-2012 and 2012-2016. Cr Riley was elected as a Councillor in March 2017.

Cr Riley is Chair of the Future Melbourne (Small Business, Retail and Hospitality) Committee and Deputy Chair of Future Melbourne (Prosperous City) Committee. Cr Riley also represents the City of Melbourne on the following advisory committees and external organisations:

- Australian Intercultural Society
- Enterprise Melbourne Pty Ltd
- Procurement Australia Board Member and Non-Executive Director / Chair and Patron Let's Network: Women in Procurement
- RMIT School of Fashion and Textiles Industry Advisory Group
- Lady Mayoress' Committee
- Melbourne Art Trust
- Melbourne Awards Advisory Board
- Melbourne Spring Fashion Week Advisory Board

**Phone:** 03 9658 9636

**Email:** [susan.riley@melbourne.vic.gov.au](mailto:susan.riley@melbourne.vic.gov.au)



**COUNCILLOR  
TESSA SULLIVAN**

Elected in 2016.

Cr Tessa Sullivan is Chair of the Future Melbourne (People City) Committee and Deputy Chair of the Future Melbourne (Small Business, Retail and Hospitality) Committee. Cr Sullivan also represents the City of Melbourne on the following advisory committees and external organisations:

- Audit and Risk Committee
- Family and Children's Advisory Committee
- Homelessness Advisory Committee
- Disability Advisory Committee

**Phone:** 03 9658 9056

**Email:** tessa.sullivan@melbourne.vic.gov.au



**COUNCILLOR  
JACKIE WATTS**

First elected in 2011 and re-elected in 2012 and 2016.

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:

- Disability Advisory Committee
- Homelessness Advisory Committee
- Victorian Local Government Women's Charter
- Family and Children's Advisory Committee

**Phone:** 03 9658 8580

**Email:** jackie.watts@melbourne.vic.gov.au

## COUNCIL AND COMMITTEE MEETING ATTENDANCE - PREVIOUS COUNCIL

JULY 2016 TO OCTOBER 2016	MELBOURNE CITY COUNCIL MEETINGS	COMMITTEE MEETINGS	
		Future Melbourne Committee	Inner Melbourne Action Plan
<b>NUMBER OF MEETINGS</b>	<b>5</b>	<b>6</b>	<b>1</b>
LM Robert Doyle	5	5	**
DLM Susan Riley	5	6	**
Cr Richard Foster	4	4	**
Cr Rohan Leppert	5	6	**
Cr Kevin Louey	4	5	**
Cr Stephen Mayne	4	6	**
Cr Cathy Oke	4	6	**
Cr Ken Ong	5	3	1
Cr Beverley Pinder-Mortimer	5	6	**
Cr Jackie Watts	5	6	**
Cr Arron Wood	5	6	**

\*\* Not a member

## COUNCIL AND COMMITTEE MEETING ATTENDANCE - CURRENT COUNCIL

NOVEMBER 2016 TO JUNE 2017	MELBOURNE CITY COUNCIL MEETINGS	COMMITTEE MEETINGS	
		Future Melbourne Committee	Inner Melbourne Action Plan
<b>NUMBER OF MEETINGS</b>	<b>10</b>	<b>15</b>	<b>3</b>
LM Robert Doyle	10	12	**
DLM Arron Wood	10	13	**
Cr Michael Caiafa +	5	7	**
Cr Nicolas Frances Gilley ++	4	7	**
Cr Philip Le Liu	10	13	**
Cr Rohan Leppert	10	15	**
Cr Kevin Louey	9	14	**
Cr Cathy Oke	10	13	**
Cr Nicholas Reece	10	13	3
Cr Susan Riley ++	5	7	**
Cr Tessa Sullivan	10	15	**
Cr Jackie Watts	7	12	**

+ The Victorian Civil and Administrative Tribunal declared Cr Michael Caiafa unelected on 14 March 2017.

++ Councillors Nicolas Frances Gilley and Susan Riley were declared elected by the Victorian Civil and Administrative Tribunal on 14 March 2017 and sworn into office on 21 March 2017.

\*\* Not a member

## COUNCIL SPECIAL COMMITTEES

As well as Council meetings, Melbourne City Council has two 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 12 themes or portfolios:

- Aboriginal City
- Arts, Culture and Heritage
- Environment
- Finance and Governance
- International Engagement
- Knowledge City
- Major Projects and Major Events
- People City

- Planning
- Prosperous City
- Small Business, Retail and Hospitality
- 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 2016-2026. The Committee comprises representatives from the local governments of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong.

# 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.

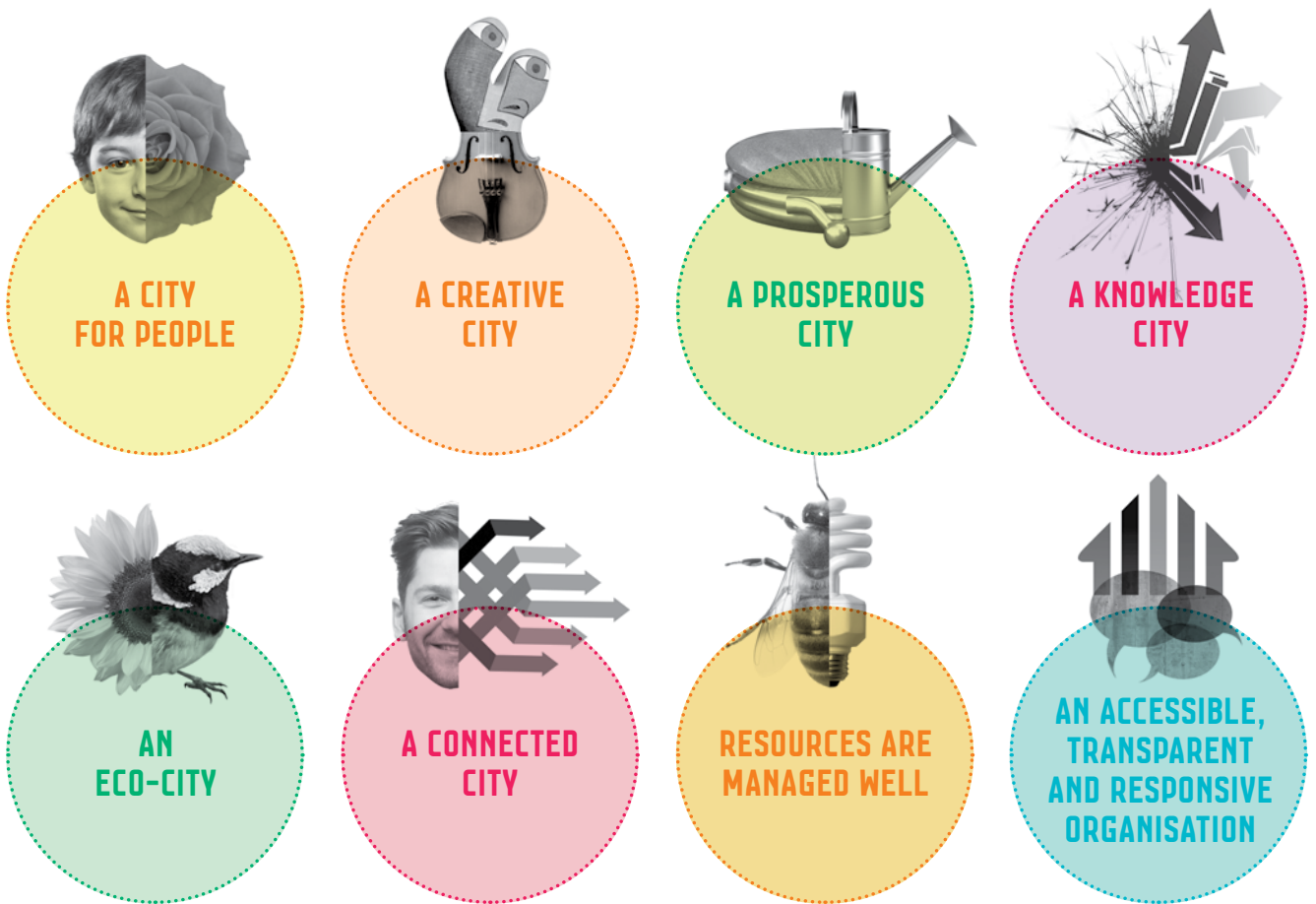
This is done this by:

- 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 aimed 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 implemented to achieve the four-year outcomes it sought, including whether these actions were completed or are ongoing
- the **major initiatives** of the Council over the past 12 months (activities of particular importance under each goal, as listed in the Annual Plan and Budget 2016–17).

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

In 2016 the City of Melbourne released Future Melbourne 2026, which sets out the community’s aspirations for the city in the next decade. More information on Future Melbourne 2026 can be found on our website [melbourne.vic.gov.au/futuremelbourne](http://melbourne.vic.gov.au/futuremelbourne)







# 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

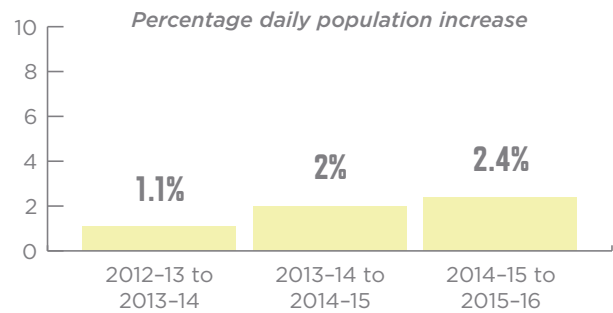
The timing of the Western Distributor announcement and the caretaker period and Council elections impacted our work on the West Melbourne Structure Plan. A draft Plan was presented to Council this year, with the final Structure Plan to be presented to Council in late 2017 for endorsement. Recent Victorian and Australian Government announcements regarding affordable housing have provided a changed policy context for our housing work. A review of the Housing Strategy as it relates to affordable housing issues has been completed, and will be provided to Councillors in July 2017. The construction of the Southbank Boulevard open space project was delayed pending final negotiations with Yarra Trams, Public Transport Victoria and Transport for Victoria regarding tram and bus locations. An occupancy permit has now been issued by Yarra Trams for construction to commence in April 2018. Our work to begin a planning scheme amendment to introduce an updated Sunlight to Open Space policy is progressing well. We've created a digital model to represent existing levels of sunlight and shade across the entire municipality. We are now using the model to test scenarios of varying levels of sunlight protection to understand the impacts on development. Our analysis will inform a planning scheme amendment next year.



## 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. Note that these are the same figures as reported in 2015-16.



## MAJOR INITIATIVES



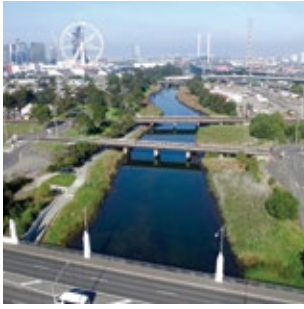
### WORK WITH THE VICTORIAN GOVERNMENT TO IMPLEMENT COUNCIL'S GOALS THROUGH THE DEVELOPMENT OF PLANS FOR THE FISHERMANS BEND EMPLOYMENT PRECINCT AND LORIMER PRECINCT

Staff members from the City of Melbourne were actively involved in the strategic planning and design of both the Employment and Lorimer Precincts in Fishermans Bend throughout 2016-17. We contributed to planning for sustainability measures in the built form of Fishermans Bend and identifying sites for collocating open space and community infrastructure. We worked with partners to plan transport routes through the area. We also worked with project partners; the City of Port Phillip, Fishermans Bend Taskforce and Melbourne Water to build on baseline work that models future flooding and identifies infrastructure needs. This modelling will help in the design of innovative and integrated regional water management approaches. In June, we continued to work with the Fishermans Bend Taskforce to refine strategic planning and design thinking for the Lorimer Precinct Plan. We also worked with the Taskforce on a work program to prepare for the Employment Precinct Plan.



### 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

Throughout the year, the City of Melbourne has worked closely with the Victorian Planning Authority as it develops the final Arden Vision and Framework. Our work to develop plans for the urban renewal of the area involves collaborating across government as part of the Victorian Government's Inter-Departmental Committee (IDC) for Arden Macaulay. We provide expertise and articulate Council's expectations for future growth as part of the IDC Steering Group, Communications and Engagement Working Group, and a working group established to respond to the issue of flood management in Arden Macaulay. At the time of writing, the Victorian Planning Authority was finalising the final Arden Vision and Framework for Council to review and endorse in August 2017.



### **IN PARTNERSHIP WITH THE VICTORIAN GOVERNMENT, FINALISE THE MOONEE PONDS CREEK MASTERPLAN AND SEEK AGREEMENT ON A FUNDING AND IMPLEMENTATION STRATEGY**

This initiative has been discontinued as planning work on the Moonee Ponds Creek has now been brought into our broader work on the Moonee Ponds Creek Corridor. We have seconded an employee to Melbourne Water to lead the development of a whole of catchment planning exercise. This initiative has established a collaborative governance group of 17 organisations, including the City of Melbourne, to determine how to transform the creek into an iconic waterway for Melbourne. In collaboration with the Victorian Planning Authority, we are also leading the development of the Open Space and Drainage Strategy (Arden Macaulay focussed) that will ultimately inform the development of an overarching Integrated Water Management Strategy for Moonee Ponds Creek (Master plan). The next phase of this action is identified in the 2017-18 Annual Plan initiative to develop a strategic opportunities plan for the Moonee Ponds Creek throughout the municipality that advocates Council's vision, and will involve stakeholder and community engagement.



### **CONTINUE TO DELIVER THE QUEEN VICTORIA MARKET PRECINCT RENEWAL PROGRAM**

With the finalisation of the Queen Victoria Market Precinct Renewal Program Implementation Framework in August 2016, the City of Melbourne commenced delivery of the five-year Program. This included early works across the precinct on basic amenities and safety, the release of the concept design for Australia's most sustainable mixed-use development on the Council-owned Munro site, and the design of the temporary New Market Pavilion to ensure temporarily relocated traders can continue to operate right throughout the renewal program. The Munro development site will include a new community hub, affordable housing, residential apartments, and complementary retail and hospitality. The New Market Pavilion, designed by Breathe Architects, will create a new two-storey, greenhouse-inspired design, with an open air trading hall on the ground level and a market garden on the upper level. Alongside these program design elements has been an important focus on heritage, with our nomination of the Queen Victoria Market for National Heritage Listing progressing to public consultation in April 2016.



### **COMMENCE PLANNING FOR TEMPORARY RELOCATION OF LADY HUNTINGFIELD CHILDCARE CENTRE PLACES AND REDEVELOPMENT OF THE LADY HUNTINGFIELD SITE**

Our recent review of childcare facilities in the North Melbourne area, including Lady Huntingfield and Hotham Hub children's centres, informed our planning to meet future demand. Over the next 20 years the demand for child and family services will double as the North Melbourne population expands. To meet this increased demand we are expanding the Hotham Hub Children's Centre and rebuilding the Lady Huntingfield Childcare Centre into an integrated child and family centre. Redevelopment work for the Lady Huntingfield Childcare Centre is on track, with town planning drawings almost complete, traffic analysis and concept landscape designs complete, and many other elements underway or complete. Planning for the temporary relocation of the centre to Hotham Hub is also well underway, and will take place in the next year.

## HIGHLIGHTS



### CARERS SUPPORT GROUP

A new Carers Support Group is now running from the Kathleen Syme Library and Community Centre. The group is open to all carers living in the municipality as well as those who care for a City of Melbourne resident. This fantastic initiative celebrates the invaluable role that carers play in our community, giving them an opportunity for support and respite.



### GINGERBREAD VILLAGE

The Gingerbread Village at the Melbourne Town Hall welcomed a record number of visitors in 2016. A total 59,747 visitors, 10,000 more than in 2015, enjoyed the Melbourne Christmas tradition, while raising \$28,606 for the Royal Children's Hospital Foundation.



### JUNIOR RANGER PROGRAM

Park Rangers kept school children entertained and educated them on our local Aboriginal heritage over the summer school holidays. Wurundjeri Elder Uncle Bill joined the rangers to speak about the seven seasons of the Wurundjeri people distinguished by observing the natural environment, to share stories of Country, and showed them how to throw a boomerang.



### KENSINGTON OPEN SPACE

Kensington locals turned out with kids, dogs, bikes and prams for the official opening of the Eastwood and Rankins Road Reserve in September. By expanding two small traffic islands on the south side of Kensington Station, the amount of green open space in the area has almost doubled. This project is a great example of successfully converting redundant asphalt into usable green open space.



### WELCOME DINNERS

We hosted three Welcome Dinners in Carlton, Southbank and Docklands with 130 participants. The Welcome Dinner Project provides an opportunity for newly arrived people, international students and established Australians to meet over dinner, connecting people of diverse cultures who live in close proximity.



### CONNECT RESPECT PROGRAM

Through the Connect Respect pilot program, the City of Melbourne worked collaboratively with businesses to build their understanding of homelessness issues and support their response to homelessness in the city. We developed Connect Respect because we found that many city businesses - large and small - were willing and interested in becoming involved in developing local solutions for people experiencing homelessness, and for those who are marginalised, transient, vulnerable or unwell. The pilot program was delivered to almost 100 participants in coordination with homelessness agencies and people who have experienced homelessness.

## HOW WE PERFORMED AGAINST OUR INDICATORS OF PROGRESS

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

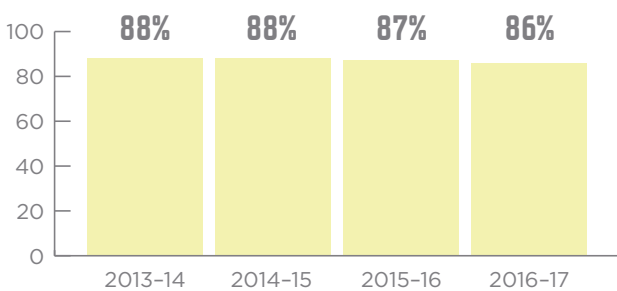
### PROJECTED OUTCOME:

**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.

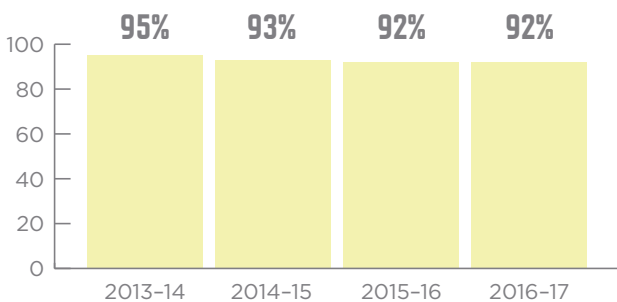
*Residents living within an 800-metre walk of community facilities*



### 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 declined to 86 per cent. 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 remained unchanged.

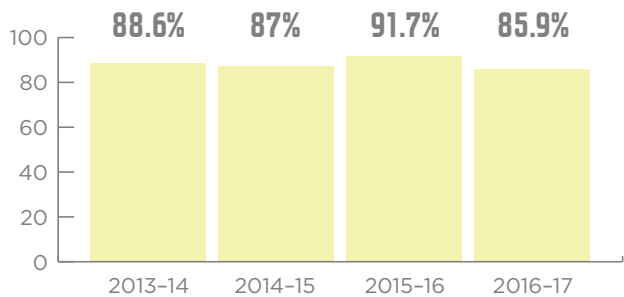
### PROJECTED OUTCOME:

**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.

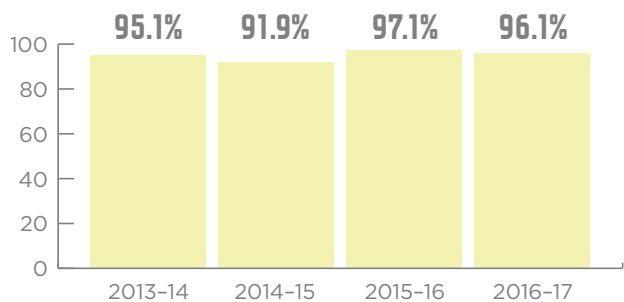
*Customers reporting the information they received from us helped them lead a healthier lifestyle*



### 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, 85.9 per cent reported the information they received helped them lead a healthier lifestyle, and 96.1 per cent reported the support they received helped them lead a healthier lifestyle.

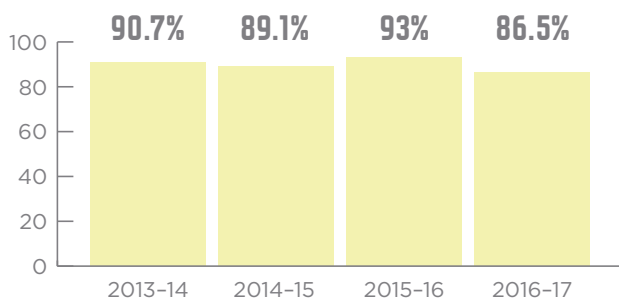
**PROJECTED OUTCOME:**

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.

*Customers who feel more a part of their community through participating in our programs*



**OUR PROGRESS**

Customers surveyed who participated in our programs and reported they felt more a part of their community decreased to 86.5 per cent.

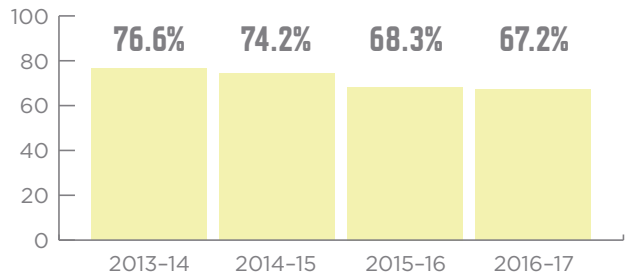
**PROJECTED OUTCOME:**

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.

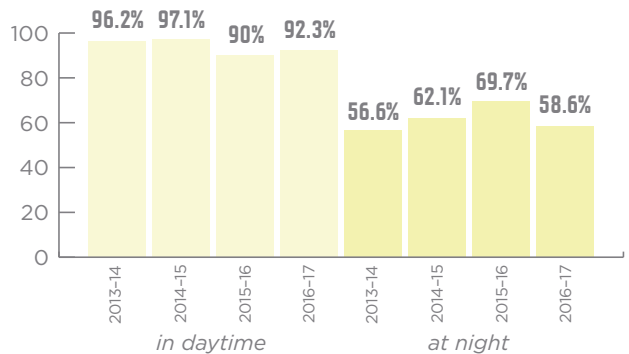
*City users who are satisfied with the quality of our public spaces*



**INDICATOR**

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

*City users who feel safe alone in public spaces*



**OUR PROGRESS**

Just over 67 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.

Over 92 per cent of people surveyed felt safe alone in public spaces during daytime representing an improvement from the previous year. Over 58 per cent reported feeling safe alone in public spaces at night, a marked decrease of more than 11 per cent. The 2016-17 night-time figure has returned to normal as the previous year’s figure was likely anomalous.

## PRIORITIES AND ACTIONS

A total of 16 actions and activities were completed under Goal 1, a city for people. Several actions not completed in 2016–17 will continue to be delivered in the 2017–18 financial year. Some relate to projects that span multiple years and some were delayed due to unforeseeable external factors.

Our 4-year priorities were	Our 2016–17 focus was
<b>Begin implementing Melbourne's Urban Renewal Areas plan</b>	<ul style="list-style-type: none"> <li>• (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 ✓</li> <li>• Finalise the West Melbourne Structure Plan ↻</li> <li>• 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 ↻</li> <li>• Progress Planning Scheme Amendment C221 West Melbourne Waterfront development through to Panel ✓</li> <li>• (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 ✓</li> <li>• Develop a flood mitigation strategy including open space requirements, around the Moonee Ponds Creek corridor ✓</li> <li>• (Major Initiative) In partnership with the Victorian Government, finalise the Moonee Ponds Creek Master Plan and seek agreement on a funding and implementation strategy ✗</li> </ul>
<b>Providing community infrastructure commensurate with the municipality's growing population and in anticipation of rapid growth in urban renewal areas</b>	<ul style="list-style-type: none"> <li>• Progress Planning Scheme Amendment for the Queen Victoria Market ✓</li> <li>• (Major Initiative) Continue to deliver the Queen Victoria Market Precinct Renewal Program ✓</li> <li>• 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 ✓</li> <li>• Work with surrounding councils and the State Government to develop a more integrated approach to the planning and delivery of community infrastructure and services ✓</li> <li>• 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 ✓</li> </ul>
<b>Advocate to and cooperate with the Victorian Government in planning for new government schools</b>	<ul style="list-style-type: none"> <li>• 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 ✓</li> </ul>
<b>Facilitate private and public development of a diverse and more affordable housing stock to accommodate population growth</b>	<ul style="list-style-type: none"> <li>• Review the City of Melbourne Housing Strategy as it relates to affordable housing issues ↻</li> <li>• Ensure the Munro site redevelopment tender considers affordable housing and child care ✓</li> </ul>
<b>Protect the community from passive smoking by expanding smoke free areas</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business for the year</li> </ul>
<b>Develop an electronic gaming machine policy for the municipality</b>	<ul style="list-style-type: none"> <li>• Begin implementing the outcomes of the gaming policy review ✓</li> </ul>
<b>Increase community participation in physical activity through our sport and recreation services</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business for the year</li> </ul>
<b>Support the community to access nutritious and sustainable food through our Food Policy</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business for the year</li> </ul>



Our 4-year priorities were	Our 2016–17 focus was
Address gender and equity issues in all new Council strategies and plans	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
Strengthen partnerships to prevent crime and improve community safety	<ul style="list-style-type: none"> <li>Should the Night Network trial be extended, seek Victorian Government funding for late night activation of the city ✓</li> </ul>
Apply crime-prevention-through-environmental-design principles to increase safety in public spaces	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
Support the prevention of violence against society's most vulnerable people with a focus on women and children	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
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"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
Celebrate cultural and language diversity through a range of cultural activities	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
Provide youth, aged and family-focused services for a growing community	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
Facilitate the sufficient availability of quality child care services in local areas and plan for future demand	<ul style="list-style-type: none"> <li>(Major Initiative) Commence planning for temporary relocation of Lady Huntingfield Childcare Centre places and redevelopment of the Lady Huntingfield site ✓</li> </ul>
Support the social and economic development of Aboriginal and Torres Strait Islander people	<ul style="list-style-type: none"> <li>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 ✓</li> </ul>
Contribute to developing sustainable pathways out of homelessness	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
Improve the municipality's social and physical accessibility for all ages	<ul style="list-style-type: none"> <li>Build on year three action on Sunday Streets through an Expression of Interest process for trials and submit report on trials to Council ✓</li> </ul>
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"> <li>Begin construction of Southbank Boulevard open space project ↻</li> <li>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 ↻</li> <li>Develop proposals that improve the amenity of smaller public spaces to meet the needs of the community in areas facing significant increased density ↻</li> </ul>

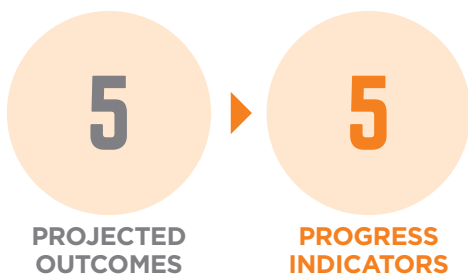
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# GOAL 2 A CREATIVE CITY

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

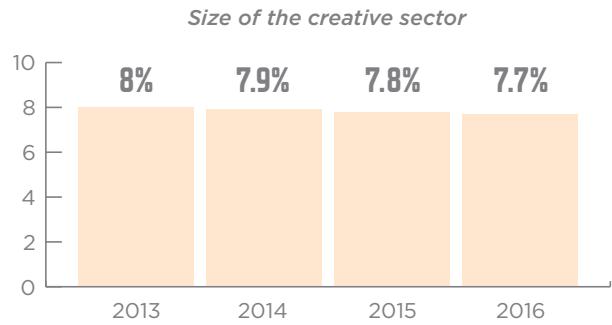
Our progress on both the planning scheme amendment for the Heritage Policies Review and the planning scheme amendment for West Melbourne was affected by the Department of Environment, Land, Water and Planning's instruction to combine these two amendments into one. This instruction came following Council's request for authorisation of the Heritage Policies Review in mid-2016. We have now combined the amendments into one - Amendment C258 - and a Panel Hearing is scheduled for 2018. Our work with the Victorian Government to undertake a heritage review of Fishermans Bend, including the Lorimer and Employment precincts is progressing but will be finalised outside this reporting year. The heritage review will be presented along with draft amendments for interim and permanent heritage controls to the Future Melbourne Committee for consideration in September 2017.



## 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.*

The number of creative sector jobs remained about the same, but slightly declined as a proportion of all jobs in the municipality's economy. Note that these figures are updated on previously published data. Current figures include additional sub-sectors within the creative industries sector in the municipality.



## MAJOR INITIATIVE



Photo credit: Bryony Jackson

### DELIVER THE 2017 MELBOURNE INDIGENOUS ARTS FESTIVAL IN PARTNERSHIP WITH COMMUNITY AND ARTS STAKEHOLDERS

YIRRAMBOI 2017 (previously Melbourne First Nations Arts Festival) was delivered from 5 to 14 May. The program of events was highly successful, with capacity audiences and positive feedback from a wide range of audiences, artists, partners and funders. Highlights included the opening night event and its contemporary programming at Meat Market and other Arts Melbourne branch contributions including programs at Arts House, ArtPlay and the Grand Organ. Partner projects at the Melbourne Recital Centre, Arts Centre Melbourne and Federation Square were well attended. Other unique, engaging and successful events included Barring Yanabul and the New Mums Ceremony.



### 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

The Queen Victoria Market Precinct Renewal includes a detailed and ongoing program of engagement with Aboriginal stakeholders. The program of engagement is designed to represent best practice, fulfilling the City of Melbourne's commitment to engaging with Aboriginal people for projects in the built environment as set out in our Reconciliation Action Plan and Aboriginal Heritage Action Plan. The key focus through 2016-17 was the development of plans for Cultural Heritage Management across the precinct, in close consultation with Traditional Owners. In the years ahead, the program will move to implementation of these management plans and working closely with Aboriginal stakeholders to shape the delivery of renewal and the future of the precinct.

## HIGHLIGHTS



### ARTS HOUSE NOMINATIONS

Arts House received a whopping 31 nominations and eight wins in Melbourne's performing arts industry awards, the Green Room Awards, across the categories of Contemporary and Experimental Performance, Dance and Independent Theatre. This was a great effort by the Arts House team, which put together such a diverse and powerful program.



### PICTURE BOOK PROGRAM

ArtPlay and Family Services celebrated the culmination of the third year of its Picture Book program with the launch of the latest book in the series, 'Things We Like to Do at Home.' Almost 90 children and carers participated in the program, which, for the first time, included the creation of songs as well as illustrations. Books created as part of the program can be borrowed from our libraries.



### STORYTELLING AT THE DOCK

Storytelling at The Dock held in September was a big success. More than 100 people came to hear 10 emerging memoir writers, memoirist Lee Kofman and Miles Franklin winner Sofie Laguna. Melbourne Library Service partnered with the Melbourne Writers Festival to host the event.

## HOW WE PERFORMED AGAINST OUR INDICATORS OF PROGRESS

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

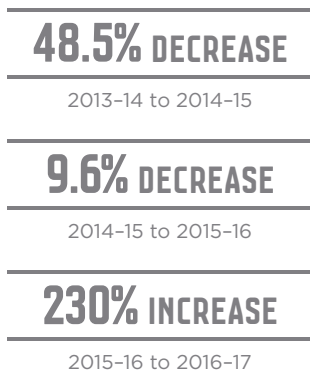
### PROJECTED OUTCOMES:

**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 2016-17 totalled 21,108, a 230 per cent increase on the previous year's 6404. The increase is mainly due to inclusion of the triennial arts grants applications for 2018-20. Applications for the program opened in February and attracted 59 applications from not-for-profit arts organisations seeking support for events featuring the work of 12,621 artists. The increase is 32.53 per cent (8487 artists seeking support) if you exclude the triennial program.

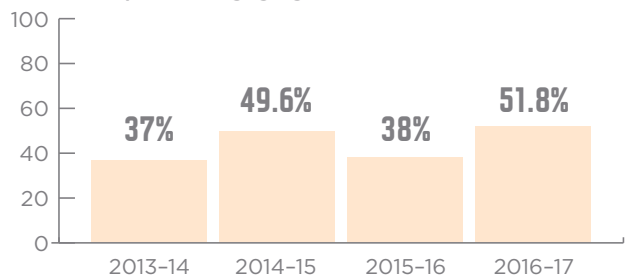
### PROJECTED OUTCOME:

**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

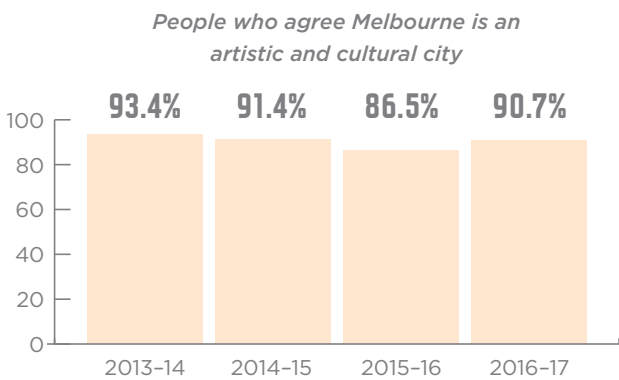
The increase in first-time participants mainly relates to users of ArtPlay, which features programming suitable for babies to children up to 12-years-old. ArtPlay had 11,224 first-time participants during the year.

**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**

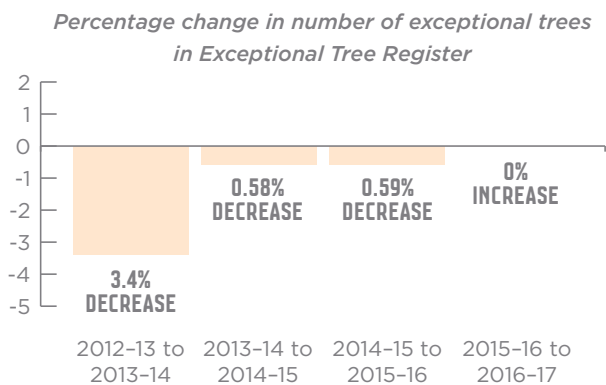
The 2016-17 result has returned to a level closer to the first two years of data collection. The 2015-16 result was irregular and related to differences in the sampling, which included higher proportions of students and lower proportions of people from metropolitan Melbourne.

**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.

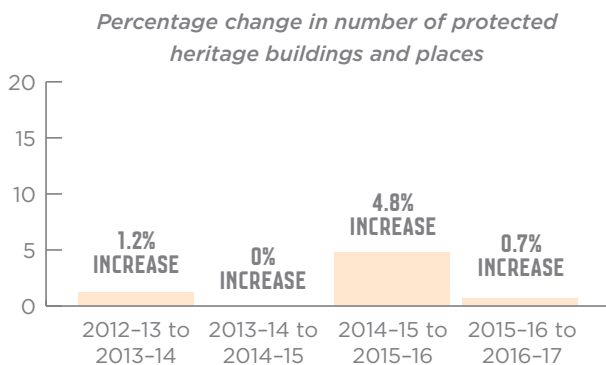


**OUR PROGRESS**

No new trees were added to or removed from the Exceptional Tree Register in 2016-17.

**INDICATOR**

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



**OUR PROGRESS**

With the approval of Amendment C207 - The Arden Macaulay Heritage Review 2012 - on 14 July 2016, 35 individual heritage places and three heritage precincts (a total of 47 properties and structures) were added to the schedule to the heritage overlay representing an approximate 0.7 per cent change in the number of protected heritage buildings and places.

## PRIORITIES AND ACTIONS

A total of eight actions and activities were completed under Goal 2, a creative city. Six actions not completed in 2016-17 will continue to be delivered in the 2017-18 financial year. Due to a decision by the Victorian Civil and

Administrative Tribunal we did not proceed to implement the Heritage Strategy by progressing the planning scheme amendment to conserve the heritage value of The Palace Theatre.

Our 4-year priorities were	Our 2016-17 focus was
<b>Develop sustainable cultural physical infrastructure and programming</b>	<ul style="list-style-type: none"> <li>Develop an implementation plan that aligns the Arts Infrastructure Framework with the Council's agreed 10-Year Capital Works Plan</li> </ul>
<b>Increase access to and participation in creative expression and arts and cultural experiences, including music</b>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul>
<b>Strengthen national and international artistic and cultural connections</b>	<ul style="list-style-type: none"> <li>Deliver the biennial Dance Massive festival</li> </ul>
<b>Support emerging artists</b>	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
<b>Contribute to artistic, cultural and heritage outcomes for the Aboriginal and Torres Strait Islander people</b>	<ul style="list-style-type: none"> <li>(Major Initiative) Deliver the 2017 Melbourne Indigenous Arts Festival in partnership with community and arts stakeholders</li> <li>(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</li> </ul>
<b>Implement the Heritage Strategy</b>	<ul style="list-style-type: none"> <li>Progress the planning scheme amendment for the Heritage Policies Review</li> <li>Implement the Heritage Strategy by progressing planning scheme amendments for Southbank for Council consideration</li> <li>Implement the agreed priority actions from the revised Heritage Implementation Plan 2013</li> <li>Implement the Heritage Strategy by progressing the planning scheme amendment to conserve the heritage value of The Palace Theatre to completion</li> <li>Work with the Victorian Government to undertake a heritage review of Fishermans Bend, including the Lorimer and Employment precincts</li> <li>Implement the Heritage Strategy by progressing the planning scheme amendment for West Melbourne to panel</li> <li>Implement the Heritage Strategy by progressing the planning scheme amendment for Guildford and Hardware lanes to exhibition</li> <li>Undertake stage one of the Hoddle Grid Heritage Review</li> </ul>
<b>Build on the municipality's cultural heritage in creative and dynamic ways, ensuring appreciation by future generations (wording under review)</b>	<ul style="list-style-type: none"> <li>Begin the digitisation of the City of Melbourne's art and heritage collection, enabling immediate access to a comprehensive online catalogue for all Melburnians</li> </ul>

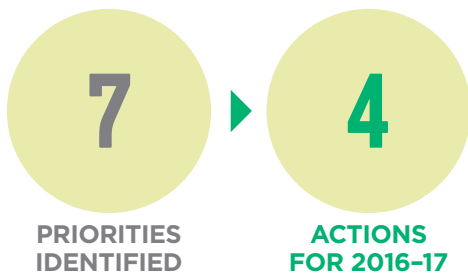
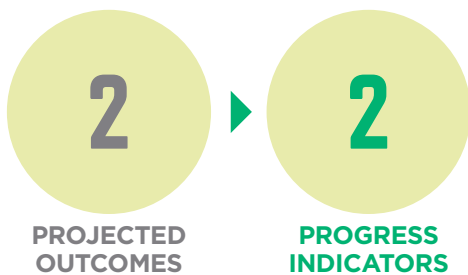
KEY	Completed ✓	Ongoing ↻	Discontinued ✕
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# GOAL 3 A PROSPEROUS CITY

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.

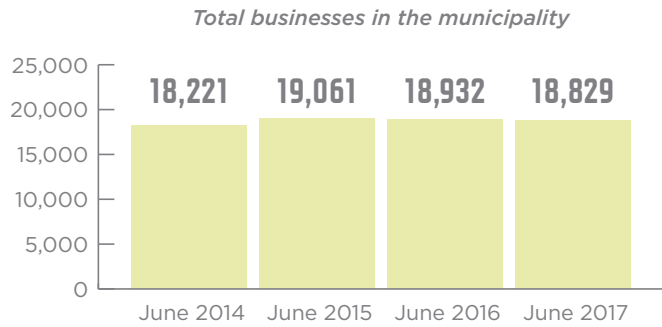
## ISSUES AND CHALLENGES

As part of our ongoing work to support the development of a vibrant social enterprise sector, we planned to implement year one of the City of Melbourne Social Enterprise Strategy in 2016-17. However this work was deferred due to the proposed development of a broader Social Investment Framework as the Strategy was designed to be complementary to and supportive of the Framework. Our activities in support of the social enterprise sector will be directly guided by objectives within the Social Investment Framework in order to maximise positive social impacts through a cohesive approach.

### FUTURE MELBOURNE SNAPSHOT

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

The number of businesses in the municipality remains similar to 2016 – a 0.5 per cent decrease was reported in 2017.



## MAJOR INITIATIVES



### DEVELOP AN ACTION PLAN TO SUPPORT THE MELBOURNE STARTUP AND ENTREPRENEURIAL ECOSYSTEM FOR COUNCIL

Our team worked with consultants to research and develop an action plan, before holding seven workshops to seek feedback on the draft actions. Approximately 400 people were involved including startup founders, community groups, universities, students, funders and co-working spaces. This external consultation helped guide areas of focus. Through internal workshops we then tested and refined our actions, aligning them with our existing activities and programs where possible. We tested initial activities from the Startup Action Plan at Melbourne Knowledge Week, including tours of Melbourne’s co-working spaces; pitch nights; startup breakfasts, and a Startup Book Camp event. The Startup Action Plan was delivered to Council in June, and unanimously endorsed.

## HIGHLIGHTS



### BUSINESS MISSION FROM THE CITY OF OSAKA

Connections were renewed when the City of Osaka's Vice Mayor Seigo Tanaka led a business mission to Melbourne in October. The Vice Mayor and delegation also attended AusBiotech to continue to build life science connections between Melbourne and Osaka. The delegations received briefings on the Queen Victoria Market Precinct Renewal Program, Swanston Street and our unique and wonderful visitor services.



### CLUE 2016 REPORT

The Census of Land Use and Employment (CLUE) provides a portrait of the changing nature of life in our city. CLUE offers information about economic activity, tracks changes in land use, and identifies key trends in employment. Well done to our City Research team who successfully launched the latest 2016 CLUE Report with integrated Tableau software on [melbourne.vic.gov.au](http://melbourne.vic.gov.au). This means it's even easier to dig deeper into the data and visualise what it means for Melbourne.



### MELBOURNE SPRING FASHION WEEK

Melbourne Spring Fashion Week is one of the largest and most popular consumer fashion events in Australia. It plays a key role in supporting Melbourne's fashion and retail industry. The 2016 event featured 85 per cent local talent, saw economic impact increase to \$8.19 million, and had an editorial value of \$15.7 million; a 67 per cent rise. The events of the week brought the city to life with more than 65,000 people attending the 2016 Melbourne Spring Fashion Week.



### WOMEN IN BUSINESS

Now in its 14th year, the annual Melbourne Women in Business Lunch was held in July with more than 400 guests. The lunch is one of the key networking events in the City of Melbourne's calendar. Guests heard keynote speaker Bianca Chatfield, and celebrated our city's high achievers, up and comers and the important role women play in Melbourne's business community.



## HOW WE PERFORMED AGAINST OUR INDICATORS OF PROGRESS

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

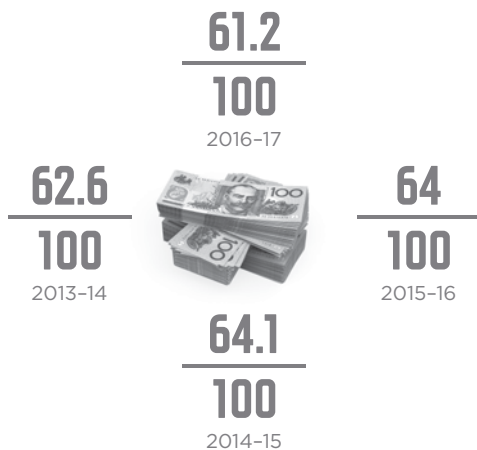
### PROJECTED OUTCOME:

**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 the past three years. Business attraction initiatives included: tourism visitor information services, public events, marketing and promotion campaigns, a pilot visitor information hub, business support activities and programs. These initiatives were designed to encourage visitors and residents to visit, explore, stay longer and spend within the municipality of Melbourne.

### TOURISM VOLUNTEERS

In addition to our paid workforce, we also have a volunteer workforce within our Business and Tourism Branch of more than 410 individuals. Collectively known around the world as the 'red coats', our tourism volunteers work across seven programs:

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

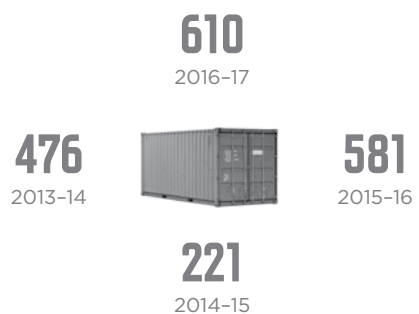
### PROJECTED OUTCOME:

**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 610 this year compared with 581 in 2015-16. Productive partnerships with businesses and other organisations facilitated this strong result.



## PRIORITIES AND ACTIONS

A total of two actions and activities were completed under Goal 3, a prosperous city. One action not completed in 2016-17 will continue to be delivered in the 2017-18 financial year and one action was deferred in lieu of other work underway in the social investment / funding area.

Our 4-year priorities were	Our 2016-17 focus was	
<b>Support innovative and emerging sectors</b>	• (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 the co-creation of a smart city approach	↻
<b>Support businesses through marketing, events and tourism activities including a special program for Docklands</b>	• Implement the business strategy to activate Docklands through a collaborative model consolidating funding, marketing, tourism activities and events	✓
<b>Build on city-to-city connections and identify opportunities in Business Partner City Network member cities within the ASEAN region for the municipality's businesses</b>	• Work supporting this priority was included in our regular business for the year	
<b>Improve retail and hospitality experience in laneways and shopping strips through good design, cultural and artistic activities and infrastructure</b>	• Work supporting this priority was included in our regular business for the year	
<b>Make information about the municipality available to businesses and investors</b>	• Work supporting this priority was included in our regular business for the year	
<b>Support the development of a vibrant social enterprise sector</b>	• Implement year one of the City of Melbourne Social Enterprise Strategy	○
<b>Support the development of and access to a Melbourne waterfront, and support the local port status of Victoria Harbour</b>	• Work supporting this priority was included in our regular business for the year	

KEY	Completed ✓	Ongoing ↻	Deferred ○
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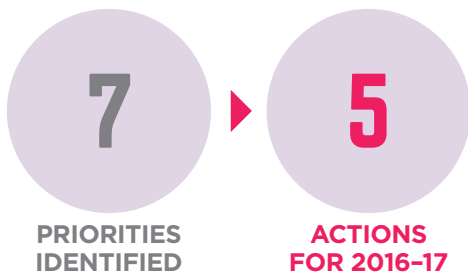
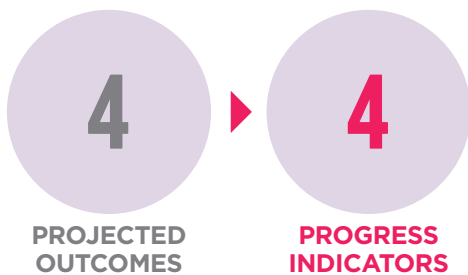




# GOAL 4 A KNOWLEDGE CITY

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

The global economy has become dominated by increasingly sophisticated and service-based Asian economies. The need to stay at the forefront of knowledge and innovation in order to support a resilient local economy within this global economy is a constant challenge. We are continually refining our programs, services and approach to ensure we attract and retain talented knowledge workers.

### 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)

\*Series no longer collected and published

## MAJOR INITIATIVE



### CO-CREATE A SMART CITY APPROACH FOR COUNCIL

Melbourne is an oasis of knowledge workers – approximately 66 per cent of the workforce is employed in the knowledge sector – so we drew upon this talented community to help create Council's Smart City Approach. We conducted a stakeholder consultation with more than 130 community members and sought feedback on what makes a great city, challenges they currently face in Melbourne, and the tensions and trade-offs they would be willing to make around innovation, technology, and data and privacy. With this understanding of citizen and customer needs and priorities for the city, we developed a strategic approach to enable Melbourne to adapt as a smarter city. The work has delivered an innovative and adaptive approach for smart city decision making with a structured mission, methodology and portfolio of products and services. The second half of the year involved prototyping and a pilot phase in which we designed and tested actions including City Sensors – implementing environmental sensors in the city, with consideration for data and security standards. We also ran selected Smart City Approach pilot activities during Melbourne Knowledge Week in May to provide opportunities for external stakeholder feedback.

## HIGHLIGHTS



### FUTURE BUILDINGS IN 3D

Our 3D Development Activity Model was launched in June and for the first time, provides a visual representation of buildings that exist, are under construction, approved, or under application in Melbourne. The 3D model includes all development activity across the municipality of Melbourne, including developments the Victorian Government has approved. The City of Melbourne has been tracking residential and commercial development since 2002 and data will now be updated monthly, instead of every six months, allowing people to gain a more accurate picture of development happening in Melbourne. This is the first time a council in Australia has undertaken this kind of modelling and made it public.



### MELBOURNE KNOWLEDGE WEEK 2017

Melbourne Knowledge Week 2017 brought many of the best thinkers in Melbourne and around the world together to lead conversations with Melburnians that will help shape the way the city evolves. The week attracted a total of 13,000 attendees and included 90 programmed events of which 94 per cent were free. The 2017 program focused on how Melbourne will continue to grow and lead the world in the areas that make Melbourne great: food, sport, health, urban design, technology and business.



### OPEN DATA PROGRAM

A total of 50 new datasets were published on our Open Data platform in 2016-17. Data custodians for 75 per cent of all published datasets were established, improving the traceability and usefulness of data on the platform. An automatic update script was developed for 18 datasets, which updates nightly from core organisational systems. Our Open Data platform is available at [data.melbourne.vic.gov.au](http://data.melbourne.vic.gov.au)



### INNOVATION DISTRICTS LAUNCHED

Three of Melbourne's biggest institutions are partnering to create Melbourne Innovation Districts, which are set to drive investment in the knowledge economy and shape the city's future. The collaboration between the University of Melbourne, RMIT University and the City of Melbourne, will focus initially on an 'urban innovation district' in the university area north of the central city. The area is home to 21 per cent (60,260) of all knowledge sector jobs in Melbourne and features the central campuses of RMIT and the University of Melbourne, State Library Victoria, Queen Victoria Market, Royal Exhibition Building, Trades Hall and the Melbourne Museum.

## HOW WE PERFORMED AGAINST OUR INDICATORS OF PROGRESS

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

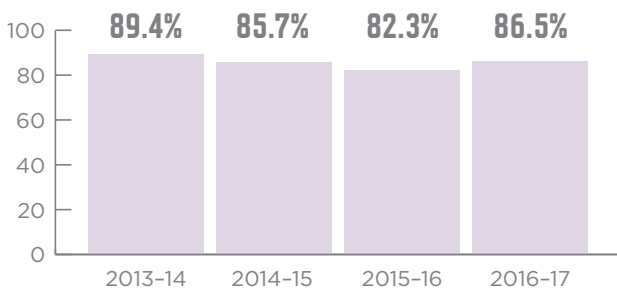
### PROJECTED OUTCOME:

**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

This year's result saw an increase from the previous year and was more in line with results from 2013-14 and 2014-15. In 2016-17, 86.5 per cent of international students surveyed believed their involvement in our student programs, as users and as volunteers in helping run events, has increased their positive experience in Melbourne. This is an increase of more than 4 per cent from the previous year.

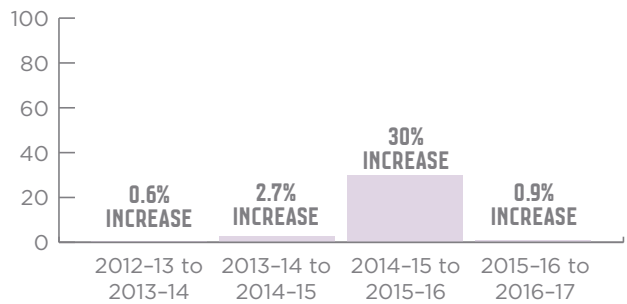
### PROJECTED OUTCOME:

**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 increased from 1,482,920 in 2015-16 to 1,495,505 in 2016-17. During this financial year, East Melbourne Library closed from 26 April to 11 June (a total of around 50 days) due to refurbishment.



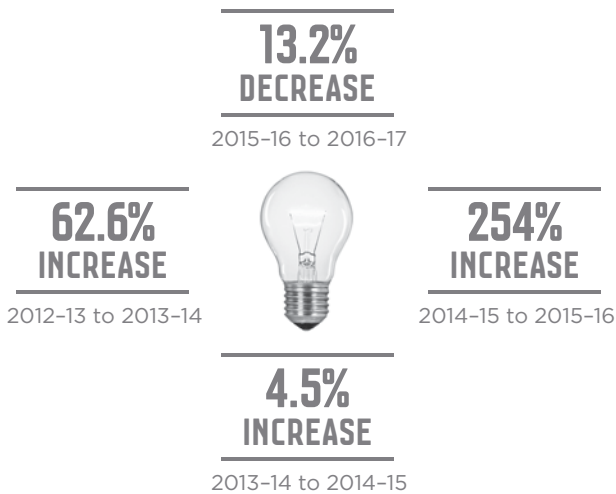
**PROJECTED OUTCOME:**

**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*



**OUR PROGRESS**

More than 16,700 people participated in knowledge-related events and activities developed and delivered by the City of Melbourne through Melbourne Knowledge Week, Melbourne Conversations and Smart City public programs. Figures are lower this year as two Melbourne Knowledge Week festivals were delivered within 2015-16 as we transitioned from an October to a May event.

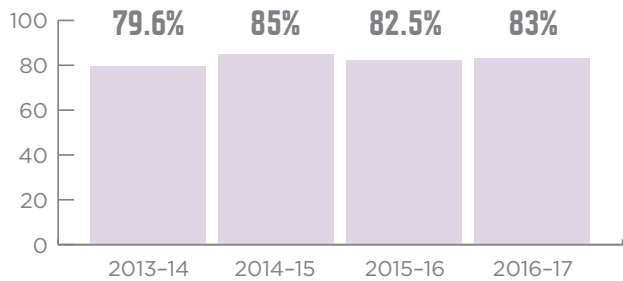
**PROJECTED OUTCOME:**

**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**

A total of 83 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 May 2017.

## PRIORITIES AND ACTIONS

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

Our 4-year priorities were	Our 2016–17 focus was
Develop programs, relationships and initiatives to support the wellbeing of international students	<ul style="list-style-type: none"> <li>Continue to meet with tertiary providers and peak bodies to discuss housing accommodation options for international students ✓</li> </ul>
Provide high-quality municipal data and information to the knowledge sector and public	<ul style="list-style-type: none"> <li>Implement stage three of the Open Data Program and release new data sets on the City of Melbourne’s open data platform ✓</li> <li>(Major Initiative) Co-create a smart city approach for Council ✓</li> </ul>
Support the development of knowledge precincts and innovation hubs as part of the City North Structure Plan	<ul style="list-style-type: none"> <li>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 and ‘smart city’ stakeholders ✓</li> </ul>
Continue to provide comprehensive high-quality libraries and support neighbourhood learning programs	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
Develop a strategy for Wi-Fi hotspots in the municipality	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
Encourage knowledge sector engagement and promote the municipality’s knowledge sector	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>
Develop strategies in partnership with the knowledge sector to attract experts to the municipality	<ul style="list-style-type: none"> <li>Review the Melbourne Conversations program to determine its future direction ✓</li> </ul>

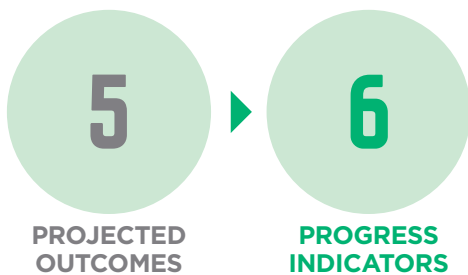
KEY	Completed ✓
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# GOAL 5 AN ECO-CITY

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.

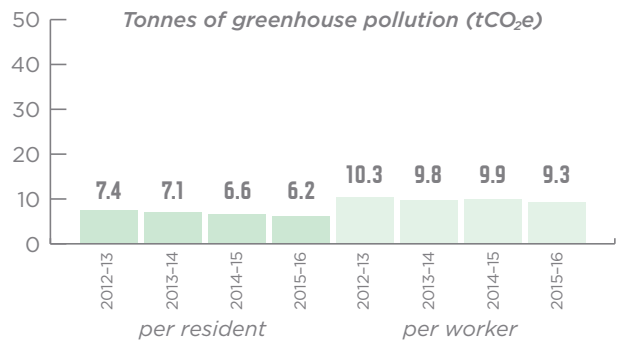
## ISSUES AND CHALLENGES

Due to the interconnected and complex nature of infrastructure projects in the city, projects are often delayed due to factors outside our control. This was the case for the University Square project. We completed the Master Plan for University Square as planned, but construction was delayed pending approval from Melbourne Metro Rail Authority and Public Transport Victoria to accommodate bus diversions and new bus infrastructure resulting from the proposed closure of Grattan Street to build the new Parkville Station. Design development for the University Square stage one works is underway with construction expected to begin in early 2018. This will ensure viable public open space for the community during the construction of the Parkville Station. We have extended our timelines to establish a baseline 2020 emissions reduction target for the residential apartment building sector. This is so that we can align our work with the development of the National Australian Built Environment Rating System (NABERS) rating tool for apartment buildings. NABERS provides a star rating system to communicate the energy efficiency, water usage, waste management and indoor environment quality for an apartment building’s common areas. It has proven successful in the commercial sector. We will now use the NABERS tool to set an emission reduction target, a change that will result in a significantly better outcome for the project.

### FUTURE MELBOURNE SNAPSHOT

How the city measures up as an 'eco-city' based on:  
*Municipal emissions: tonnes of greenhouse pollution (tCO<sub>2</sub>e) per resident and per worker in the municipality.*

Data is only available through 2015-16 in accordance with international reporting schedules. 2016-17 data will be available in late 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



### COMPLETE THE MELBOURNE RENEWABLE ENERGY PROJECT AND BEGIN THE DEVELOPMENT OF A REPLICATION STRATEGY FOR THE LARGE ENERGY USER PURCHASING MODEL

The Melbourne Renewable Energy Project, comprising 14 large energy customers including the City of Melbourne, has conducted a tender for the supply of large volumes of renewable energy. The City of Melbourne has presented this tender outcome to Council. The other 13 organisations are in the final stages of decision-making. A final announcement will be made in 2017-18. This amount of renewable energy will save up to 138,600 tonnes of CO<sub>2</sub> each year, which is the equivalent of planting more than 160,000 new trees and is enough energy to power 28,475 Melbourne households. We also began a replication strategy – the development and delivery of a knowledge-sharing strategy that has been funded by a \$100,000 grant from the Carbon Neutral Cities Alliance. A draft strategy has been developed through market survey and stakeholder workshops. The draft strategy will be refined when the tender is awarded.



### DELIVER PILOT LANEWAY GREENINGS WITHIN THE CENTRAL CITY AND ENSURE FINDINGS ARE USED TO INFORM POLICY RECOMMENDATIONS

In planning this project we asked for community nominations for laneways and selected four laneways to pilot within the central city. Our design phase involved getting community feedback through four 'design preview' workshops in which we showed concept designs to stakeholders in each lane. Feedback was generally positive and helped us refine the greening proposals. A broader public engagement was successfully completed in November with strong positive feedback. We ran a tender for a civil design contractor as well as an associated civil engineering tender and began work on all laneway greenings. One green laneway – Coromandel Place – was successfully delivered by 30 June, with the other three to be finished by September 2017. We are also collecting baseline data on the project's social, economic and environment benefits. Our findings will inform future policy.

## HIGHLIGHTS



### E-WASTE RECYCLING SERVICE

After a short but successful 10 building, 4000 apartment e-waste recycling trial that saved about four tonnes of material from landfill, we launched an e-waste recycling service to buildings with more than 20 apartments. E-waste bins are available in 240 L and 660 L and remain on site for up to one month – allowing residents to clear out and conveniently recycle all their dormant e-waste and batteries.



### NORTH MELBOURNE RECREATION CENTRE AND FOOTBALL CLUB GO SOLAR

The City of Melbourne teamed up with the North Melbourne Football Club to install one of the largest solar systems in the municipality. A 100 kW solar system was installed on the City of Melbourne's North Melbourne Recreation Centre (NMRC), along with a 100 kW solar system on the roof of the adjoining North Melbourne Football Club. The total of 200 kW's across the complex makes it the municipality's second largest solar system and will produce 269 MWh of electricity per year, which is equivalent to the annual energy usage of 70 residential homes in Melbourne.



### THE WOODY MEADOW PROJECT

Two Woody Meadow trial sites were planted in Royal Park and Birrarung Marr. The Woody Meadow project is an innovative research project funded by the City of Melbourne and partnering with the University of Melbourne and the University of Sheffield. This trial will help us better understand which native flowering shrubs can work in our parks to increase biodiversity and adapt our landscape to climate change.



### URBAN FOREST FUND

A \$1.2 million fund for new green projects was announced in May. The Urban Forest Fund aims to encourage more greening of the city – the most effective way to protect us against extreme heat. The City of Melbourne will partner with philanthropists, property developers, community groups and other government organisations on greening projects. The initiatives could include planting trees, creating parks, green walls, roofs and facades and stormwater projects. As well as protecting us from extreme heat, our trees and parks are a major contributor to Melbourne's liveability. The City of Melbourne increases public green space by planting 3000 trees a year. The Urban Forest Fund looks at stimulating the greening of private property, which represents 73 per cent of land in the municipality. For successful applicants, the Urban Forest Fund will match their investment to green their property dollar-for-dollar.



## HOW WE PERFORMED AGAINST OUR INDICATORS OF PROGRESS

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

### PROJECTED OUTCOME:

**Our greenhouse gas emissions are reduced**

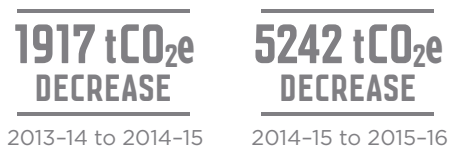
### INDICATOR

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

*Change in greenhouse gas emissions from our activities*



*The gross reduction we achieved in greenhouse gas emissions in tonnes of CO<sub>2</sub> equivalent*



### OUR PROGRESS

From 2013-14 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. Note that previously reported figures have been recalculated and updated where appropriate to include new emissions sources and to reflect any methodology changes from our previous years' inventories. This ensures we are accurately measuring our emissions trends. As our 2016-17 figures are based on estimations they have not been reported on this year.



### 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.

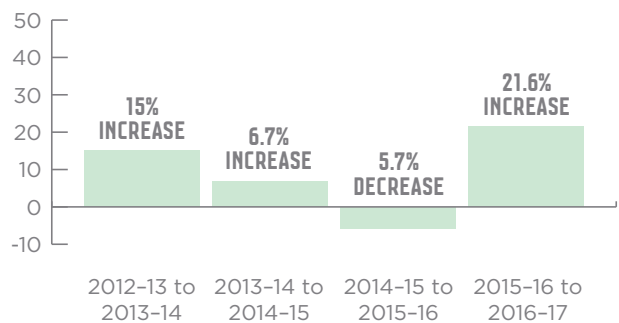
### PROJECTED OUTCOME:

**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 increase of 21.6 per cent total tonnes of waste-to-landfill this year (including street litter bins but excluding hard waste), reversing last year's downward result. The large population growth in high-rise living, the introduction of commercial waste collection in laneway compactors and increased public litter collection have all contributed to this result. Note that in the past year the average number of households serviced has grown from 60,215 to 67,965 representing a growth of 12.8 per cent from 2015-16 to 2016-17.

### INDICATOR

The volume of complaints per capita about waste removal the City of Melbourne receives, per year.

*Complaints per capita about waste removal*



### OUR PROGRESS

There were 4717 waste related complaints in 2016-17 with recycle and general waste missed bin collection representing 78 per cent of that figure. The total number of complaints increased by 1271 compared with 2015-16. This change is due to the introduction of new collection routes to improve efficiencies linked to significant population growth in our municipality. These changes are now bedded in and the number of complaints is decreasing.

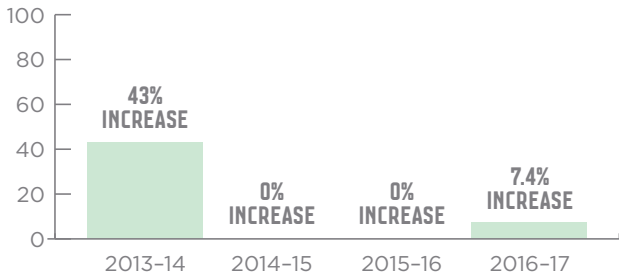
**PROJECTED OUTCOME:**

**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 increased from 30,508 kilolitres in 2015-16 to 32,786 kilolitres in 2016-17 as a result of the completion of the Lincoln Square stormwater harvesting system and Princes Park stormwater storage tank (an increase of 2260 kilolitres). We expect to start using these systems for irrigation at the beginning of the next irrigation season.

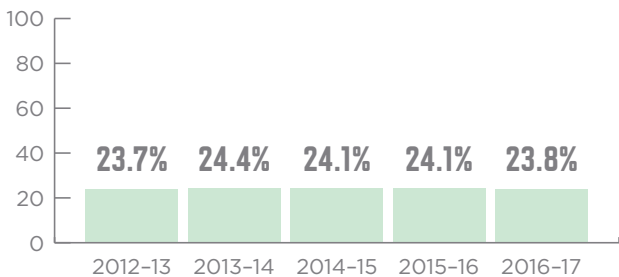
**PROJECTED OUTCOME:**

**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 was recorded at 23.8 per cent in 2016-17 and has declined slightly since 2015-16. The tree planting rate continues to be above the level required to reach our 40 per cent canopy cover target by 2040, with 3073 new trees planted in 2016-17. The benefits of the current planting program will be realised in the decade leading up to 2040 with an increased rate of canopy expansion. However, tree removal numbers have been higher than previous years, particularly as a result of development pressure. This has resulted in a lower canopy cover figure for 2016-17.

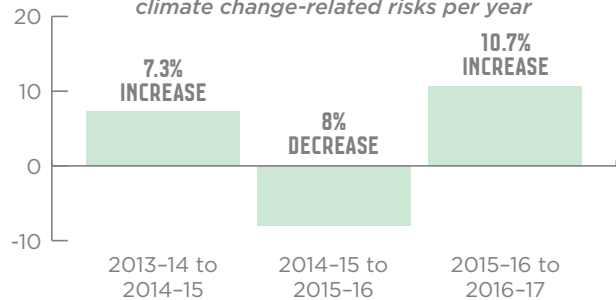
**PROJECTED OUTCOME:**

**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 82 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 an increase of more than 10 per cent from last year, when 71.8 per cent of residents reported awareness of climate change risks.

## PRIORITIES AND ACTIONS

A total of 14 actions and activities were completed under Goal 5, an eco-city. Several actions not completed in 2016-17 will continue to be delivered in the 2017-18 financial year. Some relate to projects that span multiple years and some were delayed due to unforeseeable external factors.

Our 4-year priorities were	Our 2016-17 focus was
<b>Update and continue to implement our Zero Net Emissions Strategy</b>	<ul style="list-style-type: none"> <li>• 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 <span style="float: right;">↻</span></li> <li>• In consultation with the sector, establish a baseline 2020 emissions reduction target for the residential apartment building sector <span style="float: right;">↻</span></li> <li>• 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 <span style="float: right;">✓</span></li> </ul>
<b>Provide services to enable residents and businesses to transition to zero net emissions through energy efficiency and renewable energy sources</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business for the year</li> </ul>
<b>Develop low-carbon and renewable energy infrastructure through structure plans and planning approvals</b>	<ul style="list-style-type: none"> <li>• (Major Initiative) Complete the Melbourne Renewable Energy Project and begin the development of a replication strategy for the large energy user purchasing model <span style="float: right;">↻</span></li> <li>• Complete a review of innovative finance, governance and operational models for the implementation of sustainable infrastructure within urban renewal areas <span style="float: right;">✓</span></li> <li>• Finalise sustainability plans for the Lorimer and West Melbourne structure plans <span style="float: right;">↻</span></li> <li>• 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 <span style="float: right;">✓</span></li> <li>• Develop a plan to increase the uptake of renewable energy for small energy users in the commercial and residential sectors <span style="float: right;">✓</span></li> <li>• 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 <span style="float: right;">✓</span></li> </ul>
<b>Embed municipal-wide waste management practices to increase recycling, reduce waste generation and lessen amenity impacts</b>	<ul style="list-style-type: none"> <li>• Implement Waste and Resource Recovery Plan <span style="float: right;">✓</span></li> <li>• Deliver a trial of green waste collection in North Melbourne and Kensington <span style="float: right;">✓</span></li> </ul>
<b>Improve sustainable water management by updating and implementing our Total Watermark Strategy</b>	<ul style="list-style-type: none"> <li>• Develop an Integrated Water Management Plan to include flood prevention and the meeting of Total Watermark targets for Council approval <span style="float: right;">✓</span></li> <li>• Complete Master Plan and commence construction of University Square expansion <span style="float: right;">↻</span></li> </ul>
<b>Develop Integrated Water Management infrastructure through structure plans and planning approvals</b>	<ul style="list-style-type: none"> <li>• In partnership with the Victorian Government, investigate new financial mechanisms for the delivery of open space and community infrastructure in growth areas <span style="float: right;">↻</span></li> </ul>

KEY	Completed ✓	Ongoing ↻
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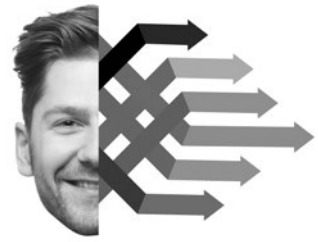
Our 4-year priorities were	Our 2016-17 focus was
<p><b>Improve resilience to environmental impacts by implementing our Urban Forest and Open Space strategies and also develop a Biodiversity Strategy</b></p>	<ul style="list-style-type: none"> <li>• Implement the Urban Ecology and Biodiversity Strategy and continue annual mapping of existing biodiversity through research, Bioblitz and partnering with institutions and community ✓</li> <li>• Undertake research to identify suitable species for planting that will improve the resilience of the urban forest to climate change ✓</li> <li>• Plant at least 3000 trees to reduce the urban heat island effect ✓</li> <li>• Complete a strategic action plan for encouraging green roofs, walls and facades, including incentives and regulatory mechanisms, and begin implementation ↻</li> <li>• (Major Initiative) Deliver pilot laneway greenings within the central city and ensure findings are used to inform policy recommendations ↻</li> <li>• Evaluate the community engagement process for Green Your Laneway ✓</li> </ul>
<p><b>Update and continue to implement our Climate Change Adaptation Strategy and Action Plan</b></p>	<ul style="list-style-type: none"> <li>• Working with all other metropolitan councils, commence implementation of the Resilient Melbourne strategy ✓</li> <li>• Complete the refresh of the 2009 Climate Adaptation Strategy and Implementation Plan and commence delivery of year one actions ✓</li> </ul>
<p><b>Embed a stronger focus on sustainability and climate change adaptation in our systems, governance, tools and knowledge and in our interactions with the community</b></p>	<ul style="list-style-type: none"> <li>• Continue implementation of the lighting strategy, including energy efficient and smart city communications technology ↻</li> </ul>

KEY	Completed ✓	Ongoing ↻
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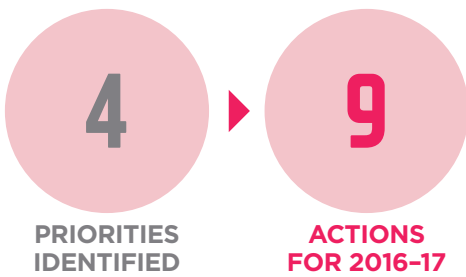
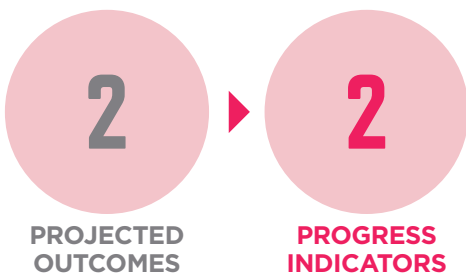




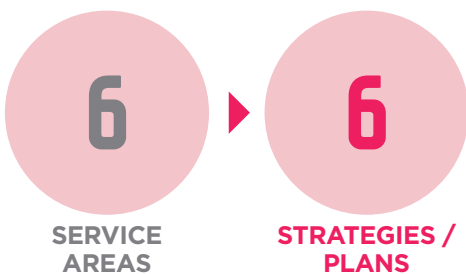
# GOAL 6 A CONNECTED CITY

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

Only one Goal 6 action – consultation on the development of a Master Plan for Spencer Street, focusing on the area around Southern Cross Station, was not completed in 2016-17. Our work on the master plan identified an opportunity to achieve major change in the operation of the street. We changed the scope to pilot a pedestrian safety project at key intersections along Spencer Street, and undertook extensive analysis consultation with Southern Cross Station, Transport for Victoria, VicRoads and Yarra Trams. This confirmed universal support of our objective to improve pedestrian safety and increase pedestrian space along Spencer Street between Collins Street and Lonsdale Street. This work will continue in 2017-18.



## 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 Area's were removed from the survey for 2013-14.

## TRIPS MADE BY BUS, TRAIN, TRAM, BICYCLE OR ON FOOT

**63.4%\***   **62.5%\***  
2012-13   2013-14

\*Based on latest and updated available data from 2013-14, from the Victorian Integrated Survey of Travel and Activity.

## MAJOR INITIATIVES



### CONTINUE TO WORK WITH THE VICTORIAN GOVERNMENT ON THE METRO TUNNEL PROJECT, INCLUDING COORDINATING THE CITY OF MELBOURNE'S RESPONSE TO ENVIRONMENT EFFECTS STATEMENT PLANNING PROCESS

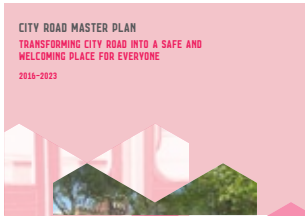
The City of Melbourne is involved across many aspects of this significant project. We are working to leverage maximum economic, cultural, environmental and social benefits for our community, as well as promoting the temporary activation of the project area. In September we submitted our Environment Effects Statement (EES) to the EES Planning Inquiry and Assessment Committee and attended the seven week public hearing. We made progress on plans for the over-site development at CBD South Station, and contributed to several steering and technical groups as part of this complex work. We were also involved in finalising designs in conjunction with the Melbourne Metro Rail Authority, and private-public partnership design and construction contractors. A tender was held with the preferred project bidder likely to be announced in July 2017.



### 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

We sought feedback and ideas to improve the southern section of Elizabeth Street between Flinders Street and Flinders Lane, with targeted stakeholder engagement and community participation enabled through our website. This informed the concept design of the southern end of Elizabeth Street, which will increase pedestrian capacity by removing southbound vehicle traffic. Tram tracks were replaced at Flinders Lane in March and construction of the western footpath has commenced. We also carried out a wider external consultation and stakeholder engagement process in March and April. Insights from both consultations and broader urban design analysis have informed our Strategic Opportunities Plan.

## HIGHLIGHTS



### AWARDS FOR PLANNING EXCELLENCE

The City of Melbourne won two awards at the Planning Institute of Australia (Victoria Division) Awards for Planning Excellence event for our City Road Master Plan, including Public Engagement and Community Planning, and Best Planning Ideas - Small Project. Led by the Urban Strategy branch, the master plan was a collaborative effort across the City of Melbourne, as well as with external stakeholders.



### CITY-BOUND BIKE LANE

The Albert Street city-bound bike lane in East Melbourne from Hoddle Street to Powlett Street is now complete. It uses the 'Clarendon' design, pioneered by the City of Melbourne, with painted chevrons on both sides of the bike lane to protect cyclists from the opening doors of parked cars and moving traffic.



### WAYFINDING IN THE CITY

The first of a series of new wayfinding signs and maps were piloted in June, in and around Southern Cross Station and in North Melbourne. The new signs and maps aim to encourage more movement around the city via walking and public transport.

## HOW WE PERFORMED AGAINST OUR INDICATORS OF PROGRESS

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

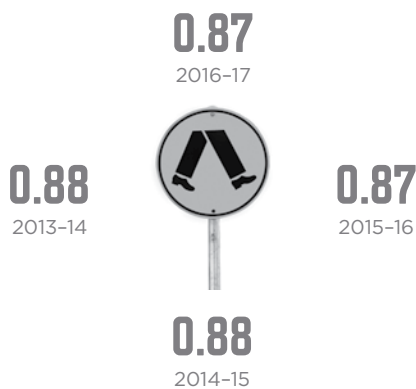
### PROJECTED OUTCOME:

People and goods can move efficiently within the municipality

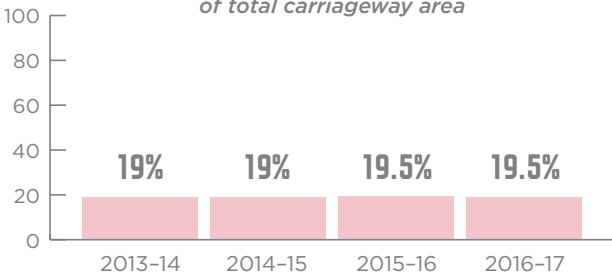
### INDICATOR

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



2012-13 to 2013-14

### OUR PROGRESS

No updated results are available post 2013-14. 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.



La Gina  
Tomatoes  
ALL @ 0  
Sirena Tur  
\$2.99!!  
ZUPPA \$2



## PRIORITIES AND ACTIONS

A total of eight actions and activities were completed under Goal 6, a connected city. One action not completed in 2016-17 will continue to be delivered in the 2017-18 financial year.

Our 4-year priorities were	Our 2016-17 focus was
Expand and prioritise a connected, safe and easy to access pedestrian network	<ul style="list-style-type: none"> <li>Implement the Walking Plan ✓</li> </ul>
Make the municipality more bicycle friendly through our Bicycle Plan 2012-16 and endorse a new bicycle plan by March 2016	<ul style="list-style-type: none"> <li>Implement the Bicycle Plan ✓</li> </ul>
<p><b>Implement the Transport Strategy 2012 for flexible and adaptable private transport, effective and integrated public transport and efficient urban freight, so as to:</b></p> <ul style="list-style-type: none"> <li>- Integrate transport and land use planning</li> <li>- Support 'go anywhere, anytime' public transport for inner Melbourne</li> <li>- Optimise the transport effectiveness of inner Melbourne's roads</li> <li>- Develop high-mobility pedestrian and public transport streets in the central city</li> <li>- Make Melbourne a true cycling city</li> <li>- Foster innovative, low-impact freight and delivery in central Melbourne</li> </ul>	<ul style="list-style-type: none"> <li>(Major Initiative) Continue to work with the Victorian Government on the Metro Tunnel Project, including coordinating the City of Melbourne's response to Environment Effects Statement planning process ✓</li> <li>Consult on the development of a Master Plan for Spencer Street, focusing on the area around Southern Cross Station ○</li> <li>(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 ✓</li> <li>Review the Car Share Policy ✓</li> <li>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 ✓</li> <li>Engage in the development of plans for the Western Distributor and advocate Council's position consistent with council policy ✓</li> <li>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 ✓</li> </ul>
Facilitate access by water transport in the municipality	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business for the year</li> </ul>

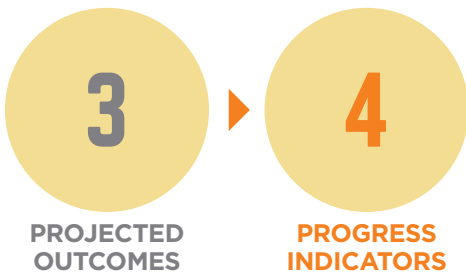
KEY	Completed ✓	Ongoing ○
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# GOAL 7 RESOURCES ARE MANAGED WELL

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

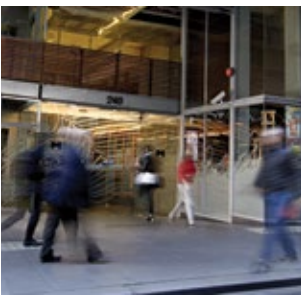
The need to contain costs while delivering more for our community presents a constant challenge for the organisation. We are delivering more services to address complex social, economic and environmental challenges, including the fast-changing economy and climate change. Our population is growing rapidly, meaning more services and support need to be delivered. At the same time, we face the challenge of rate capping and meeting more transparency and accountability requirements.



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 99)
- **Our people** describing our approach to fostering a talented, engaged workforce as well as safe and diverse workplace (page 89)
- **Our procurement and supply chain** (page 112)

## MAJOR INITIATIVES



### ENDORSE THE SCOPE, STAGING AND FINANCING OF THE REVITALISATION OF THE TOWN HALL PRECINCT

Revitalisation of the Town Hall Precinct encompasses the Town Hall buildings, Council House 2 and the block containing Council House 1 and the Commonwealth Bank buildings (CH1 portion). Certain assets within the precinct require substantial upgrading to meet Council’s future needs and present opportunities to redevelop the CH1 site or, alternatively, consider some options for the future at a site identified by the Metro Tunnel project at CBD South. Throughout the year Council conducted a preliminary review of its property assets within the Town Hall Precinct and established a context for future decision making regarding its future accommodation needs, asset realisation, procurement options, risk, disruption and investment. A range of specialist reports were commissioned to assist in developing an understanding of major expenditure required to address ageing assets such as the Town Hall buildings. The review, together with agreed project objectives, will form the basis of more detailed assessments in the current financial year that focus on the redevelopment of the CH1 site, an opportunity to locate a new City Library, Visitor Centre and Gallery at CBD South and refurbishment and restoration of the Town Hall buildings. Early project planning indicates redevelopment of the CH1 site could occur in 2019 with an option at the CBD South site extending through to 2024. The precinct revitalisation project is ongoing.

## HIGHLIGHTS



### ABORIGINAL ENTERPRISE EXPO

More than 200 attendees met 50 Aboriginal and Torres Strait Islander businesses from a range of industries at the inaugural Aboriginal Enterprise Expo. The event, a cross-functional effort between the City of Melbourne and Aboriginal Melbourne, aimed to stimulate Aboriginal entrepreneurship and engagement in the economy. The event was held at the Melbourne Town Hall in September 2016.



### WATER IN OUR PARKS

Smart park technology introduced by the City of Melbourne in 2009 has grown into one of the largest smart irrigation systems in the world and allows us to remotely manage water in our parks. It also monitors and controls stormwater harvest systems, fountains and sports field lighting.

## HOW WE PERFORMED AGAINST OUR INDICATORS OF PROGRESS

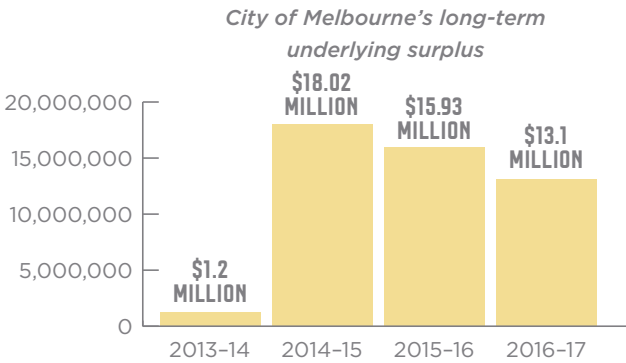
The City of Melbourne aimed for several outcomes over the four years of its Council Plan 2013-17. We measured progress by the indicators below.

### PROJECTED OUTCOME:

**Financial sustainability as an organisation**

### INDICATOR

Long-term underlying surplus.

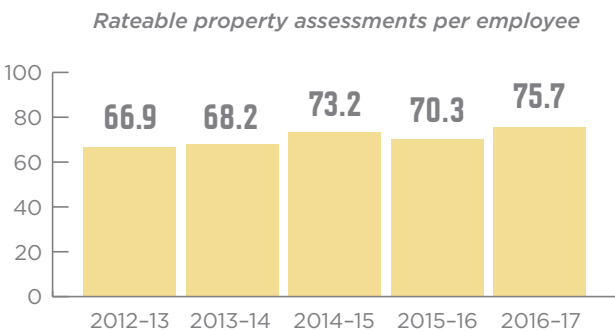


### OUR PROGRESS

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 disposal of assets, revaluations and external contributions towards capital projects. In 2016-17 our underlying surplus was \$13.10 million and higher than planned. The higher underlying surplus attributed to higher revenues across most major revenue streams.

### INDICATOR

Rateable property assessments per full-time employee.



### OUR PROGRESS

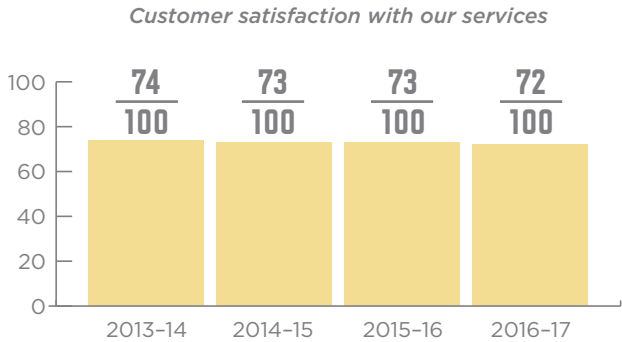
The figure 75.7 represents the rateable property assessments per equivalent full-time City of Melbourne employees (1413.76) at 30 June 2017.

### PROJECTED OUTCOME:

**Customers who are satisfied with the service they receive**

### INDICATOR

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



### OUR PROGRESS

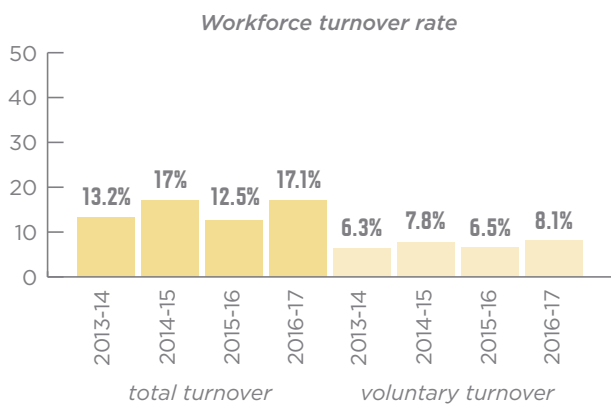
The Department of Transport, Planning and Local Infrastructure surveys residents' satisfaction with their local council's customer service performance each year. In 2016-17 the City of Melbourne scored 72 out of a possible 100. This result is one point down on last year however, statistically, this difference is not significant.

### PROJECTED OUTCOME:

**The attraction, retention and development of the workforce we need**

### INDICATOR

Staff retention rate / workforce turnover.



### OUR PROGRESS

Our workforce turnover rate (including voluntary and involuntary turnover) for all employment types was 17.1 per cent for the year, up from last year's rate.

## PRIORITIES AND ACTIONS

A total of four actions and activities were completed under Goal 7, resources are managed well.

Our 4-year priorities were	Our 2016-17 focus was
<b>Develop and endorse a 10-year financial strategy</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business for the year</li> </ul>
<b>Maximise the return on our existing or potential commercial assets</b>	<ul style="list-style-type: none"> <li>• (Major Initiative) Endorse the scope, staging and financing of the revitalisation of the Town Hall precinct ✓</li> <li>• Further engage with Procurement Australia on reform of its constitution ✓</li> </ul>
<b>Improve customer experience while increasing organisational productivity</b>	<ul style="list-style-type: none"> <li>• Begin implementation of the City of Melbourne Organisational Plan ✓</li> <li>• 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 ✓</li> </ul>
<b>Improve information management and systems by implementing our IT Strategy</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business for the year</li> </ul>
<b>Implement a workforce planning model</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business for the year</li> </ul>

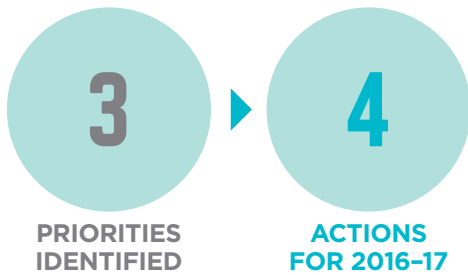
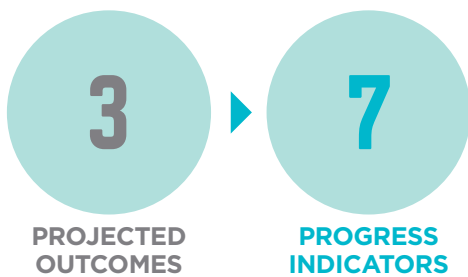
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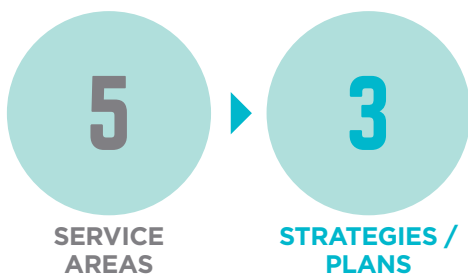
# GOAL 8 AN ACCESSIBLE, TRANSPARENT AND RESPONSIVE ORGANISATION

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

Digital technology is fundamentally changing the nature, speed and volume of information exchange and our customers are expecting more relevant, accessible, timely, usable information. We are using new digital tools, social media and open data to report more transparently to our community. Residents and city users also expect to have more of a say in decisions that affect them. Our engagement approaches need to cater for and meet the needs of our diverse, multicultural community so that everyone has the chance to participate in shaping our city.

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 97)
- **Our reporting approach**, describing how we have improved the transparency of our reporting (page 116)

## MAJOR INITIATIVES



### BROADEN THE QUARTERLY SERVICES DASHBOARD TO INCLUDE MEASURES ON CUSTOMER EXPERIENCE AND ORGANISATIONAL PERFORMANCE

Our work to make information and data accessible to our community and stakeholders where possible was boosted this year by the addition of new content to the quarterly services dashboard. Nine additional measures were published on the external services dashboard, including a customer experience measure and tree data. We also consulted our committee on the information they would like to see on the platform, and these will be included in the next evolution of the dashboard. To further increase our transparency, we are seeking to evolve the dashboard to align to our Council Plan indicators. Our quarterly services dashboard can be viewed at [dashboard.melbourne.vic.gov.au](http://dashboard.melbourne.vic.gov.au)

## HIGHLIGHTS



### NEW GRAFFITI-REPORTING TOOL

Our new graffiti-reporting tool went live in February. Our customers can now report graffiti via an online mobile-responsive form and communicate with our Customer Relations team in real time using live chat. This system also gives our service teams and contractors a new service management tool.



### WEBSITE ACCESSIBILITY

The CEO of Accessibility Oz, Gian Wild, helped City of Melbourne employees learn more about how people with disabilities understand and use the web. With increasing importance placed on having an online presence, it is important for organisations like ours to ensure website content is accessible to all people.

## HOW WE PERFORMED AGAINST OUR INDICATORS OF PROGRESS

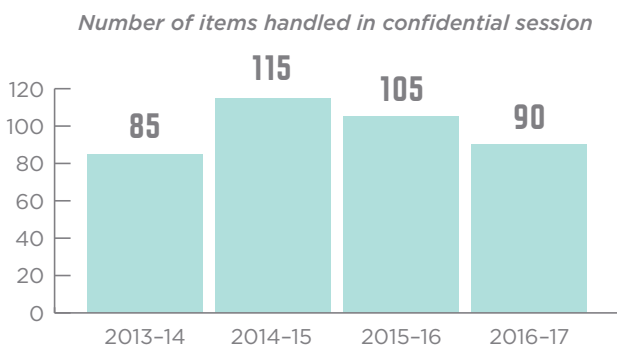
The City of Melbourne aimed for several outcomes over the four years of its Council Plan 2013-17. We measured progress by the indicators below.

### PROJECTED OUTCOME:

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

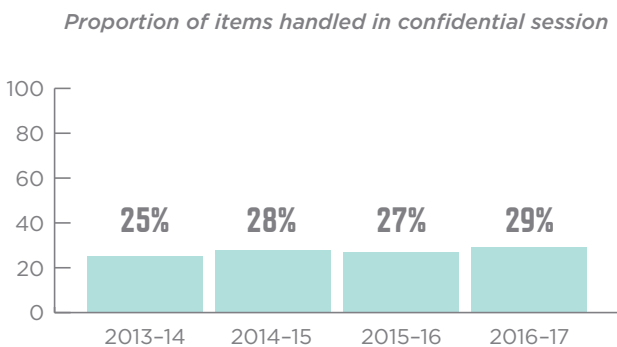
#### INDICATOR

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



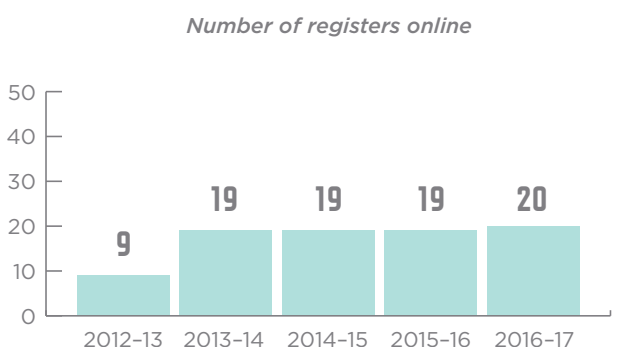
#### INDICATOR

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



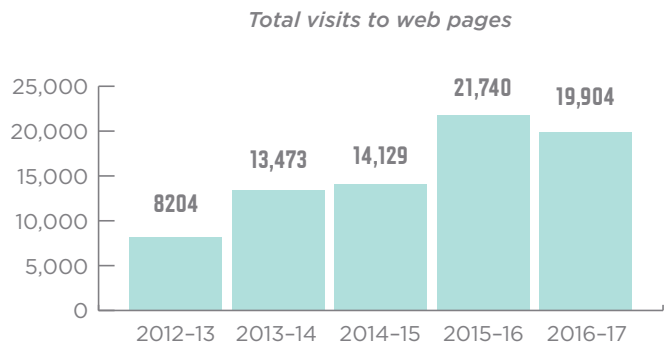
#### INDICATOR

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



#### INDICATOR

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



#### OUR PROGRESS

While the proportion of resolutions made in confidential session (which include subsidiary company reports and grants, funding and sponsorship applications) is slightly higher than reported in 2015-16, the total number of resolutions made in confidential session actually decreased to 90, compared to 105 in 2015-16.

On 30 August 2016, Council resolved to maintain an online gift register capturing all council-related gifts, benefits or hospitality valued at more than \$150 received and kept by councillors after 1 November 2016. We now have seven statutory registers and 13 non-statutory registers published online.

Visits to web pages with Council registers and Council decisions made under the *Planning and Environment Act 1987* decreased 8 per cent (1836 less visits). In December 2015 the City of Melbourne corporate website was redeveloped. At that time the structure of the website was changed. We have adjusted the 2015-16 and 2016-17 web page visits to include an additional web page where information on council and committee meetings can be found.

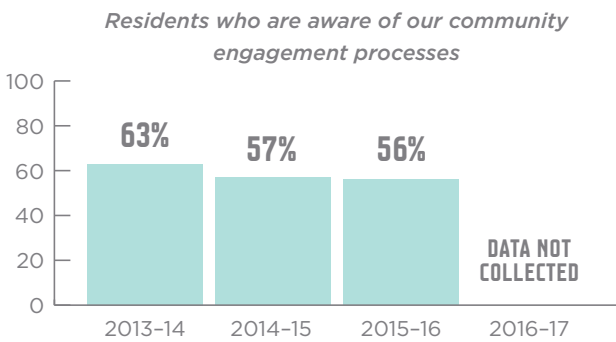


**PROJECTED OUTCOME:**

**A more involved community;  
A better-informed community**

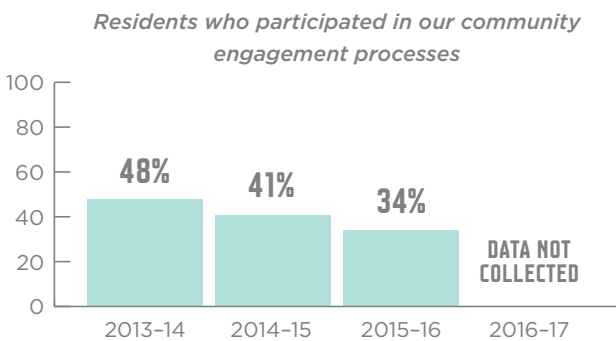
**INDICATOR**

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



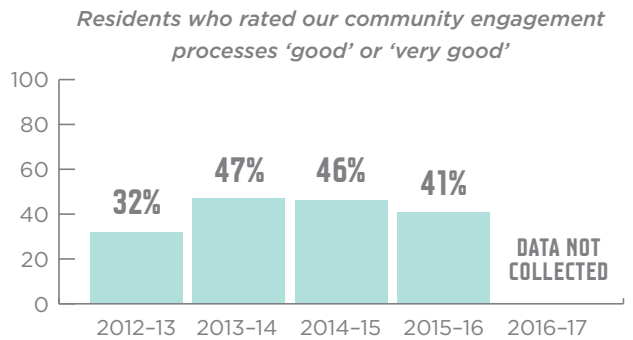
**INDICATOR**

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



**INDICATOR**

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



**OUR PROGRESS**

In the past three years Council has sought to include custom questions on our community engagement processes in addition to the standard questions that form Local Government Victoria's annual community satisfaction survey. These custom questions were not included in the 2016-17 community satisfaction survey.

In 2016-17 we conducted over 40 community engagement projects ranging from a review of our busking guidelines, the Lady Huntingfield redevelopment, smoke-free zones, waste collection zones in the central city, the draft Domain Parklands Master Plan and the 2017-21 Council Plan. In 2016-17 our Participate Melbourne site had 85,264 visitors and 5962 registered members. (See **Involving the community in our decisions** page 97)

## PRIORITIES AND ACTIONS

A total of four actions and activities were completed under Goal 8, an accessible, transparent and responsive organisation.

Our 4-year priorities were	Our 2016-17 focus was
<b>Improve transparency by increasing accessibility to information, advice or consultation we consider when making decisions</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business for the year</li> </ul>
<b>Continue to increase and improve opportunities for our community to participate and engage with us</b>	<ul style="list-style-type: none"> <li>• Facilitate and participate in programs hosted by local government peak bodies aimed at increasing participation by women in council elections ✓</li> </ul>
<b>Make our information and data accessible to our community and stakeholders where possible</b>	<ul style="list-style-type: none"> <li>• (Major Initiative) Broaden the quarterly services dashboard to include measures on customer experience and organisational performance ✓</li> <li>• Implement the agreed improvements from Audit Committee of Council's transparency review ✓</li> <li>• Develop a report summarising City of Melbourne's reform program on disclosure and transparency over the last council term ✓</li> </ul>

KEY	Completed ✓
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# FUTURE DIRECTIONS

Major initiatives for 2017-18 under our new nine goals that underpin the long-term vision of Melbourne as ‘a bold, inspirational and sustainable city’ are listed below.

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## A CITY THAT CARES FOR ITS ENVIRONMENT

### Over 2017-18 we will

- Work with stakeholders to plan high quality Integrated Water Management for community protection and liveability in Arden Macaulay and Fishermans Bend.
- Deliver Year one of the Smart Bin implementation plan.
- Work with Inner Melbourne Action Plan Councils and Resilient Melbourne to share and extend the objectives of the Urban Forest Strategy to the wider Melbourne area.



## A CITY FOR PEOPLE

### Over 2017-18 we will

- Commence construction of the Lady Huntingfield integrated children and family centre.
- Implement the Pathways Innovation Package for housing and homelessness.



## A CREATIVE CITY

### Over 2017-18 we will

- Progress the Arts House Strategic Plan including the scoping of precinct planning.



## A PROSPEROUS CITY

### Over 2017-18 we will

- Plan and deliver 2018 City of Melbourne led business mission to key Asian markets.
- Implement the Continuing Business Program at Queen Victoria Market.



## A KNOWLEDGE CITY

### Over 2017-18 we will

- Advocate for the appropriate siting and staged provision of new schools with a particular focus on Arden Macaulay, Fishermans Bend and Docklands / Central City.



## A CONNECTED CITY

### Over 2017-18 we will

- Develop options to manage pedestrian pressure points at train stations, particularly Southern Cross.
- Work with the Victorian Government to deliver a master plan for the Flinders Street Station Precinct that builds on individual projects including the Melbourne Metro Tunnel, Flinders Street Station upgrade and Elizabeth Street improvements, and addresses pedestrian pressure.
- Review and refresh the Transport strategy.



## A DELIBERATIVE CITY

### Over 2017-18 we will

- Develop a City Data Centre pilot to engage the community using emerging technologies and visual tools such as 3D, augmented reality and virtual reality.



## A CITY PLANNING FOR GROWTH

### Over 2017-18 we will

- Finalise design and commence implementation of Southbank Boulevard open space.
- Continue the Queen Victoria Market Precinct Renewal Program.



## A CITY WITH AN ABORIGINAL FOCUS

### Over 2017-18 we will

- Develop a Stretch Reconciliation Action Plan for 2018-21.







# 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](http://melbourne.vic.gov.au) by entering ‘functions and services’ in the search box.

There also are several Acts and local laws we enforce, listed at [melbourne.vic.gov.au](http://melbourne.vic.gov.au) that can be located by entering ‘acts and local laws’ in the search box.

For more information on how we perform our functions, provide services and exercise our powers visit our website, [melbourne.vic.gov.au](http://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 child care centres, parks and gardens and swimming pools.

The organisation comprises six 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

The City of Melbourne has an organisational structure of six groups, led by the Chief Executive Officer and five Directors. The Chief Executive Officer and Directors manage our operations and ensure the Council receives the strategic information and advice it needs to plan for the municipality and make decisions.



**BEN RIMMER,**  
**Chief Executive Officer**

Ben has led the City of Melbourne's administration since 2015. Previously Ben was the Associate Secretary in the Australian Government's Department of Human Services in Canberra. He has also previously worked for the Department of the Prime Minister and Cabinet where he was Deputy Secretary, and the Victorian Department of Premier and Cabinet. Ben has held senior roles within Boston Consulting Group's London and Melbourne offices. Ben is a member of the Male Champions of Change program, and is Chair of the Australian Youth Orchestra. He has degrees in Arts and Law from the University of Melbourne, and an MBA with distinction from the University of Oxford. In 2014 he was the recipient of Harvard University's James Wolfensohn Public Service Scholarship (John F Kennedy School of Government).



**PROFESSOR ROB ADAMS AM,**  
**Director of City Design and Projects**

Rob's 34 years at the City of Melbourne, and 45 years' experience as an architect and urban designer, have seen him and his team receive more than 150 local, national and international awards. Over this tenure Rob has overseen Arts and Culture, Parks, Urban Landscapes and Property Services within his portfolio. 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 urban design and is a member of the World Economic Forum's Future of Cities Council.

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



**MARTIN CUTTER,**  
**Director of City Operations**

Martin joined the City of Melbourne 12 years ago as the Director Corporate Business before leading the City Economy and Activation group. Recently Martin made the switch to lead the City Operations group. 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.



**KATRINA MCKENZIE,**  
**Director of City Economy and Activation**

Katrina joined the City of Melbourne in 2015 and is the newest Director. Katrina started her professional career with the City of Melbourne before moving onto other government entities where she held a range of senior executive roles, most recently working at the Environment Protection Authority, Department of Environment and Primary Industries and Department of Environment, Land, Water and Planning. Katrina holds a degree in Applied Science and Master's in Innovation and Service Management. Katrina's group is focused on activating the city to grow prosperity and enhance residents, workers and visitor opportunities to enjoy the world's most liveable city.





**LINDA WEATHERSON,**  
**Director of City Communities**

A homegrown success story, Linda Weatherson has risen progressively through the ranks at the City of Melbourne. Since starting with us in 1987 working with our child care 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.

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.



**KATE VINOT,**  
**Director of City Strategy and Place**

Kate joined the City of Melbourne in October 2015 to lead our City Strategy and Place group. Prior to this, Kate held a number of Executive roles in the water industry, manufacturing and waste management. Kate is 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. Kate's group works collaboratively to shape a vision of Melbourne's future that will guide the next generation of Melbourne's growth towards a bold, inspirational, sustainable and smart city.

# OUR PEOPLE

A leading organisation for a leading city – that’s the vision for our organisation, the City of Melbourne. It is our highly engaged and deeply committed workforce that enables us to deliver our long-term vision.

At the City of Melbourne diversity and inclusion are important because we value and embrace the contributions of all of our employees, who bring something unique to the workplace due to different backgrounds, varying work and life experiences, and multiple perspectives.

By having diversity and inclusion ingrained in our culture, processes, structures and our values of integrity, courage, accountability, respect and excellence, we can continue to be a high performing, leading organisation.

Our dedicated and highly skilled people benefit from the learning and development opportunities on offer ensuring we continue to attract and retain the workforce we need to deliver on our commitments.

Workplace flexibility enhances the culture of our organisation and enriches the experience of our employees as we work hard to serve our community.

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 Melbourne City Council Enterprise Agreement 2013 is underpinned by the National Employment Standards (NES), which together provide the legal framework through which our employment terms and conditions are established for the majority of our employees. For executive employees, employment terms and conditions are governed by the NES, Local Government Industry Award 2010 and individual employment contracts.

The City of Melbourne Leaders group has enjoyed its second year of operation. This group is charged with creating the shared vision of our organisation, sharing information and bringing our strategies to life through the work our people do.

To help all employees maintain a healthy work-life balance and reach their full potential they have access to a range of professional and personal development activities, flexible work arrangements, health and wellbeing advice and programmes, and leave variations. This includes The Club, a non-profit association that aims to create an inclusive work environment and improve work-life balance. The Club’s members benefit from a wide range of social, recreational and sporting activities and services.

Services range from discounted zoo and cinema tickets to subsidised gym memberships and entry to sporting and theatre events.

Last year’s Engaged People Plan was developed as part of our four-year Organisational Plan and has provided us with a number of outputs this year. These include the introduction of workforce planning, talent management, succession planning and much more. As we continue to implement the plan we are creating a more flexible and mobile workforce that enables employees to focus on delivery and achieve greater work-life balance.

## EMPLOYEE CODE OF CONDUCT

We released a new Code of Conduct in late 2016. The code applies to all our employees including service providers, representatives and agents who act on our behalf. All employees have been provided access to a new Code of Conduct e-learning module, and all new employees receive a copy of the Code of Conduct with their letter of offer.

## ENTERPRISE AGREEMENT

The current enterprise agreement for the City of Melbourne expired on 30 June 2016. The majority of employees voted for the new proposed single enterprise agreement in May 2017, which covers 95 per cent of employees.

## STAFF CLASSIFICATIONS

- **Classification 1 and 2** – assistant child care workers, school crossing supervisors, fitness instructors, and 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

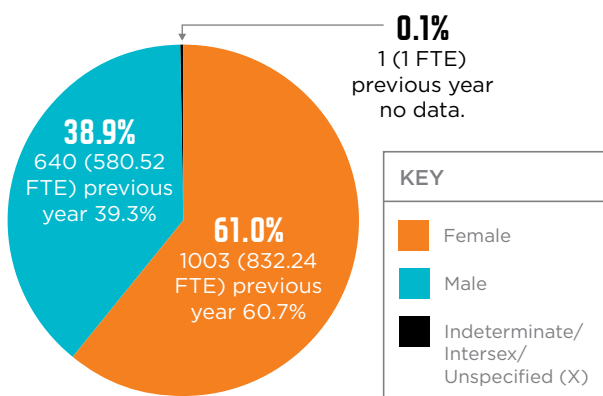
As at 30 June 2017 (point in time), we employed 1644 people, with a full-time equivalent (FTE) of 1413.76. Whilst our staff numbers increase slightly during summer due to a seasonal operating pool, direct employees of the organisation complete most of our work. A breakdown of our direct employees is:

- 996 permanent full-time (986.07 FTE)
- 357 permanent part-time (213.56 FTE)
- 250 maximum-term temporary - full-time and part-time (212.39 FTE)
- 41 casual (1.74 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 as at 30 June 2017



Workforce turnover for all staff types

**17.1%**  
2016-17

**VOLUNTARY AND INVOLUNTARY TURNOVER**

Up from last year's rate 12.54% and 2014-15 16.99% for all employee types

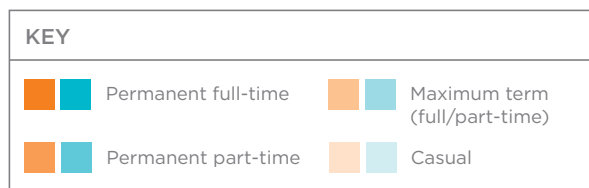
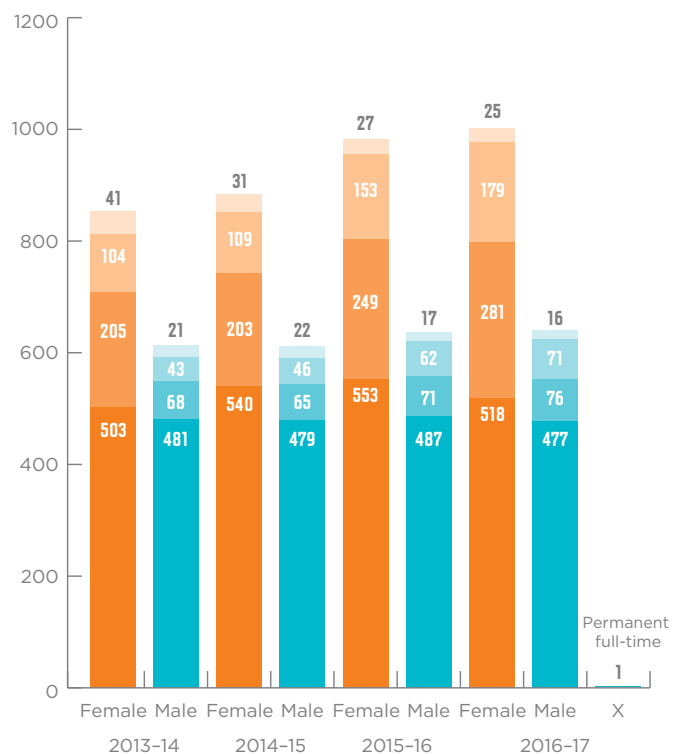


**8.1%**  
2016-17

**VOLUNTARY TURNOVER ONLY**

Up from last year's rate of 6.49% (2014-15 rate 7.83%) for permanent employees

Number of staff (head count) by employment type and gender 2013-14 to 2016-17



## NEW STAFF IN 2016-17 BY GENDER AND AGE

AGE	FEMALE	MALE	INDETERMINATE / INTERSEX / UNSPECIFIED	TOTAL
Under 30 years	56 (38.95 FTE)	45 (33.20 FTE)	0 (0 FTE)	101 (72.15 FTE)
30-49 years 11 months	122 (106.10 FTE)	53 (45.23 FTE)	0 (0 FTE)	175 (151.33 FTE)
Over 50 years	25 (18.04 FTE)	13 (12.24 FTE)	0 (0 FTE)	38 (30.28 FTE)
<b>TOTAL</b>	<b>203 (163.09 FTE)</b>	<b>111 (90.67 FTE)</b>	<b>0 (0 FTE)</b>	<b>314 (253.76 FTE)</b>

Our rate of new employee hires during the reporting period was 5.24 by headcount or 5.57 FTE. (This is up from last year's rate of 4.45 headcount and 4.69 FTE).

## WORKFORCE TURNOVER IN 2016–17 BY GENDER AND AGE

AGE	FEMALE	MALE	INDETERMINATE / INTERSEX / UNSPECIFIED	TOTAL
Under 30 years	38 (24.80 FTE)	25 (13.43 FTE)	0	<b>63 (38.23 FTE)</b>
30–49 years 11 months	111 (82.83 FTE)	50 (40.30 FTE)	0	<b>161 (123.13 FTE)</b>
Over 50 years	20 (14.03 FTE)	30 (21.40 FTE)	0	<b>50 (35.43 FTE)</b>
<b>TOTAL</b>	<b>169 (121.67 FTE)</b>	<b>105 (75.12 FTE)</b>	<b>0</b>	<b>274 (196.79 FTE)</b>

## NUMBER OF STAFF (FTE) BY ORGANISATIONAL GROUP, EMPLOYMENT TYPE AND GENDER AS AT 30 JUNE 2017

EMPLOYMENT TYPE	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	17.39	3.83	14.21	88.95	21.21	22.77	<b>168.36</b>
Permanent part-time	Male	2.72	0.80	3.10	26.11	4.70	7.77	<b>45.20</b>
Permanent full-time	Female	92.59	14.00	51.30	173.12	83.12	97.42	<b>511.55</b>
Permanent full-time	Male	27.95	26.95	43.00	67.72	90.00	217.90	<b>473.52</b>
Permanent full-time	Indeterminate / Intersex / Unspecified	0.00	0.00	1.00	0.00	0.00	0.00	<b>1.00</b>
Maximum term part-time	Female	2.91	5.66	5.17	16.20	2.50	8.80	<b>41.24</b>
Maximum term part-time	Male	2.11	0.79	1.44	5.32	0.00	3.78	<b>13.44</b>
Maximum term full-time	Female	21.65	8.00	16.19	30.85	15.65	17.58	<b>109.92</b>
Maximum term full-time	Male	5.00	4.00	5.00	15.19	6.00	12.60	<b>47.79</b>
Casual	Female	0.33	0.00	0.00	0.84	0.00	0.00	<b>1.17</b>
Casual	Male	0.42	0.00	0.00	0.15	0.00	0.00	<b>0.57</b>
<b>GRAND TOTAL</b>		<b>173.07</b>	<b>64.03</b>	<b>140.41</b>	<b>424.45</b>	<b>223.18</b>	<b>388.62</b>	<b>1413.76</b>

## CITY OF MELBOURNE EXECUTIVE REMUNERATION

POSITION	NAME	TOTAL EMPLOYMENT PACKAGE*	START AT CITY OF MELBOURNE	CURRENT CONTRACT START	CURRENT CONTRACT END
Chief Executive Officer	Ben Rimmer	\$460,000	9 February 2015	9 February 2015	8 February 2019
Director City Design and Projects	Rob Adams	\$391,289	14 October 1986	15 September 2014	14 September 2017 (a new contract has been entered into ending 14 September 2020)
Director City Operations	Martin Cutter	\$359,392	16 August 2004	1 November 2015	31 October 2017 (a new contract has been entered into ending 31 October 2020)
Director City Economy and Activation	Katrina McKenzie	\$359,392	21 January 2016	17 October 2016	16 October 2019
Director City Strategy and Place	Kate Vinot	\$357,000	6 October 2015	6 October 2015	5 October 2018
Director City Communities	Linda Weatherson	\$353,450	7 December 1987	19 July 2016	18 July 2018

\* includes base wage, motor vehicle (if applicable) and superannuation

# DIVERSITY AND INCLUSION

At the City of Melbourne we are building diversity and inclusion into the foundations of our organisation. We have a number of great diversity and inclusion activities. These include our Reconciliation Action Plan, all roles flex policy, keeping in touch sessions, unconscious bias training and gender equity initiatives.

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We value and embrace the contributions of all of our employees, who bring something unique to the workplace due to different backgrounds, varying work and life experiences, and multiple perspectives. Collectively this makes us a better organisation.

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

Diversity and inclusion at the City of Melbourne enhances the contribution of our employees and improves the quality of our policies and services as we draw on our diverse collective intelligence.

Having a diverse and inclusive workforce provides a number of benefits to the organisation and to employees, including:

- Developing a strong and collaborative culture that builds and takes advantage of employee skills and experiences and creates career opportunities.
- Providing a work environment in which all individuals are valued, treated respectfully, have equal access to opportunities and resources and can contribute fully to our success.
- Having leaders and employees who are more collaborative, agile and innovative.
- Being a leading organisation of choice for new employees.

Diversity and inclusion is becoming more embedded in our everyday business, not just as an employer, but in the community facilities and services we provide and the inclusive public environments we create and events we celebrate. We want the diversity of our organisation to reflect the community we serve.

At the City of Melbourne we understand that diversity adds value to what we do and how we do it, and significantly enriches decision-making, innovation and productivity and we define diversity and inclusion as follows.

**Diversity** means all the characteristics we see such as age, cultural diversity, disability, gender, sexual orientation and language. It also includes unseen characteristics such as education, caring responsibilities, socio economic background, life experiences and working styles. Diversity recognises the characteristics of the whole person and treats all individuals – our employees, customers and the communities in which we operate – with fairness and respect.

**Inclusion** is the way in which our organisational culture, values and behaviours make a person feel welcomed, respected, valued and included. It relates to a workplace environment that draws on the unique differences of its people; where all people are treated fairly and respectfully with equal access to opportunities and resources.

We are checking in with our employees and leaders on our well-received work flexibility approach. The Male Champions of Change program continues to break down the barriers for gender equity through greater workplace flexibility, addressing everyday sexism and supporting the prevention of violence against women in our community.

A number of programs, actions and benefits have been proposed through the new enterprise agreement 2016, which recognise that gender equality is not just an issue for women and that the problems stemming from gender inequality affect us all.

We are working on our first Aboriginal Employment Strategy, developing an Aboriginal Cultural Awareness Program for all people leaders and we have also opened our first reflection room for employees.

Again this year we placed four employees as secondees into Indigenous organisations across Australia as part of the Jawun program. These secondees used their experience and skills to support the Indigenous organisations to achieve their aims. Jawun sees corporate government and philanthropic organisations come together with Indigenous people to effect real change and we are proud to continue our involvement with the program.

To be a fully diverse and inclusive organisation we need to have a culture where all individuals are welcomed, valued, supported and able to fully participate. Through a gap analysis of work flex tools and support, pay equity analysis, developing an approach to metrics, providing cultural awareness programs for all employees, undertaking an inclusion census and more; we will further embed a culture of diversity and inclusion at the City of Melbourne.

We see our diversity and inclusion ethos shine through in our values:

**Integrity** – challenging our own unconscious biases

**Courage** – speaking up when observing actions that are not supportive of our commitment to inclusion

**Accountability** – ensuring you welcome, value and support your colleagues and customers

**Respect** – be open to individuals’ differences and experiences and enable them to fully participate

**Excellence** – draw on the unique differences of our people (diversity of thought and experience) to achieve the best possible results.

To help us assess how well our equality and diversity goals are being achieved we collect data on the gender and age makeup of our workforce (see Staff profile page 90) and incidents of discrimination. There were no incidents of discrimination recorded during the reporting year.

*Ratio of basic salary and remuneration of women to men by employee category as at 30 June 2017*

**1 FEMALE TO 0.61 MALES**  
(2015-16 was 0.71 males (2014-15 was 0.80))

**AWARD EMPLOYEES\***

**1 MALE TO 1.60 FEMALES**  
(2015-16 was 1.55 females (2014-15 was 1.44))



**1 FEMALE TO 1.10 MALES**  
(2015-16 was 1.50 males (2014-15 was 2.20))

**EXECUTIVE EMPLOYEES\*\***

**1 MALE TO 0.91 FEMALES**  
(2015-16 was 0.67 females (2014-15 was 0.46))

Note: ratio not completed for one Indeterminate / Intersex / Unspecified

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) AS AT 30 JUNE 2017

GENDER	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6	CLASS 7 / SNR OFF.*	EXEC	GRAND TOTAL
Female	15.49	48.50	165.32	173.14	172.11	151.08	79.28	27.32	832.24
Male	17.39	25.02	111.28	103.95	113.26	112.00	65.62	32.00	580.52
Indeterminate / Intersex / Unspecified	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
<b>GRAND TOTAL</b>	<b>32.88</b>	<b>73.52</b>	<b>276.60</b>	<b>277.09</b>	<b>285.37</b>	<b>264.08</b>	<b>144.90</b>	<b>59.32</b>	<b>1413.76</b>

\*Snr Off. – Senior officer contract

## EMPLOYEE CLASSIFICATION BY AGE GROUP (FTE)

GENDER	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6	CLASS 7 / SNR OFF.*	EXEC	GRAND TOTAL
Under 30 years	20.19	20.54	54.16	46.95	13.00	7.40	0.00	0.00	162.24
30-49 years	7.32	35.85	126.85	174.40	197.03	167.65	91.43	28.73	829.26
50 years+	5.37	17.13	95.59	55.74	75.34	89.03	53.47	30.59	422.26
<b>GRAND TOTAL</b>	<b>32.88</b>	<b>73.52</b>	<b>276.60</b>	<b>277.09</b>	<b>285.37</b>	<b>264.08</b>	<b>144.90</b>	<b>59.32</b>	<b>1413.76</b>

\*Snr Off. – Senior officer contract

# 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.

We have a number of programs and initiatives to support the health and wellbeing of our employees, including free flu vaccinations, our partnership with a local medical and allied health provider, our OHS training and OHS Committees, and our extensive people assist program to support staff with both personal and work-related issues.

In 2016-17 we trialed a number of new wellbeing initiatives, including the “Life is Sweet Challenge,” focusing on reducing the risk of diabetes and living a healthy, active lifestyle; the “Healthy Heart Challenge” to improve heart health; and the “Finding Your Balance” program to build stress resilience and create greater piece of mind. We had 232 employees participate in programs, and over three quarters reported that they were able to make positive sustainable lifestyle choices due to the guidance provided in the programs.

We have a Stress Management Strategy to assist managers and employees to manage their psychological health within the workplace, and support employees to perform to their maximum potential in a healthy work environment.

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 on an annual basis by an external certification body. This is the fourth 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 2016-17.

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
6.4	45.8	0	3.74%	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. The previous year’s AR rate was 3.65% as reported in Annual Report. This includes sick leave with and without medical certificate, carers’ leave, sick unpaid leave, sick leave pending a WorkCover claim and WorkCover.



## LOST TIME AND MEDICALLY TREATED INJURIES BY TYPE

NATURE OF INJURY (MEDICALLY TREATED)	NUMBER OF REPORTED INCIDENTS
Slips, trips and falls	21
Other types of accident	21
Type of accident not known	7
Manual handling	7
Striking against stationary object	5
Mental stress	4
Occupational overuse syndrome	4
Contact with harmful substance	3
Striking against moving objects	3
Physical assault by other person or persons	3
Lacerations	2
Fall from height or into depth	2
Stepping on object	1
Struck by moving object	1
Vehicle accident	1
Contact with electric current	1
Caught between moving objects	1
<b>GRAND TOTAL</b>	<b>87</b>

## WORKCOVER CLAIMS

We received 32 WorkCover claims in 2016–17. Two of these claims were rejected with 30 accepted. Our WorkCover premium rate is currently 0.86 per cent and our performance rating is currently 0.65\*.

\* The premium and performance rates are projected at the time of reporting and subject to change following confirmation by the regulator.

FINANCIAL YEAR	STANDARD CLAIMS	MINOR CLAIMS	PREMIUM INCL GST (\$)	PREMIUM AS % OF REMUNERATION
2016–17**	17	12	1,702,615.45	0.86
2015–16	21	11	1,019,005.21	0.67
2014–15	16	3	816,817.43	0.67
2013–14	20	9	697,432.82	0.52
2012–13	18	4	420,264.55	0.22

\*\* Annual claims data will change retrospectively as the result of minor claims progressing to standard claims and claims having been rejected.

# EMPLOYEE DEVELOPMENT AND LEARNING

Our organisational vision is to be a leading organisation for a leading city. We're here to make the difference for Melbourne and its people.

Having the right culture is critical to realising our vision. Everyone has a part to play in creating a desirable culture for the City of Melbourne. It is built by people who demonstrate behaviours and attitudes that are aligned with our values of integrity, courage, accountability, respect and excellence. This includes being compliant with all corporate policies and completing all compulsory learning within the required timeframes. The City of Melbourne Learning and Development program focuses on ensuring our employees are provided with the knowledge and skills required to achieve this through learning and compliance programs. In 2016-17 we rolled out a performance leadership program as part of a continued focus on the development of our leaders.

Last year we ran 304 courses through our City of Melbourne learning program, with a total of 3163 participants. A breakdown of average training hours by gender and classification can be seen in average formal training hours by gender and classification. The increase of training hours for executive staff can be attributed to the rollout of the Aboriginal Cultural Awareness Program and the Speak Up workshop.

The City of Melbourne has committed to becoming a recognised child safe organisation. To achieve this, our people leaders and employees in occupational roles that interact with children are all attending speak-up workshops.

We ran 24 speak-up workshops, which have educated 643 employees to identify the signs of, or potential for child abuse and how to report it.

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 jointly created an Aboriginal Cultural Awareness Program for our employees. This program includes a Cultural Awareness Workshop that looks at the history of Aboriginal people from the local area and throughout Australia. This year we held three workshops, educating 53 employees. The program also includes a local Aboriginal Cultural Awareness Walk facilitated by the Koorie Heritage Trust.

This year the City of Melbourne introduced a biennial compliance-training program to ensure that all of our employees understand their roles and responsibilities regarding key corporate policies and local / national legislations and acts. This program consists of 11 training modules with a module being run every two months over a 24-month period that all employees must complete. These modules include such topics as the Victorian Data and Privacy Act, Work Health and Safety, Fraud and Improper Conduct, Equal Employment, Bullying and Harassment and The City of Melbourne's Code of Conduct.

## 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 AVERAGE
Female	6.2	3.2	5.2	4.6	5.5	5.9	7.6	9.5	6.0
Male	6.4	2.4	6.1	4.6	4.9	5.1	8.6	10.9	6.1
Indeterminate / Intersex / Unspecified	0.0	0.0	0.0	0.0	0.0	8.0	0.0	0.0	8.0

\*Snr Off. - Senior officer

## SPEAK-UP TRAINING BY CLASSIFICATION

	CLASS 1	CLASS 2	CLASS 3	CLASS 4	CLASS 5	CLASS 6	CLASS 7 / SNR OFF.*	EXEC	TOTAL
Number	56	57	149	85	93	86	71	46	643

\*Snr Off. - Senior officer

# INVOLVING THE COMMUNITY IN OUR DECISIONS

This year we engaged directly with the community on more than 40 projects in areas as diverse as city planning and urban design, climate change, health, heritage, children's and family services, libraries, busking and significant urban renewal projects such as the Queen Victoria Market Precinct Renewal Program and Arden Macaulay.

We brought the community together to refresh the goals of the Future Melbourne plan and the refreshed plan (titled Future Melbourne 2026) was commended to Council. The Plan was shaped by thousands of community ideas and conversations that involved 52 randomly selected citizen jurors and six eminent ambassadors. The Plan sets out the community's vision and goals for the municipality and will help inform our strategic planning over the next ten years.

To create the Skate Melbourne Plan, a draft was developed in collaboration with professional to intermediate skaters, residents, police, security, design, university and youth representatives. Community engagement activities ensured broad and diverse opinions were included. Overall, there was strong support for the plan that will see positive management, provision, and location of skate activity across the municipality.

Community members also shared their views on several new and refreshed open spaces including a new public space at Elizabeth Street South and Southbank Boulevard. Our community also participated in new Master Plans for Domain Parklands and University Square and children shared their views on the Lincoln Square redevelopment.

The outcomes of our community engagement are better decisions that result in improved policy and services and greater community satisfaction and wellbeing. The Department of Environment, Land, Water and Planning's 2017 Community Satisfaction Survey made this evident. Satisfaction with community consultation and making community decisions are both now at the highest levels that the City of Melbourne has ever seen, and is significantly above the state-wide average.

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

- 2017–21 Council Plan and 2017–18 Annual Plan and Budget
- Amendment C258 – Heritage Policies Review and West Melbourne Heritage Review
- Bicycle Plan 2016–2020
- Busking Guidelines review
- Climate Change Adaptation Strategy Refresh 2017
- Draft Domain Parklands Master Plan
- Domestic Animal Management Plan (DAMP) 2017–2021
- Elizabeth Street South pedestrian public space
- Family Violence Memorial
- Horse Drawn Vehicles review
- Lady Huntingfield redevelopment
- Last Kilometre Freight Plan
- Library Service 2021 draft strategy
- Lincoln Square redevelopment
- Skate Melbourne Plan
- Smoke-free zones
- Southbank Boulevard
- Sunlight to Public Places review
- University Square Master Plan
- 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. More information is available at [melbourne.vic.gov.au/participate](http://melbourne.vic.gov.au/participate)

Renewing Arden Macaulay is a new digital space that brings these partners together helping to inform communities on this important project.

*Participate Melbourne metrics 2016-17*

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**85,264**  
**WEBSITE VISITORS**

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**127,797**  
**SESSIONS**

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**117,137**  
**PROJECT VIEWS**

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**160 DAYS,**  
**16:18:10 HOURS**  
**TOTAL TIME VISITORS**  
**SPENT ON THE SITE**

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**8488**  
**PIECES OF FEEDBACK**  
**COLLECTED**

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

- African Australian Community Partnership
- Disability Advisory Committee
- Homelessness Advisory Committee
- Melbourne Youth Services Forum
- Melbourne Homelessness 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 City of Melbourne has also been proactive in bringing the community into the conversation on collaborative engagement projects with the Victorian Government especially in areas of growth and urban renewal. These projects include the new school for the Docklands, Metro Tunnel Project, the West Gate Tunnel Project, Fishermans Bend, and the Arden Macaulay Renewal Area.

The renewal of Arden Macaulay involves a range of government agencies, including the Department of Economic Development, Jobs, Transport and Resources and the Victorian Planning Authority. The renewal project also receives input from key partners such as the Melbourne Metro Rail Authority and Melbourne Water.

# IMPROVEMENT

Improving the way we serve our customers is central to everything we do. We are focused on ensuring our services are simple, fast, integrated and have been designed with the customer's needs in mind. We need to do more to simplify, standardise and improve our processes so that we lighten our administrative load and can deliver even more for our customers. Our website is an important entry point for most customers to access information and transact, but we know that this is only one part of our customer experience.

## Improvement highlights this year include:

- This year the focus has been on enhancing our digital platforms. Five customer interactions were transitioned to a digital delivery method. These were: reporting graffiti, broken tree branches, abandoned vehicles, illegally parked cars and providing the functionality to review infringement photos online. These digital solutions have made it simpler for our customers to interact with us and reduced processing time and steps for our staff.
- In our libraries and community hubs area we listened to our customers and made a range of improvements to the room booking process. We introduced a new room induction checklist and handout, which included room layout photographs to make it easier for customers using the facilities. Across all centres we simplified and standardised our booking forms and confirmation emails. This resulted in improved customer experience, reduced defects and productivity release for our staff.
- In our planning and building area we improved the process for lodging and allocating liquor applications by reducing the number of steps and handoffs in the process. This resulted in a faster service to our customers and a paper savings for the organisation.
- In our events area we improved the process for assessing sponsorship applications made to the Events Partnership Program. The improved process resulted in an improved customer experience, productivity savings for the organisation and better strategic alignment to Council's goals and objectives.

- We continued to improve the user experience with our main websites.

### What's On website

Our [whatson.melbourne.vic.gov.au](http://whatson.melbourne.vic.gov.au) website is our most visited. With over six million visits per year, it has 2800 businesses listed and over 7000 annual event listings. We integrated an itinerary-based map for winter to allow visitors to plan their journey and made a number of other technical improvements to improve usability.

### Corporate website

For [melbourne.vic.gov.au](http://melbourne.vic.gov.au) we delivered a range of enhancements from accessibility fixes, improved integration of content, linkages to new services and web chat functionality. The website was recognised as a double national finalist at the 2016 Australian Web Awards. External user testing has found that usability has improved across a range of areas in the past year.

We are committed to continually enhancing the customer experience through the use of digital services and simplified processes. We will continue to build on our approach to continuous improvement to deliver on our priorities.



# OUR ENVIRONMENTAL PERFORMANCE

To achieve our ambition to be a world-leading sustainable organisation, we are continually striving to improve our performance and strengthen the culture of sustainability within our organisation.

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 and plans which support it including Zero Net Emissions by 2020 (Update 2014), Total Watermark – City as a Catchment (Update 2014), Waste and Resource Recovery Plan 2015–18, Urban Forest Strategy – Making a great city greener 2012–32, and the Climate Change Adaptation Strategy Refresh 2017. In 2016 we also launched the Emissions Reduction Plan for Our Operations 2016–2021.

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

Each year, the City of Melbourne measures and publically reports the amount of emissions generated from our operations. We undertake projects to reduce emissions from our facilities and services, and we purchase high quality certified carbon offsets to ensure that any remaining emissions are reduced to zero. This is called “zero net emissions.” Since 2012 the City of Melbourne has been certified as a carbon neutral organisation according to the National Carbon Offset Standard (NCOS). In 2015, the City of Melbourne became a signatory to the Paris Climate Change Agreement, which introduced science-based emission reduction targets to limit global temperature rise to well below 2°C and to pursue efforts to limit it to 1.5°C above pre-industrial levels.

Improving the energy efficiency of our operations and increasing our uptake of renewable energy sources is critical to achieving our ambitious emissions reduction target. The City of Melbourne Emissions Reduction Plan for Our Operations, launched in 2016, summarises the actions that we will take to reduce emissions from our activities between 1 July 2016 and 30 June 2021 in order to meet or exceed the 1.5°C science-based target and to maintain our carbon neutrality. Our main actions to reduce operational emissions include a program of capital works to upgrade energy efficiency and renewable energy in our buildings, and the

upgrade of street lights to high efficiency LED technology. The Australian Government’s Clean Energy Finance Corporation (CEFC) is financing these programs.

Over the past year we have added a total of 196.7 kW of generation to the electricity network through solar installation at the Kensington Recreation Centre (99.8 kW), Lady Gowrie Child Care Centre (38 kW), Flemington Kensington Bowls Club (38.9 kW), and the Flagstaff Gardens Bowls Club (20 kW). This amounts to 258,358 kWh of renewable electricity generation per year, and annual carbon abatement of 325.5 tonnes of CO<sub>2</sub>e. To date, the City of Melbourne has installed a total of 24 solar systems with a combined generation capacity of 983 kW.

We are committed to reporting annually to the community on our progress towards our emissions reduction target. To download the Emissions Reduction Plan for Our Operations 2016–2021, visit [melbourne.vic.gov.au](http://melbourne.vic.gov.au) and enter ‘Emissions reduction plan’ in the search box.

Our emissions and energy reporting is guided by the *National Greenhouse and Energy Reporting Act 2007* and NCOS Carbon Neutral Program.

ENERGY CONSUMPTION WITHIN THE ORGANISATION<sup>1</sup> (GJ)

	2012-13	2013-14	2014-15	2015-16	2016-17 <sup>2</sup>
Total fuel consumption from non-renewable sources	26,849	18,342	19,035	19,738	14,884
Total fuel consumption from renewable sources	3	6	9	10	8
Total electricity consumption from non-renewable sources	29,533	40,311	41,644	36,042	32,700
Total electricity consumption from renewable sources	8,136	1,605	1,642	2,637	2,776
<b>TOTAL ENERGY CONSUMPTION</b>	<b>64,521</b>	<b>60,264</b>	<b>62,330</b>	<b>58,427</b>	<b>50,368</b>

GROSS GREENHOUSE GAS EMISSIONS<sup>1</sup> (tCO<sub>2</sub>e)

	2012-13	2013-14	2014-15	2015-16	2016-17 <sup>2</sup>
Scope 1	1,537	1,014	1,195	1,237	791
Scope 2	9,762	13,101	13,650	11,313	9901
Scope 3 <sup>3</sup>	34,771	33,219	30,572	27,625	n/a
<b>TOTAL</b>	<b>46,070</b>	<b>47,334</b>	<b>45,417</b>	<b>40,175</b>	<b>10,692</b>

<sup>1</sup> Previously reported figures have been recalculated and updated where appropriate to include new emissions sources and to reflect any methodology changes from our previous years' inventories. This ensures we are accurately measuring our emissions trend. Some data reflecting energy use and emissions outside of operational control was included in previous reports; these data sets have been removed this year.

<sup>2</sup> All 2016-17 figures include estimations and are subject to change.

<sup>3</sup> Scope 3 will be updated annually in October as part of the National Carbon Offset Standard. 2016-17 data will be published on our website following re-certification of our carbon neutral status. 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).

## 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 our Municipal Integrated Water Management Plan, Flood and Integrated Water Management planning for 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 completing 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 are also continuing our engagement with major infrastructure project proponents about building greening, flood mitigation and water sensitive urban design into the legacies their projects leave for the city.

Although the stormwater tanks in Fitzroy, Queen Victoria, and Darling Gardens ran out of water several times in past summer, our total stormwater withdrawal and the amount of rainwater we collected and reused has increased by about 10 per cent over the past irrigation season. On the other hand, the water level in Royal Park wetland depleted to the sustainable level several times during the peak of the irrigation season, therefore, the total surface water used from the Royal Park wetlands has decreased by about 9.5 per cent.

This year we used about 85,000 kL less potable water than in the previous irrigation system, through continuous improvement of irrigation water use efficiency and irrigation programming in addition to renewal of old irrigation systems in a few parks and gardens. There have been no negative impacts on plant health due to water stress.

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

*More information on our water management approach can be found at [urbanwater.melbourne.vic.gov.au](http://urbanwater.melbourne.vic.gov.au)*

## TOTAL WATER WITHDRAWAL BY SOURCE

SOURCE	VOLUME OF WATER WITHDRAWN
Surface water, including water from wetlands, rivers, lakes and oceans*	79,439 kL
Groundwater	Not applicable
Rainwater collected directly and stored by the organisation**	46,580 kL
Wastewater from another organisation	Not applicable
Municipal water supplies or other water utilities***	726,344 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 lead to the reduction of greenhouse gas emissions from the breakdown of waste, decrease the amount of contaminants that leak into our soil and water, and reduce 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.

Our Waste and Resource Recovery Plan 2015–18 details 10 initiatives and associated actions designed to help us achieve our objectives to increase recycling, improve amenity and reduce waste-to-landfill. Our ten initiatives are as follows:

1. High-Rise Recycling Program
2. Compactors and recycling hubs in central city locations
3. Degraes Street Recycling Facility
4. Advanced waste treatment
5. Rewards for recycling
6. Residential organics
7. Commercial organics
8. Improved recovery of electronic and hard waste
9. Partnerships for improved waste management
10. Improved cardboard recovery.

*Total volume of waste by type and disposal method for council operations*

**2,078,618** LITRES

**RECYCLING**



**3,931,856** LITRES

**LANDFILL**

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 126).

## KNOWLEDGE BUILDING

We are committed to building a culture of sustainability within our organisation. Our sustainability learning and development pathway aims to inspire and educate all employees to have a consistent understanding of our sustainability impacts, performance and targets.

All permanent employees and long-term contractors must complete our two-day Corporate Induction Program, which includes a session on the importance of sustainability thinking to our work. Two non-compulsory training courses follow on from this introductory session, Sustainability Basics and Beyond Sustainability Basics. This training pathway provides employees with the knowledge and skills required to embed sustainability in their work and become change makers.

*City of Melbourne sustainability training pathway*



## EMPLOYEE ATTENDANCE AT SUSTAINABILITY BASICS AND BEYOND SUSTAINABILITY BASICS TRAINING

	SUSTAINABILITY BASICS	BEYOND SUSTAINABILITY BASICS
<b>TOTAL ATTENDEES</b>	<b>68</b>	<b>18</b>



# RISK MANAGEMENT

The City of Melbourne has three policies to help guide our risk management approach: the Risk Management Policy, Crisis and Business Continuity 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 is also 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 and Risk Committee throughout the year.

## EXERCISE OFF THE GRID

How do you prepare for an urgent and unexpected event? From extreme heat, to a serious fire, to widespread power outages, the City of Melbourne has an important role to play if and when these events happen in our city.

To help us understand how one of these events could play out, the City of Melbourne managed a hypothetical exercise called Exercise Off The Grid.

This was a test run of our emergency management arrangements, which included the creation of an Emergency Relief Centre at the Melbourne Cricket Ground (MCG). This relief centre can support up to 23,000 people in an emergency.

The exercise was based around a period of extreme heat. We imagined that Melbourne had experienced more than five consecutive days of scorching temperatures, which placed the city's power network under such pressure that power outages happened across large portions of the central city.

In these challenging situations we need to collaborate with our partners across the city. Representatives from Victoria Police, Department of Health and Human Services, Red Cross and councils within the North West Metro Region Collaboration group were also involved in the exercise.

Our focus was not on systems or getting the power running – it was about helping people. The exercise allowed us to better understand who would be affected and how, and what we could do to make sure people were safe.

When unexpected things happen, real people are impacted in real ways. For example, once the relief centre was set up at the MCG, how did people get there in 40+ degree temperatures when power outages meant that public transport was not available?

We looked at how we would get information to residents who were unable to return home and also put plans in place for those who had pets that needed looking after. Then there were our child care centres – what could we do to support parents who were unable to collect their children?

All of this, plus much more, was considered as part of Plan B – our ability to continue to deliver services during and directly after a disruptive incident.

We have now committed to an annual program that will continue to strengthen our skills, making sure we are ready to step up whenever we need to. A big thank-you to everyone involved on the day – it was collaboration at its best, a great example of our teams coming together with our partner agencies to work as one.

To read more about the activities on the day, visit our website at [melbourne.vic.gov.au](http://melbourne.vic.gov.au) and enter 'emergency relief exercise' in the search box.

## ADAPTING TO CLIMATE CHANGE

Climate change is already having far reaching impacts across the world and Melbourne has experienced these impacts over recent years; including drought, flooding and extreme heat events. Climate change adaptation is the process of planning, preparing, responding and driving adjustments in our city now, to ensure that we can survive and thrive no matter how the climate changes.

The City of Melbourne’s risk-focussed Climate Change Adaptation Strategy (2009) was the first of its kind in Australia. We have made substantial progress since then, implementing over 100 climate change adaptation actions. Much of our climate change adaptation work is now embedded into the way we work on a daily basis or is an integral part of our other strategies and plans. However, climate change adaptation is an ongoing process.

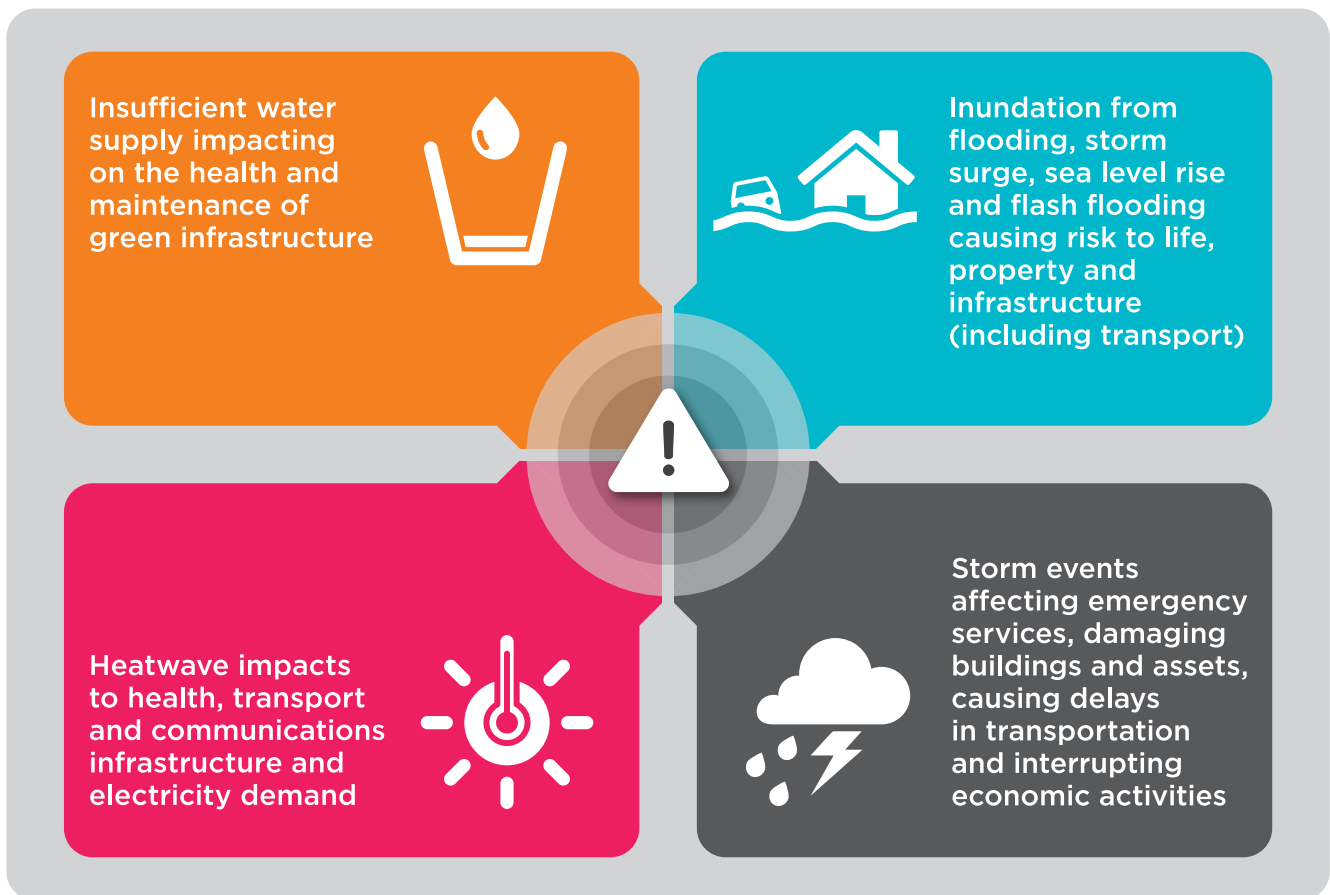
Updated scientific information and recent policy developments prompted us to rigorously evaluate our 2009 strategy over the past year to determine where we should now focus our efforts and update our approach accordingly.

## CLIMATE CHANGE ADAPTATION STRATEGY REFRESH 2017

The Climate Change Adaptation Strategy Refresh 2017 details how we will increase our existing efforts and implement new actions to work towards our vision of a city that is adapting well to climate change. We want Melbourne to prosper and thrive and continue to be a global leader in climate change adaptation. The refreshed strategy will build the resilience of our municipality to the impacts of climate change, so our community can continue to enjoy the things they value.

### Risk identification

In our 2009 Climate Change Adaptation Strategy, we identified four main climate change risks for Melbourne: insufficient water supply, floods, heatwaves and storms. These risks remain a priority in our refreshed strategy.



### Key challenges

As the climate continues to change and as our population grows, we need to continue the work that we have been doing and also increase our focus on the key challenges.

The key challenges requiring further work and focus are:

1. Inundation from floods and sea level rise.
2. Increase greening in the city, including green roofs, walls, facades, open space and urban forest in both the public and private realm.
3. Emergency response to heat and storms.
4. Insurance and resilience of small business.
5. Embedding climate change adaptation in the work that we do.

### MUNICIPAL INTEGRATED WATER MANAGEMENT PLAN

We have been at the forefront of Integrated Water Management for many years, under the direction of our Total Watermark strategy. With the implementation plan coming to an end, we need to consider how the many changes since 2014 including population growth, will influence our work in Integrated Water Management into the future. The Municipal Integrated Water Management Plan keeps Total Water Mark as our guiding strategy including existing targets and principles but adds three new targets and introduces place-based actions.

To download the Municipal Integrated Water Management Plan go to [urbanwater.melbourne.vic.gov.au](http://urbanwater.melbourne.vic.gov.au) and enter 'Municipal Integrated Water Management Plan' in the search box.

### Our new visions, goals and principles

Our updated vision, goals and principles are based on the priorities expressed by the community through Future Melbourne 2026 and supported by our risk assessment, experience, and best climate change adaptation practices. We are now developing a monitoring and evaluation approach so we can report our progress in achieving our goals.

To download the full Climate Change Adaptation Strategy Refresh 2017 go to [melbourne.vic.gov.au](http://melbourne.vic.gov.au) and enter 'Climate Change Adaptation' in the search box.

### URBAN FOREST FUND

The Urban Forest Fund was launched in May 2017, and sets out to accelerate greening across the city, particularly within privately owned land, which comprises over 70 per cent of the municipality. The Urban Forest Fund will complement the City of Melbourne's existing public realm programs to cool the city.

The Urban Forest Fund receives contributions from organisations and individuals who want to create a greener Melbourne. In turn, the Fund encourages new greening projects by offering matched funding grants to those who want to green their properties. The Fund supports a range of project types, from green roofs and walls to parks and tree planting.

# AUDIT OPERATIONS

## AUDIT AND RISK 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 and Risk Committee met five times during 2016–2017 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 AND RISK COMMITTEE MEMBERS

Our Audit and Risk Committee comprises three Council representatives and four independent members. In 2016–17 the independent members were: Chair Richard Moore, Therese Ryan, Stuart Hall and Geoff Harry.

The Council representatives, Deputy Lord Mayor Susan Riley, Future Melbourne (Finance and Governance) Committee Chair Councillor Stephen Mayne and Councillor Beverley Pinder-Mortimer served on the Audit Committee for the second half of 2016. Following Council elections in October 2016, the Deputy Lord Mayor Arron Wood, Councillor Tessa Sullivan and Councillor Philip Le Liu served on the committee for the first half of 2017. Information about our independent Audit Committee members is below:

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

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 financial accounting, corporate governance, risk management and internal audit. Richard now sits on a number of not-for-profit committees. 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.

**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.

**Geoff Harry** – appointed July 2016

Geoff, a Fellow of the Institute of Chartered Accountants, was an audit partner at PricewaterhouseCoopers for 25 years, and more recently held Chief Risk Officer positions at Fortescue Metals Group Ltd and at Jemena Ltd. Geoff has a number of appointments as an independent member or chairperson of a range of audit committees, including the Department of Premier and Cabinet, City of Greater Geelong, Monash City Council, Gippsland Water, Orygen Mental Health and Regional Kitchens Group. Geoff has a Bachelor of Economics from Monash University and is a Fellow of both the Institute of Chartered Accountants and CPA Australia. Geoff is a graduate member of the Australian Institute of Company Directors.

**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 and extended for a further year in 2017.

**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.

ATTENDEE	ROLE	5/08/16 QUARTERLY	26/08/16 SPECIAL	18/11/16 QUARTERLY	17/02/17 QUARTERLY	5/05/17 QUARTERLY
Richard Moore	Chairman	✓	✓	✓	✓	✓
Geoff Harry	Member	✓	✓	✓	✓	✓
Therese Ryan	Member	✓	X	X	✓	✓
Stuart Hall	Member	✓	✓	✓	✓	✓
Deputy Lord Mayor Susan Riley	Council representative	X	✓			
Cr Stephen Mayne	Council representative	✓	✓			
Cr Beverley Pinder-Mortimer	Council representative	✓	X			
Deputy Lord Mayor Arron Wood	Council representative			X	✓	X
Cr Tessa Sullivan	Council representative			✓	✓	✓
Cr Philip Le Liu	Council representative			✓	Partial	Partial



# 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
Memorandum of understanding to establish an economic partnership between City of Melbourne and City of Chengdu, China	2017	A three-year agreement to promote exchanges between the two cities, in support of the sister state relationship between the state of Victoria and Sichuan Province, China. Fields of cooperation include trade, tourism, tertiary education, liveability, biotech, ITC, innovation and start-ups.
Memorandum of understanding (MoU) to establish the JiangSu-Victoria Innovation Centre (JVIC)	2017	Signatories to the MoU, include the City of Melbourne, University of Melbourne, RMIT University, Australia China Association of Scientists and Entrepreneurs (ACASE), Suzhou Science and Technology Town (SSTT) and Suzhou High Tech Venture Group (SHTVG).
C40 Food System Network	2016	Global network of 91 cities. The network, in partnership with the EAT Initiative, aims to help participating cities progress priorities around food procurement, food production, food distribution and food waste.
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.
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.
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.
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 the City of Melbourne.
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 greenhouse gas emissions by 2050. The City of Melbourne is a founding member.
Global Covenant 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. Strong links in with the C40 Climate Leadership group.

NAME	DATE OF ADOPTION	THE RANGE OF STAKEHOLDERS INVOLVED IN THE DEVELOPMENT AND GOVERNANCE OF THE INITIATIVE
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	The opportunity to renew this agreement was discussed as part of the City of Melbourne mission to India in May 2017 and will be considered by Council.
C40 Climate Leadership Group	2005	Global network of 91 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.

# 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 2016-17 the Centre Led Procurement Model entered its second year. The Model continues to be refined while delivering strong benefits including:

- \$2 million of financial benefits
- implementation of quarterly risk audits
- simplification and improvements of the procurement process
- increased focus on sustainability outcomes.

In September 2016 the City of Melbourne launched its Aboriginal Procurement Strategy at the Melbourne Aboriginal Enterprise Expo, which brought together 50 Aboriginal businesses and 200 potential procurers. The Aboriginal Procurement Strategy provides Aboriginal businesses with greater opportunities to participate in the economy.

The strategy sets a target of 0.9 per cent of total procurement spend by 2019-20 to be spent with Aboriginal suppliers. The strategy has led to an increase in Aboriginal procurement particularly through commitments negotiated with Council suppliers to procure from Aboriginal businesses and hire Aboriginal staff.

During 2016-17, we processed 69 tenders and awarded 61 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.

For a list of all current major service contracts greater than \$1 million annually please go to [melbourne.vic.gov.au](http://melbourne.vic.gov.au) and enter 'major service contracts' in the search box.

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
Procurement Australia	Electricity Supply to Public Lighting
Procurement Australia	Metered Electricity Services
Procurement Australia	Learning and Development Services Panel; PA Panel 1410/0618 - Recruitment and Associated Services
Procurement Australia	Fleet Leasing Services
State Purchase Contract	Provision of Travel Services
State Purchase Contract	Construction Supplier Register (CSR)
State Purchase Contract	Marketing Services Register (MSR)
State Purchase Contract	Salesforce
State Purchase Contract	Microsoft Software Enterprise Agreement
City of Melbourne	Student Welcome Desk Melbourne Airport
City of Melbourne	Integrated Security Services

# 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 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. We continue to work collaboratively with the inner city Councils on projects of mutual interest through IMAP, and more widely with Greater Melbourne councils to implement the Resilient Melbourne strategy.

## LOOKING AHEAD

All Councils endorsed the IMAP Action Plan 2016–26 in 2016 and work has commenced across the five Councils responsible for implementing the five goals.



# PROPERTY HOLDINGS

ADDRESS	2017 CONSOLIDATED VALUE \$MILLION	2016 CONSOLIDATED VALUE \$MILLION	2015 CONSOLIDATED VALUE \$MILLION
Royal Park, Flemington Road, PARKVILLE VIC 3052	\$364.51	\$328.08	\$287.50
Fawkner Park, 24-88 Commercial Road, SOUTH YARRA VIC 3141	\$235.97	\$193.72	\$190.10
Fitzroy Gardens, 230-298 Wellington Parade, EAST MELBOURNE VIC 3002	\$205.41	\$185.42	\$168.60
Kings Domain, Alexandra Avenue, MELBOURNE VIC 3004	\$199.56	\$163.36	\$130.90
Queen Victoria Market, 65-159 Victoria Street, MELBOURNE VIC 3000	\$120.30	\$123.88	\$103.80
Princes Park, 200-590 Royal Parade, CARLTON NORTH VIC 3054	\$112.86	\$107.93	\$97.40
Melbourne Town Hall (including Administration Building) 90-130 Swanston Street, MELBOURNE VIC 3000	\$100.03	\$95.69	\$95.40
Munro Site, Therry Street, MELBOURNE VIC 3000	\$82.56	\$0.00	\$0.00
Council House 2, 218-242 Little Collins Street, MELBOURNE VIC 3000	\$63.46	\$71.60	\$53.70
Flagstaff Gardens, 309-311 William Street, WEST MELBOURNE VIC 3003	\$55.66	\$51.55	\$50.30
Birrarung Marr, Batman Avenue, MELBOURNE VIC 3000	\$47.25	\$45.14	\$40.40
Carlton Gardens South, Victoria Street, CARLTON VIC 3053	\$44.15	\$42.65	\$36.20
Alexandra Gardens, St Kilda Road, MELBOURNE VIC 3004	\$41.33	\$37.03	\$33.70
Queen Victoria Gardens, St Kilda Road, MELBOURNE VIC 3004	\$35.11	\$36.10	\$33.00
Alexandra Park, Alexandra Avenue, MELBOURNE VIC 3004	\$35.96	\$34.73	\$31.60
Council House, 196-212 Little Collins Street, MELBOURNE VIC 3000	\$36.99	\$30.21	\$31.00
Carlton Gardens North, 1-111 Carlton Street, CARLTON VIC 3053	\$36.06	\$34.77	\$29.60
Treasury Gardens, 2-18 Spring Street, EAST MELBOURNE VIC 3002	\$38.72	\$35.20	\$29.30
J.J. Holland Park, 67-121 Kensington Road, KENSINGTON VIC 3031	\$31.55	\$29.91	\$27.80
Carlton Baths, 216-248 Rathdowne Street, CARLTON VIC 3053	\$21.83	\$26.83	\$25.00

- 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.

# 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 Global Reporting Initiative (GRI) Sustainability Reporting Framework (version G4) in the development of the Annual Report 2016-17.

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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

GRI is an international not-for-profit organisation. Its 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 fourth year in a row we have incorporated the GRI framework into our Annual Report.

## IDENTIFYING THE ISSUES THAT MATTER MOST

The City of Melbourne's Annual Report contents is substantially determined by the requirements of the *Local Government Act 1989*, Council Plan 2013-17 and the Local Government Performance Reporting Framework (LGPRF). The Local Government Performance Reporting Framework is a mandatory system of performance reporting for all Victorian councils. It ensures that councils are measuring and reporting on their performance in a consistent way to promote transparency and accountability in the local government sector.

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.

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



## 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 118-123) 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, where they can be found, an indication of the level of disclosure and an explanation where appropriate.

GRI STANDARD DISCLOSURE	GRI REFERENCE	LEVEL OF REPORTING	COMMENT	REPORTING SECTION
<b>Strategy and analysis</b>				
Introductory statement	G4-1	Full		Year in review: messages from the Lord Mayor, CEO and CFO – pages 4 to 6
<b>Organisational profile</b>				
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 86; Performance against our goals: chapters 1 to 8 – pages 32 to 80
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 15
Sectors served	G4-8	Full		Welcome to the City of Melbourne – page 2
Scale of organisation	G4-9	Full		Our organisation: staff profile – page 90; Financial Report – page 147; Our organisation: our functions – page 86
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: staff profile – page 90
Employees covered by collective bargaining	G4-11	Full		Our organisation: our people – page 89
Organisational supply chain	G4-12	Full		Our organisation: our procurement and supply chain – page 112

GRI STANDARD DISCLOSURE	GRI REFERENCE	LEVEL OF REPORTING	COMMENT	REPORTING SECTION
Changes in organisational size, structure, ownership or supply chain	G4-13	Full		Financial report - page 147; Our organisation: procurement and supply chain - page 112
Precautionary approach	G4-14	Full		Our organisation: risk management - page 105
External charters	G4-15	Full		Our organisation: our partnerships and charters - page 110
Organisational memberships	G4-16	Full	The City of Melbourne holds memberships to various organisations it has a strategic interest in. In 2016-17 our memberships were: <a href="http://www.melbourne.vic.gov.au/sitecollectiondocuments/council-memberships-register.pdf">www.melbourne.vic.gov.au/sitecollectiondocuments/council-memberships-register.pdf</a>	-
<b>Identified material aspects and boundaries</b>				
Organisational entities	G4-17	Full		Financial report - page 153
Report content and material issues	G4-18-23	Full		Our reporting approach - page 116
<b>Stakeholder engagement</b>				
Stakeholder groups, stakeholder identification, engagement approach and concerns	G4-24-27	Full		Our organisation: involving the community in our decisions - page 97
<b>Report profile</b>				
Reporting period	G4-28	Full	Financial year 2016-17	-
Date of previous report	G4-29	Full	2015-16. See <a href="http://www.melbourne.vic.gov.au/about-council/our-performance/Pages/annual-report.aspx">www.melbourne.vic.gov.au/about-council/our-performance/Pages/annual-report.aspx</a> 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 116
<b>Governance</b>				
Governance structure	G4-34	Full		Council governance - pages 15 to 22

GRI STANDARD DISCLOSURE	GRI REFERENCE	LEVEL OF REPORTING	COMMENT	REPORTING SECTION
<b>Ethics and integrity</b>				
Values, principles, standards and norms and codes of conduct	G4-56	Full		Council governance – page 15 to 16; Our organisation: our people – page 89, 96
GRI SPECIFIC DISCLOSURE	GRI REFERENCE	LEVEL OF REPORTING	COMMENT	REPORTING SECTION
<b>Economic</b>				
Economic performance management approach	G4-DMA	Full		Message from the CFO – page 6; Performance against our goals: chapter 7 – pages 72 to 75; Local Government Performance Reporting Framework – page 126
Direct economic value generated and distributed	G4-EC1	Full		Financial report – pages 145 to 215
Financial implications and other risks and opportunities for the organisation's activities due to climate change	G4-EC2	Full		Our organisation: risk management – pages 105 to 107
Indirect economic impacts management approach	G4-DMA	Full		Performance against our goals: chapters 2 to 4 – pages 40 to 57
Significant indirect economic impacts	G4-EC8	Full		Performance against our goals: chapter 3 – pages 46 to 51; Our organisation: our procurement and supply chain – page 112
<b>Environmental</b>				
Energy management approach	G4-DMA	Full		Our organisation: our environmental performance – page 100 to 104; Goal 5 chapter – pages 58 to 64
Energy consumption in the organisation	G4-EN3	Full		Our organisation: our environmental performance – page 101
Water management approach	G4-DMA	Full		Our organisation: our environmental performance – page 102; Performance against our goals: chapter 5 – pages 58 to 64
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 102
Biodiversity management approach	G4-DMA	Full		Performance against our goals: chapter 5 – pages 58 to 64



GRI SPECIFIC DISCLOSURE	GRI REFERENCE	LEVEL OF REPORTING	COMMENT	REPORTING SECTION
Habitats protected or restored	G4-EN13	Partial	Tree canopy cover is used as an indicator of biodiversity.	Performance against our goals: chapter 5 – page 62
Emissions management approach	G4-DMA	Full		Our organisation: our environmental performance – pages 100 to 104; Performance against our goals: chapter 5 – pages 58 to 64
Direct greenhouse gas (GHG) emissions (Scope 1, 2 and 3)	G4-EN15-17	Partial	All 2016–17 figures include estimations and are subject to change.	Our organisation: our environmental performance – page 101; Performance against our goals: chapter 5 – pages 58 to 64
Greenhouse gas (GHG) emissions intensity	G4-EN18	Partial		Performance against our goals: chapter 5 – page 61
Reduction of greenhouse gas (GHG) emissions	G4-EN19	Partial		Our organisation: our environmental performance – pages 100 to 104; Performance against our goals: chapter 5 – page 61
Effluents and waste management approach	G4-DMA	Full		Our organisation: our environmental performance – page 103; Performance against our goals: chapter 5 – pages 58 to 64
Total weight of waste by type and disposal method	G4-EN23	Partial	Reporting based on recycling and landfill data only (volume).	Our organisation: our environmental performance – page 103; Performance against our goals: chapter 5 – page 61
Management of supplier assessments for environmental impacts	G4-DMA	Full		Our organisation: our procurement and supply chain – page 112
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.	Our organisation: our procurement and supply chain – page 112
<b>Social</b>				
Employment management approach	G4-DMA	Full		Our organisation: our people – page 89
Total number and rates of new employee hires and employee turnover	G4-LA1	Full	Based on GRI calculations, staff turnover rate is 5.24. 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 an 8.1 per cent (voluntary) and 17.1 per cent (total) turnover rate respectively.	Performance against our goals: chapter 7 – page 74; Our organisation: our people – page 90 to 91
Occupational health and safety management approach	G4-DMA	Full		Our organisation: employee health and safety – pages 94 to 95

GRI SPECIFIC DISCLOSURE	GRI REFERENCE	LEVEL OF REPORTING	COMMENT	REPORTING SECTION
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 94 to 95
Training and education management approach	G4-DMA	Full		Our organisation: employee development and learning - page 96; Performance against our goals: chapter 7 - pages 72 to 75
Average hours of training per year per employee	G4-LA9	Full		Our organisation: employee development and learning - page 96
Diversity and equal opportunity management approach	G4-DMA	Full		Our organisation: diversity and inclusion - pages 92 to 93
Composition of governance bodies and breakdown of employees per employee category according to indicators of diversity	G4-LA12	Full		Our organisation: diversity and inclusion - page 93
Equal remuneration for women and men management approach	G4-DMA	Full		Our organisation: diversity and inclusion - page 93
Ratio of basic salary and remuneration of women to men	G4-LA13	Full		Our organisation: diversity and inclusion - page 93
Management of supplier assessment for labour practices	G4-DMA	Full		Our organisation: our procurement and supply chain - page 112
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.	Our organisation: our procurement and supply chain - page 112
Non-discrimination management approach	G4-DMA	Full		Our organisation: diversity and inclusion - page 92
Total number of incidents of discrimination and corrective actions taken	G4-HR3	Full		Our organisation: diversity and inclusion - page 93
Management of supplier assessment for human rights practices	G4-DMA	Full		Our organisation: our procurement and supply chain - page 112
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.	Our organisation: our procurement and supply chain - page 112
Local communities management approach	G4-DMA	Full		Our organisation: involving the community in our decisions - pages 97 to 98; Performance against our goals: chapters 1, 8 - pages 32 to 39, 76 to 80

GRI SPECIFIC DISCLOSURE	GRI REFERENCE	LEVEL OF REPORTING	COMMENT	REPORTING SECTION
Percentage of operations with implemented local community engagement, impact assessments, and development programs	G4-SO1	Full		Our organisation: involving the community in our decisions - pages 97 to 98
Anti-corruption management approach	G4-DMA	Full		Council governance - page 16; Our organisation: our people - page 89
Communication and training on anti-corruption policies and procedures	G4-SO4	Full		Council governance - page 16 Our organisation: our people - page 89
Management of supplier assessment for social impacts	G4-DMA	Full		Our organisation: our procurement and supply chain - page 112
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.	Our organisation: our procurement and supply chain - page 112
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.	Council governance - page 22; Local Government Performance Reporting Framework - pages 126 to 132
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.	Council governance - page 22
Product and service labelling management approach	G4-DMA	Full		Our organisation: improvement - page 99; Council governance - pages 21 to 22; Performance against our goals: chapter 7 - pages 72 to 75; Local Government Performance Reporting Framework - pages 126 to 132
Results of surveys measuring customer satisfaction	G4-PR5	Partial		Local Government Performance Reporting Framework - page 128
Customer privacy management approach	G4-DMA	Full		Council governance - page 22
Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	G4-PR8	Full		Council governance - page 22

# 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	ASSESSMENT	
<b>1 Community engagement policy</b> Policy outlining council's commitment to engaging with the community on matters of public interest	Policy Date of operation of current policy: 2 February 2017	<input checked="" type="checkbox"/>
<b>2 Community engagement guidelines</b> Guidelines to assist staff to determine when and how to engage with the community	Guidelines Date of operation of current guidelines: 1 July 2013	<input checked="" type="checkbox"/>
<b>3 Strategic Resource Plan</b> 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: 27 June 2017	<input checked="" type="checkbox"/>
<b>4 Annual budget</b> 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: 27 June 2017	<input checked="" type="checkbox"/>
<b>5 Asset management plans</b> 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 Public Lighting Asset Management Plan 30 June 2015 Marine Structure Asset Management Plan 21 March 2012	<input checked="" type="checkbox"/>
<b>6 Rating strategy</b> Strategy setting out the rating structure of Council to levy rates and charges	Strategy Date of operation of current strategy: 27 June 2017	<input checked="" type="checkbox"/>
<b>7 Risk policy</b> Policy outlining Council's commitment and approach to minimising the risks to Council's operations	Policy Date of operation of current policy: 1 December 2015	<input checked="" type="checkbox"/>
<b>8 Fraud policy</b> Policy outlining council's commitment and approach to minimising the risk of fraud	Policy Date of operation of current policy: 1 December 2015	<input checked="" type="checkbox"/>
<b>9 Municipal emergency management plan</b> 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: 27 February 2017	<input checked="" type="checkbox"/>
<b>10 Procurement policy</b> 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: 31 August 2016	<input checked="" type="checkbox"/>
<b>11 Business continuity plan</b> 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"/>
<b>12 Disaster recovery plan</b> 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"/>

GOVERNANCE AND MANAGEMENT ITEMS ASSESSMENT	ASSESSMENT
<b>13 Risk management framework</b> Framework outlining council's approach to managing risks to the Council's operations	Framework <input checked="" type="checkbox"/> Date of operation of current framework: 1 December 2015
<b>14 Audit Committee</b> 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 <input checked="" type="checkbox"/> Date of establishment: 1 July 1999
<b>15 Internal audit</b> Independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls	Engaged <input checked="" type="checkbox"/> Date of engagement of current provider: 1 July 2014
<b>16 Performance reporting framework</b> A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act	Framework <input checked="" type="checkbox"/> Date of operation of current framework: 1 July 2014
<b>17 Council Plan reporting</b> 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 <input checked="" type="checkbox"/> 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.
<b>18 Financial reporting</b> 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 <input checked="" type="checkbox"/> Date statements presented: 16 August 2016, 22 November 2016, 21 February 2017, 16 May 2017
<b>19 Risk reporting</b> Six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies	Reports <input checked="" type="checkbox"/> Date of reports: 18 November 2016 and 5 May 2017
<b>20 Performance reporting</b> 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 <input checked="" type="checkbox"/> Date of reports: 22 July 2016 and 20 January 2017
<b>21 Annual report</b> 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 <input checked="" type="checkbox"/> Date statements presented: 18 October 2016
<b>22 Councillor Code of Conduct</b> 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 <input checked="" type="checkbox"/> Date reviewed: 28 June 2016
<b>23 Delegations</b> 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 <input checked="" type="checkbox"/> Date of review: 28 February 2017
<b>24 Meeting procedures</b> 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 <input checked="" type="checkbox"/> Date local law made: 26 October 2010

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



**Ben Rimmer**  
 Chief Executive Officer  
 Dated: 5 September 2017



**Robert Doyle AC**  
 Lord Mayor  
 Dated: 7 September 2017

# LOCAL GOVERNMENT PERFORMANCE

## REPORTING FRAMEWORK PERFORMANCE INDICATORS

	<b>Service Performance Indicators</b> <i>Service/Indicator/measure</i>	<b>Results</b> <b>2015</b>	<b>Results</b> <b>2016</b>	<b>Results</b> <b>2017</b>	<b>Material variations and comments</b>
<b>Aquatic facilities</b>					
	<b>Service standard</b>				
AF2	<i>Health inspections of aquatic facilities</i>  [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.75	1.00	1.00	All Council owned pools were inspected in December 2016.
	<b>Health and safety</b>				
AF3	<i>Reportable safety incidents at aquatic facilities</i>  [Number of WorkSafe reportable aquatic facility safety incidents]	4	2	5	There were three patron incidents and two contractor error incidents.
	<b>Service cost</b>				
AF4	<i>Cost of indoor aquatic facilities</i>  [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$1.69*	\$1.17*	\$1.98	This result is not materially different from previous years. *As a result of feedback from VAGO, interpretation of visitation data was broadened to include visits to dry areas. This has been applied to all three years. Reported results for 2014-15 was \$3.66 and 2015-16 was \$2.77.
	<b>Service cost</b>				
AF5	<i>Cost of outdoor aquatic facilities</i>  [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$2.30*	\$2.34*	\$2.14	This result is not materially different from previous years. *As a result of feedback from VAGO, interpretation of visitation data was broadened to include visits to dry areas. This has been applied to all three years. Reported results for 2014-15 was \$4.42 and 2015-16 was \$4.61.
	<b>Utilisation</b>				
AF6	<i>Utilisation of aquatic facilities</i>  [Number of visits to aquatic facilities / Municipal population]	4.0*	4.2*	4.1	This result is not materially different from previous years. *As a result of feedback from VAGO, interpretation of visitation data was broadened to include visits to dry areas. This has been applied to all three years. Reported results for 2014-15 and 2015-16 was 1.6.
<b>Animal management</b>					
	<b>Timeliness</b>				
AM1	<i>Time taken to action animal management requests</i>  [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	-	1.4	1.6	An average of 1.6 days to respond to a customer is more than satisfactory. Matters that are serious and require urgent action, such as dog attacks or stray animal collections are dealt with immediately. Prioritisation of Service Requests is balanced with proactive patrolling and investigations. There were no factors that had material impacts on our results this year.
	<b>Service standard</b>				
AM2	<i>Animals reclaimed</i>  [Number of animals reclaimed / Number of animals collected] x100	41.1%	38.4%	37.4%	A total of 37.4 per cent of animals that were impounded were returned to their original owner. This year we experienced a higher and longer wild kitten season (15 per cent of all animals collected) which has negatively impacted this figure. All avenues are explored to reunite animals with their owner.



Service Performance Indicators Service/Indicator/measure		Results 2015	Results 2016	Results 2017	Material variations and comments
AM3	<b>Service cost</b> <i>Cost of animal management service</i>	\$112.25	\$114.01	\$104.66	The City of Melbourne has a team of four Animal Management officers and this combined with lower number of animals registered in comparison to many other councils results in a higher cost to provide animal management services. The team conduct proactive park patrols daily, attend community events to promote Responsible Pet Ownership and registration, conduct audits of domestic animal management business annually as well as proactive spot checks. The City of Melbourne also provides a contracted 24 hour emergency service and pound facilities for animals.
	[Direct cost of the animal management service / Number of registered animals]				
AM4	<b>Health and safety</b> <i>Animal management prosecutions</i>	1	4	6	There has been an increase in dog attacks which we have prosecuted in 2016-17. There were three serious and one minor dog attacks prosecuted. Also one prosecution for failing to renew the registration of multiple pets and one repeat offender for letting their dog off a leash.
	[Number of successful animal management prosecutions]				
<b>Food safety</b>					
FS1	<b>Timeliness</b> <i>Time taken to action food complaints</i>	-	3.6	3.5	The City of Melbourne respond to and investigate all food-related complaints using a risk-based approach, for example: a complaint of food poisoning is responded to faster than a complaint about the condition of a premises due to the higher risk to public health. Response times will fluctuate due to the varying break-down of complaint types. From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
	[Number of days between receipt and first response action for all food complaints / Number of food complaints]				
FS2	<b>Service standard</b> <i>Food safety assessments</i>	93.9%	96.2%	99.7%	Ten inspections were not able to be carried out in the designated time. The premises were undergoing renovations and were not operating at the time of our visits. These premises were all inspected in January 2017.
	[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				
FS3	<b>Service cost</b> <i>Cost of food safety service</i>	\$648.65	\$647.77	\$687.47	Increase due to increased employee and laboratory services costs.
	[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]				

<b>Service Performance Indicators</b>		<b>Results</b>	<b>Results</b>	<b>Results</b>	<b>Material variations and comments</b>
<b>Service/Indicator/measure</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>		
<b>FS4</b>	<b>Health and safety</b> <i>Critical and major non-compliance outcome notifications</i>	95.4%	99.6%	98.8%	<p>This result is not materially different from previous years.</p> <p>From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.</p>
	[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				
<b>Governance</b>					
<b>G1</b>	<b>Transparency</b> <i>Council decisions made at meetings closed to the public</i>	28.0%	26.6%	28.8%	<p>While the proportion of resolutions made in confidential session (which include subsidiary company reports and grants, funding and sponsorship applications) is slightly higher than reported in 2015-16 (26.65 per cent) the total number of resolutions made in confidential session actually decreased to 90, compared to 105 in 2015-16.</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				
<b>G2</b>	<b>Consultation and engagement</b> <i>Satisfaction with community consultation and engagement</i>	59	58	64	<p>The level of satisfaction with community consultation and engagement in 2017 is six points higher than last year. It is also seven points higher than other councils across metropolitan Melbourne and nine points higher than the state wide average for councils who participate in the same community satisfaction survey.</p>
	Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement				
<b>G3</b>	<b>Attendance</b> <i>Councillor attendance at council meetings</i>	87.0%	90.9%	91.5%	<p>Following the Council election in October 2016, one Councillor position remained vacant after it was found the candidate was ineligible to be enrolled. Councillors Nicolas Frances Gilley and Susan Riley were declared elected by Justice Greg Garde, President of the VCAT on Tuesday 14 March 2017, following a recount conducted by the Victorian Electoral Commission on 1 March 2017. Both Councillors were sworn into office on 21 March 2017. Councillor Michael Caiafa was declared unelected.</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				
<b>G4</b>	<b>Service cost</b> <i>Cost of governance</i>	\$89,230.00	\$86,967.27	\$87,460.54	<p>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.</p>
	[Direct cost of the governance service / Number of Councillors elected at the last Council general election]				
<b>G5</b>	<b>Satisfaction</b> <i>Satisfaction with council decisions</i>	60	62	66	<p>The level of community satisfaction with how the Council has performed in making decisions in the interest of the community in 2017 is four points higher than last year. It is also eight points higher than other councils across metropolitan Melbourne and 12 points higher than the state wide average for councils who participate in the same community satisfaction survey.</p>
	[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]				

Service Performance Indicators Service/Indicator/measure		Results 2015	Results 2016	Results 2017	Material variations and comments
<b>Libraries</b>					
LB1	<b>Utilisation</b> <i>Library collection usage</i>	5.2	5.1	5.0	This result is not materially different from previous years.
	[Number of library collection item loans / Number of library collection items]				
LB2	<b>Resource standard</b> <i>Standard of library collection</i>	84.5%	85.8%	84.2%	This result is not materially different from previous years. 84 per cent of the City of Melbourne Library Service collection items were purchased in the last five years. This is due to three new libraries established between 2013-15.
	[Number of library collection items purchased in the last 5 years / Number of library collection items] x100				
LB3	<b>Service cost</b> <i>Cost of library service</i>	\$8.63	\$7.39	\$7.82	This result is not materially different from previous years.
	[Direct cost of the library service / Number of visits]				
LB4	<b>Participation</b> <i>Active library members</i>	33.8%	35.4%	34.3%	This result is not materially different from previous years. The percentage of active library members is higher than other Councils due to the City of Melbourne's unique position in servicing large number of visitors in addition to resident population.
	[Number of active library members / Municipal population] x100				
<b>Maternal and Child Health (MCH)</b>					
MC1	<b>Satisfaction</b> <i>Participation in first MCH home visit</i>	103.1%	110.4%	104.5%	This result is not materially different from previous years.
	[Number of first MCH home visits / Number of birth notifications received] x100				
MC2	<b>Service standard</b> <i>Infant enrolments in the MCH service</i>	100.0%	99.9%	100.0%	2016-17 we have achieved 100 per cent infant enrolments in MCH Service, continuing the high level of results and client engagement as per the last two years.
	[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100				
MC3	<b>Service cost</b> <i>Cost of the MCH service</i>	-	\$75.25	\$78.17	Increase in employee costs have contributed to the result.
	[Cost of the MCH service / Hours worked by MCH nurses]				
MC4	<b>Participation</b> <i>Participation in the MCH service</i>	80.7%	84.3%	82.5%	This result is not materially different from previous years.
	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100				

<b>Service Performance Indicators</b>		<b>Results</b>	<b>Results</b>	<b>Results</b>	<b>Material variations and comments</b>
<b>Service/Indicator/measure</b>		<b>2015</b>	<b>2016</b>	<b>2017</b>	
<b>Participation</b>					
<b>MC5</b>	<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i>	55.6%	81.1%	88.2%	Increase in participation is a result of Maternal and Child Health nurses attending several workshops and forums providing education in engaging and working with Aboriginal families. This can also be attributed to working more closely with Victorian Aboriginal Health Services.
	[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				
<b>Roads</b>					
<b>Satisfaction of use</b>					
<b>R1</b>	<b>Satisfaction of use</b> <i>Sealed local road requests</i>	85	109	174	The increase in sealed road requests during 2016-17 is due largely to a greater uptake in reporting. This includes greater ease and opportunity through mobile apps such as Snap/Send/Solve and by the increased number of cyclists who tend to be more sensitive to defects in the road pavement. Delays in undertaking repair works associated with third party works such as repairs and upgrades to utility services were also a factor. It should be noted that our request data can include multiple requests for the same defect which can have the effect of inflating the overall number of requests.
	[Number of sealed local road requests / Kilometres of sealed local roads ] x100				
<b>Condition</b>					
<b>R2</b>	<b>Condition</b> <i>Sealed local roads below the intervention level</i>	92.6%	82.4%	82.4%	There has been no major change in the number of local roads requiring renewal intervention between 2015-16 and 2016-17. The road condition rating intervention level has been set at 2.5 using a pavement condition index 0 - 5 scoring system. This has resulted in regular renewal funding by Council to maintain its local road network at the determined level of service.
	[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100				
<b>Service cost</b>					
<b>R3</b>	<b>Service cost</b> <i>Cost of sealed local road reconstruction</i>	\$249.58	\$264.27	\$275.34	The direct unit cost of sealed local road reconstruction during 2016-17 increased compared to 2015-16. This increase in unit costs is due to the combination of labour and material cost increases and the requirement to undertake road reconstruction works outside normal hours to reduce impacts on residential access and amenity and traffic management.
	[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]				
<b>R4</b>	<b>Service cost</b> <i>Cost of sealed local road resealing</i>	\$59.04	\$48.32	\$43.66	The direct cost of local road resealing works decreased in 2016-17 compared to 2015-16. This is due to a higher number of road resealing projects being undertaken in 2016-17 outside the Central City area which incurs less expensive unit costs mostly from being able to undertake works during normal business hours and reduced quantities of asphalt resealing required from thinner wearing course.
	[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]				
<b>Satisfaction</b>					
<b>R5</b>	<b>Satisfaction</b> <i>Satisfaction with sealed local roads</i>	76	75	73	The level of community satisfaction with how the Council has performed on the condition of sealed local roads in 2017 is two points lower than last year. It is seven points higher than other councils across metropolitan Melbourne and 20 points higher than the state wide average for councils who participate in the same community satisfaction survey.
	[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]				

Service Performance Indicators Service/Indicator/measure		Results 2015	Results 2016	Results 2017	Material variations and comments
<b>Statutory Planning</b>					
SP1	<b>Timeliness</b> <i>Time taken to decide planning applications</i>	60	74	80	This result is not materially different from previous years. An increase of six days is attributed to the high volume and increased complexity of planning applications received requiring referrals to multiple authorities.
	[The median number of days between receipt of a planning application and a decision on the application]				
	<b>Service standard</b> <i>Planning applications decided within 60 days</i>	81.0%	75.0%	74.4%	
	[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100				This result is not materially different from previous years. There is a decrease of one percentage point in the number of decision made within the legislated timeframes. The City of Melbourne consistently determines the majority of applications within the legislated timeframes despite the high volume and increased complexity of planning applications. From 1 July 2016 this indicator was updated to include VicSmart planning applications which should be assessed within 10 days. This may result in some variances year on year.
SP3	<b>Service cost</b> <i>Cost of statutory planning service</i>	\$2499.00*	\$2448.00*	\$2383.47	This result is not materially different from previous years. *The definitions of costs attributed to planning applications was broadened as a result of feedback from VAGO. This has been applied to all three years. Reported results for 2014-15 was \$2086.73 and 2015-16 was \$1996.53.
	[Direct cost of the statutory planning service / Number of planning applications received]				
SP4	<b>Decision making</b> <i>Council planning decisions upheld at VCAT</i>	65.6%	61.8%	69.4%	This result is not materially different from previous years. The number of decisions made in favour of City of Melbourne did not significantly change, however there was a reduction in total matters heard at VCAT from 68 (2015-16) to 51 (2016-17). The City of Melbourne 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				
<b>Waste collection</b>					
WC1	<b>Satisfaction</b> <i>Kerbside bin collection requests</i>	62	78	103	The overall number of kerbside bin collection requests continue to increase due to the overall growth in the number of collection households. The increase in this year's result is largely due to a two month transitional phase (April and May) to new and more efficient collection runs which were implemented by our waste contractor to reduce traffic congestion. Since the transitional phase, the number of bin collection requests has reduced significantly.
	[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000				
WC2	<b>Service standard</b> <i>Kerbside collection bins missed</i>	2.4	3.8	4.9	This year's increase in missed bin collections is due to a two month transitional phase (April and May) when new and more efficient collection runs were implemented by our waste contractor. Since the transitional phase, the number of missed bin collections has reduced significantly.
	[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000				

Service Performance Indicators Service/Indicator/measure		Results 2015	Results 2016	Results 2017	Material variations and comments
WC3	<p><b>Service cost</b> 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	\$217.11	The cost of the kerbside garbage collection service has remained consistent with last year, with a slight increase due to new waste services being provided to new developments. The cost of the garbage collection service provided by the City of Melbourne is historically higher when compared to other local councils due to the provision of a five day per week collection to high rise developments.
WC4	<p><b>Service cost</b> Cost of kerbside recyclables collection service</p> <p>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</p>	\$66.97	\$63.25	\$60.02	The cost of the kerbside recycling collection service has remained consistent with last year. The cost of the recycling collection service provided by the City of Melbourne is historically higher when compared to other Local Councils due to the provision of a five day per week collection to high rise developments.
WC5	<p><b>Waste diversion</b> Kerbside collection waste diverted from landfill</p> <p>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	25.3%*	26.2%	26.9%	This result is not materially different from previous years, with a slight improvement due to an increased tonnage of comingled recycling and green waste. The City of Melbourne's landfill diversion rate is historically less than other local Councils due to low volume of green waste. *The reported result from 2014-15 has been updated from 23 per cent to 25 per cent due to an error in calculating garbage tonnage.

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



**Ben Rimmer**

Chief Executive Officer

Dated: 5 September 2017







# CITY OF MELBOURNE

## 2016–17 PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

### 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 137,000 people called the municipality home in 2016 and a further 909,000 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 2017

REFERENCES Reg R Better Practice BP	Indicator/measure	Results			Material Variations
		2015	2016	2017	
R15(3) Sch3 R16(1) R17(2)	<b>Population</b> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3074	\$3001	\$3037	No material variation.
	<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$14,894	\$14,513	\$14,007	No material variation.
	<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	492	519	565	Our estimated residential population has increased from 129,000 last year to almost 137,000, leading to a higher population density per km of road.
	<b>Own-source revenue</b> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$3099	\$3153	\$3433	Increase due to compulsory acquisition of City Square assets by Melbourne Metro Rail.
	<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$147	\$123	\$148	Increase due to 50 per cent of 2017-18 Victoria Grants Commission grant advanced in June 2016.
	<b>Disadvantage</b> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	8	8	8	No material variation.
BP	<b>Definitions</b> "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 2017

REFERENCES Reg R Better Practice BP	Indicator/measure	Results			Material Variations
		2015	2016	2017	
R15(1) Sch3 R16(1) R17(2)	<b>Aquatic facilities Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.0*	4.2*	4.1	This result is not materially different from previous years. *As a result of feedback from VAGO, interpretation of visitation data was broadened to include visits to dry areas. This has been applied to all three years. Reported results for 2014-15 and 2015-16 were 1.6.
	<b>Animal management Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	1	4	6	There has been an increase in dog attacks which we have prosecuted in 2016-17. There were three serious and one minor dog attacks prosecuted. Also one prosecution for failing to renew the registration of multiple pets and one repeat offender for letting their dog off a leash.
	<b>Food safety Health and safety</b> <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%	99%	This result is not materially different from previous years. From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
	<b>Governance Satisfaction</b> <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	66	The level of community satisfaction with how the Council has performed in making decisions in the interest of the community in 2017 is four points higher than last year. It is also eight points higher than other councils across metropolitan Melbourne and 12 points higher than the state wide average for councils who participate in the same community satisfaction survey.
	<b>Libraries Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	34%	35%	34%	This result is not materially different from previous years. The percentage of active library members is higher than other Councils due to the City of Melbourne's unique position in servicing large number of visitors in addition to resident population.
	<b>Maternal and child health Participation</b> <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%	83%	This result is not materially different from previous years.

REFERENCES Reg R Better Practice BP	Indicator/measure	Results		
		2015	2016	2017
R15(1) Sch3 R16(1) R17(2)	<b>Participation</b> <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%	88%
	<b>Roads</b> <b>Satisfaction</b> <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	73
	<b>Statutory Planning</b> <b>Decision making</b> <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%	69%
	<b>Waste Collection</b> <b>Waste diversion</b> <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	25%*	26%	27%
BP	<b>Definitions</b> "Aboriginal child" means a child who is an Aboriginal person "Aboriginal person" has the same meaning as in the <i>Aboriginal Heritage Act 2006</i> "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 "class 1 food premises" means food premises, within the meaning of the <i>Food Act 1984</i> , 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 <i>Food Act 1984</i> , that have been declared as class 2 food premises under section 19C of that Act "critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , 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 <i>Food Act 1984</i> "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> "major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , 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 "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 <i>Occupational Health and Safety Act 2004</i> .			

# FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2017

REFERENCES Reg R Better Practice BP	Indicator/measure	Results			Forecasts			Material Variations	
		2015	2016	2017	2018	2019	2020		2020
R15(2) Sch3 R16(1) R16(2) R17(2) R17(3)	<b>Efficiency</b> <b>Revenue level</b> <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments] <b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments] <b>Workforce turnover</b> <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	\$1086	\$1130	\$1062	\$1104	\$1117	\$1148	\$1133	No material variation.
		\$3954	\$3950	\$3870	\$3704	\$3591	\$3552	\$3405	No material variation.
		11.91%	8.41%	12.24%	12.68%	12.68%	12.69%	12.69%	Variance related to organisation realignment in 2016-17.
	<b>Liquidity</b> <b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	163.60%	141.28%	229.82%	127.30%	41.24%	34.41%	34.88%	Increase in 2017 is due to compulsory acquisition of City Square assets by Melbourne Metro Rail. Lower ratio in forward projections reflect funding requirements for major infrastructure projects.
	<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	81.38%	48.48%	24.59%	0%	0%	0%	0%	The City of Melbourne's forecast cash balance will be impacted by the timing of major infrastructure projects in the four-year forecast.
	<b>Obligations</b> <b>Asset renewal</b> <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100 <b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	73.54%	68.82%	74.65%	82.62%	85.49%	117.43%	131.14%	No material variation.
		0%	12.31%	11.44%	11.00%	28.45%	83.12%	118.40%	Borrowings required for higher capital spend in future years, mainly due to major infrastructure projects.



REFERENCES Reg R Better Practice BP	Indicator/measure	Results			Forecasts			Material Variations	
		2015	2016	2017	2018	2019	2020		2020
R15(2) Sch3 R16(1) R16(2) R17(2) R17(3)	<b>Loans and borrowings</b> <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100  <b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	0%	0.37%	0.36%	0.48%	0.57%	1.66%	2.37%	No material variation.
	<b>Operating position</b> <b>Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	6.24%	9.53%	16.11%	1.38%	2.15%	1.82%	3.42%	Increase due to 50 per cent of 2017-18 Victoria Grants Commission grant advanced in June 2016.
	<b>Stability</b> <b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100  <b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality ] x100	57.71%	56.96%	53.14%	63.68%	64.60%	65.69%	66.48%	No material variation.
BP	<b>Definitions</b> "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.	0.26%	0.27%	0.25%	0.25%	0.25%	0.25%	0.25%	No material variation.

# OTHER INFORMATION

FOR THE YEAR ENDED 30 JUNE 2017

## 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 27 June 2017 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

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



Phu Nguyen  
Principal Accounting Officer

Dated: 5/9/2017

In our opinion, the accompanying Performance Statement of the Melbourne City Council for the year ended 30 June 2017 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



Robert Doyle  
Lord Mayor

Dated: 7/9/2017



Arron Wood  
Deputy Lord Mayor

Dated: 5/9/2017



Ben Rimmer  
Chief Executive Officer

Dated: 5/9/2017

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## Independent Auditor's Report

### To the Councillors of City of Melbourne

<p><b>Opinion</b></p>	<p>I have audited the accompanying performance statement of City of Melbourne (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2017</li> <li>• sustainable capacity indicators for the year ended 30 June 2017</li> <li>• service performance indicators for the year ended 30 June 2017</li> <li>• financial performance indicators for the year ended 30 June 2017</li> <li>• other information and</li> <li>• the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement of City of Melbourne in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p><b>Basis for Opinion</b></p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p><b>Councillors' responsibilities for the performance statement</b></p>	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>

**Auditor's responsibilities for the audit of the performance statement**

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

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

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

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

MELBOURNE  
11 September 2017



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*







# ANNUAL FINANCIAL REPORT 2016-2017



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# FINANCIAL STATEMENTS

## Comprehensive Income Statement

For the Year Ended 30 June 2017

	Consolidated			Council	
	2017 \$'000	2016 \$'000	Note	2017 \$'000	2016 \$'000
<b>Income</b>					
Rates and charges	262,105	243,802	3	262,323	244,058
Statutory fees and fines					
Parking fines	39,066	41,573	4	39,066	41,573
Other statutory fees and fines	11,036	8,755	4	11,036	8,755
User fees					
Parking fees	53,713	52,794	5	49,883	48,386
Other user fees	17,562	18,044	5	17,590	17,370
Grants - operating	12,804	8,783	6	12,804	8,783
Grants - capital	10,098	11,533	6	10,098	11,533
Contributions - monetary	21,680	14,367	7	21,215	14,118
Contributions - non monetary	800	4,157	7	800	4,157
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	47,008	8,218	8	41,588	(526)
Fair value adjustments for investment properties	16,565	16,849	23	16,565	16,849
Other income	212,812	210,872	9	29,971	30,210
<b>Total Income</b>	<b>705,249</b>	<b>639,747</b>		<b>512,939</b>	<b>445,266</b>
<b>Expenses</b>					
Employee costs	243,513	235,835	10	156,222	143,292
Materials and services	250,580	240,960	11	168,757	159,761
Bad and doubtful debts	6,833	5,446	12	6,245	5,331
Depreciation and amortisation	75,833	73,529	13	61,372	58,785
Borrowing costs	1,090	927	14	942	897
Other expenses	10,686	10,983	15	6,262	6,097
Grants and contributions	14,305	12,891		14,305	12,891
<b>Total Expenses</b>	<b>602,840</b>	<b>580,571</b>		<b>414,105</b>	<b>387,054</b>
<b>Surplus For The Year</b>	<b>102,409</b>	<b>59,176</b>		<b>98,834</b>	<b>58,212</b>
<b>Other Comprehensive Income</b>					
<b>Items that will not be reclassified to surplus or deficit in future periods</b>					
Net asset revaluation increment	193,403	242,260	29	193,705	230,771
Gain/(loss) on defined benefits plans	10,653	(1,089)	36	-	-
<b>Total Other Comprehensive Income</b>	<b>204,056</b>	<b>241,171</b>		<b>193,705</b>	<b>230,771</b>
<b>Total Comprehensive Result</b>	<b>306,465</b>	<b>300,347</b>		<b>292,539</b>	<b>288,983</b>

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



## Balance Sheet

For the Year Ended 30 June 2017

	Consolidated			Council	
	2017 \$'000	2016 \$'000	Note	2017 \$'000	2016 \$'000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	104,403	88,340	16	90,581	83,110
Trade and other receivables	49,859	50,465	17	29,245	26,625
Other financial assets	28,250	12,550	18	26,000	5,000
Inventories	721	580	19	-	-
Other assets	69,441	8,664	20	67,387	7,087
<b>Total Current Assets</b>	<b>252,674</b>	<b>160,599</b>		<b>213,213</b>	<b>121,822</b>
<b>Non-Current Assets</b>					
Investment in subsidiaries, associates and trust	7,250	7,250	21	31,394	31,395
Property, infrastructure, plant and equipment	3,981,954	3,779,627	22	3,905,159	3,703,978
Investment property	210,347	208,020	23	210,347	208,020
Intangible assets	39,513	37,798	24	16,368	14,353
Trade and other receivables	6,231	2,985	17	2,500	-
Net assets of City of Melbourne's Defined Benefits Superannuation fund	9,120	-	36	-	-
<b>Total Non-Current Assets</b>	<b>4,254,415</b>	<b>4,035,680</b>		<b>4,165,768</b>	<b>3,957,746</b>
<b>Total Assets</b>	<b>4,507,089</b>	<b>4,196,279</b>		<b>4,378,981</b>	<b>4,079,568</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	77,624	70,406	25	54,433	47,553
Trust funds and deposits	6,475	7,422	26	6,215	6,718
Provisions	43,819	45,146	27	32,129	31,959
<b>Total Current Liabilities</b>	<b>127,918</b>	<b>122,974</b>		<b>92,777</b>	<b>86,230</b>
<b>Non-Current Liabilities</b>					
Trust funds and deposits	1,677	1,690	26	-	-
Provisions	5,057	5,064	27	3,641	3,314
Interest bearing loans and borrowings	30,473	30,497	28	30,000	30,000
Net liabilities of City of Melbourne's Defined Benefits Superannuation fund	-	555	36	-	-
<b>Total Non-Current Liabilities</b>	<b>37,207</b>	<b>37,806</b>		<b>33,641</b>	<b>33,314</b>
<b>Total Liabilities</b>	<b>165,125</b>	<b>160,780</b>		<b>126,418</b>	<b>119,544</b>
<b>Net Assets</b>	<b>4,341,964</b>	<b>4,035,499</b>		<b>4,252,563</b>	<b>3,960,024</b>
<b>Equity</b>					
Accumulated surplus	2,121,793	2,018,955		2,047,619	1,959,006
Reserves	2,220,171	2,016,544	29	2,204,944	2,001,018
<b>Total Equity</b>	<b>4,341,964</b>	<b>4,035,499</b>		<b>4,252,563</b>	<b>3,960,024</b>

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

## Statement of Changes in Equity

For the Year Ended 30 June 2017

Consolidated	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Balance at beginning of the financial year</b>		<b>4,035,499</b>	<b>3,735,152</b>	<b>2,018,955</b>	<b>1,975,106</b>	<b>1,977,706</b>	<b>1,735,446</b>	<b>38,838</b>	<b>24,600</b>
Surplus for the year		102,409	59,176	102,409	59,176	-	-	-	-
Net asset revaluation increment/(decrement)	29	193,403	242,260	-	-	193,403	242,260	-	-
Transfers to other reserves	29	-	-	(18,161)	(25,972)	-	-	18,161	25,972
Transfers from other reserves	29	-	-	7,937	11,734	-	-	(7,937)	(11,734)
Actuarial gain/(expense) - City of Melbourne's Defined Benefits Superannuation Fund	36	10,653	(1,089)	10,653	(1,089)	-	-	-	-
<b>Balance at the end of the financial year</b>		<b>4,341,964</b>	<b>4,035,499</b>	<b>2,121,793</b>	<b>2,018,955</b>	<b>2,171,109</b>	<b>1,977,706</b>	<b>49,062</b>	<b>38,838</b>

Council	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Balance at beginning of the financial year</b>		<b>3,960,024</b>	<b>3,671,041</b>	<b>1,959,006</b>	<b>1,915,032</b>	<b>1,962,180</b>	<b>1,731,409</b>	<b>38,838</b>	<b>24,600</b>
Surplus for the year		98,834	58,212	98,834	58,212	-	-	-	-
Net asset revaluation increment	29	193,705	230,771	-	-	193,705	230,771	-	-
Transfers to other reserves	29	-	-	(18,161)	(25,972)	-	-	-	-
Transfers from other reserves	29	-	-	7,937	11,734	-	-	18,161	25,972
<b>Balance at the end of the financial year</b>		<b>4,252,563</b>	<b>3,960,024</b>	<b>2,047,616</b>	<b>1,959,006</b>	<b>2,155,885</b>	<b>1,962,180</b>	<b>49,062</b>	<b>38,838</b>

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



## Statement of Cash Flows

For the Year Ended 30 June 2017

	Consolidated			Council	
	2017 \$'000	2016 \$'000	Note	2017 \$'000	2016 \$'000
<b>Cash Flows from Operating Activities</b>					
Rates and charges	263,058	242,296		263,276	242,552
Statutory fees and fine	49,756	50,328		49,756	50,328
User fees	77,161	84,366		71,888	80,768
Grants - operating	13,069	10,247		13,069	10,247
Grants - capital	10,805	11,533		10,805	11,533
Contributions - monetary	21,999	14,367		21,534	14,118
Interest received	2,535	2,755		2,406	2,312
Dividends received	38	-		3,838	3,667
Other receipts	232,107	228,128		24,912	24,229
Net GST refund/payment	3,012	8,781		15,592	20,366
Trust funds and deposits taken/(repaid)	(960)	5,802		(503)	5,802
Employee costs	(248,892)	(234,449)		(150,396)	(141,365)
Materials and services	(285,885)	(299,179)		(195,916)	(210,292)
Other payments	(26,883)	(25,517)		(21,429)	(19,228)
<b>Net cash provided by operating activities</b>	<b>110,920</b>	<b>99,458</b>	<b>30</b>	<b>108,832</b>	<b>95,037</b>
<b>Cash Flows from Investing Activities</b>					
Proceeds from sale of property, infrastructure, plant and equipment	6,689	11,253		1,269	1,453
Payments for property, infrastructure, plant and equipment	(83,145)	(164,093)		(78,188)	(146,899)
Proceeds from sale of Investments	-	1,250		-	2,000
Payments for investments	(15,700)	-		(21,000)	-
Loans and advances made	(1,611)	-		(2,500)	-
<b>Net cash used in investing activities</b>	<b>(93,767)</b>	<b>(151,590)</b>		<b>(100,419)</b>	<b>(143,446)</b>
<b>Cash Flows from Financing Activities</b>					
Finance costs	(1,090)	-		(942)	-
Proceeds from borrowing	-	30,000		-	30,000
<b>Net cash provided by/(used in) financing activities</b>	<b>(1,090)</b>	<b>30,000</b>		<b>(942)</b>	<b>30,000</b>
Net increase(decrease) in cash and cash equivalents	16,063	(22,132)		7,471	(18,409)
Cash and cash equivalents at beginning of the financial year	88,340	110,472		83,110	101,519
<b>Cash and cash equivalents at the end of the financial year</b>	<b>104,403</b>	<b>88,340</b>	<b>31</b>	<b>90,581</b>	<b>83,110</b>
<b>Financing arrangements</b>			<b>32</b>		
<b>Restrictions on cash assets</b>			<b>16</b>		

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

## Statement of Capital Works

For the Year Ended 30 June 2017

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Buildings</b>				
Buildings	6,854	3,537	6,507	3,492
Building improvements	7,547	8,634	6,550	5,985
<b>Total Buildings</b>	<b>14,401</b>	<b>12,171</b>	<b>13,057</b>	<b>9,477</b>
<b>Plant &amp; Equipment</b>				
Plant, machinery and equipment	17,134	19,968	1,813	2,906
Fixtures, fittings and furniture	590	476	551	87
Computers and telecommunications	13,585	9,907	12,483	9,082
Library books	1,295	1,132	1,295	1,132
<b>Total Plant &amp; Equipment</b>	<b>32,604</b>	<b>31,483</b>	<b>16,142</b>	<b>13,207</b>
<b>Infrastructure</b>				
Roads	6,932	13,710	6,932	13,710
Bridges	744	169	744	169
Footpaths and cycleways	8,018	2,818	8,018	2,818
Drainage	7,326	7,700	7,326	7,700
Recreational, leisure and community facilities	168	5,578	168	5,578
Parks, open space and streetscapes	25,295	18,535	25,295	18,535
Other infrastructures	643	4,547	643	4,547
<b>Total Infrastructure</b>	<b>49,126</b>	<b>53,057</b>	<b>49,126</b>	<b>53,057</b>
<b>Total Capital Works Expenditure</b>	<b>96,131</b>	<b>96,711</b>	<b>78,325</b>	<b>75,741</b>
<b>Represented by:</b>				
New asset expenditure	34,646	49,144	16,840	28,174
Asset renewal expenditure	45,813	38,184	45,813	38,184
Asset expansion expenditure	8,295	8,212	8,295	8,212
Asset upgrade expenditure	7,377	1,171	7,377	1,171
<b>Total Capital Works Expenditure</b>	<b>96,131</b>	<b>96,711</b>	<b>78,325</b>	<b>75,741</b>

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

## 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 2017:

- 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](http://www.melbourne.vic.gov.au).

The consolidated financial statements of Council as at and for the year ended 30 June 2017 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))
- the determination of goodwill (refer to Note 1 (u))

Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

**b) Change in accounting policies**

There have been no changes in 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 2017, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to 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 (corporate trustee SMF Investment Management Pty Ltd)
- 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 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets annually. 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.

**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	50-90	2
Road kerb, channel and minor culverts	32-50	2
Bridge deck	15-25	2
Bridge substructure	25-100	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.

### **Classification of employee costs**

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 or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

### **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.

	<b>Goodwill</b>	<b>Software</b>
Useful lives	Indefinite	Finite
Method used	Not depreciated or re-valued	5-8 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. No financial guarantee is provided by Council.

**y) Contingent assets and contingent liabilities and commitments**

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

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

**z) Pending accounting standards**

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

*Revenue from contracts with customers (AASB 15) (applies 2019/20)*

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

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

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

Council has a significant number of operating leases (Note 34 (a)) that will be impacted as a result of this change.

**aa) Rounding**

Unless otherwise stated, amounts in the Financial Statements are rounded to the nearest thousand dollars.

## 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 2016. 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
	2017 \$'000	2017 \$'000	2017 \$'000	%	
<b>Income</b>					
Rates and charges	257,341	262,323	4,982	2%	
Statutory fees and fines					
Parking fines	42,641	39,066	(3,575)	(8%)	1
Other statutory fees and fines	10,057	11,036	979	10%	
User fees					
Parking fees	46,098	49,883	3,785	8%	2
Other user fees	17,070	17,590	520	3%	
Grants - operating	9,482	12,804	3,322	35%	3
Grants - capital	8,748	10,098	1,350	15%	4
Contributions - monetary	10,884	21,215	10,331	95%	5
Contributions - non monetary	-	800	800	100%	
Net gain on disposal of property, infrastructure, plant and equipment	920	41,588	40,668	N/A	6
Fair value adjustments for investment properties	-	16,565	16,565	100%	7
Other income	26,926	29,971	3,045	11%	8
<b>Total Income</b>	<b>430,167</b>	<b>512,939</b>	<b>82,772</b>	<b>19%</b>	
<b>Expenses</b>					
Employee benefit expense	151,660	156,222	(4,562)	(3%)	
Materials and services	162,838	168,757	(5,919)	(4%)	9
Bad and doubtful debts	5,604	6,245	(641)	(11%)	
Depreciation and amortisation	61,164	61,372	(208)	0%	
Borrowing costs	1,310	942	368	28%	
Other expenses	6,444	6,262	182	3%	
Grants and contributions	12,987	14,305	(1,318)	(10%)	10
<b>Total Expenses</b>	<b>402,007</b>	<b>414,105</b>	<b>(12,098)</b>	<b>(3%)</b>	
<b>Surplus for the year</b>	<b>28,160</b>	<b>98,834</b>	<b>70,674</b>	<b>251%</b>	
<b>Other Comprehensive Income</b>					
Net asset revaluation increment	92,250	193,705	101,455	110%	11
<b>Total Other Comprehensive Income</b>	<b>92,250</b>	<b>193,705</b>	<b>101,455</b>	<b>110%</b>	
<b>Total Comprehensive Result</b>	<b>120,410</b>	<b>292,539</b>	<b>172,129</b>	<b>143%</b>	

## i. Explanation of material variations

Ref.	Item	Explanation
1	<i>Parking fines</i>	Mainly due to lower than anticipated parking infringements being issued as a result of continued increasing compliance by the public and reduced number of parking bays.
2	<i>Parking fees</i>	Mainly due to higher parking meter revenue as a result of lower than anticipated removal of parking spaces associated with tram stop platform works, landscaping works and Melbourne Metro Rail project works and increased revenue from construction zones.
3	<i>Grants - operating</i>	Mainly due to half of the 2017-18 Victorian Grants Commission grant being advanced in June 2017 (\$1.4 million) and higher arts (\$0.9 million) and community services grants revenue (\$0.4 million).
4	<i>Grants - capital</i>	Mainly due to funding for demonstration of Green Roof project (\$1.3 million).
5	<i>Contributions - monetary</i>	With increasing developments across the city, this has resulted in higher public open spaces contributions (\$10.2 million).
6	<i>Net gain on asset disposal</i>	Mainly due to the compulsory acquisition of the City Square for the Melbourne Metro Rail project.
7	<i>Fair value adjustments for investment properties</i>	This reflects the increasing land value on Council's investment properties.
8	<i>Other income</i>	Mainly Due to higher investment interest (\$2.0 million) from higher than anticipated cash balance and grants in kind revenue (\$0.8 million).
9	<i>Materials and Services</i>	Mainly due to the rise and fall provisions in contracts, higher contract expenditures, waste management variation, LED lights, and Melbourne Contemporary Pavilion.
10	<i>Grants and contributions</i>	Mainly due to contribution to Lord Mayors Charitable foundation (\$1.2 million) in relation to pathway innovation project.
11	<i>Net asset revaluation increment</i>	Gains on fixed asset valuations, as a result of increasing land values during the year.

## b) Capital Works

Council	Budget	Actual	Variance		Ref
	2017 \$'000	2017 \$'000	2017 \$'000	%	
<b>Buildings</b>					
Buildings	10,993	6,507	4,486	41%	1
Building improvements	13,300	6,550	6,750	51%	2
<b>Total Buildings</b>	<b>24,293</b>	<b>13,057</b>	<b>11,236</b>	<b>46%</b>	
<b>Total Property</b>	<b>24,293</b>	<b>13,057</b>	<b>11,236</b>	<b>46%</b>	
<b>Plant &amp; Equipment</b>					
Plant & equipment	2,770	1,813	957	35%	
Fixtures, fittings & furniture	687	551	136	20%	
Computers and telecommunications	12,816	12,483	333	3%	
Library books	1,275	1,295	(20)	(2%)	
<b>Total Plant &amp; Equipment</b>	<b>17,548</b>	<b>16,142</b>	<b>1,406</b>	<b>8%</b>	
<b>Infrastructure</b>					
Roads	7,929	6,932	997	13%	
Bridges	1,175	744	431	37%	
Footpaths and cycleways	8,640	8,018	622	7%	
Drainage	10,194	7,326	2,868	28%	3
Recreational, leisure and community facilities	262	168	94	36%	
Parks, open space and streetscapes	41,111	25,295	15,816	38%	4
Other infrastructures	11,024	643	10,381	94%	5
<b>Total Infrastructure</b>	<b>80,335</b>	<b>49,126</b>	<b>31,209</b>	<b>39%</b>	
<b>Total capital works expenditure</b>	<b>122,176</b>	<b>78,325</b>	<b>43,851</b>	<b>36%</b>	
<b>Represented by:</b>					
New asset expenditure	33,555	16,840	16,715	50%	
Asset renewal expenditure	56,274	45,813	10,461	19%	
Asset expansion expenditure	13,489	8,295	5,194	39%	
Asset upgrade expenditure	18,858	7,377	11,481	61%	
<b>Total capital works expenditure</b>	<b>122,176</b>	<b>78,325</b>	<b>43,851</b>	<b>36%</b>	

Out of the \$43.9 million variance in total capital works expenditure, \$21.9 million will be carried forward to 2017-18 (refer to Note 16).

## i. Explanation of material variations

Ref.	Item	Explanation
1	<i>Buildings</i>	Property services renewal works delayed due to contract lead time (\$3.0 million) and scope clarification (\$1.2 million) to be captured in the 2017-18 Council Works Program.
2	<i>Building improvements</i>	Queen Victoria Market Precinct Renewal will carry forward \$3.8 million into 2017-18, the carry forward will be used to prepare the Precinct Public Realm Plan and the design of the below ground operational areas in 2017/18. Lady Huntingfield Child Care Centre (\$1.7 million) due to re tender on reduced scope delaying build until the first half of 2017-18 carried forward to 2017-18.
3	<i>Drainage</i>	Due to Whiteman Street flood mitigation (\$1.5 million) carried forward to 2017-18; Queensbridge Street flooding (\$0.4 million) to be externally funded and delivered during 2017-18 in addition to remaining flood mitigation projects (\$0.9 million) due to latent conditions and third party negotiations to be captured in the 2017-18 Council Works Program.
4	<i>Parks, open space &amp; streetscapes</i>	University Square delayed due to external authority approvals and design documentation (\$3.0 million), Hawke & Adderley Street Park and North Melbourne Reserve New Landscaping & Synthetic Court delayed due to external authority approvals (\$2.8 million), Streetscape program due to the deferral of New Quay Promenade works (\$1.9 million) and Green Your Laneway Pilot Projects delayed due to tender delays (\$1.3 million) carried forward to 2017-18. Works on various new open spaces (\$2.4 million) to be captured in the 2017-18 Council Works Program.
5	<i>Other Structures</i>	Street lighting network upgrade to LED lights reclassified as maintenance owing to the new assets created not owned or controlled by Council (\$3.7 million) with the remaining works to be captured in the 2017-18 Council Works Program (\$1.9 million). Delays caused by delivery of parking meters (\$1.3 million) carried forward to 2017-18 and scope clarification for South Wharf Marine Precinct (\$1.6 million) to be captured in the 2017-18 Council Works Program.



## 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 2016-17 was \$5.9 billion (2015-16 \$5.4 billion).

	Valuation base		Rate in \$	
	2017	2016	2017	2016
	\$'000	\$'000		
Residential	2,215,648	2,004,927	4.075	4.193
Non-residential	3,654,119	3,384,160	4.449	4.755
Cultural & recreational	56,063	54,656		
	<b>5,925,830</b>	<b>5,443,743</b>		

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Residential	90,070	84,064	90,288	84,064
Non-residential	163,887	160,661	163,887	160,917
Culture & recreational	422	411	422	411
Supplementary rates and rate adjustments	7,322	(1,703)	7,322	(1,703)
Interest on Rates & Charges	404	369	404	369
	<b>262,105</b>	<b>243,802</b>	<b>262,323</b>	<b>244,058</b>

The date of the latest general valuation of land for rating purposes within the municipal district was 1 January 2016 and the valuation first applied to the rating period commencing 1 July 2016. The valuation for rating purposes is performed on a two year cycle.

### Note 4. Statutory fees and fines

	Consolidated		Council	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Infringements and costs				
Parking fines	39,066	41,573	39,066	41,573
<b>Total parking fines</b>	<b>39,066</b>	<b>41,573</b>	<b>39,066</b>	<b>41,573</b>
Infringements and costs				
General fines	1,363	1,501	1,363	1,501
Town planning fees	4,294	2,447	4,294	2,447
Land Information Certificates	209	193	209	193
Permits	1,880	1,603	1,880	1,603
Food and Health Act registration	3,290	3,011	3,290	3,011
<b>Total other statutory fees and fines</b>	<b>11,036</b>	<b>8,755</b>	<b>11,036</b>	<b>8,755</b>
<b>Total Statutory fees and fines</b>	<b>50,102</b>	<b>50,328</b>	<b>50,102</b>	<b>50,328</b>

## Note 5. User fees

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Parking	53,713	52,794	49,883	48,386
<b>Total parking fees</b>	<b>53,713</b>	<b>52,794</b>	<b>49,883</b>	<b>48,386</b>
Aged and health services	283	259	283	259
Leisure centre and recreation	5,084	4,917	5,085	4,922
Child care/children's programs	2,734	2,681	2,734	2,681
Registration and other permits	1,973	1,758	1,973	1,758
Building services	4,125	5,238	4,125	5,238
Waste management services	442	59	442	59
Berthing	573	703	573	703
Other fees and charges	2,348	2,429	2,375	1,750
<b>Total other user fees</b>	<b>17,562</b>	<b>18,044</b>	<b>17,590</b>	<b>17,370</b>
<b>Total user fees</b>	<b>71,275</b>	<b>70,838</b>	<b>67,473</b>	<b>65,756</b>

## Note 6. Grants

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Summary of Grants</b>				
Commonwealth funded grants	8,083	3,097	8,083	3,097
State funded grants	14,819	17,219	14,819	17,219
<b>Total grants received</b>	<b>22,902</b>	<b>20,316</b>	<b>22,902</b>	<b>20,316</b>

## Note 6. Grants (cont'd)

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Operating Grants</b>				
<b><i>Recurrent - Commonwealth Government</i></b>				
General home care	1,957	201	1,957	201
Victoria Grants Commission	3,929	1,274	3,929	1,274
Other	40	39	40	39
	<b>5,926</b>	<b>1,514</b>	<b>5,926</b>	<b>1,514</b>
<b><i>Recurrent - State Government</i></b>				
Aged care	1,242	2,888	1,242	2,888
Libraries	810	763	810	763
Maternal & Child Health	798	572	798	572
Pre School Services	306	374	306	374
Support Services for Families	458	438	458	438
Disability Services Grant	132	127	132	127
Arts Programs	666	-	666	-
Events	175	-	175	-
Other	921	986	921	986
	<b>5,508</b>	<b>6,148</b>	<b>5,508</b>	<b>6,148</b>
<b><i>Total Recurrent Operating Grants</i></b>	<b>11,434</b>	<b>7,662</b>	<b>11,434</b>	<b>7,662</b>
<b><i>Non-recurrent - Commonwealth Government</i></b>				
Other	380	321	380	321
	<b>380</b>	<b>321</b>	<b>380</b>	<b>321</b>
<b><i>Non-recurrent - State Government</i></b>				
Recycling Projects	-	181	-	181
Roads & Streets	23	137	23	137
Resilience	500	-	500	-
Arts Programs	374	-	374	-
Other	93	482	93	482
	<b>990</b>	<b>800</b>	<b>990</b>	<b>800</b>
<b><i>Total Non-recurrent Operating Grants</i></b>	<b>1,370</b>	<b>1,121</b>	<b>1,370</b>	<b>1,121</b>
<b>Total Operating Grants</b>	<b>12,804</b>	<b>8,783</b>	<b>12,804</b>	<b>8,783</b>

## Note 6. Grants (cont'd)

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Capital Grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Roads to recovery	755	934	755	934
Road & Streets	1,022	328	1,022	328
	<b>1,777</b>	<b>1,262</b>	<b>1,777</b>	<b>1,262</b>
<b>Recurrent - State Government</b>				
Parking Levy	7,000	7,000	7,000	7,000
	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>
<b>Total Recurrent Capital Grants</b>	<b>8,777</b>	<b>8,262</b>	<b>8,777</b>	<b>8,262</b>
<b>Non-recurrent - State Government</b>				
Buildings	-	50	-	50
Park & Gardens	25	2,380	25	2,380
Road & Streets	1,296	741	1,296	741
Living Victoria Fund	-	100	-	100
<b>Total Non-recurrent Capital Grants</b>	<b>1,321</b>	<b>3,271</b>	<b>1,321</b>	<b>3,271</b>
<b>Total Capital Grants</b>	<b>10,098</b>	<b>11,533</b>	<b>10,098</b>	<b>11,533</b>

## Unspent grants received on condition that they be spent in a specific manner

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at start of year	2,037	5,397	2,037	5,397
Received during the financial year and remained unspent at balance date	1,877	2,037	1,877	2,037
Received in prior years and spent during the financial year	(2,037)	(5,397)	(2,037)	(5,397)
<b>Balance at year end</b>	<b>1,877</b>	<b>2,037</b>	<b>1,877</b>	<b>2,037</b>

## Note 7. Contributions

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Public Open Space*	17,207	9,615	17,207	9,615
Child Care Benefit	2,109	1,978	2,109	1,978
Sponsorships	820	1,046	675	797
Non-Government Capital	302	392	302	392
Other Contributions	1,242	1,336	922	1,336
<b>Total Contributions - Monetary</b>	<b>21,680</b>	<b>14,367</b>	<b>21,215</b>	<b>14,118</b>
Land	800	2,252	800	2,252
Buildings	-	720	-	720
Infrastructure	-	1,185	-	1,185
<b>Total Contributions - Non Monetary</b>	<b>800</b>	<b>4,157</b>	<b>800</b>	<b>4,157</b>
<b>Total Contributions</b>	<b>22,480</b>	<b>18,524</b>	<b>22,015</b>	<b>18,275</b>

\* Public Open Space contributions are higher due to increased building development activities.

**Note 8. Net gain/(loss) on disposal of property, infrastructure, plant and equipment**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Land &amp; Buildings</b>				
Proceeds of sales	62,725	1,034	62,725	1,034
Written down value of assets disposed	(20,665)	(797)	(20,665)	(797)
Gain on sale	42,060	237	42,060	237
<b>Infrastructure</b>				
Proceeds of sales	89	-	89	-
Written down value of assets disposed	(26)	-	(26)	-
Gain on sale	63	-	63	-
<b>Plant and Equipment</b>				
Proceeds of sales	6,600	10,219	1,180	419
Written down value of assets disposed	(1,715)	(2,238)	(1,715)	(1,182)
(Loss)/Gain on sale	4,885	7,981	(535)	(763)
Total proceeds of sale	69,414	11,253	63,994	1,453
Total written down value of assets disposed	(22,406)	(3,035)	(22,406)	(1,979)
<b>Total net gain / (loss) on disposal of property, infrastructure, plant and equipment*</b>	<b>47,008</b>	<b>8,218</b>	<b>41,588</b>	<b>(526)</b>

\* The net gain mainly relates to compulsory acquisition of City Square assets by Melbourne Metro Rail.

**Note 9. Other income**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Interest	2,535	2,386	2,406	1,942
Dividends	38	-	3,838	3,667
Investment property/market rentals*	24,769	27,800	7,672	9,484
Intercompany revenue	-	-	6,687	8,083
Sales & recoveries**	184,770	180,396	8,668	6,778
Project income	700	290	700	256
<b>Total Other Income</b>	<b>212,812</b>	<b>210,872</b>	<b>29,971</b>	<b>30,210</b>

\* Consolidated income includes Queen Victoria Market stall holder revenue of \$17.1 million for 2017 (2016: \$18.2 million).

\*\* Consolidated income includes Citywide rendering of services revenue of \$176.9 million for 2017 (2016: \$171.5 million).

## EXPENSE

### Note 10. Employee costs

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Wages and salaries	193,833	186,373	121,992	110,921
WorkCover	4,052	2,622	1,494	615
Temporary non-permanent	3,664	5,083	3,264	4,363
Superannuation	19,888	19,563	13,586	12,251
Fringe benefit tax	1,290	1,849	528	592
Annual leave and long service leave	20,786	20,345	15,358	14,550
	<b>243,513</b>	<b>235,835</b>	<b>156,222</b>	<b>143,292</b>

### Superannuation

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Defined benefit fund</b>				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	168	170	168	170
Melbourne City Council Superannuation sub-plan (Vision Super)	1,204	1,382	967	1,077
	<b>1,372</b>	<b>1,552</b>	<b>1,135</b>	<b>1,247</b>
Employer contributions payable at reporting date	-	-	-	-
<b>Accumulation funds</b>				
Employer contributions to Vision Super	11,751	11,577	8,870	8,119
Employer contributions - other funds	6,765	6,434	3,581	2,885
	<b>18,516</b>	<b>18,011</b>	<b>12,451</b>	<b>11,004</b>
Employer contributions payable at reporting date	60	541	-	-

Council's contributions and exposure in relation to super funds are detailed at Note 36.

### Note 11. Materials and services

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Contract payments	136,865	131,708	114,089	109,338
Building maintenance	569	268	361	268
General maintenance	28,370	28,961	13,391	11,652
Utilities	10,795	11,484	7,561	7,712
Administration/Supplies	45,651	43,323	14,182	13,725
Information technology	6,637	4,839	4,585	3,724
Insurance	2,910	3,359	1,438	1,522
Consultant	18,783	17,018	13,150	11,820
	<b>250,580</b>	<b>240,960</b>	<b>168,757</b>	<b>159,761</b>



**Note 12. Bad and doubtful debts**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Parking fine debtors	6,163	5,279	6,163	5,279
Other debtors	670	167	82	52
	<b>6,833</b>	<b>5,446</b>	<b>6,245</b>	<b>5,331</b>

**Note 13. Depreciation and amortisation**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Property	8,393	7,781	7,497	7,028
Plant and equipment	22,579	22,365	9,314	8,674
Infrastructure	40,906	39,780	40,906	39,780
<b>Total depreciation</b>	<b>71,878</b>	<b>69,926</b>	<b>57,717</b>	<b>55,482</b>
Intangible assets	3,955	3,603	3,655	3,303
<b>Total depreciation and amortisation</b>	<b>75,833</b>	<b>73,529</b>	<b>61,372</b>	<b>58,785</b>

Refer to Note 22 for more detailed breakdown of depreciation and amortisation charges.

**Note 14. Borrowing costs**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Interest - Borrowings	1,090	927	942	897
	<b>1,090</b>	<b>927</b>	<b>942</b>	<b>897</b>

**Note 15. Other expenses**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Auditors remuneration - VAGO- audit of financial statements	255	252	143	149
Audit services - external	21	33	21	33
Audit services - internal	489	459	254	202
Fire brigade levy	171	176	171	176
Taxes & Levies	3,324	2,920	2,038	1,532
Operating lease rental	4,259	4,551	1,669	1,727
Other costs	2,167	2,592	1,966	2,278
	<b>10,686</b>	<b>10,983</b>	<b>6,262</b>	<b>6,097</b>

## ASSETS

### Note 16. Cash and cash equivalents

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash on hand	59	71	36	41
Cash at bank	37,643	43,569	25,545	36,069
Term deposits	66,701	44,700	65,000	47,000
<b>Cash and cash equivalents</b>	<b>104,403</b>	<b>88,340</b>	<b>90,581</b>	<b>83,110</b>

#### 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	
	2017 \$'000	2016 \$'000	Note	2017 \$'000	2016 \$'000
Trust funds and deposits	8,152	9,112	26	6,215	6,718
Reserve funds (Public Open Space)	37,740	23,091	29	37,740	23,091
<b>Total restricted funds</b>	<b>45,892</b>	<b>32,203</b>		<b>43,955</b>	<b>29,809</b>
<b>Unrestricted cash and cash equivalents</b>	<b>58,511</b>	<b>56,137</b>		<b>46,626</b>	<b>53,301</b>
<b>Total cash and cash equivalents</b>	<b>104,403</b>	<b>88,340</b>		<b>90,581</b>	<b>83,110</b>

#### Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash held to fund carried forward capital	21,941	26,442	21,941	26,442
<b>Total funds subject to intended allocations</b>	<b>21,941</b>	<b>26,442</b>	<b>21,941</b>	<b>26,442</b>

Refer also to Note 18 for details of other financial assets held by Council.

### Note 17. Trade and other receivables

Current	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Statutory receivables</b>				
Rate debtors	1,002	1,955	1,002	1,955
Parking infringement debtors	32,558	32,525	32,558	32,525
Provision for doubtful debts - parking infringements	(17,381)	(17,722)	(17,381)	(17,722)
<b>Non statutory receivables</b>				
Other debtors*	32,233	31,535	8,474	5,560
Provision for doubtful debts - other debtors	(1,496)	(826)	(370)	(288)
Net GST receivable	2,943	2,998	4,962	4,595
<b>Total current trade and other receivables</b>	<b>49,859</b>	<b>50,465</b>	<b>29,245</b>	<b>26,625</b>

\*Other debtors includes Citywide trade receivable of \$21.2 million.

## Note 17. Trade and other receivables (cont'd)

Non-Current	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Non statutory receivables</b>				
Project loan	4,572	1,342	-	-
Loan to subsidiary*	-	-	2,500	-
Land sale deferred settlement	1,659	1,643	-	-
<b>Total non-current trade and other receivables</b>	<b>6,231</b>	<b>2,985</b>	<b>2,500</b>	<b>-</b>

\*Loan to subsidiary relates to loan to the Sustainable Melbourne Fund.

## (a) Ageing of receivables

At balance date other debtors representing financial assets were past due but not impaired. The ageing of the trade & other receivables (excluding statutory receivables) was:

Ageing of receivables - Other debtors	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current (not yet due)	26,895	24,929	6,423	3,206
Past due by up to 30 days	2,314	2,561	1,073	1,167
Past due between 31 and 180 days	2,328	3,134	758	1,033
Past due between 181 and 365 days	595	888	119	131
Past due by more than 1 year	101	23	101	23
<b>Total</b>	<b>32,233</b>	<b>31,535</b>	<b>8,474</b>	<b>5,560</b>

## (b) Movement in provisions for doubtful debts

Provision for doubtful debts	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Provision for doubtful debts - Parking infringement	17,381	17,722	17,381	17,722
Provision for doubtful debts - Trade debtors	1,496	826	370	288
<b>Total</b>	<b>18,877</b>	<b>18,548</b>	<b>17,751</b>	<b>18,010</b>

Movement in doubtful debts - parking infringement	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at the beginning of the year	17,722	16,633	17,722	16,633
New provisions recognised	6,163	5,279	6,163	5,279
Amounts written off as uncollectible	(7,627)	(6,630)	(7,627)	(6,630)
Amounts recovered during the year	1,123	2,440	1,123	2,440
<b>Balance at the end of the year</b>	<b>17,381</b>	<b>17,722</b>	<b>17,381</b>	<b>17,722</b>

Movement in doubtful debts - trade debtors	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at the beginning of the year	826	794	288	371
New provisions recognised	670	64	82	(82)
Amounts written off as uncollectible	(68)	(165)	(70)	(134)
Amounts recovered during the year	68	133	70	133
<b>Balance at the end of the year</b>	<b>1,496</b>	<b>826</b>	<b>370</b>	<b>288</b>

**Note 17. Trade and other receivables (cont'd)**

## (c) Ageing of impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$1.5 million (2016: \$0.8 million) were impaired. The amount of the provision raised against these debtors was \$0.7 million (2016: \$0.1 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:

Ageing of receivables (impaired)	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current (not yet due)	19	172	-	-
Past due by up to 30 days	97	3	-	-
Past due between 31 and 180 days	728	88	160	79
Past due between 181 and 365 days	549	472	107	118
Past due by more than 1 year	103	91	103	91
<b>Total</b>	<b>1,496</b>	<b>826</b>	<b>370</b>	<b>288</b>

**Note 18. Other financial assets**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Term deposits	28,250	12,550	26,000	5,000
<b>Total</b>	<b>28,250</b>	<b>12,550</b>	<b>26,000</b>	<b>5,000</b>

Term deposits with an original maturity date of greater than three months from acquisition of the financial asset.

**Note 19. Inventories**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Inventory held for distribution	721	580	-	-
<b>Total</b>	<b>721</b>	<b>580</b>	<b>-</b>	<b>-</b>

**Note 20. Other assets**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Prepayments	3,187	4,174	1,771	1,789
Accrued income*	66,254	4,490	63,375	2,307
Other	-	-	2,241	2,991
<b>Total</b>	<b>69,441</b>	<b>8,664</b>	<b>67,387</b>	<b>7,087</b>

\*Accrued income includes compensation for the compulsory acquisition of City Square assets (\$62.7million).

## Note 21. Investment in subsidiaries, associates and trust

Non-Current	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>a) Subsidiaries</b>				
CityWide Service Solutions Pty Ltd	-	-	18,406	18,406
Queen Victoria Market Pty Ltd	-	-	200	200
Sustainable Melbourne Fund	-	-	5,538	5,539
Enterprise Melbourne*	-	-	-	-
	-	-	24,144	24,145
<b>b) Associates</b>				
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
	<b>7,250</b>	<b>7,250</b>	<b>31,394</b>	<b>31,395</b>

\* Investment in Enterprise Melbourne is \$10.

### a) Subsidiaries

#### **Citywide Service Solutions Pty Ltd (100% owned subsidiary of Council)**

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. A controlling interest is held by Council.

#### **Summarised financial information**

	2017 \$'000	2016 \$'000
<b>Summarised statement of comprehensive income</b>		
Total income	241,235	244,337
Total expenses	231,598	238,782
Surplus/(deficit) for the year	9,637	5,555
Other comprehensive income	-	7,893
<b>Total comprehensive result</b>	<b>9,637</b>	<b>13,448</b>
<b>Summarised balance sheet</b>		
Current assets	50,810	47,820
Non-current assets	103,400	103,366
Total assets	154,210	151,186
Current liabilities	55,002	57,330
Non-current liabilities	6,722	7,207
Total liabilities	61,724	64,537
<b>Net assets</b>	<b>92,486</b>	<b>86,649</b>
<b>Summarised statement of cash flows</b>		
Net cash provided/(used in) operating activities	20,283	6,297
Net cash provided/(used in) investing activities	(8,156)	(6,539)
Net cash provided/(used in) financing activities	(3,650)	(2,600)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>8,477</b>	<b>(2,842)</b>

**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. A controlling interest is held by Council.

**Summarised financial information**

	2017 \$'000	2016 \$'000
<b>Summarised statement of comprehensive income</b>		
Total income	23,425	23,706
Total expenses	25,718	23,666
Surplus/(deficit) for the year	<b>(2,293)</b>	40
Other comprehensive income	-	-
<b>Total comprehensive result</b>	<b>(2,293)</b>	<b>40</b>
<b>Summarised balance sheet</b>		
Current assets	3,923	7,499
Non-current assets	4,825	2,885
Total assets	<b>8,748</b>	10,384
Current liabilities	3,848	3,196
Non-current liabilities	1,828	1,822
Total liabilities	5,676	5,018
<b>Net assets</b>	<b>3,072</b>	<b>5,366</b>
<b>Summarised statement of cash flows</b>		
Net cash provided/(used in) operating activities	(2,413)	809
Net cash provided/(used in) investing activities	1,397	(1,030)
Net cash provided/(used in) financing activities	(16)	(146)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,032)</b>	<b>(367)</b>



**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 in projects with environmental benefits to the City. The projects extend beyond the boundaries of Council to the broader State of Victoria, reflecting the position of Melbourne as the capital city of Victoria.

On 11 November 2016, the Fund trustees resigned and a guarantor company, SMF Investment Management Pty Ltd, was incorporated with the former trustees appointed as directors of the new company.

There is a corporate trustee SMF Investment Management Pty. Ltd. of which Council has 100% voting rights 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. A controlling interest is held by Council.

**Summarised financial information**

	2017 \$'000	2016 \$'000
<b>Summarised statement of comprehensive income</b>		
Total income	762	279
Total expenses	(730)	(543)
Surplus/(deficit) for the year	32	(264)
Other comprehensive income	-	-
<b>Total comprehensive result</b>	<b>32</b>	<b>(264)</b>
<b>Summarised balance sheet</b>		
Current assets	3,615	4,304
Non-current assets	4,572	1,342
Total assets	<b>8,187</b>	<b>5,646</b>
Current liabilities	92	88
Non-current liabilities	2,525	20
Total liabilities	2,617	108
<b>Net assets</b>	<b>5,570</b>	<b>5,538</b>
<b>Summarised statement of cash flows</b>		
Net cash provided/(used in) operating activities	(3,653)	(513)
Net cash provided/(used in) investing activities	2,300	-
Net cash provided/(used in) financing activities	2,500	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,147</b>	<b>(513)</b>

**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. A controlling interest is held by Council.

**Summarised financial information**

	2017 \$'000	2016 \$'000
<b>Summarised statement of comprehensive income</b>		
Total income	1	26
Total expenses	469	597
Surplus/(deficit) for the year	(468)	(571)
Other comprehensive income	-	-
<b>Total comprehensive result</b>	<b>(468)</b>	<b>(571)</b>
<b>Summarised balance sheet</b>		
Current assets	40	116
Non-current assets	-	-
<b>Total assets</b>	<b>40</b>	<b>116</b>
Current liabilities	69	-
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>69</b>	<b>-</b>
<b>Net assets</b>	<b>(29)</b>	<b>116</b>
<b>Summarised statement of cash flows</b>		
Net cash provided/(used in) operating activities	(398)	(571)
Net cash provided/(used in) investing activities	322	629
Net cash provided/(used in) financing activities	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(76)</b>	<b>58</b>

The negative net assets is due to timing of funds transfer between Council and Enterprise Melbourne Pty Ltd. The company will be able to pay its debt as and when they become due.

**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 \$82,102 for year ended 30 June 2017 and an operating loss of \$261,040 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. 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 2017-18 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 approximately 15% 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 2016 of \$370,853 compared to a profit of \$988,794 for the previous year. The Company paid a dividend for the 2016 financial year of 15.0 cents per share. Dividend payment of \$37,500 was received in December 2016. Net assets are \$4.4 million as at 30 September 2016.

**Note 22. Property, infrastructure, plant and equipment**

Consolidated	Summary of property, infrastructure, plant and equipment									
	At Fair Value 30 June 2016					At Fair Value 30 June 2017				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,867,835	-	88	152,860	-	(5,768)	1,931	2,016,946		
Buildings	340,089	1,454	712	24,123	(8,393)	(188)	4,464	362,261		
Plant and Equipment	80,739	17,673	-	-	(22,579)	(6,256)	8,212	77,789		
Infrastructure	1,412,624	-	-	16,420	(40,906)	(290)	58,390	1,446,238		
Work in progress	78,340	73,377	-	-	-	-	(72,997)	78,720		
<b>Total</b>	<b>3,779,627</b>	<b>92,504</b>	<b>800</b>	<b>193,403</b>	<b>(71,878)</b>	<b>(12,502)</b>	<b>-</b>	<b>3,981,954</b>		

**Summary of Work in Progress**

Consolidated	Opening WIP					Closing WIP				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land & Buildings	14,591	13,461	(6,395)	-	21,657					
Plant and Equipment	11,637	16,849	(8,212)	-	20,274					
Infrastructure	52,112	43,067	(58,390)	-	36,789					
<b>Total</b>	<b>78,340</b>	<b>73,377</b>	<b>(72,997)</b>	<b>-</b>	<b>78,720</b>					

**Note 22. Property, infrastructure plant and equipment (cont'd)**

Council	At Fair Value		Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value
	30 June 2016	30 June 2017							
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,846,403	-	-	88	153,162	-	(6,070)	1,931	1,995,514
Buildings	333,368	-	-	712	24,123	(7,497)	-	4,464	355,170
Plant and Equipment	33,570	-	-	-	-	(9,314)	(1,460)	8,203	30,999
Infrastructure	1,412,623	-	-	-	16,420	(40,906)	(290)	58,390	1,446,237
Work in progress	78,015	72,213	-	-	-	-	-	(72,988)	77,240
<b>Total</b>	<b>3,703,978</b>	<b>72,213</b>	<b>72,213</b>	<b>800</b>	<b>193,705</b>	<b>(57,717)</b>	<b>(7,820)</b>	<b>-</b>	<b>3,905,159</b>

**Summary of Work in Progress**

Council	Opening WIP	Additions	Transfers	Write offs	Closing WIP
Land & Buildings	14,264	13,431	(6,395)	-	21,300
Plant and Equipment	11,639	15,715	(8,203)	-	19,151
Infrastructure	52,112	43,067	(58,390)	-	36,789
<b>Total</b>	<b>78,015</b>	<b>72,213</b>	<b>(72,988)</b>	<b>-</b>	<b>77,240</b>

**Note 22. Property, infrastructure plant and equipment (cont'd)**

**Property**

<b>Consolidated \$'000</b>	<b>Land - specialised</b>	<b>Land - non specialised</b>	<b>Total Land</b>	<b>Heritage Buildings</b>	<b>Buildings - specialised</b>	<b>Buildings - non specialised</b>	<b>Leasehold Improvements</b>	<b>Total Buildings</b>	<b>Work In Progress</b>	<b>Total Property</b>
At fair value 30 June 2016	1,734,199	133,636	<b>1,867,835</b>	171,272	115,043	63,734	10,457	<b>360,506</b>	14,591	<b>2,242,932</b>
Accumulated depreciation at 30 June 2016	-	-	-	(3,027)	(9,046)	(3,787)	(4,557)	<b>(20,417)</b>	-	<b>(20,417)</b>
<b>Movements in fair value</b>	<b>1,734,199</b>	<b>133,636</b>	<b>1,867,835</b>	<b>168,245</b>	<b>105,997</b>	<b>59,947</b>	<b>5,900</b>	<b>340,089</b>	<b>14,591</b>	<b>2,222,515</b>
Acquisition of assets at fair value	-	-	-	-	-	-	1,454	<b>1,454</b>	13,461	<b>14,915</b>
Contributed assets	88	-	<b>88</b>	-	-	712	-	<b>712</b>	-	<b>800</b>
Revaluation increments/decrements	147,005	5,855	<b>152,860</b>	7,760	7,552	8,811	-	<b>24,123</b>	-	<b>176,983</b>
Fair value of assets disposed	(5,768)	-	<b>(5,768)</b>	-	(45)	-	(507)	<b>(552)</b>	-	<b>(6,320)</b>
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers from WIP	1,931	-	<b>1,931</b>	664	3,800	-	-	<b>4,464</b>	(6,395)	-
	<b>143,256</b>	<b>5,855</b>	<b>149,111</b>	<b>8,424</b>	<b>11,307</b>	<b>9,523</b>	<b>947</b>	<b>30,201</b>	<b>7,066</b>	<b>186,378</b>
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	-	-	-	(2,976)	(2,837)	(1,602)	(978)	<b>(8,393)</b>	-	<b>(8,393)</b>
Accumulated depreciation of disposals	-	-	-	-	45	-	319	<b>364</b>	-	<b>364</b>
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	-	-	-	(2,976)	(2,792)	(1,602)	(659)	<b>(8,029)</b>	-	<b>(8,029)</b>
At fair value 30 June 2017	1,877,455	139,491	<b>2,016,946</b>	179,696	126,350	73,257	11,404	<b>390,707</b>	21,657	<b>2,429,310</b>
Accumulated depreciation at 30 June 2017	-	-	-	(6,003)	(11,838)	(5,389)	(5,216)	<b>(28,446)</b>	-	<b>(28,446)</b>
	<b>1,877,455</b>	<b>139,491</b>	<b>2,016,946</b>	<b>173,693</b>	<b>114,512</b>	<b>67,868</b>	<b>6,188</b>	<b>362,261</b>	<b>21,657</b>	<b>2,400,864</b>



## 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 30 June 2016	1,712,767	133,636	1,846,403	168,245	103,720	59,947	2,790	334,702	14,264	2,195,369
Accumulated depreciation at 30 June 2016	-	-	-	-	-	-	(1,334)	(1,334)	-	(1,334)
<b>Movements in fair value</b>										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	13,431	13,431
Contributed assets	88	-	88	-	-	712	-	712	-	800
Revaluation increments/decrements	147,307	5,855	153,162	7,760	7,552	8,811	-	24,123	-	177,285
Fair value of assets disposed	(6,070)	-	(6,070)	-	-	-	-	-	-	(6,070)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers from WIP	1,931	-	1,931	664	3,800	-	-	4,464	(6,395)	-
	143,256	5,855	149,111	8,424	11,352	9,523	-	29,299	7,036	185,446
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	-	-	-	(2,976)	(2,756)	(1,602)	(163)	(7,497)	-	(7,497)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	-	-	-	(2,976)	(2,756)	(1,602)	(163)	(7,497)	-	(7,497)
At fair value 30 June 2017	1,856,023	139,491	1,995,514	176,669	115,072	69,470	2,790	364,001	21,300	2,380,815
Accumulated depreciation at 30 June 2017	-	-	-	(2,976)	(2,756)	(1,602)	(1,497)	(8,831)	-	(8,831)
	1,856,023	139,491	1,995,514	173,693	112,316	67,868	1,293	355,170	21,300	2,371,983

**Note 22. Property, infrastructure plant and equipment (cont'd)**

**Infrastructure**

<b>Consolidated \$'000</b>	<b>Roads</b>	<b>Bridges</b>	<b>Footpaths and cycleways</b>	<b>Drainage</b>	<b>Recreational, leisure and Community</b>	<b>Parks open spaces and streetscapes</b>	<b>Other infrastructure</b>	<b>Statues, sculptures and artworks</b>	<b>Work In Progress</b>	<b>Total Infrastructure</b>
At fair value 30 June 2016	744,152	92,489	144,613	131,959	6,780	40,385	228,474	57,076	52,112	<b>1,498,040</b>
Accumulated depreciation at 30 June 2016	-	-	-	-	(1,208)	-	(24,245)	(7,852)	-	<b>(33,305)</b>
	<b>744,152</b>	<b>92,489</b>	<b>144,613</b>	<b>131,959</b>	<b>5,572</b>	<b>40,385</b>	<b>204,229</b>	<b>49,224</b>	<b>52,112</b>	<b>1,464,735</b>
<b>Movements in fair value</b>										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	43,067	<b>43,067</b>
Contributed assets	-	-	-	-	-	-	-	-	-	-
Revaluation increments/decrements	9,817	1,653	(4,810)	(280)	47	762	9,231	-	-	<b>16,420</b>
Fair value of assets disposed	(29)	-	-	-	-	-	-	(951)	-	<b>(980)</b>
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers from WIP	11,873	15,152	10,090	5,452	15	2,703	13,045	60	(58,390)	-
	<b>21,661</b>	<b>16,805</b>	<b>5,280</b>	<b>5,172</b>	<b>62</b>	<b>3,465</b>	<b>22,276</b>	<b>(891)</b>	<b>(15,323)</b>	<b>58,507</b>
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	(17,180)	(1,428)	(6,307)	(1,822)	(391)	-	(13,106)	(672)	-	<b>(40,906)</b>
Accumulated depreciation of disposals	-	-	-	-	-	-	-	690	-	<b>690</b>
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	<b>(17,180)</b>	<b>(1,428)</b>	<b>(6,307)</b>	<b>(1,822)</b>	<b>(391)</b>	<b>-</b>	<b>(13,106)</b>	<b>18</b>	<b>-</b>	<b>(40,216)</b>
At fair value 30 June 2017	765,813	109,294	149,893	137,131	6,842	43,850	250,750	56,185	36,789	<b>1,556,547</b>
Accumulated depreciation at 30 June 2017	(17,180)	(1,428)	(6,307)	(1,822)	(1,599)	-	(37,351)	(7,834)	-	<b>(73,521)</b>
	<b>748,633</b>	<b>107,866</b>	<b>143,586</b>	<b>135,309</b>	<b>5,243</b>	<b>43,850</b>	<b>213,399</b>	<b>48,351</b>	<b>36,789</b>	<b>1,483,026</b>

Work in Progress includes Queen Victoria Market renewal program of \$11.9 million.

**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 30 June 2016	744,152	92,489	144,613	131,959	6,780	40,385	228,474	57,076	52,112	1,498,040
Accumulated depreciation at 30 June 2016	-	-	-	-	(1,208)	-	(24,245)	(7,852)	-	(33,305)
	744,152	92,489	144,613	131,959	5,572	40,385	204,229	49,224	52,112	1,464,735
<b>Movements in fair value</b>										
Acquisition of assets at fair value	-	-	-	-	-	-	-	-	43,067	43,067
Contributed assets	-	-	-	-	-	-	-	-	-	-
Revaluation increments/decrements	9,817	1,653	(4,810)	(280)	47	762	9,231	-	-	16,420
Fair value of assets disposed	(29)	-	-	-	-	-	-	(951)	-	(980)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers from WIP	11,873	15,152	10,090	5,452	15	2,703	13,045	60	(58,390)	-
	21,661	16,805	5,280	5,172	62	3,465	22,276	(891)	(15,323)	58,507
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	(17,180)	(1,428)	(6,307)	(1,822)	(391)	-	(13,106)	(672)	-	(40,906)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	690	-	690
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	(17,180)	(1,428)	(6,307)	(1,822)	(391)	-	(13,106)	18	-	(40,216)
At fair value 30 June 2017	765,813	109,294	149,893	137,131	6,842	43,850	250,750	56,185	36,789	1,556,547
Accumulated depreciation at 30 June 2017	(17,180)	(1,428)	(6,307)	(1,822)	(1,599)	-	(37,351)	(7,834)	-	(73,521)
	748,633	107,866	143,586	135,309	5,243	43,850	213,399	48,351	36,789	1,483,026

Work in Progress includes Queen Victoria Market renewal program of \$11.9 million.

## 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 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
<b>Movements in fair value</b>						
Acquisition of assets at fair value	15,483	177	2,013	-	16,849	34,522
Contributed assets	-	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-	-
Fair value of assets disposed	(27,559)	(22)	(206)	(1,227)	-	(29,014)
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers from WIP	3,460	1,490	1,988	1,274	(8,212)	-
	(8,616)	1,645	3,795	47	8,637	5,508
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	(14,913)	(691)	(5,379)	(1,596)	-	(22,579)
Accumulated depreciation of disposals	21,306	19	206	1,227	-	22,758
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
	6,393	(672)	(5,173)	(369)	-	179
At fair value 30 June 2017	147,966	9,106	44,979	12,667	20,274	234,992
Accumulated depreciation at 30 June 2017	(91,009)	(6,859)	(30,355)	(8,706)	-	(136,929)
	56,957	2,247	14,624	3,961	20,274	98,063

**Note 22. Property, infrastructure plant and equipment (cont'd)**

**Plant and equipment**

<b>Council \$'000</b>	<b>Plant machinery and equipment</b>	<b>Fixtures fittings and furniture</b>	<b>Computers and telecomms</b>	<b>Library books</b>	<b>Work In Progress</b>	<b>Total plant and equipment</b>
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)
	14,412	516	14,359	4,283	11,639	45,209
<b>Movements in fair value</b>						
Acquisition of assets at fair value	-	-	-	-	15,715	15,715
Contributed assets	-	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-	-
Fair value of assets disposed	(2,257)	-	-	(1,227)	-	(3,484)
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers from WIP	3,460	1,481	1,988	1,274	(8,203)	-
	1,203	1,481	1,988	47	7,512	12,231
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	(2,973)	(426)	(4,319)	(1,596)	-	(9,314)
Accumulated depreciation of disposals	797	-	-	1,227	-	2,024
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
	(2,176)	(426)	(4,319)	(369)	-	(7,290)
At fair value 30 June 2017	39,026	6,792	36,066	12,667	19,151	113,702
Accumulated depreciation at 30 June 2017	(25,587)	(5,221)	(24,038)	(8,706)	-	(63,552)
	13,439	1,571	12,028	3,961	19,151	50,150

**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. 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.

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.

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 2017 are as follows:

<b>Council</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>	<b>DoV</b>
Non-specialised land	-	121,918	17,573	139,491	Jun-2017
Specialised land	-	15,970	1,840,053	1,856,023	Jun-2017
<b>Total land</b>	-	137,888	1,857,626	1,995,514	
Heritage Buildings	-	10,851	162,842	173,693	Jun-2017
Buildings	-	70,241	109,942	180,183	Jun-2017
<b>Total buildings</b>	-	81,092	272,784	353,876	

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 Infrastructure Engineering and Management.

The date of the current valuation is detailed in the following table. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:



## Note 22. Property, infrastructure, plant and equipment (cont'd)

Council	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Dov
Roads	-	-	748,633	748,633	Jun-2017
Bridges	-	-	107,866	107,866	Jun-2017
Footpaths and cycleways	-	-	143,586	143,586	Jun-2017
Drainage	-	-	135,309	135,309	Jun-2017
Recreational, leisure and community facilities	-	-	5,243	5,243	Jun-2017
Parks, open space and streetscapes	-	-	43,850	43,850	Jun-2017
Promenades and wharves	-	-	68,592	68,592	Jun-2017
Other infrastructure	-	-	144,798	144,798	Jun-2017
<b>Total Infrastructure</b>	-	-	<b>1,397,877</b>	<b>1,397,877</b>	

No transfers between levels occurred during the year.

## c) Description of significant unobservable inputs into Level 3 valuations

Council	2017 \$'000	2016 \$'000
<b>Specialised land and land under roads</b> 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.	1,856,023	1,712,767
<b>Specialised buildings</b> 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.	112,316	103,720
<b>Infrastructure assets</b> 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 and design lives 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.	1,397,877	1,363,400

**Note 22. Property, infrastructure, plant and equipment (cont'd)****d) Reconciliation of specialised land**

<b>Council</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Land under roads	17,200	17,200
Parks and reserves	1,838,823	1,695,567
<b>Total specialised land</b>	<b>1,856,023</b>	<b>1,712,767</b>

**Note 23. Investment property**

	<b>Consolidated</b>		<b>Council</b>	
	<b>2017 \$'000</b>	<b>2016 \$'000</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Land</b>				
Balance at beginning of financial year	140,570	46,344	140,570	46,344
Additions	-	69,500	-	69,500
Disposals	(750)	-	(750)	-
Fair value adjustments	14,413	24,726	14,413	24,726
<b>Balance at end of financial year</b>	<b>154,233</b>	<b>140,570</b>	<b>154,233</b>	<b>140,570</b>
<b>Buildings</b>				
Balance at beginning of financial year	67,450	67,725	67,450	67,725
Additions	357	7,602	357	7,602
Disposals	(13,845)	-	(13,845)	-
Fair value adjustments	2,152	(7,877)	2,152	(7,877)
<b>Balance at end of financial year</b>	<b>56,114</b>	<b>67,450</b>	<b>56,114</b>	<b>67,450</b>
<b>Total investment properties</b>	<b>210,347</b>	<b>208,020</b>	<b>210,347</b>	<b>208,020</b>

Building disposals includes City Square assets disposed due to compulsory acquisition by Melbourne Metro Rail.

**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. The valuation is at fair value, based on the current market value for the property.

**Note 24. Intangible assets****a) Intangible assets**

	<b>Consolidated</b>		<b>Council</b>	
	<b>2017 \$'000</b>	<b>2016 \$'000</b>	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Software	16,368	14,353	16,368	14,353
Goodwill	22,770	22,770	-	-
Customer relationships	375	675	-	-
	<b>39,513</b>	<b>37,798</b>	<b>16,368</b>	<b>14,353</b>

## Note 24. Intangible assets (cont'd)

Consolidated	Software	Goodwill	Customer relationships	Total
	\$'000	\$'000	\$'000	\$'000
<b>Gross carrying amount</b>				
Balance at 1 July 2016	29,248	22,770	675	52,693
Additions from acquisition	5,670	-	-	5,670
Other	-	-	-	-
Balance at 30 June 2017	34,918	22,770	675	58,363
<b>Accumulated amortisation and impairment</b>				
Balance at 1 July 2016	(14,895)	-	-	(14,895)
Amortisation expense	(3,655)	-	(300)	(3,955)
Impairment expense	-	-	-	-
Amortisation written back	-	-	-	-
Balance at 30 June 2017	(18,550)	-	(300)	(18,850)
Net book value at 30 June 2016	14,353	22,770	675	37,798
Net book value at 30 June 2017	16,368	22,770	375	39,513

Council	Software	Goodwill	Customer relationships	Total
	\$'000	\$'000	\$'000	\$'000
<b>Gross carrying amount</b>				
Balance at 1 July 2016	29,248	-	-	29,248
Additions from acquisition	5,670	-	-	5,670
Other	-	-	-	-
Balance at 30 June 2017	34,918	-	-	34,918
<b>Accumulated amortisation and impairment</b>				
Balance at 1 July 2016	(14,895)	-	-	(14,895)
Amortisation expense	(3,655)	-	-	(3,655)
Amortisation written back	-	-	-	-
Balance at 30 June 2017	(18,550)	-	-	(18,550)
Net book value at 30 June 2016	14,353	-	-	14,353
Net book value at 30 June 2017	16,368	-	-	16,368

## 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 2017.

For the purpose of impairment testing, goodwill is allocated to Citywide's operating divisions. The aggregate carrying amounts allocated to each Cash Generating Unit (CGU) are as follows:

**Note 24. Intangible assets (cont'd)**

	2017 \$'000	2016 \$'000
<b>Current</b>		
Arboriculture VIC		194
Horticulture VIC		5,224
Street Cleaning VIC		3,296
Open Space NSW		7,868
Open Space QLD		6,188
Victoria Operations	8,714	
NSW Operations	7,868	
Technigro	6,188	
	<b>22,770</b>	<b>22,770</b>

During the year, the CGU's have been redefined in line with the new business structure and implementation of the new customer focussed operating model. 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.

**c) Key assumptions used in the discounted cash flow projections**

Future cash flows have been based on the 2017-18 budget and overlaid with appropriate discount and growth rates. The discount and growth rate assumptions are as follows:

	2017	2016
<b>Current</b>		
Discount Rate	8.50%	9.30%
Terminal Value Growth Rate	2.20%	1.50%

The discount rate used is a post-tax measure based on the Citywide's weighted average cost of capital (WACC). The WACC has been determined in conjunction with professional valuation advice received from an independent consulting firm.

Each CGU has five years of cash flows included in its discounted cash flow models and a terminal growth rate thereafter. The discounted cash flow models the first year cash flow which is based on the 2017-18 budget. The long-term compound annual growth rate in EBITDA is estimated by management using past experience and expectations for the future.

**d) Sensitivity to change in assumptions**

Citywide has modelled reasonably possible changes in key assumptions to determine whether sensitivities would cause the carrying value of any CGU to exceed its recoverable amount.

Each +/- 10 basis point movement in the discount rate assumption impacts the recoverable amount of the NSW CGU by approximately \$140,000 which would result in a minor impairment in the case of a 10 basis point increase.

Each +/- 10 basis point movement in the growth rate assumption impacts the recoverable amount of the NSW CGU by approximately \$140,000 which would result in a minor impairment in the case of a 10 basis point decrease.

## LIABILITIES

### Note 25. Trade and other payables

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Current</b>				
Trade payables	16,974	18,644	4,445	8,573
Accrued operating expenses	51,253	32,924	34,334	22,184
Accrued capital work expenses	5,500	15,858	14,635	15,858
Income in advance	3,897	2,980	1,019	938
	<b>77,624</b>	<b>70,406</b>	<b>54,433</b>	<b>47,553</b>

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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Current</b>				
Refundable deposits	3,345	4,062	3,158	3,893
Fire services levy	2,669	2,405	2,669	2,405
Retention amount	98	143	98	143
Other refundable deposits	363	812	290	277
	<b>6,475</b>	<b>7,422</b>	<b>6,215</b>	<b>6,718</b>
<b>Non Current</b>				
Refundable deposits	1,677	1,690	-	-
	<b>1,677</b>	<b>1,690</b>	<b>-</b>	<b>-</b>

Refundable deposits - Current 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Employee provisions</b>				
Balance at the beginning of financial year	48,092	47,237	33,465	31,506
Additional provisions	20,786	20,345	15,358	14,550
Amounts used	(20,739)	(19,490)	(13,781)	(12,591)
Balance at the end of the financial year	<b>48,139</b>	<b>48,092</b>	<b>35,042</b>	<b>33,465</b>
<b>Insurance claims</b>				
Balance at the beginning of financial year	558	413	558	413
Additional provisions	198	285	198	285
Amounts used	(28)	(140)	(28)	(140)
Balance at the end of the financial year	<b>728</b>	<b>558</b>	<b>728</b>	<b>558</b>
<b>Other provisions*</b>				
Balance at the beginning of financial year	1,560	1,549	1,250	1,250
Additional provisions	-	11	-	-
Amounts used	(1,551)	-	(1,250)	-
Balance at the end of the financial year	<b>9</b>	<b>1,560</b>	<b>-</b>	<b>1,250</b>

\* Other provisions mainly include provision for rate objection (\$1.25m in 2015-16) which is not required in 2016-17.

## a) Employee provisions

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>(a) Current provisions expected to be wholly settled within 12 months</b>				
Annual leave	15,842	13,746	10,775	9,986
Long service leave	2,846	2,263	1,608	1,523
	<b>18,688</b>	<b>16,009</b>	<b>12,383</b>	<b>11,509</b>
<b>(b) Current provisions expected to be wholly settled after 12 months</b>				
Annual leave	28	1,836	-	-
Long service leave	24,366	25,183	19,018	18,642
	<b>24,394</b>	<b>27,019</b>	<b>19,018</b>	<b>18,642</b>
<b>Total current provisions</b>	<b>43,082</b>	<b>43,028</b>	<b>31,401</b>	<b>30,151</b>
<b>(c) Non-Current</b>				
Long service leave	5,057	5,064	3,641	3,314
<b>Total non-current provisions</b>	<b>5,057</b>	<b>5,064</b>	<b>3,641</b>	<b>3,314</b>
<b>Aggregate carrying amount of employee provisions</b>				
Current	43,082	43,028	31,401	30,151
Non-current	5,057	5,064	3,641	3,314
<b>Total aggregate carrying amount of employee provisions</b>	<b>48,139</b>	<b>48,092</b>	<b>35,042</b>	<b>33,465</b>



## Note 27. Provisions (cont'd)

## b) Insurance claims and other provisions

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Current</b>				
Insurance claims	728	558	728	558
Other provisions	9	1,560	-	1,250
	<b>737</b>	<b>2,118</b>	<b>728</b>	<b>1,808</b>

## Note 28. Interest-bearing loans and borrowing

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Non-current</b>				
Borrowing - secured (1)	30,000	30,000	30,000	30,000
Security deposits	473	497	-	-
<b>Total</b>	<b>30,473</b>	<b>30,497</b>	<b>30,000</b>	<b>30,000</b>
<b>Maturity profile for borrowing is:</b>				
Not later than one year	-	-	-	-
Later than one year and not later than five years	30,473	30,497	30,000	30,000
Later than five years	-	-	-	-

(1) Borrowings 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Asset revaluation - property and infrastructure	2,171,109	1,977,706	2,155,882	1,962,180
<b>Other Reserves</b>				
<b>Restricted</b>				
Reserve for public open space	37,740	23,091	37,740	23,091
<b>Non-Restricted</b>				
Investments revaluation reserve	4,225	4,225	4,225	4,225
Tree Compensation Reserve	3,203	2,249	3,203	2,249
Queen Victoria Market Renewal Project Reserve	3,894	9,273	3,894	9,273
	<b>2,220,171</b>	<b>2,016,544</b>	<b>2,204,944</b>	<b>2,001,018</b>

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

## Note 29. Reserves (cont'd)

## a) Movement in Reserves – Asset revaluation reserve

Consolidated	Balance at beginning of 2016 \$'000	Increment (Decrement) \$'000	Transfer to Accum Surplus \$'000	Balance at end of 2016 \$'000	Increment (Decrement) \$'000	Transfer to Accum Surplus \$'000	Balance at end of 2017 \$'000
<b>Property</b>							
Land	1,059,105	200,018	-	1,259,123	152,866	-	1,411,989
Buildings	70,817	26,130	-	96,947	24,123	-	121,070
<b>Infrastructure</b>							
Roads	377,303	13,676	-	390,979	9,815	-	400,794
Bridges	16,392	(1,090)	-	15,302	1,653	-	16,955
Footpaths and cycleways	100,137	2,162	-	102,299	(1,205)	-	101,094
Drainage	33,662	(2,419)	-	31,243	(857)	-	30,386
Recreational, leisure and community facilities	34	(130)	-	(96)	-	-	(96)
Parks, open space and streetscapes	4,414	(1,691)	-	2,723	762	-	3,485
Other infrastructure	67,972	5,604	-	73,576	6,246	-	79,822
Artworks	5,610	-	-	5,610	-	-	5,610
	<b>1,735,446</b>	<b>242,260</b>	<b>-</b>	<b>1,977,706</b>	<b>193,403</b>	<b>-</b>	<b>2,171,109</b>
<b>Council</b>							
<b>Property</b>							
Land	1,055,068	188,528	-	1,243,596	153,162	-	1,396,758
Buildings	70,817	26,130	-	96,947	24,123	-	121,070
<b>Infrastructure</b>							
Roads & Laneways	377,303	13,676	-	390,979	9,821	-	400,800
Bridges	16,392	(1,089)	-	15,303	1,653	-	16,956
Footpaths and cycleways	100,137	2,162	-	102,299	(1,205)	-	101,094
Drainage	33,662	(2,419)	-	31,243	(857)	-	30,386
Recreational, leisure and community facilities	2,222	(130)	-	2,092	-	-	2,092
Parks, open space and streetscapes	4,414	(1,691)	-	2,723	762	-	3,485
Other infrastructure	65,784	5,604	-	71,388	6,246	-	77,634
Artworks	5,610	-	-	5,610	-	-	5,610
	<b>1,731,409</b>	<b>230,771</b>	<b>-</b>	<b>1,962,180</b>	<b>193,705</b>	<b>-</b>	<b>2,155,882</b>

## Note 29. Reserves (cont'd)

## b) Summary of movements in other reserves

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at the beginning of the year	38,838	24,600	38,838	24,600
Transfers from accumulated surplus	18,161	25,972	18,161	25,972
Transfers to accumulated surplus	(7,937)	(11,734)	(7,937)	(11,734)
Balance at the end of the financial year	<b>49,062</b>	<b>38,838</b>	<b>49,062</b>	<b>38,838</b>

**Movement in Reserves – Reserve for Public Open Space**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at the beginning of the year	23,091	18,671	23,091	18,671
Transfers from accumulated surplus	17,207	9,615	17,207	9,615
Transfers to accumulated surplus	(2,558)	(5,195)	(2,558)	(5,195)
Balance at the end of the financial year	<b>37,740</b>	<b>23,091</b>	<b>37,740</b>	<b>23,091</b>

Public Open Space reserve is used to transfer contributions from developers to provide for open space within the Municipality pursuant to Section 18A of the Subdivision Act 1988.

**Movement in Reserves – Investments Revaluation Reserve - Regent Management Pty Ltd**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at the beginning of the year	4,225	4,225	4,225	4,225
Transfers from investment-non current asset	-	-	-	-
Transfers to investment-non current asset	-	-	-	-
Balance at the end of the financial year	<b>4,225</b>	<b>4,225</b>	<b>4,225</b>	<b>4,225</b>

This revaluation reserve is used to record the increased (or decrease) value of Council's share of Regent Management Pty Ltd assets over time.

**Movement in Reserves – Tree Compensation reserve**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at the beginning of the year	2,249	1,704	2,249	1,704
Transfers from accumulated surplus	954	545	954	545
Transfers to accumulated surplus	-	-	-	-
Balance at the end of the financial year	<b>3,203</b>	<b>2,249</b>	<b>3,203</b>	<b>2,249</b>

Tree compensation reserve is used to fund future tree planting following compensation from developers who remove mature trees within the municipality.

**Movement in Reserves – Queen Victoria Market Renewal Project reserve**

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at the beginning of the year	9,273	-	9,273	-
Transfers from accumulated surplus	-	15,812	-	15,812
Transfers to accumulated surplus	(5,379)	(6,539)	(5,379)	(6,539)
Balance at the end of the financial year	<b>3,894</b>	<b>9,273</b>	<b>3,894</b>	<b>9,273</b>

Queen Victoria Market renewal reserve is used 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Surplus/(deficit) for the year</b>	102,409	59,176	98,834	58,212
Depreciation/amortisation	75,833	73,529	61,372	58,785
Profit/(Loss) on disposal of property, plant and equipment	(47,008)	(8,218)	(41,588)	526
Fair value adjustments for investment property	(16,565)	(16,849)	(16,565)	(16,849)
Contributions - Non-monetary assets	(800)	(4,157)	(800)	(4,157)
Other	(42)	(3,369)	(42)	(4,517)
<b>Changes in assets and liabilities in relation to operating activities:</b>				
(Increase)/Decrease in trade and other receivables	606	(2,321)	(2,620)	510
(Increase)/Decrease in prepayment	987	5,453	18	8,235
(Increase)/Decrease in accrued income	961	1,543	2,407	(2,664)
(Decrease)/Increase in trade and other payables	6,649	(6,947)	7,822	(5,755)
(Increase) in Inventories	(141)	236	-	-
(Decrease)/Increase in provisions	(1,381)	156	(1,080)	559
(Decrease)/Increase in employee benefits	(9,628)	640	1,577	1,545
(Decrease)/Increase in trust funds and deposits	(960)	586	(503)	607
<b>Net cash provided by operating activities</b>	<b>110,920</b>	<b>99,458</b>	<b>108,832</b>	<b>95,037</b>

### Note 31. Reconciliation of cash and cash equivalents

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash and cash equivalents	104,403	88,340	90,581	83,110
	104,403	88,340	90,581	83,110

### Note 32. Financing arrangements

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Bank overdraft facility	2,500	-	-	-
Credit card facilities	373	-	300	-
Bank loan facility	102,100	75,000	75,000	75,000
Other financing facilities*	30,000	30,000	30,000	30,000
<b>Total facilities</b>	<b>134,973</b>	<b>105,000</b>	<b>105,300</b>	<b>105,000</b>
Used facilities*	(30,086)	(30,000)	(30,086)	(30,000)
Unused facilities	104,887	75,000	75,214	75,000

\* Clean Energy Finance Corporation

## Note 33. Commitments

Council 2017	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Civil infrastructure services	37,813	102	-	-	37,915
Cleaning	12,429	12,238	20,553	-	45,220
Consultancies	22,289	8,513	504	-	31,306
Home care service	161	-	-	-	161
Events Services	4,187	149	-	-	4,336
Maintenance	15,045	12,167	386	-	27,598
Open space management	15,198	15,198	26,648	-	57,044
Other service	24,961	12,359	11,305	-	48,625
IT services	5,445	2,405	842	-	8,692
Waste management (including Garbage collection)	16,892	13,409	5,921	-	36,222
<b>Total</b>	<b>154,420</b>	<b>76,540</b>	<b>66,159</b>	<b>-</b>	<b>297,119</b>
<b>Capital</b>					
Land and buildings	-	-	-	-	-
Parks & gardens	35	18	-	-	53
<b>Total</b>	<b>35</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>53</b>

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
<b>Operating</b>					
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
Home care service	176	-	-	-	176
Events Services	1,198	638	-	-	1,836
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
IT services	1,230	86	72	-	1,388
Waste management (including Garbage collection)	3,204	3,142	2,376	-	8,722
<b>Total</b>	<b>54,427</b>	<b>47,037</b>	<b>19,133</b>	<b>18</b>	<b>120,615</b>
<b>Capital</b>					
Land and buildings	1,741	17	17	-	1,775
Parks & gardens	273	-	-	-	273
<b>Total</b>	<b>2,014</b>	<b>17</b>	<b>17</b>	<b>-</b>	<b>2,048</b>

Council capital contract commitments are a combination of fixed and variable over the tender period varying between one and five years. The commitments in 2016-17 includes increased contract value in relation to waste management, cleaning services, tree maintenance and IT services. This is in line with our overall increased expenditure within the Council across one to five year horizon.

**Note 34. Operating leases****a) Operating lease commitments**

At the reporting date, Council and its subsidiaries 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Property rentals</b>				
Not later than one year	3,388	3,054	1,415	1,397
Later than one year and not later than five years	6,337	6,945	3,247	4,081
Later than five years	1,026	925	587	325
	<b>10,751</b>	<b>10,924</b>	<b>5,249</b>	<b>5,803</b>
<b>Fleet lease</b>				
Not later than one year	2,514	-	686	-
Later than one year and not later than five years	6,874	-	910	-
Later than five years	363	-	-	-
	<b>9,751</b>	<b>-</b>	<b>1,596</b>	<b>-</b>
<b>Total operating lease payable</b>	<b>20,502</b>	<b>10,924</b>	<b>6,845</b>	<b>5,803</b>

**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.

Consolidated leasing includes Queen Vic Market stall and standard enclosure rentals.

Future minimum lease receipts under non-cancellable operating leases are as follows:

	Consolidated		Council	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Not later than one year	14,219	11,357	3,234	4,048
Later than one year and not later than five years	46,501	24,450	7,636	9,219
Later than five years	34,791	34,922	30,556	30,533
	<b>95,511</b>	<b>70,729</b>	<b>41,426</b>	<b>43,800</b>

**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.

Due to the nature of business operations, Council has a number of outstanding insurance claims/court cases 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/court claims.

**Contingent assets**

Due to the compulsory acquisition of City Square assets, the Council will take an alternative valuation approach to the City Square Car Park, which may result in an improved outcome.



## 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 2017, this was 9.5% required under Superannuation Guarantee legislation).

#### **Defined Benefit**

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the 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 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 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 31 March 2017 is 106.6%.

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 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015-16). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

##### Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is

**Note 36. Superannuation funds (cont'd)**

required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

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

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

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

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

**2016 interim actuarial investigation surplus amounts**

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

- A VBI surplus of \$40.3 million
- A total service liability surplus of \$156 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2016 VBI during August 2016.

**2017 Full triennial actuarial investigation**

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

**Future superannuation contributions**

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2017. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$0.2 million.

**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.

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.

**Note 36. Superannuation funds (cont'd)**

As a result, the level of participation of the Council in the CMSSP cannot be measured as a percentage compared with other participating employers in the 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 2014, the CMSSP's VBI was 112%. At 30 June 2016, the Fund Actuary estimated the VBI to be 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 2016 estimated VBI was above 100%, the CMSSP was in a satisfactory financial position 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.

**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 2017, 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%.

### Note 36. Superannuation funds (cont'd)

#### 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 AASB 1056 (2016: AAS 25) and for the values needed for the AASB 119 disclosures in Council's financial statements.

For each measure, the asset value used is the same but the value of liabilities can be different. Under AASB 119, a Commonwealth Government bond rate is used to calculate the liability. This means the discount rate under AASB 119 is independent of the way the assets of CMSSP are actually invested. The AASB 119 liability is also calculated using the Council's estimate of future salary increases.

The above contrasts with AASB 1056 (2016: AAS 25) and the actuarial funding review which both require the discount rate to be based on the best estimate of the expected investment return on CMSSP's assets and use a salary increase assumption based on the advice of the Fund Actuary. The assumptions and methods adopted in determining the value of the liabilities for these purposes are largely prescribed by either the relevant accounting standard and/or actuarial professional standards..

#### Retrenchment increments

During 2016-17, Council was not required to make payments to the CMSSP in respect of retrenchment increments (\$50,564.26 in 2015-16). Council's liability to the CMSSP as at 30 June 2017 for retrenchment increments, accrued interest and tax is \$0 (2016: \$0).

**Note 36. Superannuation funds (cont'd)****2014 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:

	<b>30 June 2014 \$ Million</b>
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 2017 actuarial investigation**

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. It is anticipated that this actuarial investigation will be completed in December 2017. The financial assumptions for the purposes of these investigations are:

- Net investment return 5.5% pa
- Salary inflation 3.5% pa
- Price inflation 2.5% pa.

**Note 36. Superannuation funds (cont'd)****Superannuation contributions**

The total amount of superannuation contributions paid by Council (inclusive of its wholly-owned subsidiary Citywide Service Solutions Pty Ltd) during the year was \$1.2 million (2016: \$1.9 million, which included Citywide Service Solutions Pty Ltd and Queen Victoria Market Pty Ltd).

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 2018 is \$1.2 million.

<b>Melbourne City Council Superannuation Sub Plan</b>	<b>2017 000's</b>	<b>2016 000's</b>
Asset/(Liability) recognised in Balance Sheet	9,120	(555)
Total amount recognised in Comprehensive Income Statement	10,653	(1,089)

**Note 37. Financial instruments****a) Objectives and policies**

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

**b) Market risk**

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of 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 rates which expose Council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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.

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.



**Note 37. Financial instruments (cont'd)**

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 Council 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.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

Council has a loan facility of \$2.5 million to the Sustainable Melbourne Fund (SMF). SMF indemnifies Council against all losses of any nature. In the event of default, Council has the right to terminate the facility and demand all moneys owing under this agreement and all accrued interest thereon are due and payable immediately. SMF extends this loan amounts to various businesses for the purpose of sustainability projects and each loan is secured by a charge over the project 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.

**d) Liquidity risk**

Liquidity risk includes the risk that, as a result of our operational liquidity requirements, or because 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; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

**Note 37. Financial instruments (cont'd)**

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 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 2019. The interest rate on the ANZ Bank facility is the Bank Bill Interest Rate (for the relevant interest period plus a margin of 0.8%). A line fee of 0.12% 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 and bank loan facility are secured facilities with a 1st ranking fixed and floating charge over the net assets of the Group. The bank facilities may be drawn at any time and may be terminated by the bank if the Group defaults under the loan agreement. The facilities expire on 27 July 2019.

**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.

**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 1.51% (2016:1.72%).

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 \$30 million interest bearing loan is a fixed interest facility.

**Note 38. Related party transactions****a) Related Parties***Parent entity*

Melbourne City Council is the parent entity.

*Subsidiaries and Associates*

Interests in subsidiaries and associated are detailed in Note 21 and Note 38 (h).

**b) Key Management Personnel**

Details of persons holding the position of Councillors or other members of key management personnel at any time during the year are:

**Councillors (including dates if not full year)**

Lord Mayor Robert Doyle	
Deputy Lord Mayor Arron Wood	
Cathy Oke	
Jackie Watts	
Kevin Louey	
Rohan Leppert	
Susan Riley	1 July 2016 - 1 November 2016, and 21 March 2017 - 30 June 2017
Nicolas Frances Gilley	21 March 2017 - 30 June 2017
Le Liu	2 November 2016 - 30 June 2017
Nicolas Reece	2 November 2016 - 30 June 2017
Tessa Sullivan	2 November 2016 - 30 June 2017
Ken Ong	1 July 2016 - 22 October 2016
Beverley Pinder-Mortimer	1 July 2016 - 22 October 2016
Stephen Mayne	1 July 2016 - 22 October 2016
Richard Foster	1 July 2016 - 22 October 2016
Michael-Lee Caiafa	2 November 2016 - 14 March 2017

**Chief Executive Officer and other Key Management Personnel**

<b>Position</b>	<b>Name</b>
Chief Executive Officer	Ben Rimmer
Director City Operations	Martin Cutter
Director City Design and Projects	Rob Adams
Director City Strategy and Place	Kate Vinot
Director City Communities	Linda Weatherson
Director City Economy and Activation	Katrina Mckenzie
Chief Financial Officer	Phu Nguyen
Chief Information Officer	Colin Fairweather
Manager Governance and Legal	Keith Williamson
Manager People and Culture	Clive Peter
Manager Strategy and Partnerships	Alexandra Paterson/Miriam Slattery
Manager Customer Relations	Joelene Shembri
Chief Digital Officer and Manager Smart City Office	Michelle Fitzgerald
Senior Strategic Advisor	Geoffrey Lawler

<b>Councillors (including part year)</b>	16
<b>Chief Executive Officer and other Key Management Personnel</b>	14
<b>Total Key Management Personnel</b>	<u>30</u>

**Note 38. Related party transactions (cont'd)****c) Remuneration of Key Management Personnel**

Total remuneration of key management personnel was as follows:

	<b>2017</b>
	<b>\$'000</b>
Short-term benefits	4,217
Long-term benefits	7
Post-employment benefits	505
<b>Total</b>	<b>4,729</b>

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

	<b>2017</b>
\$10,000 - \$19,999	5
\$20,000 - \$29,999	1
\$30,000 - \$39,999	3
\$40,000 - \$49,999	5
\$60,000 - \$69,999	1
\$80,000 - \$89,999	1
\$180,000 - \$189,999	1
\$200,000 - \$209,999	1
\$220,000 - \$229,999	1
\$230,000 - \$239,999	1
\$250,000 - \$259,999	1
\$260,000 - \$269,999	2
\$270,000 - \$279,999	1
\$330,000 - \$339,999	1
\$340,000 - \$349,999	2
\$360,000 - \$369,999	1
\$380,000 - \$389,999	1
\$450,000 - \$459,999	1
	<b>30</b>
	<b>\$'000</b>
Total remuneration for the financial year included above	<b>4,729</b>

**d) Remuneration transactions with related parties (key management personnel)**

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

Transaction type	Nature of transactions (on normal commercial terms)	Transaction Amount (\$'000)
Supplier payment	Funding support by Council to organisations such as The Shrine of Remembrance Trustees, Lord Mayor's Charitable Foundation	399
Supplier payment	Products and Services, including consulting, event permit fees, advertisement and delivery costs.	109
Funds received	Products and Services, mainly event management recovery	10

**e) Outstanding balances with related parties (key management personnel)**

There are no outstanding balances that have been made to key management personnel. There were no matters to report in the previous financial year.

**Note 38. Related party transactions (cont'd)****f) Loans to/from related parties (key management personnel)**

There are no loans that have been made to key management personnel. There were no matters to report in the previous financial year.

**g) Commitments to/from related parties (key management personnel)**

There are no commitments that have been made to key management personnel. There were no matters to report in the previous financial year.

**h) 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.

\$'000	Citywide Service Solutions Pty Ltd		Queen Victoria Market Pty Ltd		Sustainable Melbourne Fund Trust		Enterprise Melbourne Pty Ltd	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from subsidiary	440	432	3,518	5,251	27	34	-	-
Expenditure to subsidiary	58,876	53,136	-	-	9	7	-	-
Funding to subsidiary	-	-	-	-	-	-	469	598
Income Tax & Payroll Tax Equivalent and Dividend	7,690	7,274	(983)	(6)	-	-	-	-
Debtor balance to subsidiary	55	107	652	541	-	-	-	-
Creditor balance to subsidiary	8,618	14,611	40	29	-	-	-	-
Loans and borrowing to subsidiary*	-	-	-	-	2,500	-	-	-

\* Loans and borrowing to subsidiary relates to loan provided by Council to the Sustainable Melbourne Fund at 3% variable. More details refer to Note 37 (c).

**Note 39. Senior Officers' Remuneration**

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- For Council, is an officer who has management responsibilities and reports directly to the Chief Executive; or whose total annual remuneration exceeds \$142,000 (2016: \$139,000); or
- For subsidiaries, are the Managing Director, Chief Executive Officers and executives, or whose total annual remuneration exceeds \$142,000 (2016: \$139,000).

**Note 39. Senior Officers' Remuneration (cont'd)**

Income Range	Consolidated		Council	
	2017	2016	2017	2016
\$140,000 - \$149,999	57	93	54	91
\$150,000 - \$159,999	30	22	25	17
\$160,000 - \$169,999	13	10	10	6
\$170,000 - \$179,999	10	6	8	5
\$180,000 - \$189,999	8	5	7	4
\$190,000 - \$199,999	11	14	10	14
\$200,000 - \$209,999	3	4	2	4
\$210,000 - \$219,999	5	4	3	3
\$220,000 - \$229,999	7	4	7	3
\$230,000 - \$239,999	2	-	2	-
\$240,000 - \$249,999	3	1	3	1
\$250,000 - \$259,999	1	1	1	1
\$260,000 - \$269,999	3	3	1	1
\$270,000 - \$279,999	-	1	-	-
\$280,000 - \$289,999	2	-	-	-
\$290,000 - \$299,999	2	3	1	1
\$300,000 - \$309,999	-	1	-	-
\$320,000 - \$329,999	2	-	1	-
\$330,000 - \$339,999	1	1	1	-
\$350,000 - \$359,999	-	2	-	1
\$430,000 - \$439,999	1	-	-	-
\$480,000 - \$489,999	-	1	-	-
	<b>161</b>	<b>176</b>	<b>136</b>	<b>152</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Total remuneration for the reporting year for Senior Officers included above, amounted to	<b>28,573</b>	<b>32,912</b>	<b>23,384</b>	<b>24,802</b>

The remuneration threshold for Senior Officers' is reviewed each year by the Minister for Local Government. The threshold amount in 2016-17 was \$142,000 (2016: \$139,000). The number of senior officers and the total remuneration for Council decreased in 2017 is mainly due to key management personnel moved to Note 38 (c).

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.

**Note 40. Events occurring after balance date**

There are no events that have occurred after balance date that need to be reflected in the Financial Statements.



## 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.




Phu Nguyen (FCPA)  
Principal Accounting Officer  
Melbourne  
Date: 05/09/2017

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 2017 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: 5/9/17



Arron Wood  
Deputy Lord Mayor  
Melbourne  
Date: 5/9/17



Ben Rimmer  
Chief Executive Officer  
Melbourne  
Date: 5/9/17

## Independent Auditor's Report

### To the Councillors of Melbourne City Council

<b>Opinion</b>	<p>I have audited the financial report of Melbourne City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2017</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• statement of capital works for the year then ended</li> <li>• notes to the financial statements, including a summary of significant accounting policies</li> <li>• certification of the financial statements.</li> </ul> <p>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 year as disclosed in note 1(c) to the consolidated financial statements.</p> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

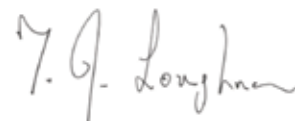
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

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

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

MELBOURNE  
11 September 2017



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*





## How to contact us

### Online:

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### In person:

Melbourne Town Hall - Administration Building  
120 Swanston Street, Melbourne  
7.30am to 5pm, Monday to Friday  
(Public holidays excluded)

### Telephone:

03 9658 9658  
7.30am to 6pm, Monday to Friday  
(Public holidays excluded)

### Fax:

03 9654 4854

### In writing:

City of Melbourne  
GPO Box 1603  
Melbourne VIC 3001  
Australia



### Interpreter services

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CITY OF MELBOURNE