

**Management report to Council**

**Agenda item 3.1**

**Annual Report 2017–18**

**Special Council**

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

**16 October 2018**

**Purpose and background**

1. The purpose of this report is to have the Council consider the City of Melbourne Annual Report 2017–18 (Annual Report) in accordance with its obligations under sections 133 (2) and 134 of the *Local Government Act 1989*, which provides:
  - 133 (2) after the annual report has been submitted to the Minister, the Council must give public notice that the annual report has been prepared and can be inspected at the Council office and on the Council's Internet website
  - 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 27 September 2018. 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 2 October 2018 and included a list of locations where the report could be viewed prior to the Council meeting. In accordance with section 82A of the *Local Government Act 1989*, the public notice and annual report were also published on the Council's website at:  
[melbourne.vic.gov.au/about-council/our-performance/Pages/annual-report.aspx](http://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 2017–18. It also signifies the first year progress of Council's work against the Council Plan 2017–2021.

**Recommendation from management**

6. That Council notes it has considered the City of Melbourne Annual Report 2017–18 in accordance with section 134(1) of the *Local Government Act 1989*.

**Attachments:**

1. Supporting Attachment
2. Annual Report 2017-18

**Supporting Attachment**

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**Legal**

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

**Finance**

2. The Annual Report provided to the Minister for Local Government included the financial statements for 2017–18 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.

**Occupational Health and Safety**

5. In developing this proposal, no Occupational Health and Safety issues or opportunities have been identified.

**Stakeholder consultation**

6. Public notice regarding the Council meeting to consider the Annual Report was given on 2 October 2018.

**Relation to Council policy**

7. This recommendation is consistent with the 2017–18 Annual Plan and Budget and the Council Plan 2017–2021.

**Environmental sustainability**

8. 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 2017–2018



CITY OF MELBOURNE

We are pleased to present the City of Melbourne's Annual Report for 2017-18. This report describes the City of Melbourne's performance over the 2017-18 financial year against the objectives of the 2017-18 Annual Plan and Budget and the four-year priorities of the Council Plan 2017-2021.

The report is designed to meet our obligations under section 131 of the *Local Government Act 1989*.

The City of Melbourne has obtained external assurance for the financial and standard statements, as well as the performance statement contained in this report.

Visit [melbourne.vic.gov.au](http://melbourne.vic.gov.au) for more information about our 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

Cover Image: William Barak Bridge.

The William Barak Bridge is set on the banks of the Yarra River (the Birrarung) and links Birrarung Marr (a park on the north bank of the Yarra River) to the Melbourne Cricket Ground Stadium. The bridge stands as a tribute to William Barak, a 19th century Aboriginal ngurungeata (Elder) and artist of the Wurundjeri-willam clan, who worked to bridge the divide between the Aboriginal people and the early European settlers of Melbourne.

Photo Credit: Chris Cincotta

## Acknowledgement of Traditional Owners

The City of Melbourne respectfully acknowledges the Traditional Owners of the land, the Boon Wurrung and Woiwurrung (Wurundjeri) people of the Kulin Nation and pays respect to their Elders, past and present.

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City of Melbourne Annual Report 2017-18

September 2018

## 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 City of Melbourne's current and future initiatives, visit [melbourne.vic.gov.au/participate](http://melbourne.vic.gov.au/participate)



# CITY OF MELBOURNE

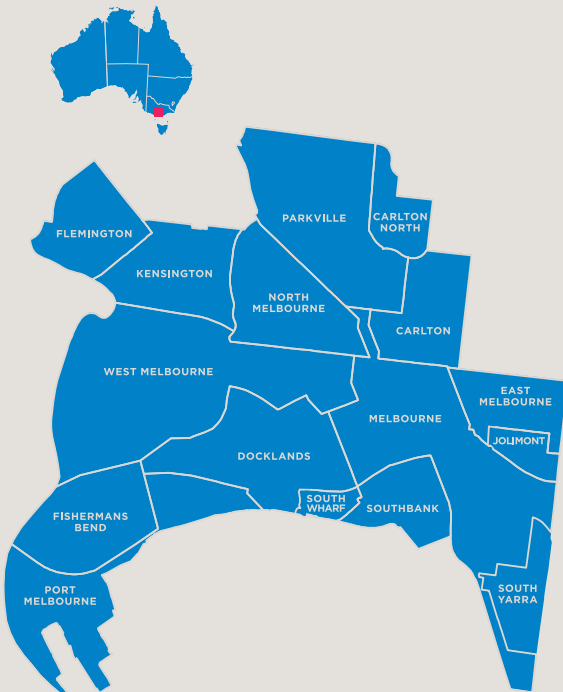
## FAST FACTS

**583.44 ha**  
of green space  
(2018)

**14**  
suburbs

**37.7km<sup>2</sup>**  
area

**28**  
years median age  
(census 2016)



**18,986**  
occupied business  
properties  
at 30 June 2018

**928,000**  
weekday population  
including residents  
(2017)

**461,000**  
employment  
(census of land use  
and employment 2017)

**663,000**  
weekend population  
including residents  
(2016)

**86,125**  
dwellings  
at 30 June 2018

**160,000**  
residential population  
(estimated resident  
population 2017)

**48,999**  
overseas higher  
education student  
residents (2015)

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. Our Council Plan outlines how we contribute to the community's vision, including the priorities that shape our program of work and the outcomes sought during each Council's four-year term.

This 2017-18 Annual Report is the first progress report against our Council Plan 2017-2021. The report tells us where we are doing well and where we can do better in helping the community realise its long-term goals.

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. This is the first year we have aligned and integrated the reporting requirements for the Municipal Public Health and Wellbeing Plan in the Annual Report.

The Melbourne municipality is the heart of greater Melbourne and covers the central city and 14 inner city suburbs. 160,000 people call the municipality home and a further 768,000 people visit every day for work and recreation. Our population is diverse with 48 per cent of our residents speaking 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 around 50 per cent by the year 2036.

# 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 2017-2021 includes nine goals to guide us. The goals were identified through a deliberative community process in 2016 that saw broad segments of the community, including residents, businesses and workers refresh the community plan - known as Future Melbourne 2026. The Council adopted the Future Melbourne goals with minor amendments to the title of one of the goals in November 2016.

- A city that cares for its environment
- A city for people
- A creative city
- A prosperous city
- A knowledge city
- A connected city
- A deliberative city
- A city planning for growth
- A city with an Aboriginal focus

Find out more at [melbourne.vic.gov.au/futuremelbourne](http://melbourne.vic.gov.au/futuremelbourne)

### Health and wellbeing priorities

The Council Plan 2017-2021 includes five key health and wellbeing priority areas:

- Active living
- Healthier eating
- Preventing crime, violence and injury
- Planning for people
- Social inclusion

To identify the health and wellbeing needs of people in our city, we reviewed the policy context and undertook data analysis and stakeholder consultation. This ensured that our chosen priorities reflect the evidence and voices of our community and are framed by the broader policy context.

### Our strategies

Our strategies propose a course of action to realise the Council and community’s vision and meet long-term challenges and opportunities. We continually review and update our strategies and plans.

### Current strategies and plans include:

- Aboriginal Heritage Action Plan
- Access Docklands
- Arden-Macaulay Structure Plan
- Arts Infrastructure Framework
- Bicycle Plan
- City North Structure Plan
- City Road Masterplan
- Climate Change Adaptation Strategy
- Community Infrastructure Development Framework
- Docklands Community and Place Plan
- Docklands Public Realm Plan
- Docklands Waterways Strategic Plan
- Green our City Action Plan
- Heritage Strategy
- Housing Strategy
- Knowledge City Strategy
- Last Kilometre Freight Plan
- Melbourne Library Service Strategic Plan
- Municipal Integrated Water Management Plan
- Music Plan
- Nature in the City
- Open Space Strategy
- Parks Masterplans (various)
- Public Lighting Strategy
- Reconciliation Action Plan
- Refugee Welcome Zone Action Plan
- Resilient Melbourne
- Southbank Structure Plan
- Startup Action Plan
- Total Watermark - City as a Catchment
- Transport Strategy
- Urban Forest Precinct Plans (various)
- Urban Forest Strategy
- Waste and Resource Recovery Plan
- Zero Net Emissions by 2020

**Our service families**

Service family	Description	Goal
Assistance and care	Supporting vulnerable people to enable safe and independent living.	<ul style="list-style-type: none"> <li>• A city for people</li> </ul>
Creativity and knowledge	Providing opportunities to create, learn, connect, experience and share.	<ul style="list-style-type: none"> <li>• A knowledge city</li> <li>• A creative city</li> </ul>
Early years development	Supporting families with children to develop and thrive.	<ul style="list-style-type: none"> <li>• A creative city</li> <li>• A city for people</li> <li>• A knowledge city</li> </ul>
Economic development	Fostering the development of Melbourne's economy.	<ul style="list-style-type: none"> <li>• A prosperous city</li> </ul>
Movement and traffic	Facilitating movement into, around and out of the municipality.	<ul style="list-style-type: none"> <li>• A connected city</li> </ul>
Safety management	Ensuring people are protected and safe when accessing and using spaces.	<ul style="list-style-type: none"> <li>• A city for people</li> </ul>
Waste and resource management	Repurposing, recycling or disposing of waste and reducing resource waste in the municipality.	<ul style="list-style-type: none"> <li>• A city that cares for its environment</li> </ul>
Welcome and connection	Supporting people to experience and engage with Melbourne.	<ul style="list-style-type: none"> <li>• A city for people</li> </ul>
Wellbeing and leisure	Encouraging people to be healthy and active.	<ul style="list-style-type: none"> <li>• A city for people</li> </ul>

**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 we deliver, benefits that can be achieved and how the needs of our community may change in the future. Our service families are listed in the table above. These families may be further refined as we continue to manage and improve our services.

**Our customers**

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

**Sustainability**

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

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

We are tackling these challenges in partnership with our community, by sharing the responsibility for building and maintaining a healthy and resilient environment for today and into the future. Our Future Melbourne Goals and Health and Wellbeing priorities encapsulate the critical issues we need to focus on in order to address our sustainability challenges and aspirations.




# HEALTH AND WELLBEING IN OUR CITY

Local government plays a key role in creating the conditions for communities to prosper and enjoy improved health and wellbeing. At the City of Melbourne, we have integrated our Municipal Public Health and Wellbeing Plan with our Council Plan to demonstrate that improving the quality of life of people in the municipality is the business of the whole organisation. Monitoring yearly progress on the Municipal Public Health and Wellbeing Plan 2017–2021 provides us with an opportunity to understand the impact our programs, services and infrastructure have had on our local community’s health and whether we achieved our outcomes.

## Our health and wellbeing priority areas

The Council Plan 2017–2021 includes five key health and wellbeing priority areas.

	<p><b>Active living</b> Facilitate opportunities for people in Melbourne to live more active lifestyles.</p>
	<p><b>Healthier eating</b> Advocate for enhanced access to nutritious food in the municipality so healthier eating is an easier choice.</p>
	<p><b>Preventing crime, violence and injury</b> Partner to create an environment that feels safe and minimises harm, including from alcohol and other drug use and violence against women and children.</p>
	<p><b>Planning for people</b> Provide community and social infrastructure and services to maintain quality of life in a growing and increasing diverse city.</p>
	<p><b>Social inclusion</b> Facilitate opportunities for all people to participate in the social, economic and civic life of the city, irrespective of ability, background, class, gender and orientation.</p>

## Health and wellbeing indicators

A set of 21 indicators have been elevated from the full set of Council Plan 2017–2021 indicators to help track the health and wellbeing of the community, and gauge progress made towards the health and wellbeing priority areas. You can find these indicators and headline health and wellbeing projects highlighted with an asterisk throughout each goal chapter review.

### Our health and wellbeing evaluation framework

<p>1. Residents self-reported sense of wellbeing</p>
<p><b>Active living</b></p>
<p>2. Adequate physical exercise<sup>^</sup></p>
<p>3. Active transport<sup>^</sup></p>
<p>4. Indoor and outdoor recreation space</p>
<p><b>Healthier eating</b></p>
<p>5. Fruit and vegetable intake<sup>^</sup></p>
<p>6. Food stress<sup>^</sup></p>
<p>7. Home food growing and consumption</p>
<p><b>Preventing crime, violence and injury</b></p>
<p>8. Perceptions of safety<sup>^</sup></p>
<p>9. Rate of family violence<sup>^</sup></p>
<p>10. Rate of ambulance attendance for alcohol and other drug misuse<sup>^</sup></p>
<p><b>Planning for people</b></p>
<p>11. Access to community facilities and services</p>
<p>12. Sleeping rough on our streets<sup>^</sup></p>
<p>13. Affordable housing</p>
<p>14. Public open space</p>
<p>15. Green space</p>
<p><b>Social inclusion</b></p>
<p>16. Community support for diversity<sup>^</sup></p>
<p>17. Participation in arts and cultural events sponsored by City of Melbourne<sup>^</sup></p>
<p>18. Youth unemployment<sup>^</sup></p>
<p>19. Participation in lifelong learning</p>
<p>20. Participation in civic engagement activities</p>
<p>21. Connected to Aboriginal culture<sup>^</sup></p>

<sup>^</sup> Linked to an indicator in the *Victorian public health and wellbeing outcomes framework*

# YEAR IN REVIEW

## MESSAGE FROM THE LORD MAYOR



Melbourne's transformation over the last 30 years has been remarkable in every way. The next 30 promise to be just as exciting.

We are experiencing an unprecedented growth phase with our population projected to double by 2050. Our powerhouse economy will go from strength to strength as our global connections grow. The City of Melbourne already accounts for 25 per cent of Victoria's Gross State Product - fuelling both state and national prosperity. There are enormous opportunities ahead for our great city - and challenges which require careful planning, year by year.

Our Council Plan 2017-2021 steps up to the challenge, setting us on our trajectory of economic growth and prosperity without compromising liveability for our community. It has been a pleasure to join my fellow Councillors to deliver the first year of this ambitious four year plan.

To meet the needs of our growing city we are delivering initiatives to support the built form, environment, economy, and the communities that make up this great city of Melbourne.

This financial year we have delivered \$128.85 million in infrastructure projects including Southbank Boulevard, the redevelopment of University Square, two new parks for North and West Melbourne and upgrades to Princes Park and Flemington Road Pavilion. The refurbishment works to Hotham Hub Children's Centre have been completed in preparation for the construction of the Lady Huntingfield Child Care Centre in 2018-19.

Creating a thriving, viable and authentic market underpins our commitment to the Queen Victoria Market Precinct Renewal program and Munro site which commenced this year. The City of Melbourne is the first Australian local government to receive the 6 Star Green Star - Communities accreditation for its visionary Queen Victoria Market Precinct Renewal program.

Our bold action towards environmental sustainability and greening across our city also includes delivery of the Melbourne Renewable Energy Project, an award winning group purchasing model. We continue to work with other Melbourne councils to bring to life our shared Urban Forest Strategy and we look forward to implementing the Green Our City Action Plan.

With a renewed focus on waste management, we have trialled solar-powered compactor bins and in 2018-19 we will finalise the Waste and Resource Recovery Strategy 2030 and Action Plan.

With the daily population in the city rapidly climbing towards one million, we encouraged bold ideas in our review of the Transport Strategy. We developed 13 discussion papers and received over 1000 community submissions which will inform the draft Transport Strategy to be released in 2018-19.

Melbourne is a caring and inclusive city and we work closely with many agencies to make a difference for those experiencing homelessness. Our \$2 million Pathways Innovation Package included funding for a Daily Support Team to provide first responses to rough sleepers.

At City of Melbourne we actively seek to know our community's aspirations and needs - and are committed to informing, explaining and listening. Our community's valuable feedback will help us to continue to deliver exceptional outcomes.

On behalf of my fellow Councillors, I thank the City of Melbourne's passionate staff and volunteers for their role in making our city great.

We would also like to thank the City of Melbourne's outgoing CEO Ben Rimmer for his leadership and the significant contribution he has made to our city. We wish Ben all the best for his next endeavour.

On a personal note, I would also like to thank my fellow Councillors for their hard work and deep commitment, and for welcoming me into my new role as Lord Mayor.

Finally, there is a bright bold future ahead for Melbourne as we keep working together on programs and services that meet the needs for our community.

A handwritten signature in black ink that reads "Sally Capp". The signature is written in a cursive, flowing style.

**Sally Capp**  
Lord Mayor  
City of Melbourne

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



I am proud to present this Annual Report for the last time as Chief Executive Officer of the City of Melbourne. The City of Melbourne has an ambitious vision for Melbourne and this report demonstrates the outstanding results delivered to bring that vision to life.

This report tells the story of an organisation that is united by a shared purpose to make a difference for Melbourne. This is achieved in many ways, from the delivery of everyday services such as animal management and aged care to the investment in infrastructure and innovation to support the growing city.

More than 160,000 people call the City of Melbourne home and a further 768,000 people visit every day for work and recreation. This is an increase of around 12,000 residents and 25,000 day visitors since just last year. In the context of this unprecedented growth, the community of Melbourne's vision to be a 'bold, inspirational and sustainable city' remains critical to all of our work and is reflected across the many achievements of 2017-18.

The Melbourne Innovation Districts initiative is just one example of how the City of Melbourne, through partnerships with our world leading educational institutions, is actively supporting startups, biotech, entrepreneurs and innovators. City of Melbourne is now consistently ranked in the top 10 City Governments in the world for these activities.

The City of Melbourne continues to push boundaries in how we operate and is committed to developing innovative service models across the local government sector. Melbourne Digital Enterprises was created to support local government use of IT and digital technology to improve the service delivered to our communities.

While no organisation is perfect and there is much more to be done, City of Melbourne has continued to drive important changes over the last year to strengthen our organisation to better serve Council and the community. This includes making real strides to increase diversity and inclusion with a focus on gender equity and the development of our Aboriginal Employment Strategy. I am pleased that our continued advocacy for changes to the Local Government Act will make sure that complaints about sexual harassment are handled more effectively in the future.

It is an exciting time for the City of Melbourne and I would like to acknowledge and thank the Lord Mayor Sally Capp for the enthusiasm and vision she has brought to the role since being elected in May this year. I also want to thank the Deputy Lord Mayor and the Councillors for their dedication and commitment over the past years.

Most of all I would like to thank the staff at City of Melbourne. Collectively, the team has achieved a great deal over the last four years. While personal and professional challenges have been experienced during my time at the City of Melbourne, there is no greater honour than serving the Council and community in the city I live in and love.

A handwritten signature in black ink that reads "Ben Rimmer". The signature is fluid and cursive, with a large initial 'B'.

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

# MESSAGE FROM THE ACTING CHIEF FINANCIAL OFFICER



The underlying surplus for the Council in 2017-18 was \$4.5 million. The Council delivered and outperformed against the budget for the financial year.

The underlying surplus provides the best indicator of the organisation's financial performance. It removes one-off non-cash gains or losses from asset revaluation (included in the comprehensive results), non-cash asset contributions and external capital combinations (included in both operating surplus and the comprehensive results).

The underlying surplus was higher than budget due to growth in revenue and controlled expenditure against continued cost pressures.

The Council remains in a very strong financial position with growth in net assets during the year of \$266.4 million.

The Council's balance sheet remains in a very strong position, with total net assets of \$4.5 billion and cash assets of \$50 million. This was due to capital works delivered during the year (\$100 million) and material increase in asset revaluation, particularly land values. The table below provides a high-level view of the financial year.

Financial result	June 2018 (\$'000)	June 2017 (\$'000)
Income statement surplus / (Deficit)	33.4	98.8
Comprehensive result surplus / (Deficit)	265.9	292.5
Underlying result	4.5	13.1
Cash assets	50.0	90.6
Net assets	4519.0	4252.6
Current asset ratio	1.74	2.30

The Council's current asset ratio, a measurement of our financial strength, remained strong at 1.74. This means for every \$1 of current liability, the Council had \$1.74 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.

**Sandeep Bordia FCPA**  
Acting Chief Financial Officer  
City of Melbourne

# LOOKING BACK ON 2017–18 AND FUTURE DIRECTIONS

Below is a summary list of the major initiatives for each of our nine Council Plan goals. More detailed information on our 2017–18 major initiatives is provided in the ‘performance against our goals’ section of this report.



## A city that cares for its environment

### Looking back on 2017–18

To provide nature-based climate adaptation and integrated water management solutions we:

- Worked with stakeholders to plan high quality integrated water management for community protection and liveability in Arden Macaulay and Fishermans Bend.
- Worked 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.

To facilitate innovative solutions to minimise the municipality’s waste we:

- Delivered year one of the Smart Bin Implementation Plan

### Future direction

Over 2018–19 we will:

- Finalise the Waste and Resource Recovery Strategy 2030 and Action Plan and commence year one deliverables including improving waste collection in the central city.
- Implement the Green our City Strategic Action Plan including development of a business case for a future regulatory mechanism to support green roofs and vertical greening.



## A city for people

### Looking back on 2017–18

To ensure early years programs deliver quality outcomes for children and families we:

- Commenced construction of the Lady Huntingfield integrated children and family centre.

To support people sleeping rough to access the services they need we:

- Implemented the Pathways Innovation Package for housing and homelessness.

### Future direction

Over 2018–19 we will:

- Continue to work with the Victorian Government and Victoria Police on the strategy and delivery of security treatments across different precincts within the central city and at key access points to the central city.
- Work with our partners to support pathways out of homelessness, including the creation of a campaign that encourages appropriate giving whilst discouraging inappropriate donations of goods and services.



## A creative city

### Looking back on 2017–18

To provide a plan for the renewal of the North Melbourne performing arts precinct we:

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

### Future direction

Over 2018–19 we will:

- Advocate for increasing the supply of affordable commercial spaces for creative industries, small business and startups across the municipality through the provision of high quality evidence and analysis.





## A prosperous city

### Looking back on 2017-18

To facilitate business relationships between Melbourne and partner cities in China and other key markets that support investment we:

- Delivered the 2018 City of Melbourne led business missions to key Asian markets.

To provide enhanced support to small business during a period of major disruption we:

- Implemented the Continuing Business Program at Queen Victoria Market.

### Future direction

Over 2018-19 we will:

- Actively support businesses, visitors and residents during periods of city disruption and change through the delivery of retail and hospitality activations that profile the city as a premier shopping destination; strengthening our existing destination campaigns; and improving our support for affected residents and businesses.
- Advance the delivery of Melbourne Innovation Districts, City North including commencing preparation of a planning scheme amendment to better target land use; and delivering Lincoln Square upgrades and commencing improvements to Cardigan Street.



## A knowledge city

### Looking back on 2017-18

To provide lifelong learning resources and assets to support our changing population we:

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

### Future direction

Over 2018-19 we will:

- Explore options for future delivery of library services to inform design of the new city library and offerings at the other five library locations.



## A connected city

### Looking back on 2017-18

To facilitate alternative future use of car parking spaces for new transport requirements or other community needs we:

- Embarked on the review and refresh of the Transport Strategy.

To provide an expanded pedestrian network, including wider footpaths to make the city more walkable and accessible we:

- Developed options to manage pedestrian pressure points at train stations, particularly Southern Cross.
- Worked with the Victorian Government to deliver a masterplan for the Flinders Street Station Precinct that built on individual projects including the Melbourne Metro Tunnel, Flinders Street Station upgrade and Elizabeth Street improvements.

### Future direction

Over 2018-19 we will:

- Finalise the Transport Strategy refresh and begin implementation of priority projects.
- Improve safety and increase usage of our bicycle network through high quality extensions and improvements in Southbank Boulevard, Carlton, North Melbourne, Kensington and Southbank.





## A deliberative city

### Looking back on 2017-18

To introduce a city data platform that can be contributed to and used by other government agencies, universities, businesses, non-profit organisations and individuals we:

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

### Future direction

Over 2018-19 we will:

- Design and pilot the next phase of the City Data Centre including active participation by individual community members and businesses.
- Improve community outcomes from the Census of Land Use and Employment (CLUE) by enhancing our processes and making CLUE accessible to other councils and local businesses.



## A city planning for growth

### Looking back on 2017-18

To provide renewal of the Queen Victoria Market Precinct we:

- Continued the Queen Victorian Market Precinct Renewal Program.

To deliver a world-class arts precinct in Southbank including significant public realm projects we:

- Finalised design and commenced implementation of Southbank Boulevard open space.

### Future direction

Over 2018-19 we will:

- Commence the redevelopment of the Bourke Street Precinct, including preparation of a planning permit application for the proposed new buildings.
- Continue the Queen Victoria Precinct Renewal Program including the New Market Pavilion, the provision of essential infrastructure under the sheds, Munro Development in Therry Street, including affordable housing, childcare and community infrastructure outcomes.
- Deliver on the Open Space Strategy by creating two hectares of new open space, through the delivery of Southbank Boulevard, Dodds Street and University Square.
- Finalise and implement the findings of the review of the Municipal Strategic Statement.



## A city with an Aboriginal focus

### Looking back on 2017-18

To advocate the ideal of reconciliation with Aboriginal and Torres Strait Islander people including through a treaty or other instrument of reconciliation we:

- Developed a Stretch Reconciliation Action Plan.

### Future direction

Over 2018-19 we will:

- Implement year one of the Aboriginal Melbourne Action Plan.

## Challenges

### Queen Victoria Market Precinct Renewal heritage review

The renewal of the Queen Victoria Market will preserve and celebrate the market's long history while investing in safe, efficient and sustainable facilities. In March 2018, Heritage Victoria refused to grant a permit for below-ground market facilities, customer car parking and heritage restoration works to the western end of Sheds A-D. Despite the determination, addressing the challenges facing the market remains a key priority for the renewal program. These include the lack of infrastructure to support contemporary work health and safety, food safety and site security practices, inadequate waste management systems, absence of dedicated trader facilities and a need for enhanced customer amenities including toilet facilities and car parking. Through renewal these needs can be met while restoring the open air sheds and enhancing the market experience. In the coming financial year, Council will work closely with Heritage Victoria, traders, customers, residents and key stakeholders to submit a revised proposal to deliver much needed market infrastructure for traders and customers, while restoring and respecting the site's heritage.

### Mitigating the effects of disruption in the city

Our city continues to be shaped by the implementation of Victorian Government infrastructure projects, rapid development and our own improvement projects. This development causes disruption – including traffic route and public transport changes, noise and dust.

We have an important role to play in helping our businesses by activating the city to help mitigate the impacts of disruption. This year we focused on boosting investment in our summer, winter and Christmas campaigns and undertook initiatives to support businesses and drive visitation.

Through an 'always on' marketing approach we have been able to keep the city top of mind via the delivery of social media posts featuring videos, images, and blogs promoting disrupted businesses. These posts reached nearly one million people daily through our What's On Melbourne digital channels. We ran a local activation program, 'Summer by the Dock', which featured six events all run by Dockland businesses. Participating businesses reported an increase of 38 per cent in foot traffic compared to the same time last year. The City of Melbourne's campaigns strengthened the visibility of Melbourne as a preferred destination for retail, hospitality and leisure.

In 2018–19 we will continue to actively support businesses, visitors and residents through a range of city marketing campaigns and activations. We will also monitor disruptive activities to provide timely advice and support to affected residents and businesses.

### Compulsory acquisition of Melbourne Visitor Centre at Federation Square

In mid-2018, Rail Projects Victoria compulsorily acquired the Melbourne Visitor Centre at Federation Square. As a result, the City of Melbourne engaged with visitors, businesses and stakeholders to develop a new visitor services model including planning for a new flagship visitor centre. The new flagship offering will be the Melbourne Visitor Hub at Melbourne Town Hall, due to open in August 2018.

Other initiatives delivered as part of the expansion of our visitor services model included:

- pop-up Visitor Hubs at both Hamer Hall and Southern Cross Station
- a new City Ambassador location on St Kilda, in front of Hamer Hall
- a pop-up pilot in partnership with the Australian Open
- updates to wayfinding signage across priority areas to help navigate the city
- development of the Queen Victoria Market Visitor Hub (due to open October 2018).

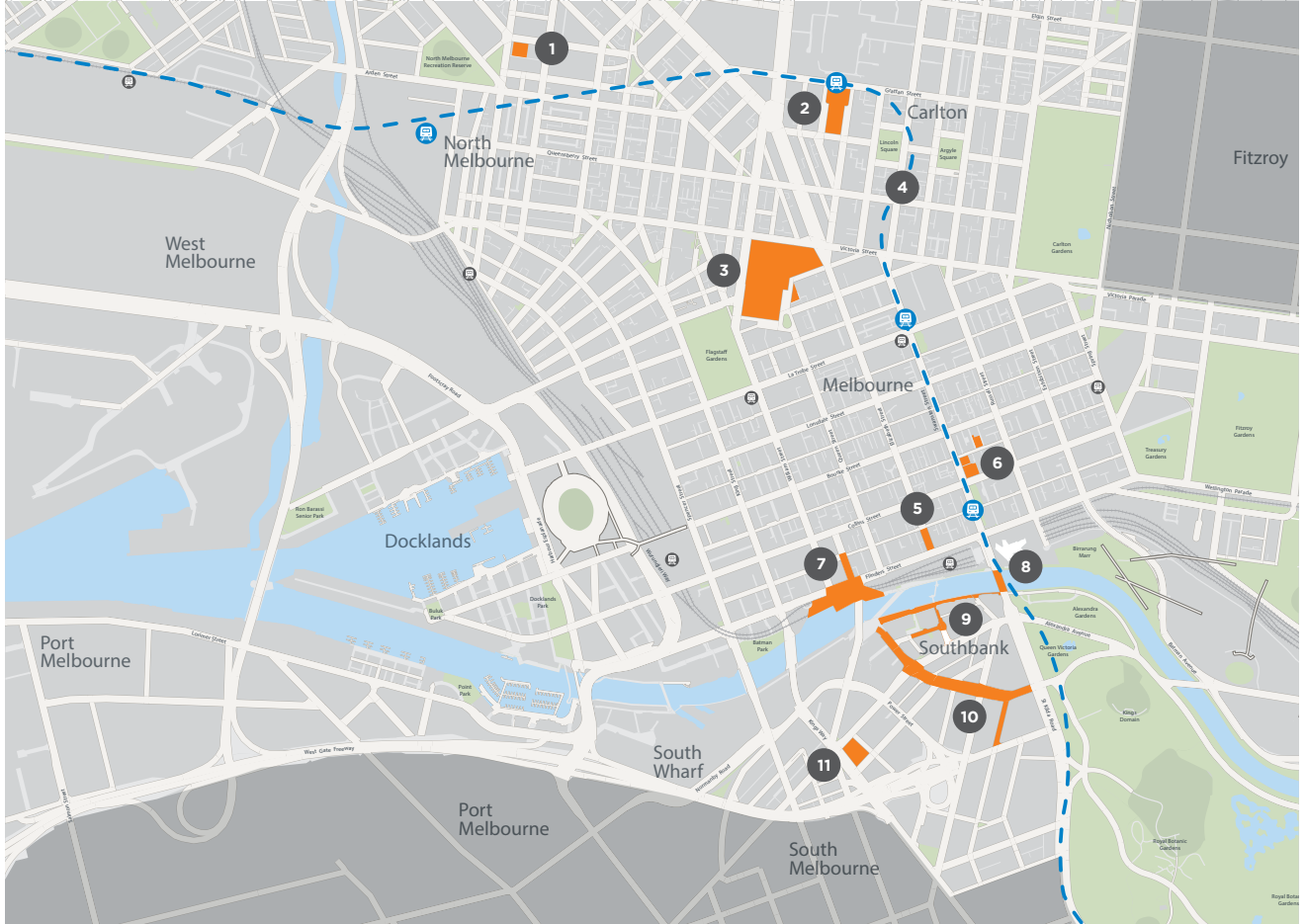
We will continue to transform our visitor services through piloting and testing the best way to serve our visitors and community.

### City River Concept Plan

Melbourne Water is leading the delivery of the Yarra Strategic Plan, a 50-year vision for the Yarra River. This work frames the City of Melbourne's work on the City River Concept Plan, which has progressed well in 2017–18. We have undertaken extensive analysis including comprehensive baseline mapping. The draft City River Concept Plan includes key strategic directions and opportunities for public realm improvements.

In 2018–19 we will further explore transport and hydrology aspects and test the feasibility of key strategic moves. The cultural narrative has emerged as the most important factor of the strategy and further consultation with Traditional Owners will be progressed in the coming year. The Plan will be finalised early 2019 to coincide with finalisation of the draft Yarra Strategic Plan.

# 2017-18 BUDGET KEY PROJECTS



1. Lady Huntingfield Child Care Centre Upgrade and Hotham Hub \$3.7 million
2. University Square Master Plan \$2.9 million
3. Queen Victoria Market Precinct Renewal \$29 million
4. Metro Tunnel Project \$250,000
5. Elizabeth Street South Improvements \$1.5 million
6. Town Hall Precinct including Visitors Centre \$2.55 million
7. Central Open Space including Market Street \$100,000
8. Princes Bridge Bluestone Repair Works \$750,000
9. Southbank Promenade Improvements \$2.9 million
10. Southbank Boulevard and Dodd Street Improvements \$11 million
11. JH Boyd Redevelopment \$1.7 million

## Projects across multiple locations

-  Bicycle Improvement Program \$2.55 million
-  Parks Renewal and Tree Planting \$8.57 million
-  Flood Mitigation Renewal \$2.08 million
-  Drains Renewal \$2.88 million
-  Streetlight LED Rollout \$5 million
-  Road and Footpath Renewal \$10.4 million
-  Climate Adaptation \$1 million
-  Major Streetscape Improvements and Design \$2.35 million

2017-18 budget figures represented.  
Actual expenditure in 2017-18 may vary.



# EVENTS CALENDAR 2017–18

## July

- Melbourne Women in Business lunch
- Run Melbourne
- Open House Melbourne
- Melbourne International Film Festival
- NAIDOC Week

## August

- Melbourne Writers Festival
- Fed Square Live
- Indian Film Festival of Melbourne
- Melbourne Fashion Week
- Craft Cubed Festival
- Melbourne Day

## September

- Toyota AFL Finals Series and Parade
- AFL Grand Final Parade 2017
- Spring Fling Festival 2017
- Lord Mayor's Commendations (Presentation Ceremony)
- Melbourne Fringe Festival

## October

- Melbourne Festival
- Melbourne Marathon
- Victorian Seniors Festival
- Victorian Festival of Diwali
- Around the Bay
- Spring Fling Street Festival
- Ride2Work Day Community Breakfast
- Blues Music Festival Docklands
- Carlton Italian Festa



## November

- Santa's Grand Arrival Concert
- Melbourne Awards (Gala Ceremony)
- Raising the Bar
- Melbourne Music Week
- Melbourne Cup Carnival
- Melbourne Cup Parade
- City2Sea
- Night Noodle Markets
- Polish Festival @ Federation Square
- Christmas Festival (November to December)

## December

- Variety Children's Christmas Party
- African Music and Cultural Festival
- Volvo Ocean Race
- New Year's Eve 2017
- RMIT Graduation Parade
- Mapping Melbourne
- Koorie Heritage Trust's A Very Koorie Krismas

## January

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

## February

- Melbourne Storm Community Events
- Melbourne Rebels 2018 Season
- Tet Festival
- Movies Under the Stars
- White Night Melbourne
- Sustainable Living Festival
- The Lonsdale Street Greek Festival
- Chinese New Year Festival Melbourne
- Melbourne Vixens 2018 Season
- Herald Sun Tour
- Lankan Fest
- Melbourne Japanese Summer Festival
- Melbourne International Flower and Garden Show 2018 (February to March)

## March

- Moomba Festival
- Virgin Australia Melbourne Fashion Festival
- International Women's Day Festival 2018
- Melbourne Food and Wine Festival
- Melbourne Food and Wine Festival River Graze
- Melbourne International Comedy Festival
- Melbourne Art Book Fair 2018
- Melbourne Queer Film Festival
- Turkish Pazar Festival 2018
- Formula 1 Australian Grand Prix
- Spanish Language Fiesta
- Cultural Diversity Week - Victoria's Multicultural Festival
- Carlton Harmony Celebration
- Run for the Kids
- Thai Culture and Food Festival
- Indian Festival Melbourne
- Good Friday Appeal Kids Day Out

## April

- Russian Festival Melbourne
- Malaysia Street Festival 2018
- ANZAC Day

## May

- Fair@Square Ethical Lifestyle Festival
- The Food Truck Park
- The Melbourne Mother's Day Classic 2018
- Melbourne Knowledge Week
- Law Week
- Buddha's Day and Multicultural Festival
- The Long Walk

## June

- Docklands Firelight Festival (June to July)
- Circus OZ
- Emerging Writers' Festival
- A Taste of Portugal 2018
- Truffle Melbourne Festival at Queen Victoria Market
- Festival of Welcome: Refugee Week 2018 Melbourne Launch
- Little Big Shots International Children's Film Festival
- Melbourne International Jazz Festival
- Melbourne WebFest
- Light in Winter
- Refugee Week
- Reconciliation Week



# OUR COUNCIL

## 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 Melbourne City Council 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.

Tessa Sullivan resigned from her position as councillor on 15 December 2017. This resulted in a countback at the Victorian Electoral Commission on 15 January 2018. Beverley Pinder-Mortimer was duly sworn in as a councillor at a private ceremony at the Town Hall on 17 January.

Robert Doyle resigned from his position as Lord Mayor on 5 February 2018. This resulted in a by-election which was conducted on 12 May. Sally Capp was duly sworn in as the Lord Mayor in a ceremony at the Town Hall on 24 May.

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 CEO), or sub-delegated to a City of Melbourne officer by the CEO. Staff members are accountable to the CEO. 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 Melbourne City Council 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.

A revised Councillor Code of Conduct was adopted by Council on 15 May 2018. All councillors signed the revised Councillor Code of Conduct on 24 May.

### 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; for their work on policy development, as spokespeople on community matters and as Council representatives in Melbourne in Australia and overseas.

The allowances are:

Lord Mayor - \$193,070  
Deputy Lord Mayor - \$96,534  
Councillors - \$45,333

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, revised in March 2017 and consistent with section 75 of the *Local Government Act 1989*. Councillor expenses are reported in detail every quarter on [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.

The details of the expenses including reimbursement of expenses for each councillor and member of a council committee are set out in the table on the following page.

**Expense categories**

**1. Conferences, functions and training**

This 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. 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. This also comprises costs associated with accommodation and incidentals incurred when travelling on Council business in outer metropolitan Melbourne and regional Victoria.

**3. Communication**

This 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 the 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 [melbourne.vic.gov.au](http://melbourne.vic.gov.au) on a quarterly basis. The following tables depict details of expenses incurred within the year 2017-18. The tables are grouped by leadership team (lord mayor and deputy lord mayor) and councillors.

**Leadership Team - Period 1 July 2017 to 30 June 2018**

Councillor	Conferences, functions and training	Travel local	Communication	Functions external to Town Hall	Carer expenses	Total expenses
Lord Mayor Sally Capp*	\$0	\$122.44	\$64.10	\$0	\$0	<b>\$186.54</b>
Deputy Lord Mayor Arron Wood	\$522.73	\$14,028.97	\$1304.58	\$0	\$0	<b>\$15,856.28</b>
Lord Mayor Robert Doyle*	\$0	\$15,681.74	\$7428.56	\$0	\$0	<b>\$23,110.30</b>
<b>Category Total</b>	<b>\$522.73</b>	<b>\$29,833.15</b>	<b>\$8797.24</b>	<b>\$0</b>	<b>\$0</b>	<b>\$39,153.12</b>

\* Following the resignation of Robert Doyle on 5 February 2018, a by-election was conducted and Sally Capp was elected Lord Mayor and took office on 24 May 2018.

Councillors – Period 1 July 2017 to 30 June 2018

Councillor	Conferences, functions and training	Travel local	Communication	Functions external to Town Hall	Carer expenses	Total expenses
Cr Jackie Watts	\$75.00	\$1140.70	\$1576.53	\$376.96	\$0	\$3169.19
Cr Kevin Louey	\$195.00	\$792.34	\$6169.91	\$0	\$0	\$7157.25
Cr Cathy Oke	\$150.00	\$1510.04	\$1483.83	\$86.80	\$0	\$3230.67
Cr Rohan Leppert	\$226.09	\$2339.29	\$1768.33	\$86.80	\$0	\$4420.51
Cr Philip Le Liu	\$2284.68	\$1841.58	\$1030.95	\$0	\$0	\$5157.21
Cr Nicholas Reece	\$0	\$804.20	\$1641.01	\$0	\$0	\$2445.21
Cr Nicolas Frances Gilley	\$1154.60	\$742.33	\$1106.10	\$251.91	\$0	\$3254.94
Cr Susan Riley	\$1166.64	\$3168.33	\$957.80	\$0	\$0	\$5292.77
Cr Beverley Pinder-Mortimer*	\$90.91	\$1169.43	\$344.17	\$9.09	\$0	\$1613.60
Cr Tessa Sullivan*	\$390.00	\$36.00	\$662.78	\$0	\$0	\$1088.78
<b>Category Total</b>	<b>\$5732.92</b>	<b>\$13,544.24</b>	<b>\$16,741.41</b>	<b>\$811.56</b>	<b>\$0</b>	<b>\$36,830.13</b>

+ Tessa Sullivan resigned as Councillor on 15 December 2017. Following a countback, Beverley Pinder-Mortimer was elected as Councillor and took office on 17 January 2018.

**Subsidiaries and trusts**

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

**SMF Investment Management Pty Ltd** – a corporate trustee of the Sustainable Melbourne Fund.

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* (the Act) and Local Government (General) Regulations 2015 require us to keep certain statutory registers and documents, most of which can be viewed at [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 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 City of Melbourne staff member in the previous 12 months, including the names of the councillors or members of staff and the dates, destination, purpose and total cost 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 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 at [melbourne.vic.gov.au](http://melbourne.vic.gov.au)

### Additional registers and 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 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 and the purpose for which each committee was established.
- A list of all special committees established 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, 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 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 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.

#### *Disability Act 2006*

The City of Melbourne is committed to ensuring equity of access in all our functions in accordance with the *Disability Discrimination Act 1992* (Cth) and *Disability Act 2006* (Vic).

Key achievements include the Open Innovation Competition which resulted in innovators developing solutions to address access barriers and the continued provision of mobility equipment hire and companions to assist people with disabilities to get around the city. We also funded three community events celebrating the contributions of people with disabilities on 3 December, the International Day of People with Disability.

#### *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, the Home and Community Care Program for Younger People, the Support for Carers Program and to the wider community in the following ways:

- Delivering a monthly peer support carers group.
- Provision of information and support to carers.
- Liaising closely with other service providers 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 the City of Melbourne.
- Providing information to organisations represented in City of Melbourne and community networks.

Through 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.

#### *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).

The 2017–2021 plan was endorsed by the Council on 17 October 2017 and submitted to the Department on 3 November. The previous plan (2013–2017) was evaluated and the evaluation was submitted to the Department.

Key highlights from the previous plan included conducting park patrols on electric bikes and rolling out free training sessions to pet owners to increase dog sociability. We increased use of digital and technological methods for animal registration renewals and compliance activities of domestic animal businesses.

***Food Act 1984***

In accordance with section 7E of the *Food Act 1984*, we are 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.

***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 to help staff and members of the public with privacy-related queries or issues.

Two privacy complaints were received during the 2017-18 financial year. Both were resolved internally. 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 2017-18 no disclosures were notified to the Independent Broad-based Anti-corruption Commission.

***Road Management Act 2004***

In accordance with section 22 of Victoria's *Road Management Act 2004*, a council must publish a copy or summary of any ministerial direction in its annual report. We did not receive any ministerial direction during 2017-18.

***Planning and Environment Act 1987***

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a council that is a 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 2017-18 the City of Melbourne did not have any infrastructure and development contributions to disclose.



# OUR COUNCILLORS

In 2017-18 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.

During this period, a number of changes occurred in relation to the structure of the Council. Following the resignation of Tessa Sullivan, Beverley Pinder-Mortimer was elected as Councillor and took office on 17 January 2018. Sally Capp was elected Lord Mayor and took office on 24 May 2018, following a by-election brought on by the resignation of Robert Doyle on 5 February 2018.



**Lord Mayor**  
Sally Capp

Sally Capp was elected Lord Mayor of Melbourne in May 2018 and was the first woman to be directly elected as Lord Mayor.



**Deputy Lord Mayor**  
Arron Wood

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

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 Lord Mayor also represents the City of Melbourne on the following advisory committees and external organisations:

- Honorary Patron of the Lord Mayor's Charitable Foundation
- Trustee of the Shrine of Remembrance
- Council of Capital City Lord Mayors
- Melbourne Art Trust
- Chief Executive Officer Employment Matters Committee
- C40 Cities Climate Leadership Group

Phone: 03 9658 9658  
Email: lordmayor@melbourne.vic.gov.au

**From mid-December 2017 to mid-May 2018 Deputy Lord Mayor Arron Wood was Acting 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
- Chair Major Projects and Events (December 2017 to May 2018)
- Ecocity World Summit 2017 Executive Advisory Board (until December 2017)
- Fishermans Bend Ministerial Advisory Committee (until March 2018)
- Melbourne Art Trust
- Melbourne Sustainable Society Institute Advisory Board
- Victorian Local Governance Association

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 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](mailto:nicolas.francesgilley@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:

- Fishermans Bend Ministerial Advisory Committee
- Municipal Association of Victoria (Board member)
- Victorian Local Governance Association (alternate delegate)
- Music Strategy Advisory Committee

Phone: 03 9658 9051

Email: [rohan.leppert@melbourne.vic.gov.au](mailto:rohan.leppert@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

Phone: 03 9658 9630

Email: [philip.leliu@melbourne.vic.gov.au](mailto:philip.leliu@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**  
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 represents the City of Melbourne on the following advisory committees and external organisations:

- Parks and Gardens Advisory Committee
- Metropolitan Local Government Waste Forum
- International Council for Local Environment Initiatives (ICLEI) – Local Governments for Sustainability. Cr Oke is First Vice President and a member of the Global Executive Committee.
- Yarra Park Advisory Committee
- Chief Executive Officer Employment Matters Committee

Phone: 03 9658 9086

Email: cathy.oke@melbourne.vic.gov.au



**Councillor**  
Beverley Pinder-Mortimer

First served as a Councillor between 2012-2016. Re-elected in 2018.

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

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

Phone: 9658 9056

Email: beverley.pinder@melbourne.vic.gov.au



**Councillor**  
Nicholas Reece

**Elected in 2016.**

Cr Nicholas 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**  
Susan Riley

**Cr Riley was elected as a Councillor in March 2017.**

**Cr Susan Riley served as Deputy Lord Mayor in 2001-2004, 2008-2012 and 2012-2016.**

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

- Enterprise Melbourne Pty Ltd

Phone: 03 9658 9636

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

#### **Robert Doyle AC**

Robert Doyle AC was elected in 2008 and re-elected in 2012 and 2016. He resigned from Council on 5 February 2018.

#### **Tessa Sullivan**

Tessa Sullivan was elected in 2016 and resigned from Council on 15 December 2017.

**Council and Committee meeting attendance - current Council**

July 2017 to June 2018

Councillor	Melbourne City Council meetings (total 15)	Future Melbourne Committee meetings (total 21)	Inner Melbourne Action Plan Committee meetings (total 4)
LM Robert Doyle (resigned 5 February 2018)	6 (8)	10 (11)	Not a member
LM Sally Capp (sworn in 24 May 2018)	2 (2)	3 (3)	Not a member
DLM Arron Wood	14	18	Not a member
Cr Nicolas Frances Gilley	13	19	Not a member
Cr Philip Le Liu	14	19	Not a member
Cr Rohan Leppert	15	21	Not a member
Cr Kevin Louey	14	17	Not a member
Cr Cathy Oke	14	14	Not a member
Cr Beverley Pinder-Mortimer (sworn in 17 January 2018)	7 (7)	10 (10)	Not a member
Cr Nicholas Reece	15	20	3
Cr Susan Riley	15	20	Not a member
Cr Tessa Sullivan (resigned 15 December 2017)	6 (8)	9 (11)	Not a member
Cr Jackie Watts	12	16	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 Municipal Public Health and Wellbeing Plan, which describes how the Council will promote the health and wellbeing of the community
- 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 nine chapters, reflecting the nine goals that support our vision of being a bold, inspirational and sustainable city, as per the Council Plan 2017-2021.

## How to read the following sections

Each goal chapter describes:

- outcomes the City of Melbourne aims to achieve within its four-year term, according to the Council Plan 2017-2021 and our approach to help achieve these outcomes
- how well we performed during the last year, as measured by the indicators of progress towards the outcomes in the Council Plan
- major initiatives (activities of particular importance under each goal, as listed in the Annual Plan and Budget 2017-18)
- initiatives implemented to achieve Council's four-year outcomes, including whether they were completed or are ongoing
- headline initiatives that have contributed to the health and wellbeing priority areas.

## Health and wellbeing priorities in this report

Many of the Council Plan outcomes, priorities and indicators also contribute to our health and wellbeing priority areas. Health and wellbeing priorities are indicated by asterisks throughout the report.

## Our indicators

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2017-2021. We measure the performance of these outcomes by our indicators. These are divided into indicators that the City of Melbourne is accountable for and municipal indicators that we do not control but, together with our partners and the community, we seek to influence.

Due to the differences in data collection methodology and accountability across our indicator set there are some reporting period variations which should be noted. Where possible, all data is collected and reported on per financial year (July to June) or per the previous calendar year. Any exceptions to this approach have been noted against the relevant indicators.

Where baseline data exists, a brief comparative analysis between reporting years has been included. In some instances this is the first year we have collected data therefore it is not possible to undertake this analysis. We expect to show this in future years and provide more detailed trend analysis against our indicators as we progress through the delivery of our Council Plan.

## Our reporting approach

The City of Melbourne's Annual Report content is substantially determined by the requirements of the *Local Government Act 1989*, Council Plan 2017-2021 and the Local Government Performance Reporting Framework. The 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.

For a number of years, the City of Melbourne has utilised the Global Reporting Initiative (GRI) Framework to better track and understand our internal sustainability achievements. However, the reporting landscape has changed considerably in recent years including the shift from GRI G4 to the new GRI Standards, which provide a more robust and transparent approach to sustainability reporting. Coinciding with this shift, our Council Plan 2017-2021 contains a more comprehensive set of indicators than have been included in previous Council Plans.



# PERFORMANCE AGAINST OUR GOALS











# A CITY THAT CARES FOR ITS ENVIRONMENT

Environmental sustainability requires current generations to choose how they meet their needs without compromising the ability of future generations to be able to do the same. The city's urban ecology must be designed and managed as a dynamic whole to balance the interdependencies between its flora and fauna, microclimate, water cycles and its human, social and economic infrastructure.

## Progress measures

### City of Melbourne major indicator

A decrease in the City of Melbourne's greenhouse gas emissions in line with its science based emissions reduction target.

#### Result

37,172 tCO<sub>2</sub>-e

9.5% above reduction target

### Municipal major indicator

A decrease in municipal greenhouse gas emissions in line with the Paris Agreement.

#### Result

5,049,262 tCO<sub>2</sub>-e

1.5% reduction

## Our approach

The health of our environment is the foundation of the health and wellbeing of our community. With our globally recognised credentials in environmental sustainability, we are well positioned to demonstrate continued leadership and innovation to address and adapt to climate change.

Melbourne is likely to face an increasingly volatile climate, with lower rainfall, more intense storms, floods, and heatwaves. This puts pressure on our natural living systems and the basic building blocks of our city's liveability – clean air and water, a temperate urban climate, a stable supply of fresh produce, shade and green spaces. It also impacts the health of individuals, particularly those with existing illness or on lower incomes and therefore less able to cope.

As a city that cares for its environment, we will continue to take bold action on climate change adaptation, reductions in municipal greenhouse gas emissions and resource efficiency by:

- Prioritising energy efficiency and renewable energy use to reduce greenhouse gas emissions.
- Responding to rising inner-city temperatures and restoring habitat flora and fauna by expanding our network of green spaces.
- Conserving resources by prioritising different quality water for different needs, and better managing stormwater and wastewater.
- Considering the interrelationships between natural and built environments so that human communities and all living species can thrive side by side.
- Reconnecting people to nature and working closely with Traditional Owners to enable them to fully participate in the stewardship of the land.
- Ensuring our communities are equipped to respond to weather events and are resourceful in the face of climate-related challenges.

## Major initiatives



### Work with stakeholders to plan high quality integrated water management for community protection and liveability in Arden Macaulay and Fishermans Bend

The Arden Macaulay urban renewal area is located less than three kilometres north-west of the central city and includes industrial segments of North Melbourne and Kensington. Fishermans Bend is Australia's largest urban renewal project, covering approximately 480 hectares in the heart of Melbourne. Both Arden Macaulay and Fishermans Bend are being planned to reflect best practice in energy, water and waste resource management. Much of Arden Macaulay and the Lorimer Precinct of Fishermans Bend are flood prone. We are working with closely with Victorian Government and local council partners to create innovative flood mitigation solutions for both areas that maintain overland flooding at safe levels. Our precinct planning for Arden Macaulay and Fishermans Bend will continue to incorporate high quality integrated water management, including secure water supply, and flood management that is responsive to climate change risk and building social resilience.

Image credit. Lensaloft Aerial Photography



### Work with Inner Melbourne Action Plan (IMAP) councils and Resilient Melbourne to share and extend the objectives of the Urban Forest Strategy to the wider Melbourne area

Throughout the year, we have provided support to Resilient Melbourne and the IMAP group to share and extend the objectives of the Urban Forest Strategy. We have provided expertise to the Resilient Melbourne Metro Urban Forest Strategy through representation on the steering group and the Melbourne Metro Urban Forest Strategy Technical Reference Group. Officers also participated in the development of the IMAP Urban Forest Project. This project is focussed on land use planning and management and development of the urban forest on private property. As at the end of June, we have planted 3061 new trees. We have also implemented year five of the Urban Forest Precinct Plans, with 35 street segments delivered.

## Major initiative



### Deliver year one of the Smart Bin Implementation Plan

The growing number of visitors to the central city has increased the amount of rubbish being put in our street litter bins, resulting in overflowing bins and litter spilling onto footpaths. To combat this, we have trialled solar-powered compactor bins. These smart devices use compaction to reduce the space taken up by waste and have up to seven times the capacity of normal bins. As the bin fills, it reaches a point that triggers the compactor to press firmly down onto the rubbish, compacting it. We began installing the solar-powered compactor bins in February 2018 in the Swanston Street, Flinders Street, Elizabeth Street and Flinders Lane block as well as parts of Southbank. In total, 772 litter bins were removed and replaced with 397 Clean Cube compactor bins, resulting in an increased overall bin capacity from 61,760 litres to 272,000 litres. As a result, bin collections in this area have reduced from six times per day to just once, and we have all but eliminated overflowing bins.

## Highlights

### ■ Implement the Urban Forest Fund to enable greening in the public and private realm\*

Following the official launch of the Urban Forest Fund in May 2017, applications for the first round of matched-funding grants opened in September 2017. We received 23 applications for a variety of greening projects on private property, including green roofs, green walls and new green open spaces and will fund several projects. Work has also been undertaken to understand the needs of different stakeholders who may want to contribute to the Urban Forest Fund and help to create a greener city. Various options for contribution have been developed and will be implemented in 2018-19.

### ■ Deliver year two of Refuge, a project exploring the role of art in preparing for climate-related impacts\*

Refuge is a project led by Arts House and funded by the City of Melbourne, Creative Victoria, the Australia Council and the National Disaster Grant Scheme. It employs artists and their work to help examine what might happen in the event of a disaster that triggers an emergency management response. Artists from across Australia and overseas have worked with emergency management organisations and community groups to jointly respond to a fictitious, yet possible, climatic disaster. An extreme heat exercise was held at North Melbourne Town Hall, home of Arts House, in November. Arts House became an emergency relief centre for 24 hours. The event was officially opened by Aunty Joy Wandin-Murphy, the Lord Mayor and Victoria's Emergency Services Commissioner, Craig Lapsley. More than 600 people attended, with 65 attending an overnight component. Learnings from the exercise will help with preparation for year three of the event, which will explore pandemics and contribute more broadly to community preparedness and resilience.

\* Health and wellbeing related highlight.



█ **Enhance the resilience of Melbourne, in cooperation with all metropolitan councils**

Resilient Melbourne is a collaboration across Melbourne's 32 metropolitan councils, aiming to achieve a vision of a city that is viable, sustainable, liveable and prosperous. Hosted by the City of Melbourne, Resilient Melbourne exists to embed resilience practice across various levels of government, addressing the chronic stresses and acute shocks our city is likely to experience in ways that resonate with the city's diverse communities. In its second year of implementation, Resilient Melbourne has worked closely with a variety of partners and stakeholders to facilitate and deliver innovative, cross-disciplinary initiatives. Funded by the City of Melbourne, the Victorian Government and the other 31 metropolitan Melbourne councils, Resilient Melbourne also relies on in-kind contributions from 100 Resilient Cities and other stakeholders. Read more about Resilient Melbourne and its progress at [www.resilientmelbourne.com.au](http://www.resilientmelbourne.com.au)

█ **As part of the Nature in the City Strategy, develop an approach to biodiversity corridors and enhancement of understorey planting**

This was the first year of delivering our inaugural Nature in the City Strategy. We collaborated with the Clean Air and Urban Landscapes Hub to develop Linking Nature in the city: A framework for improving ecological connectivity across the City of Melbourne. One of the flagship species for this framework is the native blue banded bee. In collaboration with the University of Melbourne, we completed an understorey streetscape planting palette for biodiversity, paired with construction and evaluation of four sites in city streets. After reviewing options for improving native understorey vegetation, we have established experimental sites in Royal Park to see if nutrient levels and weed competition can be manipulated to allow understorey vegetation to establish.

█ **Research and analyse innovative, smart, waste management solutions**

The City of Melbourne has joined partners to investigate the costs and benefits of smart and innovative waste management solutions for the Fishermans Bend renewal area. Together with the Metropolitan Waste and Resource Recovery Group, City of Port Phillip and South East Water, we are investigating a waste-to-energy plant that would burn waste at high temperatures to convert it into electricity. In the future, the plant could process the waste generated by the thousands of new residents and workers in the urban renewal area. The project would form part of a proposed Fishermans Bend Sustainability Hub.

# HOW WE PERFORMED AGAINST OUR INDICATORS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2017–2021. We measure progress by the indicators below.

## Outcome

Melbourne will meet its pledge to help deliver the Paris Agreement to limit global temperature rise.

### City of Melbourne major indicator

A decrease in the City of Melbourne’s greenhouse gas emissions in line with its science based emissions reduction target.

**Result**

37,172 tCO<sub>2</sub>-e

### Our progress

The City of Melbourne achieved a 14 per cent reduction in greenhouse gas (GHG) emissions for Council operations, far exceeding our science-based emissions reduction target of 4.5 per cent per year. Total (scope 1, 2 and 3) GHG emissions for City of Melbourne operations have decreased from 43,083 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>-e) in 2016–17 to 37,171 tCO<sub>2</sub>-e. This decrease is primarily due to energy efficiency and renewable energy upgrades across Council buildings and street lighting assets, along with reduced supply chain emissions and a slight decrease in Citywide (wholly owned City of Melbourne subsidiary) business activity.

Note: Data is calculated for the year 2016–17 as 2017–18 data is unavailable at the time of publication.

### Municipal major indicator

A decrease in municipal greenhouse gas emissions in line with the Paris Agreement.

**Result**

5,049,262 tCO<sub>2</sub>-e

### Our progress

Our municipal greenhouse gas emissions have decreased 1.5 per cent from 5,122,471 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>-e) to 5,049,262 tCO<sub>2</sub>-e compared to 2015–16, despite our Gross Local Product, resident population, and city users trending up. The decrease is largely attributable to energy efficiency upgrades across the municipality, a decrease in industrial activity, and increasing renewable energy in the state electricity grid reducing the emissions intensity of electricity supply.

Note: Data is calculated per calendar year (January–December 2017).

## City of Melbourne indicators

Outcomes and indicators	Result	Our progress
Outcome: Melbourne's reputation as a global city leader of sustainability is maintained.		
<b>Indicator</b>		
Melbourne's C40 participation rating.	207	The City of Melbourne achieved a C40 participation score of 207 out of a maximum of 345 points, and compliance with all nine mandatory participation standards. We met or exceeded the global average participation level across all categories, which include: data collection, GHG profiling and vulnerability assessment, target setting, action planning, annual reporting, partnerships, network participation, summit attendance, and website contributions.
Outcome: Melbourne is adapting well to climate change.		
<b>Indicators</b>		
An increase in under-storey vegetation in the municipality.	368,615 sq.m	This is the first year we have reported on understorey cover and this result forms the baseline from which future measures will be compared. In future years we plan to develop more sophisticated methods to measure understorey vegetation so the results may vary slightly over time.
The number of trees planted in the municipality per year.	3061	3061 trees were planted across the municipality in 2017-18 exceeding the target of 3000 trees per year.
The number of new tree species introduced to the whole municipality.	7	141 tree species were planted across the municipality in 2017-18. Seven species are new to our urban forest population.
The percentage of permeable (public) surfaces within the municipality.	Not available	The percentage of permeable (public) surfaces within the municipality is a new indicator which relies on the development of a Geographic Information System layer for permeable surfaces. This tool is still in production and we will report on this indicator in our 2018-19 Annual Report.
The municipality's stormwater storage capacity.	102,306 kilolitres	We continued 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 included ongoing studies into how we could supply more non-potable sources of water to our parks for irrigation. Long-term planning for additional stormwater harvesting projects is currently underway, such as the levers Reserve project. Projects such as these maximise our ability to capture stormwater and minimise flooding and nutrient run off into waterways.

## City of Melbourne indicators

Outcomes and indicators	Result	Our progress
Outcome: Melbourne uses its resources efficiently.		
<b>Indicator</b>		
A decrease in residential and street litter bin collections.	188,907	<p>Between February and June 2018 the City of Melbourne replaced 772 street litter bins in the central city with 397 clean cube solar compactor bins in an initiative aimed at improving amenity and decreasing the number of waste trucks and collection shifts delivered. Litter bin collections in this area decreased by 188,907 to 979,093 during this period. Further reductions in collections are expected over the full year 2018-19.</p> <p>(This result only includes street litter bin collections within the solar smart bin precinct, which covers most of the central city, Southbank Promenade and Northbank Promenade.)</p>

## Municipal indicators

Outcomes and indicators	Result	Our progress
Outcome: Melbourne is adapting well to climate change.		
<b>Indicators</b>		
The percentage of tree canopy cover in the public realm.	23.63%	<p>Total canopy cover within the municipal public realm was measured at over 23 per cent for 2017-18. The slight reduction of 0.16 per cent since 2016-17 was expected as old, declining trees in the city were replaced with young ones. Canopy gains from the current tree planting program are expected to be realised in the coming decade.</p>
The percentage of total permeable (public and private) surfaces within the municipality.	Not available	<p>The percentage of permeable (public and private) surfaces within the municipality is a new indicator which relies on the development of a Geographic Information System layer for permeable surfaces. This tool is still in production and we will report on this indicator in our 2018-19 Annual Report.</p>

Outcomes and indicators	Result	Our progress
Outcome: Melbourne is adapting well to climate change. (cont.)		

Indicator		
An increase in the percentage of water sourced from alternative sources to meet municipal needs.	53%	This indicator will vary year on year depending on the timing of rainfall during the irrigation season. We had a very dry summer this year where the total rainfall for February, March and April was only 41 millimetres, compared to 190 millimetres in the same period last year. This is about 78 per cent less rainfall water than the same period last year. However, we managed to harvest and reuse 53 per cent more stormwater than the last year from the existing stormwater harvesting systems at Fitzroy Gardens, Darling Square, Queen Victoria Gardens, Birrarung Marr and Royal Park. The total stormwater harvested and reused during the past irrigation season was 192,817 kilolitres. This has reduced the pressure on potable water use during the past dry summer.

Outcome: Melbourne uses its resources efficiently.		
----------------------------------------------------	--	--

Indicators		
A decrease in energy consumption per capita. (Reported as the residential energy use per resident.)	9.9 GJ	Total residential energy use per resident is 9.9 gigajoules. As 2018 is the first year that this indicator has been reported, the figure of 9.9 gigajoules per resident forms the baseline against which subsequent reporting will be compared.
A decrease in water consumption per capita.	9.89%	This result is compiled from water authorities and our residential population. The metric is the average daily consumption per resident for residential water use in 2017 and 2018. In 2018 water consumption was 135 litres per resident.
A decrease in waste-to-landfill per resident.	0.006 tonnes	In 2017-18, each resident household generated an average of 0.368 tonnes of landfill waste. This reflects an increase of 0.006 tonne from the previous year and highlights a key challenge facing the city. During the year, the number of residential households requiring landfill collections increased by 7924 to 79,523 and the waste from these households increased by 3393 tonnes to 29,316 tonnes.

# PRIORITIES AND INITIATIVES

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

A total of 10 initiatives were completed under a city that cares for its environment in 2017-18. Six initiatives were carried over and will continue to be delivered in the 2018-19 financial year.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<p><b>We will provide protection and enhancement of habitat to support greater biodiversity in a changing climate.</b></p>	<ul style="list-style-type: none"> <li>✓ • As part of the Nature in the City strategy, develop an approach to biodiversity corridors and enhancement of understorey planting.</li> <li>↻ • Improve urban stormwater and biodiversity outcomes through Elliott Avenue Billabong and Levers Reserve projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Embed the Nature in the City strategy in our service delivery, including the increase of understory planting in Royal Park and Southbank Boulevard.</li> </ul>
<p><b>We will provide nature-based climate adaptation and integrated water management solutions.</b></p>	<ul style="list-style-type: none"> <li>✓ • Implement the Urban Forest Fund to enable greening in the public and private realm.</li> <li>✓ • (Major initiative) 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.</li> <li>✓ • (Major initiative) Work with stakeholders to plan high quality integrated water management for community protection and liveability in Arden Macaulay and Fishermans Bend.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue delivery of the Urban Forest Strategy and pilot new technologies to monitor and diagnose forest health.</li> </ul>
<p><b>We will provide improved water infrastructure for flood mitigation.</b></p>	<ul style="list-style-type: none"> <li>↻ • Work with partners to create a precinct in the Elizabeth Street catchment that is water sensitive, low carbon and well adapted to climate change.</li> </ul>	<ul style="list-style-type: none"> <li>• Work in partnership with Melbourne Water to update flood knowledge and mapping to inform amendments to the Melbourne Planning Scheme.</li> </ul>
<p><b>We will partner to play a leadership role within the C40 Cities Climate Leadership Group, International Council for Local Environmental Initiatives (ICLEI) Cities Biodiversity Centre and 100 Resilient Cities network.</b></p>	<ul style="list-style-type: none"> <li>↻ • Refresh the Zero Net Emissions Strategy to align to the Paris Agreement on climate change.</li> <li>✓ • Facilitate collaboration between Resilient Melbourne, C40, ICLEI and Chair of Resilient Cities.</li> <li>✓ • Enhance the resilience of Melbourne and its communities, in cooperation with all metropolitan councils.</li> <li>✓ • Complete a desktop assessment of how City of Melbourne strategies and plans deliver against the United Nations Sustainable Development Goals.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalise the Zero Net Emissions Strategy 2020-2050.</li> <li>• Implement year three of the Resilient Melbourne strategy, continuing our leadership role in delivering the metropolitan wide urban forest and the metropolitan cycling network.</li> </ul>

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<p><b>We will partner to strengthen the municipality’s resilience, liveability, health and wellbeing through community education and mitigation of the impacts of climate change.*</b></p>	<p>✓ • Work with stakeholders, including emergency service organisations to deliver year two of Refuge, a five-year interdisciplinary project exploring the role of art and culture in preparing communities for climate-related impacts.</p>	<p>• Identify and commence one or more small open space pilot(s) sites that support liveability and resilience in a higher density or hotter area of the municipality.</p>
<p><b>We will facilitate introduction of ‘caring for country’ principles for urban land management.</b></p>	<p>↻ • Trial the application of Caring for Country principles in the municipality.</p>	<p>• Work supporting this priority is included in our regular business throughout the next year.</p>
<p><b>We will facilitate greater greening of the private realm.*</b></p>	<p>• Work supporting this priority was included in our regular business throughout the year.</p>	<p>• (Major initiative) Implement the Green our City Strategic Action Plan including development of a business case for a future regulatory mechanism to support green roof and vertical greening.</p>
<p><b>We will facilitate promotion of environmental sustainability by linking businesses to new initiatives and key sustainability projects, including sustainable food practices.*</b></p>	<p>↻ • Promote a suite of options to encourage residents and businesses to achieve energy savings and access renewable energy.</p>	<p>• Work supporting this priority is included in our regular business throughout the next year.</p>
<p><b>We will facilitate greenhouse gas emissions reduction across the municipality and the uptake of renewable energy.</b></p>	<p>↻ • Promote awareness of large-scale off-site renewable energy purchasing models for large customers by sharing lessons from the Melbourne Renewable Energy Project.</p>	<p>• Facilitate a corporate Power Purchase Agreement based on the lessons from the Melbourne Renewable Energy Project, to contribute to the municipality’s renewable energy target.</p>
<p><b>We will facilitate innovative solutions to minimise the municipality’s waste.</b></p>	<p>✓ • (Major initiative) Deliver year one of the Smart Bin Implementation Plan.                      ✓ • Partner with Metropolitan Waste Management Group, Sustainability Victoria and Inner Melbourne Action Plan Councils to research and analyse the costs and benefits of innovative, smart waste management solutions that could be applied to inner Melbourne and the wider-metro catchment.</p>	<p>• (Major initiative) Finalise the Waste and Resource Recovery Strategy 2030 and Action Plan and commence year one deliverables including improving waste collection in the central city.</p>

**Key**

✓ Completed

↻ Carried over





# A CITY FOR PEOPLE

A city for people welcomes all. It is accessible, affordable, inclusive, safe and engaging. It promotes health and wellbeing, participation and social justice. A city for people has political, religious and intellectual freedoms that nurture a rich and dynamic culture. It respects, celebrates and embraces human diversity. People of all ages and abilities feel secure and empowered. City planning puts people, families and community at the forefront.

## Progress measures

### Municipal major indicator

Average residents' self-reported sense of wellbeing.

#### Result

**73%** satisfied with life

### Municipal major indicator

The number of people sleeping rough on our streets.

#### Result

**279** people

## Our approach

The City of Melbourne is home to people of diverse backgrounds, cultures, gender, sexualities, ages and family structures. It is a hub for services, education, entertainment and business and can boast world-class open spaces that people of all ages and abilities can enjoy.

Like many cities, we face a number of challenges. The cost of living and housing is rising, people are experiencing increased levels of social isolation, more people are living alone and people are working longer hours. Lifestyles are increasingly sedentary, with rising rates of obesity, chronic illnesses and mental health issues.

The City of Melbourne has a complex role to play in supporting not only our residential population, but also those who commute into the city for work or to access services. As a city for people we will need to ensure Melbourne remains liveable, healthy and vibrant by:

- Welcoming people from all walks of life so they feel safe and can participate fully in their community.
- Supporting people to have access to appropriate housing, education, healthy food, and spaces for recreation and community services.
- Adapting to meet the needs of a growing, changing population.
- Supporting better life opportunities and outcomes for all, particularly the vulnerable.
- Fostering physical, psychological and social resilience in individuals and communities.

## Major initiatives



### Commence construction of the Lady Huntingfield integrated children and family centre

Situated in North Melbourne, the Lady Huntingfield Children's Centre was closed in 2018 to undergo redevelopment works, and will reopen in 2020 to become an integrated child and family centre. A major initiative for the City of Melbourne, the redevelopment works will ensure the new facility that replaces the 77 year old facility continues to serve the growing and diverse needs of the local community. The design will incorporate environmental and sustainable features as well as offering 106 child care places. In addition to this, the nearby Hotham Hub Children's Centre was expanded to accommodate 100 child care places. Staff and children from the Lady Huntingfield Children's Centre were successfully transitioned this year to the Hotham Hub Children's Centre in preparation of the redevelopment works. Additional key milestones this year include the granting of a permit for the redevelopment works and preparation of tender documentation. Tenders are currently being evaluated for presentation to Council in July 2018. Once endorsed by Council, engagement of a contractor and construction works will commence.



### Implement the Pathways Innovation Package for housing and homelessness

The City of Melbourne's \$2 million Pathways Innovation Package established partnership initiatives to make an enduring difference to homelessness in the municipality. It included funding for a Daily Support Team, which provides first response to rough sleepers in the city. Between October 2017 and June 2018, the team responded to almost 700 referrals, had more than 1600 interactions with people and made more than 2000 referrals to specialist agencies. The Package also provided funding for the Night Time Safe Spaces program (Night Cafe). Run by the Salvation Army Melbourne, the program provided warmth, food, support services and overnight respite to more than 40,000 people across 361 consecutive nights. The Pathways Innovation Fund awarded \$700,000 to fund eight projects that will commence in July 2018. The projects include helping women who are homeless or at risk of homelessness build their physical and mental health and pet foster care for owners facing homelessness. A health and housing project will ensure that patients who are homeless have a safe place to go when discharged from hospital. We also funded not-for-profit HomeGround Real Estate's work to promote and investigate options for affordable housing in Melbourne. HomeGround was recently awarded the Australian Housing Institutes' Leading Innovation Award.

## Highlights

### Review our role in providing services and activities to older people and people with disability\*

In preparation for the roll-out of the National Disability Insurance Scheme in October 2018, we completed socio-demographic analysis and disability service mapping to ascertain community need and services available within the municipality. The City of Melbourne engaged with the National Disability Insurance Agency and peak bodies to support and facilitate targeted information sessions for communities within our municipality. We also engaged with the Australian Government, the Municipal Association of Victoria and other councils in preparation for full implementation of the aged care reforms from July 2020. The City of Melbourne partnered with other Western Metropolitan Region councils to undertake market consultation to understand market interest, capacity and depth as aged care moves to a consumer-driven market model.

### Address and improve safety for women inside and around the city's night entertainment venues\*

Five licensed venues participated in Safe Nights Out for Women. The project aimed to identify and address physical design elements and management practices which may be contributing to sexual harassment within licensed venues. A gender and safety audit checklist was used to identify issues and following assessment, make recommendations for improvements. The audit process proved easy to use and was considered, by venue owners, to be highly valuable. All venues agreed to implement a number of the recommendations to help promote women's safety and reduce sexual harassment. Two venue operators are already working on improvements.

### Throw Like a Girl\*

An informal gathering took place on Wednesday 30 May to celebrate the completion of the Throw Like a Girl mural at the North Melbourne Recreation Centre. In partnership with Women's Health Victoria, the aim was to create a mural that would depict women and girls in a realistic, diverse and positive way. Local artist Gert Geyer designed and painted the mural which emphasises girls' and young women's place in the community, in public space and in sport. The mural is painted on the exterior brick wall of the North Melbourne Recreation Centre along Arden Street. There were 1200 tote bags produced and printed with the artwork to give to first-time female visitors to the Recreation Centre. Local residents and the Centre's visitors have expressed their support for the mural and its message.

### Healthy Choices\*

Healthy Choices is a City of Melbourne run program using the Victorian Government nutrition guidelines to prioritise and promote the availability of nutritious food options in the municipality. Formerly known as Green Light Eat Right, Healthy Choices ensures there are healthy food and beverage options in our recreation and leisure facilities. These include Melbourne City Baths, North Melbourne Recreation Centre, Carlton Baths, Kensington Community Recreation Centre and Riverslide Skate Park. The program is a key component at Moomba and Melbourne Fashion Week, where healthy options are highlighted by green apple icons on menu boards and mobile food vans. We work with vendors to educate them in how to adjust their menus to include healthy options. For the first time, Healthy Choices was included as part of the Melbourne Awards Gala dinner 2017. There were options for entrees, main dishes and sides with the apple icon promoting the healthy choices.

### Healthy Living and Learning Program\*

Seniors living in public or social housing were part of a Healthy Living and Learning Program run by the City of Melbourne and conducted by the Kensington Neighbourhood House. For eight weeks, 50 participants attended weekly sessions such as cooking low cost nutritious meals that could be replicated quickly and easily at home. They learnt how to grow tasty herbs and vegetables in small spaces as well as a variety of healthy eating tips. Participants were born in 15 different countries, and 39 of the 50 participants were over the age of 55 years, with one third diagnosed with either type 2 diabetes or high cholesterol. Sessions were run in conjunction with Cohealth community health service and six students from the Kensington Community High School. Over 384 individual meals were served and more than 140 kilograms of fresh local tomatoes were distributed throughout the program.

\* Health and wellbeing related highlight.

# HOW WE PERFORMED AGAINST OUR INDICATORS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2017–2021. We measure progress by the indicators below.

## Outcome

People will feel welcomed and included.

## Municipal major indicator

Residents' self-reported sense of wellbeing.\*

### Result

73% satisfied with life

## Our progress

The average resident rated their own sense of personal wellbeing at 73.15 out of 100. Residents were asked to rate their satisfaction with their own lives on seven domains (standard of living; health; achievements in life; community connection; personal relationships; safety; and future security). The answers were combined and averaged to create a wellbeing index.

## Outcome

People are supported to find pathways out of homelessness.

## Municipal major indicator

The number of people sleeping rough on our streets.\*

### Result

279 people

## Our progress

StreetCount 2018 covered 100 per cent of the municipality and 279 people were counted sleeping rough. The previous StreetCount in 2016 only covered 20 per cent of the municipality, and recorded 247 people. In this same area, the 2018 count, saw a 15 per cent decrease in rough sleepers from 247 down to 210.

\* This is also a health and wellbeing indicator.

## City of Melbourne indicators

Outcomes and indicators	Result	Our progress
Outcome: People feel welcomed and included.		
<b>Indicators</b>		
The percentage of international students surveyed who value the impacts of City of Melbourne programs in improving integration and quality of life while in Melbourne.	65%	983 students completed a 20 minute international student online survey between 26 May and 30 July 2018. 65 per cent of students surveyed who participated in City of Melbourne events and activities said they 'feel at home in Melbourne.'
The number of projects funded through community grants programs that are aimed at increasing participants' connection to their community.	71	In 2017-18 the community grants programs funded 71 projects whose primary aim was to increase participant's connection to their community. These projects included events to celebrate and acknowledge the contribution volunteers make to organisations, to celebrate significant cultural events and to encourage a sense of community.
Outcome: People are supported to find pathways out of homelessness.		
<b>Indicator</b>		
The proportion of people who sleep rough who are assisted through housing related or other support services.  (Reported as the number of contacts made through supported services.)	53,112	Currently, it is not possible to accurately measure the proportion of people who sleep rough who are assisted through housing related or other support services. For this Annual Report, we have reported the number of contacts through key City of Melbourne supported homelessness services. The breakdown of contacts made through supported services is: <ul style="list-style-type: none"> <li>• Daily Support Team: 1838</li> <li>• Night Cafe: 40,912</li> <li>• Frontyard Youth Services: 10,243</li> <li>• Service coordination project: 119</li> </ul>
Outcome: Melbourne's housing meets diverse needs.		
<b>Indicator</b>		
The number of affordable housing units in City of Melbourne projects.*	96	The City of Melbourne has publicly declared its intention to deliver affordable housing as part of the Queen Victoria Market and Boyd site redevelopment projects. The Queen Victoria Market Precinct Renewal Master Plan identified opportunities for affordable housing within the Munro site of the precinct. In May 2018, the Minister for Planning approved the development application for the Munro site which will include 56 affordable apartments. In February 2018, the City of Melbourne submitted a development brief that introduces the vision for the Boyd site (132 Kavanagh Street, Southbank) and the design requirements for the private development. The public design brief that will be part of the tender documentation for the sale of the Boyd development site includes a requirement to provide 40 affordable residential apartments.

## Municipal indicators

Outcomes and indicators	Result	Our progress
Outcome: People feel welcomed and included.		
<b>Indicator</b>		
An increase in community support for diversity.* (Reported as the proportion of respondents who were supportive.)	92.6%	In response to a survey of 2843 residents, workers, visitors and students, 2772 agreed to the question "To what extent do you agree or disagree that it is a good thing for a society to be made up of people from different cultures?" This result forms the baseline from which subsequent reporting will be compared.
Outcome: People are safe.		
<b>Indicators</b>		
A decrease in personal and property related crimes.	0.6%	The rate of crimes against people reported to Victoria Police has marginally decreased by 0.6 per cent from 2385.1 per 100,000 population in 2017 (year ending March) to 2370.5 per 100,000 population in 2018 (year ending March).
	15.9%	The rate of property and deception offences reported to Victoria Police has decreased by around 16 per cent from 10,460.5 per 100,000 population in 2017 (year ending March) to 8793.1 per 100,000 population in 2018 (year ending March).
The proportion of people who feel safe.*	88.1%	The proportion of people who reported feeling safe by day was 88.1 per cent.
	59%	The proportion of people who reported feeling safe by night was 59 per cent. The difference between the results for perceptions by day and night are consistent with national and international research which suggests that people generally feel less safe being alone at night.
The rate of ambulance attendance for alcohol and drug misuse in the municipality.*	1528	The rate of ambulance attendance for alcohol related intoxication in the municipality decreased by 13.7 per cent in the year between 2015-16 to 2016-17 (from 1770 per 100,000 population to 1528 per 100,000 population).
	990.4	The rate of ambulance attendance for illicit drug use in the municipality increased by 10 per cent in the year between 2015-16 to 2016-17 (811 per 100,000 population to 990.4 per 100,000 population).
The rate of family violence recorded by police.*	995.1	The rate of family violence incidents reported to Victoria Police decreased by over 7 per cent from 2015-16 to 2016-17. There were 78 fewer reports per 100,000 population, from 1073.8 to 995.1. The majority of affected family members are women aged between 15-44 years old.  Note: a family incident is an incident attended by Victoria Police where a Victoria Police Risk Assessment and Risk Management Report was completed.

\* This is also a health and wellbeing indicator.



Outcomes and indicators	Result	Our progress
Outcome: Melbourne's housing meets diverse needs.		

**Indicator**

The number of affordable housing units negotiated through development planning.	0	No affordable housing units were built in 2017-18 however the City of Melbourne has publicly declared its intention to deliver affordable housing as part of the Queen Victoria Market and Boyd site redevelopment projects. The Queen Victoria Market Precinct Renewal Master Plan identified opportunities for affordable housing within the Munro site of the precinct. In May 2018, the Minister for Planning approved the development application for the Munro site which will include 56 affordable apartments. In February 2018, the City of Melbourne submitted a development brief that introduces the vision for the Boyd site (132 Kavanagh Street, Southbank) and the design requirements for the private development. The public design brief that will be part of the tender documentation for the sale of the Boyd development site includes a requirement to provide 40 affordable residential apartments.
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Outcome: People are healthy and well.

**Indicators**

An increase in the proportion of adult residents who consume enough fruit and vegetables to meet daily dietary requirements.*  (Reported as the proportion of adults in the municipality.)	5.6%	Over 5 per cent of adults in the municipality consume both the recommended daily intake of fruit and vegetables, higher than the rate across Victoria which is over 4 per cent. While around half the adult population in the municipality consume enough fruit per day (53.7 per cent), only 12 per cent consume enough vegetables per day. This is slightly better than the Victorian average (47.8 per cent and 7.4 per cent respectively).
A decrease in the proportion of people who experience food stress.*  (Reported as the proportion of residents who experienced food stress.)	26.1%	The proportion of residents who reported experiencing food stress was around 26 per cent.  This included people who: <ul style="list-style-type: none"> <li>ran out of food in the last 12 months and could not afford to buy more</li> <li>skipped meals or ate less in the last 12 months because they worried about not having enough food</li> <li>worried about running out of food in the last 12 months.</li> </ul>
The proportion of residents who produce and consume their own food.*	59.1%	The proportion of residents who reported that they have produced and consumed their own food in the last 12 months was around 59 per cent. This includes residents who grow vegetables, fruits and herbs at home or in a street or community garden.
The proportion of adults who get adequate physical exercise.*	52.5%	The proportion of adults who get adequate physical exercise was over 52 per cent. Adequate exercise was defined as 30 minutes or more of physical activity on four or more days per week.

\* This is also a health and wellbeing indicator.

Outcomes and indicators	Result	Our progress
Outcome: Children and families have access to quality early years programs.		

**Indicator**

The Australian Early Development Index score for the municipality.

77.7

The 2015 national Australian Early Development Census data focuses on the developmental health and wellbeing of all children starting formal school in the Melbourne community. Data is collected across five domains closely linked to child health, education and social outcomes. Of 444 children in this study, over 77 per cent are developmentally on track. This statistic implies that almost 23 per cent of children in early education in the municipality are still developmentally vulnerable on at least one developmental domain.

# PRIORITIES AND INITIATIVES

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

A total of six initiatives were completed under a city for people in 2017-18. One initiative was carried over and will continue to be delivered in the 2018-19 financial year.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<b>We will provide opportunities to celebrate cultural diversity.*</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<b>We will provide a review of the options for housing in the municipality taking into account the needs of a diverse population.*</b>	<ul style="list-style-type: none"> <li>↻ • Review and broker affordable housing options to enable more affordable housing in the municipality.</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake a housing capacity study and needs analysis to build the evidence base on emerging challenges in preparation for further work on affordable housing in the municipality.</li> </ul>
<b>We will partner to improve community safety through crime prevention with Victoria Police, business and resident groups.*</b>	<ul style="list-style-type: none"> <li>✓ • Address and improve safety for women inside and around the city's night entertainment venues.</li> </ul>	<ul style="list-style-type: none"> <li>• (Major initiative) Continue to work with Victorian Government and Victoria Police on the strategy and delivery of security treatments across different precincts within the central city and at key access points to the central city.</li> </ul>
<b>We will partner to create and maximise use of recreation spaces.*</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<b>We will partner to ensure early years programs deliver quality outcomes for children and families by working with service providers.</b>	<ul style="list-style-type: none"> <li>✓ • (Major initiative) Commence construction of the Lady Huntingfield integrated children and family centre.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<b>We will partner to support people sleeping rough to access the services they need.*</b>	<ul style="list-style-type: none"> <li>✓ • (Major initiative) Implement the Pathways Innovation Package for housing and homelessness.</li> </ul>	<ul style="list-style-type: none"> <li>• (Major initiative) Work with our partners to support pathways out of homelessness, including the creation of a campaign that encourages appropriate giving whilst discouraging inappropriate donations of goods and services.</li> </ul>
<b>We will facilitate integrated service provision for people experiencing homelessness.*</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<b>We will facilitate opportunities for the community to participate in activities that improve their health and connection to the community.*</b>	<ul style="list-style-type: none"> <li>✓ • Implement the agreed next steps following the Sunday streets trial.</li> </ul>	<ul style="list-style-type: none"> <li>• Investigate options for the provision of exercise opportunities for seniors.</li> </ul>

\* This is also a health and wellbeing priority.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<b>We will facilitate opportunities for international students to acquire leadership skills, integrate in and contribute to the wider community.*</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<b>We will facilitate ongoing education and promotion regarding urban agriculture and access to healthy food.*</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish and lead a Melbourne Food Alliance to address current and future urban food system issues associated with city growth and development.</li> </ul>
<b>We will advocate for increased access, inclusion and participation of all people in public spaces, programs and services irrespective of ability, background, class, gender and orientation.*</b>	<ul style="list-style-type: none"> <li>✓ • Review Council's role in the provision of services and activities to older people and people with disability in response to the National Disability Insurance Scheme and Aged care reforms.</li> </ul>	<ul style="list-style-type: none"> <li>• Explore opportunities to partner with the Melbourne Disability Institute to ensure full participation for people with disabilities.</li> <li>• Support social cohesion within our communities by engaging at risk young people (14 to 25) and linking them to employment and training pathways and local mentors.</li> </ul>
<b>We will advocate for the promotion of gender equity and prevention of violence against women and children including in the home.*</b>	<ul style="list-style-type: none"> <li>✓ • Develop a gender equity statement that informs and guides services, programs and projects delivered by the City of Melbourne.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>

**Key**

- ✓ Completed
- ↻ Carried over

\* This is also a health and wellbeing priority.



# A CREATIVE CITY

Melbourne will be a place that inspires experimentation, innovation and creativity and fosters leaders of ideas and courage. It supports and values its artists and broader creative community. It will invest in the creativity of people of all backgrounds and ability in all pursuits. Melbourne's reputation will attract and retain pioneers in the creative arts and innovation sector and enable them to contribute to the city's prosperity.

## Progress measures

### Municipal major indicator

The value to the local economy of the creative sector in gross local product.

#### Result

**\$3.84 billion**

### Municipal major indicator

The amount of arts and cultural space in the municipality.

#### Result

**399,000 sq.m**

## Our approach

Great cities bring together people of diverse backgrounds and talent to collectively reinvent the future. They provide opportunities for people to imagine new possibilities, take risks, and give expression to their ideas and insights.

Melbourne's artistic, cultural and creative life is vital for community wellbeing. It provides a shared language for people of all ages and backgrounds to explore ideas, connect with one another through authentic experiences, and participate in conversations larger than themselves. A creative city is about fulfilling people's basic needs around meaning and belonging. It is about enabling them to realise their highest ideals and potential.

Fostering a creative city requires the right foundations and supporting infrastructure. We will consolidate our strength as a global arts and cultural hub by:

- Embracing the transformative role that creativity plays in building all aspects of a bold, innovative and sustainable city.
- Enabling artists and creative practitioners by providing resources and spaces for production and collaboration.
- Encouraging all people to participate in the free flow of ideas.
- Respecting the role that artistic and creative experiences play in healthy individual development, community wellbeing and social cohesion.
- Investing in social and cultural capital by supporting arts and culture.
- Providing an environment that inspires artists, creative practitioners and innovative enterprise and encourages the public to question, challenge boundaries and explore new horizons.



## Major initiative



### Progress the Arts House Strategic Plan including the scoping of precinct planning

Arts House is Melbourne's centre for contemporary performance and interactive artforms, based at the North Melbourne Town Hall. This year, we improved digital capabilities through the launch of the Arts House website and undertook an extensive capital works program in the public areas of the North Melbourne Town Hall, to create a better experience for visitors. Program initiatives included the presentation of the July series of works by culturally and linguistically diverse artists, the Refuge project and the third biennial Festival of Live Art (FOLA). We also carried out an assessment of City of Melbourne-owned buildings and public space in Arts House and the North Melbourne Precinct to explore the potential of the precinct.

## Highlights

### ■ Alike film project\*

Oz African TV, with support from ArtPlay and The Venny, worked with 25 children from diverse cultural backgrounds over four weeks to make a film about our similarities and differences as human beings. The children learned about the film making process as well as being the interviewers and the interviewees. The film premiered at the One Beat One Love festival at the Immigration Museum on Sunday 25 March. Many of the children and their families attended the premiere and also engaged with the broader festival. The Alike film project helped the children to build confidence in expressing themselves through the arts and to be inspired by other artists within the African community.

### ■ ArtPlay\*

ArtPlay supported three artists from culturally and linguistically diverse backgrounds to begin a mentorship program that engages artists from targeted communities in order to build audience-centric programs. The mentorship program is a small step towards building these artists' skills, so that they can be engaged in ArtPlay programs.

### ■ Integrate public art into significant capital works projects

In the most ambitious public art commission in the City of Melbourne's history, four artists have been shortlisted by a selection panel for a \$2 million public artwork at Southbank. The public art will form part of the broader redevelopment of Southbank Boulevard with the final artwork to be selected by a panel of experts. A new creative brief and timeline are being developed for a permanent public art work as part of the redevelopment of University Square, Carlton, after responses to the original brief did not proceed to the next stage.

### ■ Improve the way our support for the arts intersects with creative industries

The expiry of the City of Melbourne's Arts Strategy 2014-2017 provided an opportunity to take a new look at creativity, bearing in mind international trends and competitive city positioning. The result is a new Creative Strategy that returns to Indigenous and ancient principles in which creativity plays a critical role in how we connect to place and each other and understand the world around us. It sets out to integrate creative practice into everything the city does, not as an add-on but right at the start, when contemplating the changes and challenges ahead for Melbourne. Taking our lead from the Future Melbourne community goals, we will bring together multi-disciplinary teams of our best creative practitioners and ask them: if Melbourne were the world's most creative city, how could we deliver an extraordinary result for this challenge?

\* Health and wellbeing related highlight.

# HOW WE PERFORMED AGAINST OUR INDICATORS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2017–2021. We measure progress by the indicators below.

## Outcome

Artists are supported to test, develop and realise ideas.

## Municipal major indicator

The value to the local economy of the creative sector in gross local product.

### Result

\$3.84 billion

## Our progress

Melbourne’s creative industry is vibrant; from state-of-the-art film studios at Docklands to fashion design, record labels, songwriters and web designers. The sector contributes \$3.84 billion in gross local product to the City of Melbourne economy.

## Outcome

The economic value of Melbourne’s creative industries sector grows.

## Municipal major indicator

The amount of arts and cultural space in the municipality.

### Result

399,000 sq.m

## Our progress

This indicator measures the total floor space occupied by arts and cultural activity in Melbourne including work performed by creative artists, musicians, writers and performers, performing arts operations, performing arts venue operations, museum operations and religious services.

## City of Melbourne indicators

Outcomes and indicators	Result	Our progress
Outcome: Artists are supported to test, develop and realise ideas.		
<b>Indicators</b>		
The number of creative spaces made available for artists by the City of Melbourne.	212	This figure represents the total number of spaces made available during the year through our Creative Spaces program as well as Arts House, ArtPlay, Signal, the Meat Market, Library at the Dock, City Library and Kathleen Syme Library and Community Centre. The number available dropped in the latter part of the year, with the temporary creative spaces at Boyd Community Hub closing to make way for development. This reduction will be reflected in next year's data.
The number of artists supported by the City of Melbourne.	17,678	The City of Melbourne's support for artists comes in many forms, including grants to individuals and organisations, creative development and presentation programs such as Arts House, ArtPlay and Signal. Artists are also supported through events such as Melbourne Music Week and Melbourne Fashion Week and through access to creative spaces.
Outcome: The economic value of Melbourne's creative industries sector grows.		
<b>Indicator</b>		
The number of co-working and incubator spaces for creative industry practitioners provided by the City of Melbourne.	40	Most of our co-working spaces are at Guild Cowork, with others based at ArtPlay, Signal, Library at the Dock and the Kathleen Syme Library.
Outcome: People participate in the creative life of the city.		
<b>Indicator</b>		
The number of people who participate in selected arts and cultural events sponsored by the City of Melbourne.*	4,836,825	This figure comprises the number of people who have participated in City of Melbourne programming such as Arts House, ArtPlay, Signal, the Festival of Live Art and concerts on the Melbourne Town Hall Grand Organ and Federation Bells. It includes City of Melbourne owned premier events such as Moomba, New Year's Eve, Melbourne Music Week and Melbourne Fashion Week. Also included is participation at Melbourne Knowledge Week and Melbourne Conversations, activities at our libraries, galleries, makers' spaces and participation in events we have supported through funding.

\* This is also a health and wellbeing indicator.

## Municipal indicator

Outcomes and indicators	Result	Our progress
Outcome: The economic value of Melbourne’s creative industries sector grows.		
<b>Indicator</b>		
Creative sector jobs as a proportion of total employment.	7.92%	The creative industries sector accounted for around 8 per cent of the City of Melbourne’s total employment in 2017, up from 7.69 per cent. This sector includes film, broadcasting, fashion, creative and performing arts, publishing, library and other activities.

# PRIORITIES AND INITIATIVES

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

A total of three initiatives were completed under a creative city in 2017-18.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
We will provide resources for artists to develop new ideas.	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
We will provide opportunities for the public to experience and participate in art.*	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>Explore opportunities to celebrate the unique winter identity of Melbourne as a creative city, focusing on laneways.</li> </ul>
We will provide public and purpose-built spaces for community arts and performing arts.*	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
We will provide a completed plan for the renewal of the North Melbourne performing arts precinct.	<ul style="list-style-type: none"> <li>✓ (Major initiative) Progress the Arts House Strategic Plan including the scoping of precinct planning.</li> </ul>	<ul style="list-style-type: none"> <li>Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
We will provide co-working and incubator spaces for creative industry practitioners.	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
We will partner to integrate public art in projects.	<ul style="list-style-type: none"> <li>✓ Integrate public art into significant capital works projects.</li> </ul>	<ul style="list-style-type: none"> <li>Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
We will facilitate affordable creative spaces for artists.	<ul style="list-style-type: none"> <li>Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
We will facilitate support for creative arts industries and arts infrastructure, including technology, through new funding mechanisms.	<ul style="list-style-type: none"> <li>✓ Review and improve the way the City of Melbourne's support for the arts intersects with creative industries to contribute to creativity and prosperity.</li> </ul>	<ul style="list-style-type: none"> <li>(Major initiative) Advocate for increasing the supply of affordable commercial spaces for creative industries, small business and startups across the municipality through the provision of high quality evidence and analysis.</li> </ul>

**Key**

✓ Completed

\* This is also a health and wellbeing priority.

# A PROSPEROUS CITY



Melbourne will be regarded as the destination of choice amongst international and local business and enterprise by excelling in its ability to nurture a vibrant economy for those who work, live, study, visit and invest. Its leadership as an event, cultural and education destination will be key to its national and international connections and growing visitor economy.

## Progress measure

### Municipal major indicator

Growth in capital city gross local product.

#### Result

1.68% increase

## Our approach

The City of Melbourne is home to a range of small businesses, professional, scientific, technical, education and financial and insurance services. It has a 24-hour economy attracting a steady stream of visitors that underpin a multi-billion dollar retail and hospitality sector.

Our capital city role, global networks and international outlook allows us to benefit from home-grown businesses as well as export driven services, such as education and tourism services. Melbourne's international credentials in urban development, clean technology and life sciences, together with the emerging fields of biotechnology, communications technology, creative industry and advanced manufacturing, makes us well positioned to expand our profile on the world stage.

As a prosperous city, we will support existing and emerging businesses to thrive by:

- Building on our existing assets and supporting existing businesses.
- Consolidating our reputation as a preferred Australasian destination for business, work, education, tourism, leisure and culture.
- Leveraging local and global relationships with city governments, businesses, industry associations, and peak bodies to drive investment and location decisions.
- Stimulating future growth and innovation through partnerships with government, business, community and peak bodies.
- Increasing the capability of new and emerging businesses, and new industries, by linking investment and talent.



## Major initiatives



### Plan and deliver 2018 City of Melbourne-led business mission to key Asian markets

In March 2018, a highly-successful business mission to Japan and China showcased Melbourne's business capabilities in health and life sciences, sustainable urban development, innovation and start-ups and general aviation. Councillor Kevin Louey, as mission leader, and Councillor Philip Le Liu led 22 Victorian businesses and organisations to uncover significant opportunities in key markets. The councillors were influential in advancing business projects and opening doors to key decision makers. The mission delivered more than 300 tailored business matchings for delegates. Media coverage reached more than 200,000 people and included more than 35 news stories in China and Japan.

In a quantitative survey, every respondent said that participation in the mission had improved or greatly improved their understanding of the markets visited for their business. Of those who responded, 63 per cent reported they had already gained four or more business leads.



### Implement the Continuing Business Program at Queen Victoria Market

It is essential to keep the market operating throughout renewal so we have invested \$8 million in a support package that will help traders run, grow and innovate their businesses as we work to protect what's great about the market. Council approved the innovative package this year, offering dedicated business and financial support to the more than 600 independently owned businesses at the market. The City of Melbourne led a co-design program with traders, market management and the renewal team to shape the Trader Connect program, with Small Business Victoria, the Small Business Commission and business experts also taking part. The program was officially launched to traders in March 2018 at a well attended breakfast event. As part of Trader Connect, the Small Business Mentoring Service is providing free, confidential business advice to all market traders. Since March, mentors have spoken with around half of the trading community, with businesses taking up ongoing mentoring.

## Highlights

### █ Employment Mentor Project\*

Funded by a City of Melbourne grant, the Employment Mentor Project matches people seeking employment with mentors to increase their employment prospects. It is run by Incubate Foundation, an organisation that creates resources to support and develop the potential of the African Australians. Incubate has partnered with Victoria Police to attract and recruit African Australians to join the police. The project includes recruitment and a cultural diversity induction program for police mentors to mentor and guide interested applicants. It also develops cultural diversity training for mentors to enhance their mentoring capacity. Networking events are offered for mentees and mentors to strengthen connection. Combined with a robust mentor matching process, this program will increase employment, entrepreneurship and educational outcomes for young African Australians.

### █ Small Business Grants Program\*

Our small business grants aim to help passionate, innovative small businesses realise their dreams and reach new markets. With the help of a City of Melbourne grant, one such pioneering local company is now set to expand. EnviroDNA (eDNA) helps protect biodiversity by rapidly detecting and monitoring populations of animals. It can analyse a drop of water or a speck of dust to find traces of DNA. This helps to detect native and invasive species, from threatened fish to mosquitoes. In particular, eDNA comes in handy for very secretive animals, like the platypus. eDNA methods have helped to map platypus populations across 126 waterways in greater Melbourne. In Australia, extinction rates are higher for some native animals than anywhere else in the world, and this is expected to increase. This breakthrough eDNA service is the first of its kind in Australia, providing a highly sensitive and cost-effective monitoring option for specific species and biodiversity. It is already used by waterway and environmental managers and conservation parks. Other City of Melbourne small business grant recipient success stories include a social enterprise dedicated to providing girls with the tools, knowledge and support to enter and flourish in the world of coding and designing and manufacturing a portable glass lunchbox for bringing lunch from home or taking away from a cafe.

### █ 20 years of Melbourne in Tianjin, China

We celebrated the twentieth anniversary of the Melbourne office in Tianjin in 2018. The office represents the broad spectrum of the City of Melbourne's interests in China and has contributed to Melbourne's prosperity and regional connectivity. As with all relationships, the length and history of engagement means a great deal. Melbourne's Sister City relations with Tianjin, which are nearly 40 years old, along with Melbourne's 20 year physical presence in Tianjin, give Melbourne a special place in the sentiment of Chinese officials and business leaders. Melbourne was the first Australian city to establish such close city-to-city relations. Over the course of 20 years, the Melbourne office in Tianjin has assisted many Melbourne-based companies and organisations to do business with China. Most recently there have been significant successes in the fields of urban design and architectural practices and education. The office has also brought investment to Melbourne, with many significant Chinese companies seeking our advice on where and how to invest. Recently, it has built on its excellent relations with Victorian Government Trade and Investment offices, the Australian Trade and Investment Commission (Austrade) and the Department of Foreign Affairs and Trade to ensure its reach and impact is truly China-wide.

### █ Year One Startup Action Plan

Year One of the Startup Action Plan focused on delivering increased support for local businesses to start, grow and go global from Melbourne. This included providing a refreshed Local Food Launchpad program and launching new resources in the Startup Photo Library and Participate Melbourne startup page. Over 50 local startups participated in Melbourne Knowledge Week 2018, including 11 med-tech startups that co-created a Future Hospital at Parkville's Royal Melbourne Hospital. The City of Melbourne also participated in the Massachusetts Institute of Technology's Regional Entrepreneurship Acceleration Program with our innovation district partners from the University of Melbourne and RMIT University, alongside other representatives from Melbourne's startup community including startup founders and LaunchVic.

\* Health and wellbeing related highlight.

■ **Curate the city's events and ensure sustainable use of open public space, to drive year-round visitation**

To manage competing priorities and demand for open space, we analysed event bookings and found that peak usage of open space occurs between August and March. We then focussed on event programming to increase winter visitation. In winter 2017, businesses across the city were supported with a 12 week marketing campaign and event program. Engaging over 600 businesses and events, the campaign generated more than 89,000 visits to the city and is estimated to have returned \$22 million in economic impact. We ran two new events in the Docklands Precinct: the Docklands Firelight Festival and Docklands Winter Glow. These two events generated over 32,500 visitors to the precinct and engaged 20 businesses.

■ **Implement targeted visitor initiatives to drive the retail, hospitality and tourism sectors**

Throughout the year, we implemented targeted programs to increase spending in our city across many sectors. A highlight this year was our partnership with Vogue Australia to present the opening night of the newly branded 'Melbourne Fashion Week'. The total program delivered an economic impact of \$2.44 million to local businesses. Our funding of 13 local organisations through the Small Business Grants Program is expected to result in the creation of 96 new jobs. Promoting our Christmas Festival through our WeChat channel to Mandarin speaking visitors allowed us to reach to a new audience. Our successful triennial sponsorship program and Event Partnership Program helped to drive over 1.5 million visitors and an economic impact of \$5 million, as well as supporting free cultural experiences. We partnered with 20 events, including Midsumma Festival, Australian Grand Prix, Sustainable Living Festival, White Night, Royal Children's Hospital Kids Day Out and the Melbourne Food and Wine Festival.

# HOW WE PERFORMED AGAINST OUR INDICATORS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2017–2021. We measure progress by the indicators below.

## Outcome

Melbourne prospers through global business relationships and investment attraction.

## Municipal major indicator

Growth in capital city gross local product.

## Result

1.68% increase

## Our progress

There has been a 1.68 per cent increase in Gross Local Product (GLP) from \$90.6 billion to \$92.12 billion. This figure indicates that Melbourne is continuing on a trajectory of prosperity. This continued prosperity is important for driving investment and business confidence. With the local economy growing from strength to strength the city remains in a strong position to leverage global business relationships and attract investment. This is particularly important as the city faces a period of disruption. This figure has been calculated by the change in GLP in 2016 from GLP in 2015, presented as a percentage. The latest data available is for the year 2016.

## City of Melbourne indicators

Outcomes and indicators	Result	Our progress
Outcome: Melbourne’s businesses are supported despite disruption caused by major projects.		
<b>Indicator</b>		
The average economic contribution of City of Melbourne premier events per year.	\$70.32 million	The City of Melbourne premier events are Melbourne Fashion Week, Melbourne Music Week, Christmas Festival, New Year’s Eve and Moomba.
Outcome: Melbourne prospers through global business relationships and investment attraction.		
<b>Indicator</b>		
The change in trade connections made per year.  (Reported as the number of trade connections made not the change.)	566	The number of trade connections (the number of introductions of local businesses to prospective international customers, partners and investors) was 566 in 2017-18 compared with 610 in 2016-17. Half these connections were achieved from the City of Melbourne mission to China and Japan in March 2018. This work contributes to Melbourne’s prosperity through creating global business relationships. The slight decline in trade connections reflects the more selective and targeted approach taken to generating business introductions. The 2018 mission to China and Japan, in particular, focused on a qualitative business matching. In making these arrangements, the City of Melbourne drew on the market expertise of Austrade, Department of Foreign Affairs and Trade (DFAT) and the Victorian Government Trade and Investment offices, resulting in slightly fewer, but directly relevant, business matching introductions for Melbourne businesses.
Outcome: Melbourne supports new businesses and a vibrant start-up economy.		
<b>Indicator</b>		
The number of small businesses and startups supported through City of Melbourne grants.	15	This year saw a 25 per cent increase in the number of supported small businesses and start-ups within our municipality, through the City of Melbourne’s small business grants program. This rise is explained by the introduction of a ‘waitlist register’ whereby unused or declined funds can be reallocated to waitlist applications.

Outcomes and indicators	Result	Our progress
Outcome: Melbourne is the destination of choice to visit, live and study.		
<b>Indicators</b>		
The number of conventions and conferences supported by City of Melbourne per year.	22	<p>In 2017-18, 22 events were approved by Council for funding, however only 20 proceeded. The grants supported business events or conferences that helped promote Melbourne as a destination and attract more visitors to the city. The events supported differed in size and scale with larger events such as All-Energy Australia, Waste Expo and RACI Centenary Congress attracting over 4000 delegates each. Across the 20 sponsored events this year, a total of 26,293 delegates were brought into the city. The 20 sponsored events provided a range of public programming along with substantial economic impact to Melbourne. These events attracted 47 per cent of delegates from interstate or overseas and 42 per cent of these delegates chose to stay between one and three additional nights before or after the conference.</p>
The number of events supported by City of Melbourne per year.	923	<p>A total of 923 events were supported this year by the City of Melbourne. Specific results are below:</p> <ul style="list-style-type: none"> <li>• Event Partnership Program (EPP) sponsored 45 events.</li> <li>• Triennial Sponsorship Program (TSP) sponsored 14 events.</li> <li>• Planning and Operations team permitted 864 events.</li> </ul> <p>Funding is provided to eligible organisations that plan events that will activate the city and provide additional patronage for city businesses.</p> <p>Partnerships included Midsumma Festival, Australian Grand Prix, Sustainable Living Festival, White Night, Royal Children's Hospital Kids Day Out as well as the Melbourne Food and Wine Festival.</p>
The number of attendees at City of Melbourne premier events per year.	2,967,952	<p>A total of 2,967,952 attended City of Melbourne premier events across 2017-18. The City of Melbourne premier events are Melbourne Fashion Week, Melbourne Music Week, Christmas Festival, New Year's Eve and Moomba. The highlight of 2017-18 was the new Christmas Festival delivered at Federation Square due to the Melbourne Metro Rail Project. The program incorporated a new illuminated 16 m LED Christmas tree and resulted in a 172 per cent increase in visitation from last year.</p>



## Municipal indicators

Outcomes and indicators	Result	Our progress
Outcome: Melbourne's businesses are supported despite disruption caused by major projects.		

Indicator		
The rate of change in business numbers.	1.9%	The number of businesses has increased by around 2 per cent from 13,902 to 14,165. This figure has been calculated by the change in the number of businesses with employment in 2017 from the number of businesses with employment in 2016, presented as a percentage. A continued increase in business numbers indicates a confidence in starting or moving a business into the municipality. This figure is particularly encouraging as the city continues to experience disruption from major projects and threat of competition from other local economies. City initiatives will continue to ensure that this disruption has minimal impact on businesses.

Outcome: Melbourne supports new businesses and a vibrant start-up economy.		
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Indicators		
The number of startups in the municipality.	1100	This statistic relates to technology startups in the municipality. It is drawn from a comprehensive city profile on the Melbourne startup ecosystem, commissioned by LaunchVic and prepared by Startup Genome, a global body researching startup ecosystems around the world. The report shows that with 1100 technology startups, Melbourne has about twice the average for other ecosystems at a similar developmental stage.

Growth in the number of new patents per year.	16.8% decrease	There was around a 17 per cent decrease in patent numbers from 112 to 93 in the municipality. This figure has been calculated by the change in the number of new patents in 2016 from the number of new patents in 2015, presented as a percentage (2016 is the most recent data available). The number of patents issued to resident persons or corporations of a city is an indicator of innovation; a result of the production and use of knowledge. This information enables the City of Melbourne to gain an understanding of how much innovation is occurring in the city and to measure the success of Melbourne's startup ecosystem and knowledge economy.
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Outcomes and indicators	Result	Our progress
Outcome: Melbourne supports new businesses and a vibrant start-up economy. (cont.)		

**Indicators**

The number of co-working spaces located in the municipality.	42	The City of Melbourne provides the data on co-working spaces in the municipality via the open data platform, most recently updated in June 2018. Startup Genome reports that Melbourne and surrounding areas (beyond the municipality) have 170 co-working spaces, which equates to roughly 15 for every 100 startups. The City of Melbourne has become known as the 'co-working capital' of Australia.
Youth unemployment in the municipality.*	10%	The percentage of youth unemployment remained between nine and 10 per cent during 2017. The municipality's youth employment rate is lower than that of Greater Melbourne which ranged between 15 and 17 per cent during the same year.

Outcome: Melbourne is the destination of choice to visit, live and study.		
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**Indicator**

Growth in visitor numbers.	8.46 %	Visitor numbers for the year ending 2017 have increased by around 8 per cent compared to 2016. This increase indicates that Melbourne is a popular destination to visit. Such an increase consolidates the city's reputation as a preferred destination for business, work, education, tourism, leisure and culture. The data was sourced from the Tourism Research Australia National Visitor Survey (NVS) and International Visitor Survey.
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\* This is also a health and wellbeing indicator.

# PRIORITIES AND INITIATIVES

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

A total of 10 initiatives were completed under a prosperous city in 2017-18. One initiative was carried over and will continue to be delivered in the 2018-19 financial year.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<p><b>We will provide enhanced support to small business during a period of major disruption.</b></p>	<ul style="list-style-type: none"> <li>✓ • (Major initiative) Implement the Continuing Business Program at Queen Victoria Market.</li> <li>✓ • Mitigate the effects of disruption in the city and competition from suburbs by boosting destination marketing that influences people’s preference to visit the city for events, arts, leisure, conferences, hospitality and shopping.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop digital tools that will inform city users, businesses, residents and partners of significant road closures and disruptions within the municipality in real time.</li> <li>• (Major initiative) Actively support businesses, visitors and residents during periods of city disruption and change through:               <ul style="list-style-type: none"> <li>- delivery of retail and hospitality activations that profile the city as a premier shopping destination</li> <li>- strengthening our existing destination campaigns</li> <li>- improving our support for affected residents and businesses.</li> </ul> </li> </ul>
<p><b>We will provide marketing and branding campaigns to support and grow the visitor and international student economy.</b></p>	<ul style="list-style-type: none"> <li>↻ • Continue to improve the What’s On Melbourne digital experience, investigate and evaluate options for the delivery of an enhanced customer experience for both businesses and visitors.</li> <li>✓ • Strengthen how the City of Melbourne utilises social media to engage visitors, promote Melbourne’s assets and further influence visitation.</li> <li>✓ • Design and implement targeted initiatives for visitor groups including city workers, residents, cruise ships passengers, international students, visiting friends and relatives that drive the economic spend in the retail, hospitality and tourism sectors.</li> <li>✓ • Develop the next iteration of the Music Strategy to build on the achievements to date in collaboration with the music industry and key partners.</li> <li>✓ • Extend the Christmas Festival across multiple precincts to strengthen the city’s offering and drive visitation through the festive season month.</li> <li>✓ • Develop a new approach to the visitor services model to activate Melbourne’s visitor entry points.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance the What’s On Melbourne digital experience by providing personalised and tailored information for visitors based on customer preferences.</li> <li>• Increase City of Melbourne’s WeChat social media reach to Chinese visitors, international students, business and potential investors.</li> <li>• Improve the wellbeing of international students by working with institutions and service providers to better understand and address matters relating to their accommodation needs.</li> </ul>

**Key**

- ✓ Completed
- ↻ Carried over

Our 4-year priorities are	Our 2017–18 focus was	Over the next year we will
<p><b>We will provide support to local, national and global public events that stimulate the economy and contribute to a vibrant city life.</b></p>	<p>✓ • Curate the city’s events and activation calendar and ensure sustainable use of open public space, to drive year-round visitation and city exploration.</p>	<p>• Increase visitation in Melbourne’s off-peak winter season in collaboration with key stakeholders through events and other activations.</p>
<p><b>We will provide support to Melbourne’s start-ups and innovative businesses.</b></p>	<p>✓ • Enhance the City of Melbourne’s support to help more startups and small businesses to ‘start, grow and go global’ from Melbourne.</p>	<p>• Deliver year two of the Startup Action Plan, including investigating and testing opportunities to provide publicly accessible innovation space, better marketing of Melbourne’s Startup landscape and exploring support for commercialisation opportunities.</p> <p>• (Major initiative) Advance the delivery of Melbourne Innovation Districts, City North including:</p> <ul style="list-style-type: none"> <li>- commencing preparation of a planning scheme amendment to better target land use</li> <li>- delivering Lincoln Square upgrades and commencing improvements to Cardigan Street.</li> </ul> <p>• Identify opportunities to improve or expand the impact of the Small Business Grants program.</p>
<p><b>We will provide opportunities for increased economic participation through social enterprise.*</b></p>	<p>• Work supporting this priority was included in our regular business throughout the year.</p>	<p>• Work supporting this priority is included in our regular business throughout the next year.</p>
<p><b>We will partner to ensure Melbourne’s economy continues to thrive by working with the Victorian and Australian Government and other stakeholders.</b></p>	<p>• Work supporting this priority was included in our regular business throughout the year.</p>	<p>• Work supporting this priority is included in our regular business throughout the next year.</p>
<p><b>We will partner to support innovation and invention through citizen, academic and business participation.</b></p>	<p>• Work supporting this priority was included in our regular business throughout the year.</p>	<p>• Work supporting this priority is included in our regular business throughout the next year.</p>

\* This is also a health and wellbeing priority.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<p><b>We will facilitate attraction of national and international businesses to Melbourne.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will facilitate attraction of conferences and conventions to Melbourne.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will facilitate opportunities in the Asia-Pacific for small-and-medium enterprises by growing global connections with Business Partner City Network cities.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will facilitate business relationships between Melbourne and partner cities in China and other key markets that support investment.</b></p>	<ul style="list-style-type: none"> <li>✓ • (Major initiative) Plan and deliver 2018 City of Melbourne led business mission to key Asian markets.</li> </ul>	<ul style="list-style-type: none"> <li>• Host key Smart City influencers and business leaders from India to grow business relationships with Melbourne urban design firms, education institutions and other organisations.</li> <li>• Implement a new visitor services model that prepares Melbourne and supports businesses for increased numbers of visitors from key Asian markets.</li> </ul>

**Key**

- ✓ Completed
- ↻ Carried over

# A KNOWLEDGE CITY



In a knowledge city, the collective power of mind and experience drives the city's prosperity, its ability to compete globally and the quality of life its people enjoy. It supports a well-resourced education and research system collaborating with business to produce a highly skilled and talented workforce, and a culture of innovation. It has a vibrant, collaborative and city-based lifelong-learning culture.

## Progress measure

### Municipal major indicator

The proportion of people in the municipality employed by businesses and institutions in the knowledge sector.

#### Result

**64%** of people employed  
in the knowledge sector

## Our approach

Cities like Melbourne succeed because they are magnets for knowledge and talent. The City of Melbourne supports the diffusion of ideas and encourages innovation, which are the basis of productivity and jobs growth.

We have enjoyed a steady stream of skilled talent, but the competition amongst cities for skills will become increasingly fierce. The challenge and opportunity for Melbourne is to consolidate our credentials as Australia's research capital and leading producer of applied knowledge.

As a knowledge city, we will need to focus on attracting skilled workers and ensuring people get the right start in life through access to appropriate education, as well as opportunities to upskill throughout their working lives. We will need to keep pace with these challenges and opportunities while building on our reputation as a knowledge capital by:

- Nurturing, attracting and retaining talent and firms involved in the creation, sharing and use of knowledge.
- Ensuring all individuals have access to life-long learning, in particular those vulnerable to being left behind in a transitioning economy.
- Fostering the growth of knowledge-intensive activities.
- Strengthening relationships, networks and partnerships between academic, research, business and public sector agencies to maximise the potential of existing resources and knowledge.
- Raising the profile of our knowledge sector, locally, nationally and internationally to attract investment.



## Major initiative



### Advocate for the appropriate siting and staged provision of new schools with a particular focus on Arden Macaulay, Fishermans Bend and Docklands and the central city

We have continued to engage with the Victorian Government on the appropriate siting and staged provision of new schools with a particular focus on Arden Macaulay, Fishermans Bend, Docklands and the central city. We will continue to work with the Victorian Government and provide guidance on design and transport considerations to ensure appropriate consideration of new school's potential impact on the surrounding land. We will investigate the potential for co-location of community facilities within new schools, share our population and demographic forecasts, and engage with the Department of Education and Training as we plan for growth areas across the city.

## Highlights

### True Cityzens\*

The Huddle in North Melbourne runs a young people's leadership program called True Cityzens. Funded through the City of Melbourne's community grants program, the sport-aligned leadership program aims to utilise a love of sport to motivate young people. True Cityzens supports young, emerging leaders to value their own cultural diversity, build connections across cultures and communities and become positive role models. The program will result in more confident, connected and job-ready young people. Participants in True Cityzens will develop a deeper understanding of themselves and improve education and employment outcomes.

### Library to living room\*

The East Melbourne Library has celebrated its tenth anniversary with the installation of new self-service borrowing pods, a reconfigured computer station, cosy armchairs and a communal table. The upgrades reflect the changing role of libraries across Melbourne, and the world, from transactional spaces to vibrant community hubs. The improvements have resulted in a more efficient loan system, greater floor space and a smarter look to the ground floor. Seating spaces are relaxed, with easy access to reading materials and the community is enjoying the changes.

### Diversity in community engagement\*

Community engagement is any process that involves the public in problem solving or decision making and uses public input to make decisions. We are working with the community to realise the potential of the places where we live, work and play. This year we engaged directly with the community on more than 40 projects in areas including city planning, urban design, climate change, health, heritage, children's and family services and libraries. We used diverse methods and activities to capture the ideas and voices of a broad range of community members. Engagement methods included walking tours, focus groups, meetings, workshops, forums, events, surveys (face-to-face and online), talks, discussion papers, mapping activities, pop-up displays around the city, observations and online forums. Offering a variety of activities enabled a diversity of people to share their views and contribute.

\* Health and wellbeing related highlight.

## Highlights

### ■ Increase the profile of Melbourne as a student city

In 2017-18 the City of Melbourne undertook research with approximately 1000 students. These findings assisted us to better welcome, connect and encourage students to participate in the life of the city. We delivered programs that increased the profile of Melbourne as an education and knowledge city serviced by world-class universities and research institutions, in collaboration with Study Melbourne, Austrade, education institutions, community organisations and peak student bodies. These programs include the Student Welcome Desk, Lord Mayor's Student Welcome and the Melbourne International Student Conference. The City of Melbourne's WeChat regularly publicises major events and promotes Melbourne's ranking as the third best student city in the world.

### ■ Review the Knowledge Fellowship Program

The Melbourne Knowledge Fellowship Program began in 2014 as a three-year program to enhance local knowledge in creative technologies. The City of Melbourne provided \$25,000 each year to support the professional development of three fellows. The program encouraged the fellows to share newly acquired knowledge with the creative technologies sector and the public at the Library at the Dock. We commissioned consultants to measure the impact created by the program and recommend areas of improvement. The review presents a strong case for the continuation of the program in a modified form. Recommendations included: realigning the program to support startups, encouraging greater numbers and diversity of applicants and exploring ways to promote fellowships through media and events. These opportunities will drive the design of a refreshed program in 2018-19.

# HOW WE PERFORMED AGAINST OUR INDICATORS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2017–2021. We measure progress by the indicators below.

## Outcome

Melbourne has a thriving knowledge sector and industry.

## Municipal major indicator

The proportion of people in the municipality employed by businesses and institutions in the knowledge sector.

## Result

**64% of people employed  
in the knowledge sector**

## Our progress

Melbourne is home to infrastructure and key organisations which are characteristic of a knowledge city. We have recognised strengths in fields such as biotechnology, education, finance, advanced manufacturing, and creative industries. Melbourne's knowledge sector comprises knowledge repositories such as libraries; research hardware and software including communications facilities; and capabilities and analytical tools. These support public and private organisations and networks involved in knowledge production, dissemination and application, including the business, education, government and not-for-profit sectors. In 2017 there were 10,470 establishments (businesses and organisations) in the knowledge sector providing about 265,000 jobs out of a total of 461,000 jobs in the municipality.

## City of Melbourne indicators

Outcomes and indicators	Result	Our progress
Outcome: People have access to knowledge resources and forums.		
<b>Indicator</b>		
The number of people who participated in City of Melbourne knowledge festivals and forums.	23,401	This result is made up of participation in Melbourne Knowledge Week (22,695), Melbourne Conversations (651) and Open Innovation Challenge drop in sessions (55). The Melbourne Conversations events included discussions on Transport Strategy Refresh, Diversity Week and Hoddle Grid Heritage Review. Melbourne Conversations underwent a review and refresh and is now utilising better digital tools to document and promote events. Melbourne Knowledge Week 2018 took place at Meat Market in North Melbourne with a program of events focussed on connecting people, place, research and technology to imagine the city of the future.
Outcome: People have options to actively participate in lifelong learning.		
<b>Indicator</b>		
The number of people who participated in City of Melbourne learning programs.	76,060	The result is favourable compared to last year's total of 60,004 and exceeded this year's target by 8.6 per cent.

## Municipal indicators

Outcomes and indicators	Result	Our progress
Outcome: Melbourne has a thriving knowledge sector and industry.		
<b>Indicator</b>		
Growth in the knowledge sector.	3.87%	In 2015 there were 10,080 establishments (businesses and organisations) in the knowledge sector and this increased to 10,470 by 2017. Melbourne is home to infrastructure and key organisations with recognised strengths in fields such as biotechnology, education, finance, advanced manufacturing, and creative industries. Melbourne's knowledge sector comprises knowledge repositories such as libraries; research hardware and software including communications facilities; and capabilities and analytical tools. These support public and private organisations and networks involved in knowledge production, dissemination and application, including the business, education, government and not-for-profit sectors.
Outcome: People have options to actively participate in lifelong learning.		
<b>Indicators</b>		
The proportion of residents and city users who participated in lifelong learning.*	86.2%	This result covers residents and city users including workers and visitors that participated in lifelong learning in the last 12 months within the municipality or elsewhere. Of those that participated in lifelong learning, 67 per cent did so within the municipality. The lifelong learning categories considered included seminars, private lessons, self-directed learning (including reading), short-courses, onsite and industry training.
Public school availability per school-age population.	0.001171934	The municipality has a total of nine government schools within its boundary in 2018, for a population of approximately 7700 children of school-age (5 to 11 years and 12 to 17 years). Two of the nine government schools are special schools. Although the municipality has a small school age population it also attracts non-resident students in large numbers. By contrast, in 2017 there were eight government schools, including two special schools. There were approximately 6500 children of school age in the municipality. Victoria, with over 1500 government schools and a school-age population of around 980,000, has a government school to school-age population ratio of 0.001575255, slightly higher than the municipality's ratio.

\* This is also a health and wellbeing indicator.



# PRIORITIES AND INITIATIVES

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

A total of three initiatives were completed under a knowledge city in 2017-18.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
We will provide opportunities for people to participate in knowledge festivals and forums.*	✓ • Undertake a post-implementation review of the City of Melbourne Knowledge Fellowship program to inform future Knowledge programs	• Work supporting this priority is included in our regular business throughout the next year.
We will provide opportunities for people to participate in lifelong learning through use of our libraries, digital technologies and other resources.*	• Work supporting this priority was included in our regular business throughout the year.	• (Major initiative) Explore options for the future delivery of library services to inform design of the new city library and offerings at the other five library locations.
We will partner to strengthen collaboration within the sector including with tertiary institutions and other providers beyond our municipality.	• Work supporting this priority was included in our regular business throughout the year.	• Work supporting this priority is included in our regular business throughout the next year.
We will partner to broker access to resources and assets in the municipality that help grow the knowledge sector, including open data.	• Work supporting this priority was included in our regular business throughout the year.	• Work supporting this priority is included in our regular business throughout the next year.
We will facilitate growth of Melbourne's reputation as a leading knowledge city in alignment with the local tertiary, research and business sector.	✓ • Work with government bodies, education providers and student bodies to increase the profile of Melbourne as a student city and destination of choice to study.	• Work supporting this priority is included in our regular business throughout the next year.
We will advocate for provision of lifelong learning resources and assets to support our changing population, including schools.*	✓ • (Major initiative) Advocate for the appropriate siting and staged provision of new schools with a particular focus on Arden Macaulay, Fishermans Bend, Docklands and the central city.	• Work supporting this priority is included in our regular business throughout the next year.

**Key**

✓ Completed

\* This is also a health and wellbeing priority.



# A CONNECTED CITY



In a connected city, all people and goods can move to, from and within the city efficiently. Catering for growth and safeguarding prosperity will require planning for an efficient and sustainable transport network. Technology and innovative forms of movement will play a significant role in changing the way people and goods move. The responsible agencies will collaborate with stakeholders to implement measures making it easier for people to make sustainable and smart travel choices to and around the city, whether by foot, bicycle, tram, bus, train or car.

## Progress measure

### Municipal major indicator

The percentage of all commuter trips to the central city made by public transport, cycling or walking.

#### Result

71% of trips to  
the central city

## Our approach

Key to Melbourne's liveability and prosperity is the ability for people to move around safely and with ease, for work, socialising, or simply going about one's daily business.

Transport also supports people's health and wellbeing. It facilitates lifestyle choices, by allowing residents to live close to their sources of employment, food and recreation. Increasingly, people are choosing to cycle, walk or use public transport to get to, from and around the city, while the number of car trips in the municipality has declined.

Through the coordinated efforts of all levels of government, the City of Melbourne will continue building on its existing strengths as a connected city by:

- Supporting efficient and sustainable travel to, from and within the city including through walking, cycling and public transport.
- Enabling safe inner city travel experiences any time, any day, for people of all ages, needs and abilities.
- Meeting current and future transport needs by adapting to new innovations and technologies.
- Supporting the city's liveability and prosperity by enabling seamless connections between people and places.
- Taking a cohesive planning approach so that infrastructure investments made today by all levels of government support the liveability and prosperity of the city in the future.



## Major initiatives



### Develop options to manage pedestrian pressure points at train stations, particularly Southern Cross

As a key pedestrian gateway into the city, Spencer Street falls short in providing a safe and welcoming place for the tens of thousands of pedestrians that arrive by train into Southern Cross Station daily. The Spencer Street Station Precinct Plan proposes a bold long term vision for the area, increasing the size and quality of the pedestrian space to afford people with a safe and memorable experience and seamless interchange with trams.

A series of internal workshops, meetings with key stakeholders and contextual analysis informed development of the Spencer Street Precinct Opportunities Plan. The Plan provides a long-term vision and short, mid and long-term opportunities to reach the vision.



### Work with the Victorian Government to deliver a masterplan 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

The Flinders Street Station Precinct requires significant investment to realise its status as a welcoming and iconic gateway to the city. The City of Melbourne has developed a bold long-term vision for the Precinct to celebrate and enhance this major civic space and transport interchange. The CBD Security Project and Metro Tunnel Project provide opportunities to increase the size and quality of the pedestrian and cyclist realm. A series of workshops and contextual analysis informed the Flinders Street Station Opportunities Plan. The Plan addresses existing safety and pedestrian pressures in the Precinct and includes potential street enhancements to improve the area's civic place and transport function.

## Major initiative



### Review and refresh the Transport Strategy

This year we commissioned leading practitioners and academics to develop 13 individual research and background papers to inform our understanding of the key transport issues impacting on the city now and over the next thirty years. From this research, we developed eight discussion papers on the topics of walking, city space, public transport, cycling, emerging technology, motor vehicles, car parking and transport pricing. These discussion papers presented the evidence, best practice from other cities, options and ideas for consideration by the community. They were designed to raise awareness of the issues being faced in the city and encourage big thinking and public debate to inform the direction of our Transport Strategy. Each paper was released individually through the media from April to July 2018 and generated significant interest and discussion in the community. We received over 1000 community submissions and these will inform the draft Transport Strategy, to be released in 2018-19.

\* Health and wellbeing related highlight.

## Highlights

### Get Moving\*

Get Moving is a City of Melbourne initiative to get office workers moving by walking and cycling around Melbourne. The initiative is part of Melbourne's involvement in the Bloomberg Philanthropies Partnership for Healthy Cities, a worldwide effort to tackle non-communicable diseases and injuries. Phase one of the Get Moving program consisted of 25 walking and cycling themed challenges set over an eight week period. Participants earned points through the GreenMoney rewards program for completing these challenges and could then redeem rewards across the city. The program is currently being evaluated and phase two is being planned.

### Walking the talk\*

Our Walking Plan 2014-2017 looks at the many ways walking contributes to the city and how Melbourne's walking network could be improved as our population grows. It is our commitment to creating an efficient, enjoyable and safe walking environment for residents, workers and visitors. In the past 12 months major infrastructure improvements have included the upgrade of three intersections within the Hoddle Grid with pedestrian lanterns and audio tactiles to enhance pedestrian safety and ensure compliance with the *Disability Discrimination Act 1992*. These intersections are managed by VicRoads, however, the City of Melbourne has ensured all intersections within the city are safe for all pedestrians. Formal zebra pedestrian crossings have been installed on the roundabout at Pelham Street and Drummond Street, aimed at enhancing safety and amenity for school children travelling to and from the nearby Carlton Gardens Primary School. Zebra pedestrian crossings have also been installed at the Cardigan Street and Keppel Street intersection to improve safety for the local community and cater for the nearby childcare centre and University of Melbourne.

### Implement year two of the Bicycle Plan

Our Bicycle Plan 2016-2020 states that we are committed to making the most liveable city in the world also one of the great cycling cities in the world. The Plan includes a number of projects to assist the safety and accessibility of cycling routes and bike parking opportunities. In 2017-18, we installed 515 bike hoops, constructed three new bike hoop parking corrals / kerb extensions and constructed a separated bike lane on Albert Street, between Gisborne and Nicholson Streets to complete this important cycling corridor. Local route bike upgrades were implemented in Carlton, Kensington and North Melbourne to assist local connections to shops, schools and universities. We implemented Melbourne's first Green Wave traffic signal coordination project along Albert Street, which allows cyclists to ride at 15-25 km/h and experience no delays. The roadway carriageway was widened on Alexandra Avenue to enable future installation of a bike lane connection between Swan Street Bridge and Linlithgow Avenue.

# HOW WE PERFORMED AGAINST OUR INDICATORS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2017–2021. We measure progress by the indicators below.

## Outcome

People and goods are able to move sustainably in and out of the city.

## Municipal major indicator

The percentage of all commuter trips to the central city made by public transport, cycling or walking.\*

### Result

71% of trips to  
the central city

## Our progress

This data is collected every few years so a yearly comparison is not possible. The breakdown of weekday commuter trips to the central city in 2015–16 was 60 per cent (197,961) for public transport, 7 per cent (24,267) for walking and 4 per cent (13,632) for cycling.

Note: Most recent data available is from 2015–16.

\* This is also a health and wellbeing indicator.



## City of Melbourne indicators

Outcomes and indicators	Result	Our progress
Outcome: People of all abilities are able to move freely, safely and sustainably around the city.		
<b>Indicators</b>		
The level of footpath congestion. (Reported as the average number of pedestrians per hour.)	27,895	We are unable to provide a result that indicates the level of footpath congestion. The result provided is the average number of pedestrians per hour counted from specific locations where 50 pedestrian counters and sensors are located. In 2017-18 the sensors were located in the following locations: 32 in the central city, eight in Carlton, five in Southbank and five in Docklands. Whilst the overall average number of pedestrians per hour is 27,895, the minimum average per hour was 27,537 (in June) and the maximum average per hour was 32,637 (in March). Observable crowding that may impact on people's comfort levels usually takes place in the central city at intersections near railway stations.
The kilometres of bicycle paths in the municipality to population.	0.1 km	This result has been calculated by counting bicycle paths as separated bike lanes, separated paths and shared paths which total 91,735 km and the daily 2016 population of 911,000. The result equates to 100 metres per city user.

## Municipal indicators

Outcomes and indicators	Result	Our progress
Outcome: People of all abilities are able to move freely, safely and sustainably around the city.		
<b>Indicators</b>		
Fewer transport related accidents, injuries and fatalities in the municipality.	8.09% decrease	The City of Melbourne monitors data provided by VicRoads on injuries and fatalities resulting from police attended transport accidents in the city. Results for 2016-17 were released in 2017-18 and indicated there were 807 injuries and fatalities, 71 less than 2015-16 or a reduction of over 8 per cent. This was despite increasing movements of vehicles and pedestrians across the city. While there are many factors that contribute to the occurrence of these injuries and fatalities, the City of Melbourne will continue to prioritise measures from our Transport Strategy that will contribute to street safety.
An increase in the share of all trips to, from and within the municipality made on foot.	21%	This data is only collected every few years by the Victorian Integrated Survey of Travel and Activity (VISTA). The increase of 21 per cent is from the most recent survey conducted over 2015-16.
An increase in the share of all trips to, from and within the municipality that are made by bike.	3.6%	This data is only collected every few years by the Victorian Integrated Survey of Travel and Activity (VISTA). The increase of 3.6 per cent is from the most recent survey conducted over 2015-16.
Outcome: Melbourne's road network is optimised for current and future travel modes.		
<b>Indicator</b>		
Increased number of car share spaces installed in the municipality.	11	In 2017-18 the City of Melbourne approved the installation of 11 new on-street car share spaces. This increased the total number of car share spaces on our streets from 289 to 300 spaces.

# PRIORITIES AND INITIATIVES

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

One initiative was completed under a connected city in 2017-18. Four initiatives were carried over and will continue to be delivered in the 2018-19 financial year.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<p><b>We will provide high quality major streetscapes and boulevards including in urban renewal areas.</b></p>	<ul style="list-style-type: none"> <li>🔄 • Design and commence implementation of stage two of Elizabeth Street Streetscape Improvements.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalise design of Elizabeth Street Stage 2 and Elizabeth Street South, and subject to completion of localised development, commence construction of Elizabeth Street South.</li> <li>• Engage the community on the final Racecourse Road Streetscape Improvements Plan and complete design documentation for improvements.</li> </ul>
<p><b>We will provide an expanded pedestrian network, including wider footpaths to make the city more walkable and accessible.*</b></p>	<ul style="list-style-type: none"> <li>🔄 • (Major initiative) Develop options to manage pedestrian pressure points at train stations, particularly Southern Cross.</li> <li>🔄 • (Major initiative) Work with the Victorian Government to deliver a masterplan 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will provide safer on-and-off street routes for cyclists to support Melbourne as a cycling city.*</b></p>	<ul style="list-style-type: none"> <li>✓ • Implement year two of the Bike Plan including Albert Street full-time bike lanes, Yarra River Corridor lighting upgrade, local bike route upgrades, Collins Street early starts for bikes and installation of bicycle corrals.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve on our bicycle lane design standards by consulting with relevant transport safety experts and other cities to determine current best practice for bike lane infrastructure across a variety of riding environments</li> <li>• (Major initiative) Improve safety and increase usage of our bicycle network through high quality extensions and improvements in Southbank Boulevard, Carlton, North Melbourne, Kensington and Southbank and the installation of an additional 500 bike storage hoops.</li> <li>• Conduct analysis and consultation on west - east active transport links for the southern part of the central city.</li> <li>• Continue to trial on-street bike parking using designated car parking bays to improve footpath amenity.</li> </ul>

\* This is also a health and wellbeing priority.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<p><b>We will partner to improve opportunities for more seamless travel for cyclists around the municipality and between neighbouring areas, including through the Inner Melbourne Action Plan.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will partner to manage the disruption to transport networks from the Melbourne Metro Project with the Victorian Government and the community.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will facilitate planning for alternative transport modes, including electric and autonomous vehicles, share-cars and water transport.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• (Major initiative) Finalise the Transport Strategy Refresh and begin implementation of priority projects.</li> <li>• Advocate to and work with the Victorian Government and related bodies to establish regulatory certainty and a strategic framework for share bikes within the municipality.</li> </ul>
<p><b>We will facilitate alternative future use of car parking spaces for new transport requirements or other community needs.</b></p>	<ul style="list-style-type: none"> <li>☞ • (Major initiative) Review and refresh the Transport strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will facilitate the flow of people and goods by enhancing the inner Melbourne transport network, including last-kilometre freight.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress the preferred vision for Spencer Street Station and Flinders Street Station precincts to improve pedestrian and bicycle capacity and safety, and progress concept design to inform delivery of short to medium term public realm improvements.</li> </ul>
<p><b>We will advocate for an integrated public transport network that is carbon-neutral.*</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will advocate for an expanded public transport network that includes a focus on the next metro line and rail link to the airport.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will advocate for the best interests of the municipality in regards to significant transport projects.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to contribute to the successful design and delivery of the Metro Tunnel Project in partnership with Rail Projects Victoria and Cross Yarra Partnership.</li> </ul>

**Key**

- ✓ Completed
- ☞ Carried over

\* This is also a health and wellbeing priority.

# A DELIBERATIVE CITY



Melbourne will be a leader in using participatory, consultative and innovative approaches to decision-making. The diverse voices of Melbourne will be heard. New information technologies will be used to help citizens engage with local governance processes.

## Progress measure

### City of Melbourne major indicator

The proportion of people in the municipality satisfied with Council engagement activities.

#### Result

63 out of 100 people

## Our approach

A deliberative city is a city where people are encouraged to participate in civic activities, decision-making and information sharing. Communities are involved in how services that affect them are designed and delivered and people feel empowered to be agents of their own lives.

The City of Melbourne recognises that our community is a great source of knowledge and expertise – made up from those who choose to live in our municipality, and those who work, socialise and play here. This collective asset can be harnessed to help find solutions to local problems as well as complex city challenges.

As a local government, we strive for high levels of transparency and accountability in everything that we do. We share information through our open data platform, which currently makes datasets on land use and employment, our parks and environment, parking, accessibility, and community services available to the public. By sharing our data, we can help improve public services, and support social and economic innovation.

As a deliberative city we will encourage community participation and strive for greater integrity and accessibility of data by:

- Empowering people to participate in designing services, decision-making and problem solving in ways that are meaningful to them.
- Embracing technological innovation in information sharing and engagement, delivering online systems that enable collaborative and community-driven solutions to city problems.
- Working across business, research, community and government sectors to achieve innovation in the provision and application of city data.

## Major initiative



### Develop a City Data Centre pilot using emerging technologies and visual tools

The Melbourne City DNA (originally called City Data Centre) was a pilot exhibit held during Melbourne Knowledge Week from Monday 7 May to Saturday 13 May at the Melbourne Meat Market. The exhibit was well received by visitors. We surveyed participants, and 95 per cent of respondents felt they had learned something new, with 66 per cent staying longer than 30 minutes. Participants said the most enjoyable component was the 3D printed model followed by the virtual reality experience. New ways of visualising our data resources were tested including innovative and interactive user interfaces and emerging technologies such as augmented and virtual reality. Visitors responded warmly to the Aboriginal Melbourne narrative and keen interest was displayed in a whole range of innovative visual communication techniques for storytelling and community engagement.

## Highlights

### ■ Boyd Park Concept Plan\*

In 2017, the Boyd Sustainability Group, an active and engaged community group, started using planters and temporarily unused space to grow fruit and vegetables at the City of Melbourne's community centre in the middle of Southbank. Early in 2018, we released the Boyd Park Concept Plan, which outlined the vision of a backyard for the thousands of residents living in apartments in Southbank. The City of Melbourne recognised the benefits of keeping space for food growing in a high-density environment and included a communal food garden in the concept. This will allow Southbank's residents to continue gathering regularly to produce healthy, fresh and local food and build a resilient community.

### ■ Wild City\*

Wild City was a mini green metropolis that mapped ways for humans and animals to share a city. Created by artist Kathy Holowko at ArtPlay with children aged 6 to 12, this ArtPlay New Ideas Lab project saw children visited by park rangers and experts from the City of Melbourne, RMIT and BirdLife. They then brought animal-friendly landscapes to life by building and planting new habitats for the mini city. Their innovative ideas will contribute to the Birrarung Marr Master Plan.

\* Health and wellbeing related highlight.



## Highlights of the year

### ■ Investigate new methods for capturing input at Council meetings\*

In an effort to improve community engagement at Future Melbourne Committee and Council meetings, we reviewed the methods used by Victoria's 79 other councils. We found that 24 per cent of councils offered audio visual livestreaming of their council meetings and 23 per cent provided an audio recording, with 53 per cent offering neither service. A review of 14 capital and major city councils globally found that 13 of the 14 councils were webcasting council meetings. The review also identified that Twitter was utilised by two overseas councils, to provide real-time updates during meetings and to engage with the public. Council has now resolved to implement livestreaming of its Future Melbourne Committee meetings.

### ■ Open Innovation Competition\*

The Open Innovation Competition on city accessibility was co-designed with members of our Disability Advisory Committee and focused on specific opportunity areas, including accessible parking, footpath navigation, wayfinding and increasing flexibility and spontaneity in city experiences. It encouraged third party development of digital tools. A number of corporate and sector partners were engaged, including Accenture, Telstra, Microsoft, Guide Dogs Victoria, Public Transport Victoria, Impact Co, CQ University and Travellers Aid Australia. Five solutions were selected by an expert judging panel to pitch their solutions at an event as part of Melbourne Knowledge Week. Three solutions received cash prizes. The first prize of \$20,000 was awarded to Melba by Kyle Mantesso and Hong Yew - a pairing of the City of Melbourne's open data with smart assistants such as Siri, Google Assist and Amazon's Alexa to provide up-to-date information via voice, text and screen readers.

\* Health and wellbeing related highlight.

# HOW WE PERFORMED AGAINST OUR INDICATORS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2017–2021. We measure progress by the indicators below.

## Outcome

People participate in co-creating Melbourne’s future.

## City of Melbourne major indicator

The proportion of people in the municipality satisfied with Council engagement activities.

## Result

63 out of 100 people

## Our progress

This result is higher than both the average Melbourne Metropolitan (Greater Melbourne local government areas) index score of 57 and the Victorian-wide local government areas score of 55. The highest score was for those aged 18 to 34 years; while the lowest score was for those aged 50 to 64 years.

## City of Melbourne indicators

Outcomes and indicators	Result	Our progress
<b>Outcome: People participate in co-creating Melbourne's future.</b>		
<b>Indicator</b>		
The number of people who participated in City of Melbourne engagement initiatives.	6415	The result includes people who took time to write a submission, answer a survey, attend an engagement activity and who have read or heard information and provided informed feedback. A total of 3415 people contributed feedback on Participate Melbourne - the City of Melbourne's online consultation platform and around 3000 people participated in engagement activities.
<b>Outcome: We are transparent and accountable to our community.</b>		
<b>Indicator</b>		
The percentage of decisions by the Council that are made public.	82%	In 2017-18 there were 339 Council and Future Melbourne Committee resolutions of which 87 were made in confidential session. Of these 87, 26 were then made public in whole or part, immediately following the passing of the resolution, or have been or will be made public at a future date.
<b>Outcome: City of Melbourne's open data platform is available for public use.</b>		
<b>Indicators</b>		
The total number of datasets available on the City of Melbourne's open data platform - City of Melbourne owned and owned by other organisations.	180	This result shows the number of datasets that have been published as open data. These datasets allow the community to analyse and build visualisations and apps using City of Melbourne data. The data published covers a wide variety of areas such as parking, asset management, research and environment.
The average number of dataset views on the City of Melbourne's open data platform each month.	17,070	This measure shows the average number of page views per month on the open data platform. This was a 50 per cent increase on last year's result and shows a very strong growth in the demand for City of Melbourne data. This growth was driven by our Open Innovation Competition for city accessibility. This competition drove a huge amount of web traffic to the open data platform. It created a superb accessibility-related solution using City of Melbourne parking and building accessibility data.

## Municipal indicator

Outcomes and indicators	Result	Our progress
Outcome: People participate in co-creating Melbourne’s future.		
<b>Indicator</b>		
<p>The percentage of people surveyed who have participated in specific engagement activities to address city issues, including through the use of digital technology.*</p>	<p>61.2%</p>	<p>The percentage of people surveyed who participated in specific engagement activities to address city issues was over 61 per cent. This included some people who used digital and online channels such as social media, websites, apps or email. Around 28 per cent of people engaged on city issues using digital technology. A selection of the engagement activities included, attending a council meeting, writing a letter, participating in a workshop and joining a Citizen Advisory Committee or Citizen Jury.</p>

\*This is also a health and wellbeing indicator.

# PRIORITIES AND INITIATIVES

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

A total of two initiatives were completed under a deliberative city in 2017-18. One initiative was carried over and will continue to be delivered in the 2018-19 financial year.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<b>We will provide opportunities for all members of the community to participate in civic decision-making.*</b>	<ul style="list-style-type: none"> <li>✓ • Run an open innovation competition on city accessibility, using relevant data from the City of Melbourne open data platform, to encourage third party development of digital tools.</li> <li>↻ • Investigate new methods for capturing input for council meetings.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a children's forum to empower children to speak up and engage in Council decision making.</li> <li>• Trial new community engagement techniques to increase participation, inclusion and accessibility for a diverse range of participants by:               <ul style="list-style-type: none"> <li>- piloting random selection methodology for engagement</li> <li>- enhanced social media and new technologies as an engagement approach</li> <li>- consultation with disability advocates on tools to improve participation.</li> </ul> </li> </ul>
<b>We will provide a network of physical and digital spaces for ratepayers and city users to collaborate using new technologies to solve city problems.*</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<b>We will provide continued leadership on transparency in local government.</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen our communications approach to better connect Council, policies and strategies to valued outcomes for the community, businesses, residents and ratepayers.</li> <li>• Refresh the 10 Year Financial Plan with a focus on shaping future options for sustainable revenue streams, and engage community and stakeholders as necessary.</li> </ul>
<b>We will provide access to open municipal data and insights with appropriate privacy protection.</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• (Major initiative) Improve community outcomes from the Census of Land Use and Employment by enhancing our processes and making CLUE accessible to other councils and local businesses.</li> </ul>

\* This is also a health and wellbeing priority.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<p><b>We will partner to introduce a city data platform that can be contributed to, and used by, other government agencies, universities, businesses, non-profit organisations and individuals.</b></p>	<p>✓ • (Major initiative) Develop a City Data Centre pilot to engage the community using emerging technologies and visual tools such as 3D, augmented reality and virtual reality.</p>	<p>• (Major initiative) Design and pilot the next phase of the City Data Centre including active participation by individual community members and businesses.</p>
<p><b>We will advocate for other organisations to adopt an open data policy to support their participation in a city data platform.</b></p>	<p>• Work supporting this priority was included in our regular business throughout the year.</p>	<p>• Work supporting this priority is included in our regular business throughout the next year.</p>

**Key**

- ✓ Completed
- ↻ Carried over



# A CITY PLANNING FOR GROWTH



Melbourne will be a leader in planning for growth and technological advancement. We will guide and influence the future development of the city for the benefit of all city users and in a way that values and celebrates its historical and cultural identity.

## Progress measures

### Municipal major indicator

An increase in the diversity of the residential, commercial and office spaces across the municipality.

#### Result

19% of total floor space

### Municipal major indicator

A net increase in public open space by population.

#### Result

2.77 sq.m decrease

## Our approach

Melbourne has built a strong reputation as a great place to live, work and visit. The central city is a magnet for young professionals, students, and visitors alike, drawn to its human scale. Melbourne's density and proximity benefits businesses by concentrating firms and resources in ways that are the most economically productive.

In the future more can be done to fully unlock the city's assets by extending good planning and design to other areas of the municipality. Melbourne must keep pace with future growth while having a clear vision of the type of city we want to be.

The City of Melbourne can continue to be an exemplar of urban planning and innovation by:

- Leading in the design and development of resilient neighbourhoods that demonstrate environmental sustainability, liveability, connectivity and diversity.
- Recognising and valuing Aboriginal history and land management.
- Supporting liveability and prosperity, by exploiting the advantages of density and proximity that allow seamless connections between people, places and resources.
- Working closely with government and private sector partners to ensure the city can fund and manage growth in sustainable ways.
- Championing high quality design in buildings, streets and public spaces, as the basis of a healthy, safe and people-friendly environment.
- Looking to the future, by harnessing the opportunities presented by new technological innovations.
- Respecting its past, by enhancing the character and distinctive identity of the city's heritage buildings, spaces and landscapes.

## Major initiatives



### Finalise design and commence implementation of Southbank Boulevard open space

The transformation of Southbank Boulevard and Dodds Street will see the City undertake the largest ‘grey to green’ conversion to date. This year the project team has achieved many key deliverables within the construction planning phase. These have included the adoption of the draft Concept Plan; the awarding of the Contract 100250 for the provision of design and documentation services and the awarding of Contract 8610A for civil and landscape construction services including extensive tram infrastructure. The most significant milestone achieved within this period has been Council’s endorsement of the discontinuance of part of Southbank Boulevard and Dodds Street, as the road discontinuance is a crucial element to the project’s success. The project team has worked collaboratively with over 50 key stakeholders and engaged with over 24,000 community members to provide advice on construction impacts such as road closures, continuity of access and detours. Throughout the stakeholder and engagement process, Public Transport Authority, VicRoads, ABC Radio, Arts Centre, Melbourne Recital Centre, Sturt Street Arts Forum, Melbourne Theatre Company, University of Melbourne and local Southbank residents have been regularly informed of program changes and are very supportive of the vision for the precinct. Early construction works are on track for July 2018.



### Continue the Queen Victoria Market Precinct Renewal Program\*

The \$250 million Queen Victoria Market Precinct Renewal will secure the market’s place as a traditional open-air market, supporting it to thrive as Melbourne’s number one tourist destination and a source of affordable, local food. Much needed open space and community facilities will be created within the market precinct, meeting the needs of our growing city. An independent business case confirmed the need for significant renewal to secure the market’s future viability. In May, a key project in the renewal program, the Council-owned Munro site was granted planning approval by the Minister for Planning. Right on the market’s door step, the site will be one of the best socially, environmentally and financially sustainable mixed use developments in Australia and include our largest community hub with 120 childcare places, family services and community spaces for the growing city, as well as market car parking. In a local government first, the Green Building Council awarded the renewal program 6 Star Green Star – Communities accreditation. A key initiative of the Master Plan, the rating is a significant achievement and provides an opportunity for the market and surrounding precinct to embrace sustainability and build a better future for all who work, live and visit the market precinct. The program however was not without its challenges, with Heritage Victoria refusing a permit for one of 13 packages of works that make up the precinct wide program.

\* Health and wellbeing related highlight.

## Highlights

### █ Stockyard Food Garden\*

A new communal food growing space called the Stockyard Food Garden has been established at the Newmarket Saleyards in Kensington. We have supported local residents to establish a self-governing committee to manage the garden. The garden includes 26 wicking beds that have recently been filled with seedlings including fruits, vegetables and herbs. This initiative recognises the importance of local food production and has created an accessible and inclusive space that strengthens social connection.

### █ Supporting urban food production\*

Urban food growing strengthens the connection between food and place, builds community through food and knowledge sharing and creates a sense of local pride. The City of Melbourne has supported a local sustainability group through a range of workshops to increase knowledge around the food system, including growing food in small spaces, composting and the importance of soil health. The Boyd Sustainability Group have since grown in numbers and meet monthly with a focus on activating temporary concrete planters through planting fruit trees, herbs and vegetables. A permanent communal food growing space has been included as part of the Boyd Park redevelopment concept plan.

### █ More open space in our city\*

The delivery of Hawke and Adderley Street Park has provided more public open space in the growing West Melbourne community. An additional 1062 square metres of public open space has been created and the existing playground has been expanded to better meet local community needs. A small local social gathering space with a barbecue and picnic facilities has also been added. The park is the culmination of seven years of planning, community consultation and design. The expansion of Gardiner Reserve addresses the need for more public open space in North Melbourne. It will create an additional 2830 square metres of public open space, which is a 43 per cent increase in the reserve's area. Approximately 2100 square metres of roadway will be removed, 94 trees will be planted, and there will also be 280 square metres of water sensitive urban design plantings. The reserve will include a new replacement playground and upgraded picnic facilities. The expansion is the culmination of three years of planning, community consultation and design, and will be completed by the end of 2018.

### █ Undertake municipal-wide integrated land use and infrastructure planning\*

The timely delivery of infrastructure that services the demands of a rapidly growing population will help to ensure that Melbourne continues to succeed and thrive. Our draft Infrastructure Plan brings together endorsed strategies and plans prepared by the City of Melbourne, Victorian and Australian Governments, along with population and infrastructure demand modelling to provide an integrated, long-term picture of the municipality's existing, committed and proposed infrastructure. Council will review the draft Infrastructure Plan in 2018-19.

### █ Work with the Victorian Government to influence the outcomes of the structure plan in Arden

Throughout the year, we have worked with the Victorian Planning Authority to finalise the Arden Vision to ensure that our endorsed strategies and high ambitions for this significant urban renewal area are represented. Council endorsed the Arden Vision in late June 2018 on the basis that the Victorian Government resolve a number of outstanding matters. These matters will be addressed either through an amendment to the document prior to its public release or through the structure planning process. The City of Melbourne, Victorian Planning Authority and other key Victorian Government bodies have begun developing an evidence base to help inform the draft structure plan. We will continue to develop the Arden Structure Plan in 2018-19. Community engagement on the draft structure plan will take place by mid-2019.

\* Health and wellbeing related highlight.

■ **Deliver the West Melbourne Structure Plan in collaboration with the Victorian Government and the community**

We consulted extensively with the community and stakeholders on the draft West Melbourne Structure Plan. Engagement included an interactive page on Participate Melbourne, community workshops and pop-ups on the streets of West Melbourne. Over 120 people attended the workshops. Nearly three quarters of respondents to our survey strongly supported all or most parts of the draft plan. These responses, along with an independent review by the Office of the Victorian Government Architect's Victorian Design Review Panel, helped inform the final West Melbourne Structure Plan 2018 which was endorsed by the Future Melbourne Committee in February 2018. Planning scheme amendment C309 implements the structure plan. It has been sent to the Minister for Planning for authorisation to prepare and exhibit the amendment. Exhibition is likely to occur in later in 2018.

■ **Progress the Hoddle Grid Heritage Review**

This innovative study brings together built heritage assessment with Aboriginal heritage and social values. A key output from this project will be improved protection for heritage places in the Hoddle Grid through the planning scheme. Public engagement to support the review has included place nominations via workshops, a Participate Melbourne activity seeking input on social significance and two free Melbourne Conversations walks. All three Traditional Owner organisations have nominated places through this project, and an Aboriginal history has been written for the city.

# HOW WE PERFORMED AGAINST OUR INDICATORS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2017–2021. We measure progress by the indicators below.

## Outcome

Melbourne’s commercial, retail and residential development will meet the needs of a growing working and residential community.

## Municipal major indicator

An increase in the diversity of the residential, commercial and office spaces across the municipality.

### Result

19% of total floor space

## Our progress

Data on residential, commercial and office spaces is not available. The result is based on the area of commercial and industrial floor space use (6,199,564 square metres) as a proportion of the total floor area in the municipality. This is the first year of data collection.

## Outcome

The built form of the city reflects high quality design.

## Municipal major indicator

A net increase in public open space by population.\*

### Result

2.77 sq.m decrease

## Our progress

There was a net decrease of 2.77 square metres of open space per resident in the City of Melbourne. The indicator includes City of Melbourne spaces and Crown Land. It also includes some key median strips roadside open space and areas that are partially paved, for example Queensbridge Square and Federation Square. The calculation is based on open space square metres per population and indicates the change between 2017 and 2018 (June 30).

\* This is also a health and wellbeing indicator.

## City of Melbourne indicators

Outcomes and indicators	Result	Our progress
Outcome: There is a clear vision and direction for sustainable growth across the municipality.		
<b>Indicators</b>		
The area of the municipality with structure plans and built form policies in place.	17.41 sq.km	As of June 2018, 17.41 square kilometres (or 46 per cent) of the municipality was covered by either a Structure Plan or other current built form policy. In 2017-18 the City of Melbourne completed the West Melbourne Structure Plan which provides certainty for the community on the future land uses and built form of this key inner neighbourhood. We also worked closely with the Victorian Government to inform the proposed controls for the Lorimer Precinct of Fishermans Bend and a new Structure Plan for Arden.
The area of the municipality with development contribution schemes in place.	3.05 sq.km	The area of the municipality with development contribution schemes in place is 3.05 square kilometres out of a total municipal area of 36.2 square kilometres. The Macaulay Precinct is subject to a Development Contributions Plan Overlay until 2020 (interim controls). A Development Contributions Plan Overlay applies to the Fishermans Bend Urban Renewal Precinct (Lorimer and the Employment Precincts). The Minister for Planning is the Responsible Authority for the purpose of this Development Contributions Plan Overlay.
Outcome: Melbourne respects and preserves its heritage.		
<b>Indicator</b>		
The area of the municipality with heritage controls informed by heritage reviews.	14.15 sq.km	In 2017-18, the number of places and precincts covered by a Heritage Overlay was 956, which is an increase of 163 since 2008. It is worth noting that some precincts may have many properties within them, so the number of properties covered by a Heritage Overlay is higher.
Outcome: The built form of the city reflects high quality design.		
<b>Indicator</b>		
An increase in the diversity of public open space by typology.  (Reported as the net increase in public open spaces.)	7	There was a net increase in seven public open spaces in the City of Melbourne since 2017. This result included a net increase of five Small Local open spaces and two Local open spaces. Small Local and Local open spaces are two of the eight hierarchy types (typology) identified in the City of Melbourne Open Space Strategy Technical Report (2012). The hierarchy defines different open spaces by their existing use and in some cases size.



Outcomes and indicators	Result	Our progress
Outcome: People have access to green spaces and recreation spaces.		

**Indicator**

The ratio of indoor and outdoor recreational space to population.*	59.55 sq.m	In 2017 there were 59.55 square metres per capita of indoor and outdoor recreation space in the municipality; up from 58.71 square metres per capita in 2016. The total amount of indoor and outdoor space in the municipality was 8,815,125 square metres. This comprised outdoor space totalling 7,803,116 square metres, including parks and reserves, outdoor sports and recreation space, squares and promenades and publicly accessible private outdoor space. It also included indoor space of 1,012,009 square metres, which refers to indoor entertainment and recreation space.
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Outcome: Melbourne’s housing meets diverse needs.

**Indicator**

The number of affordable housing units in City of Melbourne projects.*	96	The City of Melbourne has publicly declared its intention to deliver affordable housing as part of the Queen Victoria Market and Boyd site redevelopment projects. The Queen Victoria Market Precinct Renewal Master Plan identified opportunities for affordable housing within the Munro site of the precinct. In May 2018, the Minister for Planning approved the development application for the Munro site which will include 56 affordable apartments. In February 2018, the City of Melbourne submitted a development brief that introduces the vision for the Boyd site (132 Kavanagh Street, Southbank) and the design requirements for the private development. The public design brief that will be part of the tender documentation for the sale of the Boyd development site includes a requirement to provide 40 affordable residential apartments.
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\* This is also a health and wellbeing indicator.

Outcomes and indicators	Result	Our progress
Outcome: Melbourne is prepared for future technological change.		

**Indicator**

The number of new smart infrastructure prototypes implemented in the municipality.

802

To ensure we can plan and prepare for the future, a number of smart infrastructure prototypes were implemented in the municipality to help us understand how our city works. These smart infrastructure projects included:

- 397 clean cube solar compactor bins installed in the central city to make waste collection more efficient.
- Over 56 soil moisture, soil temperature and soil salinity sensors installed to collect data about our green spaces.
- Two water level sensors and two stormwater quality sensors (one pH sensor and one salinity sensor) installed to collect data about how the city is collecting and using data.
- Five solar powered pedestrian sensors installed in key locations across the central city, the first project of its kind in the municipality.
- 342 LED lights installed with smart PE (solar) cells to trial infrastructure that generates its own power. A total of 5,739 LED lights in the municipality were installed or upgraded in projects led by Jemena or CitiPower.

## Municipal indicators

Outcomes and indicators	Result	Our progress
<p>Outcome: Melbourne’s commercial, retail and residential development will meet the needs of a growing working and residential community.</p>		
<p><b>Indicator</b></p>		
<p>The percentage of residents that can access the community facilities and services they need within a 15-20 minute walk of their home.*</p>	<p>94%</p>	<p>Factors that can influence this result include the volume of population growth and its spatial distribution across the municipality as well as the definition of community facilities and the methodology by which the data has been collected. The City of Melbourne has recently expanded its definition of community facilities beyond libraries and community hubs to better reflect the diversity of facilities providing services.</p>
<p>Outcome: The built form of the city reflects high quality design.</p>		
<p><b>Indicators</b></p>		
<p>The number of buildings in the municipality that win industry awards for design excellence.</p>	<p>22</p>	<p>A total of 22 awards and commendations for Design Excellence were granted to buildings within the City of Melbourne. This included the Australian Institute of Architects State and National Awards, Victorian Premier’s Design Award and Urban Development Institute Australia State Awards. The Fitzroy Gardens, a City of Melbourne led project won two Australian Institute of Architects State Awards in the Sustainable Architecture and Urban Design categories. Another significant award winning public project was the Tanderrum Bridge in Birrarung Marr.</p>
<p>The number of major development and capital works projects reviewed through a formal design review process.</p>	<p>12</p>	<p>A total of 15 projects were reviewed however some of these were repeat reviews of the same project. The result of 12 represents the number of individual projects reviewed through a formal design review process. This constitutes one quarter of the design reviews performed by the Office of Victorian Government Architects Design Review Panel within a year. All projects are of Victorian significance. There is no prior data for comparison to understand the comparative significance of this figure. In addition to this, the City of Melbourne reviewed and provided recommendations on achieving high quality built form on 157 planning applications in 2017-18.</p>

\* This is also a health and wellbeing indicator.

Outcomes and indicators	Result	Our progress
Outcome: People have access to green spaces and recreation spaces.		

**Indicator**

The ratio of green space to population in the municipality.*	34 sq.m	This result is based on hectares of green area divided by the residential population. It includes City of Melbourne spaces, Crown Land, and some key median strips and roadside open space. It also includes spaces that are partially paved such as Queensbridge Square and Federation Square.
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Outcome: Melbourne’s housing meets diverse needs.		
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**Indicator**

The number of affordable housing units negotiated through development planning.	0	No affordable housing units were built in 2017-18 however the City of Melbourne has publicly declared its intention to deliver affordable housing as part of the Queen Victoria Market and Boyd site redevelopment projects. The Queen Victoria Market Precinct Renewal Master Plan identified opportunities for affordable housing within the Munro site of the precinct. In May 2018, the Minister for Planning approved the development application for the Munro site which will include 56 affordable apartments. In February 2018, the City of Melbourne submitted a development brief that introduces the vision for the Boyd site (132 Kavanagh Street, Southbank) and the design requirements for the private development. The public design brief that will be part of the tender documentation for the sale of the Boyd development site includes a requirement to provide 40 affordable residential apartments.
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\* This is also a health and wellbeing indicator.

# PRIORITIES AND INITIATIVES

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

A total of 10 initiatives were completed under a city planning for growth in 2017-18. Nine initiatives were carried over and will continue to be delivered in the 2018-19 financial year.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<b>We will provide renewal of the Queen Victoria Market Precinct.*</b>	<ul style="list-style-type: none"> <li>✓ (Major initiative) Continue the Queen Victoria Market Precinct Renewal Program.</li> </ul>	<ul style="list-style-type: none"> <li>• (Major initiative) Continue the Queen Victoria Precinct Renewal Program including:               <ul style="list-style-type: none"> <li>- the New Market Pavilion</li> <li>- the provision of essential infrastructure under the sheds</li> <li>- Munro Development in Therry Street, including affordable housing, childcare and community infrastructure outcomes.</li> </ul> </li> </ul>
<b>We will provide staged urban renewal of Southbank and Docklands.</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<b>We will provide clear guidance to ensure sustainable growth in West Melbourne which respects its character, retains its mixed use and improves its streets and spaces.</b>	<ul style="list-style-type: none"> <li>✓ • Deliver the West Melbourne structure plan in collaboration with the Victorian Government and the community.</li> </ul>	<ul style="list-style-type: none"> <li>• Work with landowners and the community to develop a vision and strategic framework for West Melbourne Waterfront.</li> </ul>
<b>We will provide policies to enable mixed use that support local liveability and a strong and diverse economy in the central city.*</b>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• (Major initiative) Finalise and implement the findings of the review of the Municipal Strategic Statement.</li> </ul>
<b>We will provide up-to-date heritage controls and policies throughout the municipality.</b>	<ul style="list-style-type: none"> <li>✓ • Progress the Hoddle Grid / Central City Heritage Review.</li> <li>✓ • Progress work on incentives to property owners for ongoing heritage preservation and identify gaps to be addressed in 2018-19.</li> </ul>	<ul style="list-style-type: none"> <li>• Commission a North Melbourne Heritage review.</li> <li>• Further progress the Hoddle Grid Heritage Review and seek appropriate protections for significant places, including Aboriginal and post contact heritage.</li> <li>• Progress priority recommendations from commissioned research on incentives for heritage preservation.</li> <li>• Prepare a Master Plan for the restoration, refurbishment and future use of the heritage listed Melbourne Town Hall buildings.</li> </ul>

\* This is also a health and wellbeing priority.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<p><b>We will provide recreational and environmental corridors for the city to support urban renewal.*</b></p>	<ul style="list-style-type: none"> <li>🔄 • Develop a strategic opportunities plan for the Moonee Ponds Creek throughout the municipality that advocates Council's vision.</li> <li>✓ • Prepare a streetscape improvements plan for Racecourse Road, in collaboration with Moonee Valley Council.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will provide a review of the options for housing in the municipality taking into account the needs of a diverse population.*</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Assess the key issues for student housing developments in the central city and define an action plan to improve the design quality of student housing in the city.</li> </ul>
<p><b>We will provide a comprehensive evidence base to inform future decisions regarding land use and infrastructure.*</b></p>	<ul style="list-style-type: none"> <li>🔄 • Undertake municipal wide integrated land use and infrastructure planning to identify the long term land use and infrastructure opportunities and challenges.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and maintain a Local Area Infrastructure Priority List of local infrastructure needs initially focused on the Capital City Zone and urban renewal areas.</li> </ul>
<p><b>We will partner to progress the design, planning and delivery of high quality urban renewal in Arden-Macaulay and Fishermans Bend that utilises their heritage assets.</b></p>	<ul style="list-style-type: none"> <li>✓ • Work with the Victorian Government to influence the outcomes of the structure plan in Arden.</li> <li>✓ • Work with the Fishermans Bend Taskforce to develop the Framework and provide leadership on the Neighbourhood Precinct Structure Plans for Lorimer and the Employment Precinct.</li> <li>🔄 • Work with the Victorian Government to deliver a master plan in Macaulay that facilitates City of Melbourne's strategic outcomes including the delivery of community facilities and open space.</li> </ul>	<ul style="list-style-type: none"> <li>• Review planning scheme controls for Macaulay, and work with the Victorian Government to progress strategic planning in Arden.</li> </ul>
<p><b>We will partner to design, plan and enable a world class innovation district in City North and deliver public realm improvements.</b></p>	<ul style="list-style-type: none"> <li>🔄 • Complete the City North innovation district action plan and commence implementation</li> <li>🔄 • Prepare the evidence base to support Development Contributions for Community Infrastructure in City North and Southbank.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p><b>We will partner to deliver a world-class arts precinct in Southbank including significant public realm projects.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>

**Key**

- ✓ Completed
- 🔄 Carried over

\* This is also a health and wellbeing priority.



Our 4-year priorities are	Our 2017–18 focus was	Over the next year we will
<p>We will partner to develop the city’s vision for the Yarra River and its waterways.</p>	<ul style="list-style-type: none"> <li>↻ • Deliver a City River Concept Plan, as a framework for integrated public realm improvements along the river.</li> <li>↻ • Develop a strategic approach to integrated waterfront access.</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate to Development Victoria to ensure that Melbourne’s maritime heritage is considered as part of the development of Harbour Esplanade and Victoria Harbour.</li> </ul>
<p>We will partner to ensure people have access to services and community facilities appropriate to their needs through all stages of life.*</p>	<ul style="list-style-type: none"> <li>↻ • Prepare a plan for the renewal of North Melbourne Community Centre and surrounds.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete design documentation for the North Melbourne Community Centre redevelopment.</li> </ul>
<p>We will partner to ensure Melbourne is a leader in urban technology innovation, with a focus on the internet-of-things and supporting networks such as 5G.</p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a business case that builds on sensor and open data initiatives to support practical involvement of local businesses and other key partners in the use and provision of advanced technology infrastructure.</li> </ul>
<p>We will partner to ensure the city has sustainable funding sources to support the delivery of better community infrastructure and services.*</p>	<ul style="list-style-type: none"> <li>✓ • Scope and prepare concept design for the redevelopment of Kensington Community Recreation Centre.</li> <li>✓ • Develop options for a redevelopment that realises the full potential of the Town Hall precinct properties.</li> </ul>	<ul style="list-style-type: none"> <li>• Pursue developer contributions for community infrastructure in City North and Southbank and advocate for a standard development contribution from the Victorian Government.</li> <li>• Create a property portfolio plan.</li> </ul>
<p>We will facilitate development of a strategic vision with the community for E-Gate and Dynon to enable future urban renewal of this area.</p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
<p>We will advocate for continued public realm improvements in Docklands including better connections to adjacent neighbourhoods.</p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress planning and design for Waterways Operations Precinct in the Bolte Precinct West, to support effective growth of marine activities in Docklands.</li> <li>• Partner with Development Victoria and the AFL to develop a Stadium Precinct Masterplan to deliver exemplar connected public spaces in Harbour Esplanade, Bourke and Latrobe streets, integrated with the future direction of Etihad Stadium, Southern Cross Station and Central Pier.</li> <li>• Prepare concepts for a transformative HighLine-like project of public space connecting Flinders Street Station to Docklands.</li> </ul>

\* This is also a health and wellbeing priority.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
<p><b>We will advocate for significant additional open space in urban renewal areas.*</b></p>	<ul style="list-style-type: none"> <li>✓ • (Major initiative) Finalise design and commence implementation of Southbank Boulevard open space.</li> <li>↻ • Continue to deliver the Open Space Strategy with a focus on delivery of Carlton Gardens Master Plan, upgrade to Railway / Miller Reserve, and the park expansion of Gardiner Reserve.</li> </ul>	<ul style="list-style-type: none"> <li>• (Major initiative) Deliver on the Open Space Strategy by creating two hectares of new open space, through the delivery of: Southbank Boulevard and Dodds Street, and University Square.</li> <li>• Begin implementing year one of the Moonee Ponds Creek Strategic Opportunities Plan, including advocacy to the Victorian Government, key stakeholders and the community.</li> </ul>
<p><b>We will advocate for high-quality building design and public space through improved policy and establishment of a design excellence program.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• (Major initiative) Commence the redevelopment of the Bourke Street Precinct, including preparation of a planning permit application for the proposed new buildings.</li> <li>• Extend City of Melbourne's commitment to high quality urban design through advocacy, internal design review and investigation of design competitions on significant sites.</li> </ul>
<p><b>We will advocate for increased influence in decision-making in all areas of significant change including central city and urban renewal areas.</b></p>	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work with the Victorian Government on Fishermans Bend to progress the Employment Precinct and Lorimer structure plans to deliver ambitious, high-quality and sustainable urban renewal.</li> </ul>

**Key**

- ✓ Completed
- ↻ Carried over

\* This is also a health and wellbeing priority.



# A CITY WITH AN ABORIGINAL FOCUS

Aboriginal culture, knowledge and heritage will enrich the city's growth and development. For the Boon Wurrung, Woiwurrung (Wurundjeri), Taungurong, Dja Dja Wurrung and Wathaurung people who make the Kulin Nation, Melbourne has always been and will continue to be an important meeting place and location for events and social, educational, sporting and cultural significance.

## Progress measure

### Municipal major indicator

An increase in the proportion of people who believe the relationship with Aboriginal and Torres Strait Islander people is important.

#### Result

**93.3%** of residents, workers and students

## Our approach

The City of Melbourne was the first local government in Australia to have a Reconciliation Action Plan endorsed by Reconciliation Australia. As a capital city, our vision for reconciliation is to lead by example. We want to show how true reconciliation can happen, working in partnership with Traditional Owners, Aboriginal partners and with organisations such as Jawun and Supply Nation.

We are committed to ensuring that the Aboriginal cultural heritage of Melbourne is appropriately recognised, conserved and celebrated by all.

By creating more job opportunities for Aboriginal people and supporting Aboriginal businesses, the City of Melbourne, together with the broader community, can improve economic outcomes for Aboriginal people.

In partnership with Traditional Owners and Aboriginal people, we have an opportunity to strengthen our reputation locally, regionally and globally and develop a mature identity as a city with an Aboriginal focus by:

- Acknowledging that Aboriginal and Torres Strait Islander people were the First Nations people of this land and respect their customs, traditions and their special relationship with the land, waterways and sea.
- Acknowledging the right of Aboriginal and Torres Strait Islander people to live according to their own values and customs, subject to Australian law.
- Recognising the valuable contribution made by Aboriginal and Torres Strait Islander people, including the diversity and strength of Aboriginal and Torres Strait Islander cultures to the heritage of all Australians.
- Supporting the ideal reconciliation with Aboriginal and Torres Strait Islander people to redress their serious social and economic disadvantage.
- Recognising, protecting and respecting Aboriginal and Torres Strait Islander heritage and cultures and understanding the impact of non-Aboriginal settlement in this country.

## Major initiative



### Develop a Stretch Reconciliation Action Plan for 2018-2021\*

Reconciliation is about building positive, respectful relationships and creating stronger ties between Aboriginal people and the broader community. This year we developed the Stretch Reconciliation Action Plan 2018-2020. The two year plan was endorsed to align with planning cycles and contains the City of Melbourne's vision, intended outcomes, targets and actions for reconciliation. The Stretch Reconciliation Action Plan is an organisational plan. It recognises the need to build our internal cultural capability and to create sustainable organisational change in order to reach our reconciliation aspirations. The Plan will sit alongside the Aboriginal Melbourne Action Plan. These documents form the foundation for achieving a city with an Aboriginal focus. Community consultation on the Stretch Reconciliation Action Plan occurred at the commencement and draft stages. Constructive and positive feedback was received from Traditional Owners, Aboriginal-controlled organisations, Aboriginal businesses, Reconciliation Victoria, Reconciliation Australia and community leaders.

## Highlights

### YIRRAMBOI\*

YIRRAMBOI is a 10-day festival that celebrates the diversity and creativity of First Nations arts and contemporary culture. Presented by the City of Melbourne, YIRRAMBOI celebrates more than 60,000 years of continuous cultural practice by Aboriginal and Torres Strait Islander people. YIRRAMBOI means 'tomorrow' in the shared languages of Boon Wurrung and Woiwurrung. Through YIRRAMBOI, the community is invited to reflect on the past and dream forward into tomorrow. Grounded firmly in Melbourne with local Traditional Owners and artists, the festival includes First Nations artists from across the globe - including Australia, New Zealand, Wales, Taiwan, Canada, the Pacific Islands, Africa and the United States of America. Following its success in its first year, YIRRAMBOI was invited to showcase work at the prestigious Australian Performing Arts Market in Brisbane in February.

\* Health and wellbeing related highlight.

## Highlights

### ■ Understand current knowledge of Aboriginal culture and heritage within Melbourne

Research was undertaken with staff, residents, visitors, students and businesses to understand current knowledge of Aboriginal culture and heritage within the city. An independent research agency, Colmar Brunton, was engaged to undertake this research. It has now been completed and provides a quantitative baseline of city users' knowledge about Aboriginal culture and heritage as well as their attitudes and behaviours towards reconciliation. The research report has informed the development of the Reconciliation Action Plan 2018-20 and draft Aboriginal Melbourne Action Plan 2018-20. In addition, cultural awareness training has been offered to all managers and new staff. Training opportunities include the Aboriginal Cultural Awareness Walk, Victorian Cultural Awareness Workshop, and Aboriginal Cultural Awareness Training for People Managers with Aboriginal Employees. Councillors have also been provided the opportunity to participate in the Aboriginal Cultural Awareness Walk.

### ■ Provide a year-round program of support to Aboriginal artists and community members to develop and present creative projects

Following the 2017 YIRRAMBOI First Nations Arts Festival, we identified the need for the ongoing development of new work and events as well as up-skilling of Aboriginal artists. History Salon events that featured well-known arts Elders celebrated blak history in the arts. The Blak Critics and Dhumba Wiiny fire talk programs, both showcased at the Australian Performing Arts Market in February, engaged Aboriginal writers and encouraged critical discourse and ongoing training in critiquing blak work. Six new works across dance, theatre, music and the visual arts are being commissioned for world premiere at the 2019 YIRRAMBOI festival. In other highlights, Arts House presented Ecstatic Unmakings as part of its Culture Lab series, three Aboriginal works for the Festival of Live Art, multiple Aboriginal elements associated with the Refuge project and an artists' retreat that visited two Aboriginal communities. ArtPlay ran various workshops across the year, as well as classes specifically for Aboriginal children. Signal ran a silk painting workshop and exhibition and a two-day ideas lab retreat for eight young Aboriginal artists.

# HOW WE PERFORMED AGAINST OUR INDICATORS

The City of Melbourne aims for several outcomes over the four years of its Council Plan 2017–2021. We measure progress by the indicators below.

## Outcome

Melbourne acknowledges its Aboriginal history, heritage and identity.

## Municipal major indicator

An increase in the proportion of people who believe the relationship with Aboriginal and Torres Strait Islander people is important.\*

### Result

93.3%

## Our progress

This is the first year of data available for this indicator. The data was collected from the City of Melbourne Social Indicator Survey which is an annual survey of residents, workers and students.

\* This is also a health and wellbeing indicator.



## City of Melbourne indicators

Outcomes and indicators	Result	Our progress
Outcome: Melbourne acknowledges its Aboriginal history, heritage and identity.		
<b>Indicator</b>		
The percentage of City of Melbourne staff that have completed the Aboriginal induction program.	42.8%	These results are based on new City of Melbourne staff between 1 July 2017 and 30 June 2018.
Outcome: Aboriginal and Torres Strait Islander peoples contribute to the city's cultural, social and economic life.		
<b>Indicators</b>		
The number of City of Melbourne traineeships and jobs for Aboriginal and Torres Strait Islander people.	27	There were 27 Aboriginal and Torres Strait Islander people employed at the City of Melbourne for 2017-18. This includes three traineeships over that period.
The value of contracts awarded to Aboriginal individuals and enterprises by the City of Melbourne.  (Reported as the total spend with Aboriginal suppliers.)	\$602,000	The City of Melbourne does not consistently collect data on the value of contracts awarded to Aboriginal individuals and enterprises. The result provided indicates our spend with Aboriginal suppliers in 2017-18. We have an internal target spend of \$2.25 million on Aboriginal suppliers from 2017-18 to 2019-20 and are on track to meet this target. The City of Melbourne maintains an internal database of Aboriginal businesses and uses Supply Nation, Australia's premier listing of Aboriginal businesses to consider opportunities.
The number of non-Aboriginal enterprises contracted by the City of Melbourne that contribute to employment for Aboriginal and Torres Strait Islander people.	Not available	The City of Melbourne does not collect data on successful contractors and their employment of Aboriginal and Torres Strait Islander people. We have developed an Aboriginal Procurement Strategy that involves Aboriginal employee targets with selected large suppliers (as opposed to all contracts). In order to encourage increased employment outcomes of Aboriginal and Torres Strait Islanders, we give consideration to tenderers who are Aboriginal owned, employing or will employ Aboriginal staff and / or will engage Aboriginal businesses as a subcontractor.

## Municipal indicators

Outcomes and indicators	Result	Our progress
Outcome: Melbourne fosters understanding about its Aboriginal heritage and culture.		
<b>Indicator</b>		
An increase in people's understanding of Aboriginal culture.	4.6%	This is an indicator of the proportion of residents, workers, students, international and national visitors, who demonstrated an understanding of Aboriginal culture by being able to name both of the traditional owners of the land around Melbourne.
Outcome: Aboriginal and Torres Strait Islander peoples contribute to the city's cultural, social and economic life.		
<b>Indicator</b>		
The number of people employed in the municipality who identify as Aboriginal and Torres Strait Islander.	1677	According to the 2016 Census there are 1677 people employed in the municipality who identify as Aboriginal and or Torres Strait Islander. This represents a 67 per cent increase from 1003 people in the 2011 Census.

# PRIORITIES AND INITIATIVES

The table below lists our Annual Plan and Budget initiatives against our four-year Council Plan priorities.

A total of four initiatives were completed under a city with an Aboriginal focus in 2017-18. One initiative will continue to be delivered in the 2018-19 financial year together with two new initiatives.

Our 4-year priorities are	Our 2017-18 focus was	Over the next year we will
We will provide protection, recognition and promotion of Aboriginal culture, heritage and place.	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver YIRRAMBOI Festival 2019.</li> </ul>
We will provide opportunities which support cultural, social and economic development for Aboriginal and Torres Strait Islander people.*	<ul style="list-style-type: none"> <li>✓ Provide a year-round program of support to Aboriginal artists and community members to develop and present creative projects, including for the City of Melbourne's 2019 YIRRAMBOI First Nations Arts Festival.</li> <li>✓ Continue to strengthen Aboriginal procurement collaboration opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
We will provide due recognition for Traditional Owners of the land through public events and commemorations, and opportunities for elders to provide welcome to country.	<ul style="list-style-type: none"> <li>↻ Look for opportunities to name places to recognise Aboriginal people and culture.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
We will provide promotion of Aboriginal experiences for the public to celebrate Melbourne as an Aboriginal place.	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
We will partner to educate the broader community about Aboriginal and Torres Strait Islander heritage and culture.	<ul style="list-style-type: none"> <li>✓ Understand our current knowledge of Aboriginal culture and heritage within the City; categorised by council staff, residents, visitors, students and business.</li> </ul>	<ul style="list-style-type: none"> <li>• (Major initiative) Implement year one of the Aboriginal Melbourne Action Plan.</li> </ul>
We will partner to promote community understanding of reconciliation including as part of National Reconciliation Week.	<ul style="list-style-type: none"> <li>• Work supporting this priority was included in our regular business throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>
We will advocate for the ideal of reconciliation with Aboriginal and Torres Strait Islander people including through a treaty or other instrument of reconciliation.	<ul style="list-style-type: none"> <li>✓ (Major initiative) Develop a Stretch Reconciliation Action Plan for 2018-2021.</li> </ul>	<ul style="list-style-type: none"> <li>• Work supporting this priority is included in our regular business throughout the next year.</li> </ul>

## Key

✓ Completed

↻ Carried over

\* This is also a health and wellbeing priority.





# OUR ORGANISATION









# OUR FUNCTIONS

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

We plan and provide services, facilities and infrastructure for the local community, strategically plan and regulate land use in the municipality, make and enforce local laws and discharge duties we have under other Acts.

The City of Melbourne also performs many major functions ranging from arts and cultural programs, tourism, to urban planning, capital works, maintenance and waste management.

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.

A list of the Acts and local laws we enforce is provided on our website at [melbourne.vic.gov.au](http://melbourne.vic.gov.au) 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.

In 2017-18 the organisation comprised 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 reported directly to the CEO.

## City of Melbourne organisational structure (as at 30 June 2018)

Council			
<b>Chief Executive Officer</b> Ben Rimmer	<b>City Operations</b> Linda Weatherson (Acting)	<b>City Strategy and Place</b> Claire Ferres Miles	<b>City Communities</b> Angela Meinke (Acting)
<p><b>Executive Services</b></p> <p><b>Finance and Procurement</b> Phu Nguyen</p> <p><b>Governance and Legal</b> Keith Williamson Kim Wood <i>Chief Legal Counsel</i></p> <p><b>Customer Relations</b> Joelene Schembri</p> <p><b>People and Culture</b> Clive Peter</p> <p><b>Technology Services</b> Colin Fairweather</p> <p><b>Strategy and Partnerships</b> Miriam Slattery (Acting)</p> <p><b>Lord Mayor’s Chief of Staff</b> Ben Hart (Acting)</p> <p><b>** Limited term projects</b></p>	<p><b>Planning and Building</b> Evan Counsel (Acting)</p> <p><b>Engineering Services</b> Jenny Bailey</p> <p><b>On-street Compliance Services</b> Dean Robertson</p> <p><b>Parks, Property and Waterways</b> Greg Stevens</p> <p><b>Resilience **</b> Toby Kent</p>	<p><b>Chief Digital Officer and Smart City Office</b> Michelle Fitzgerald</p> <p><b>Improvement and Program Integration</b> Voula Moutsos</p> <p><b>Placemaking and Engagement</b> Eamonn Fennessy</p> <p><b>Urban Strategy</b> Emma Appleton</p> <p><b>Urban Sustainability</b> Deb Cailles</p>	<p><b>Arts Melbourne</b> Kaye Glamuzina</p> <p><b>Community Services</b> Alison Duncan</p> <p><b>Health and Wellbeing</b> Russell Webster</p> <p><b>Libraries and Recreation</b> Graham Porteous</p> <p><b>Social Investment</b> Leanne Mitchell (Acting)</p>
	<b>City Design and Projects</b> Rob Adams		<b>City Economy and Activation</b> Katrina McKenzie
	<p><b>City Design Studio</b> Skye Haldane – Design Leon Wilson (Acting) – Capital Works</p> <p><b>QVM Precinct Renewal</b> Joanne Wandel</p> <p><b>State Infrastructure**</b> Rob Moore</p> <p><b>Town Hall Precinct**</b> Ian Winter</p>		<p><b>Business and Tourism</b> Dean Griggs</p> <p><b>Corporate Affairs and Strategic Marketing</b> Joanne Whyte</p> <p><b>Events Melbourne</b> Cherie Fraser</p> <p><b>International and Civic Services</b> David Livingstone</p>

# SENIOR EXECUTIVE TEAM

In 2017-18 the City of Melbourne had an organisational structure of six groups, led by the CEO and five directors. The CEO 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.

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



**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).



**Claire Ferres Miles**  
Director of City Strategy and Place

Claire joined the City of Melbourne in May 2018. Previously Claire has held executive roles in Local Government (City of Port Phillip), Victorian Government (Transport and Planning), Transport for London and in the private sector, and is highly regarded for her collaborative leadership, authentic community engagement and innovative partnerships. These partnerships have led to breakthroughs in government policy in affordable housing, sustainability, transport and planning - to design and deliver beautiful places for people that are inclusive, prosperous and healthy. Claire is passionate about achieving public value, with demonstrated experience in developing high performing teams and service reform, with a strong commitment to leading a safe, equitable and fun workplace. In 2017 Claire was recognised as a 'Top 50 Woman in the Victorian Public Sector'. She has a Master of Transport, a Master of Traffic, a Bachelor of Planning and Design with majors in Landscape Architecture and Urban Design and is a Graduate of the Australian Institute of Company Directors.

The Director of City Strategy and Place position was occupied by Kate Vinot from July 2017 until November 2017. Michelle Fitzgerald acted in the position from November 2017 until May 2018.



**Professor Rob Adams AM**  
Director of City Design and Projects

Rob's 35 years at the City of Melbourne, and 46 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.



**Katrina McKenzie**

Director of City Economy and Activation

Katrina joined the City of Melbourne in 2015. Previously Katrina held a range of senior executive roles with other government entities, 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, a Master's in Innovation and Service Management and is a Graduate of the Australian Institute of Company Directors. Katrina's group is focused on activating the city to grow prosperity and enhance residents, workers and visitor opportunities to enjoy one of the world's most liveable cities.

**Martin Cutter**

Director of City Operations (July 2017–May 2018)

The Director of City Operations position was occupied by Martin Cutter until 17 May 2018. Linda Weatherson acted in the position until 30 June 2018.



**Linda Weatherson**

Director of City Communities (July 2017–May 2018)

A homegrown success story, Linda Weatherson has risen progressively through the ranks at the City of Melbourne. Since starting in 1987 working with our childcare centres and kindergartens, Linda has managed Family and Children's Services, Human Resources, Business Development and Best Value. Linda was appointed as a Director in 2004 and was initially responsible for the Corporate Performance division. 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 Director of City Communities position was occupied by Linda Weatherson until 17 May 2018. Angela Meinke acted in the position until 30 June 2018.

**Executive team**

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

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

# OUR PEOPLE

Our highly engaged and deeply committed workforce enables us to deliver our vision of being a leading organisation for a leading city.

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

By building diversity and inclusion into the foundation of our organisation and a part of our values of integrity, courage, accountability, respect and excellence, we can continue to be a high performing, leading organisation.

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 2016 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.

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 with a key focus on achieving excellence in the implementation of health and wellbeing initiatives for all Club members across the City of Melbourne. The Club aspires to encourage and promote a healthy work life balance for members by providing meaningful information, resources, programs, services and activities. Services range from discounted cinema, entertainment, sporting and theatre tickets to subsidised gym memberships, social and charity events.

We have continued to implement our Engaged People Plan, as part of our four-year Organisational Plan. Work has included the commencement of a centralised approach to volunteer engagement and management, continued workforce planning, talent management and succession planning. We have implemented a new approach to our safety systems, refreshed our Leading Safety Program, and centralised the learning and development budget to improve oversight of learning needs. 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

Our code of conduct applies to everyone who works at the City of Melbourne including all our employees, contractors, consultants, agency staff and volunteers. All employees are provided access to our code of conduct e-learning module, and all new employees receive an electronic copy of the code of conduct with their offer of employment.

## Enterprise agreement

The current enterprise agreement for the City of Melbourne will expire on 30 June 2019. The majority of employees voted for the new proposed single enterprise agreement that was approved in August 2017, and covers 95 per cent of employees.

## Staff classifications

**Classification 1 and 2** – childcare workers, school crossing supervisors, fitness instructors, information officers.

**Classification 3** – childcare 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 CEO

# STAFF PROFILE

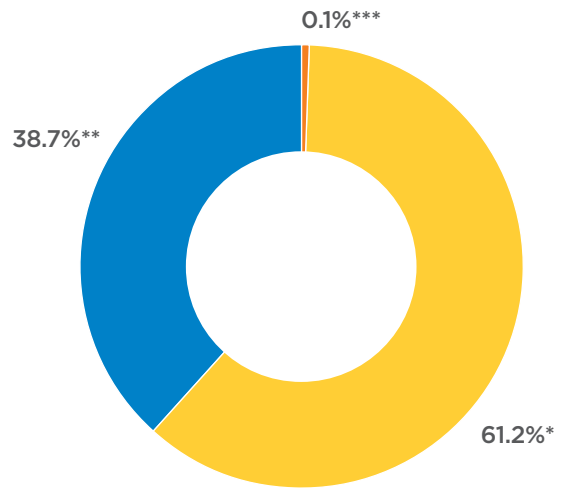
As at 30 June 2018 (point in time), we employed 1653 people, with a full-time equivalent (FTE) of 1423.96. Whilst our staff numbers increase slightly during summer due to a seasonal operating pool, direct employees of the organisation complete most of our work. A breakdown of our direct employees is:

- 985 permanent, full-time (981.98 FTE)
- 388 permanent, part-time (230.28 FTE)
- 243 maximum-term temporary - full-time and part-time (208.46 FTE)
- 37 casual (3.23 FTE)

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

Note: the data includes active employees on payroll (employees could be on paid and unpaid leave) and also all employee data excludes supervised worker data, as this is currently unavailable.

Total workforce by gender as at 30 June 2018



**Key**

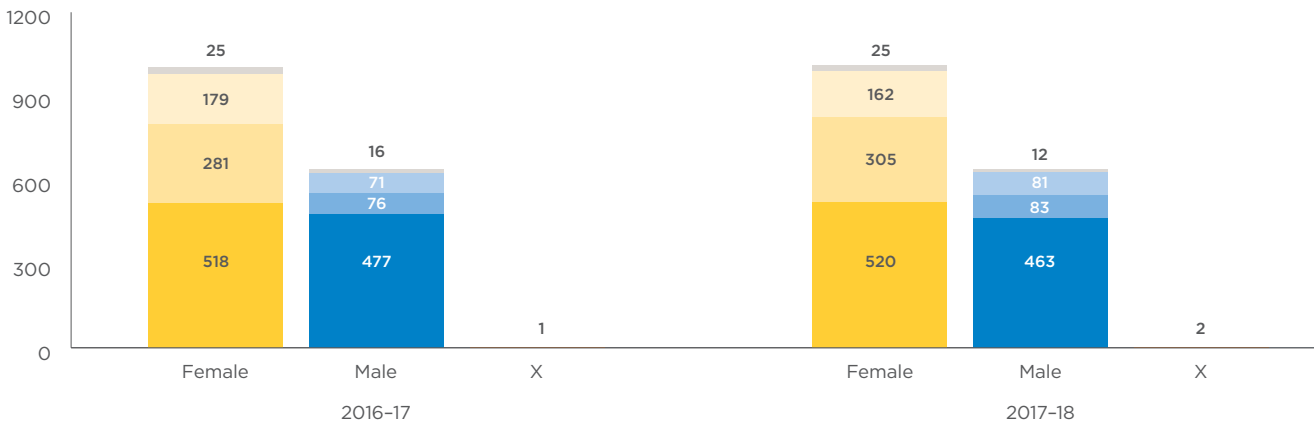
- Female
- Male
- Indeterminate / Intersex / Unspecified

\*1012 (841.71 FTE) previous year 61.0%

\*\*639 (580.24 FTE) previous year 38.9%

\*\*\*2 (2 FTE) previous year 0.1%

Number of staff (head count) by employment type and gender 2016-17 to 2017-18



**Key**

- Permanent full-time
- Permanent part-time
- Maximum term (full/part-time)
- Casual
- X = Indeterminate / Intersex / Unspecified

New staff by gender and age

Age	Female	Male	Indeterminate / Intersex / Unspecified	Total
Under 30 years	55 (39.78 FTE)	32 (19.76 FTE)	0 (0 FTE)	87 (59.55 FTE)
30-49 years 11 months	112 (89.60 FTE)	54 (49.69 FTE)	0 (0 FTE)	166 (139.29 FTE)
Over 50 years	19 (12.40 FTE)	9 (7.69 FTE)	0 (0 FTE)	28 (20.09 FTE)
<b>Total</b>	<b>186 (141.78 FTE)</b>	<b>95 (77.14 FTE)</b>	<b>0 (0 FTE)</b>	<b>281 (218.92 FTE)</b>

Our rate of new employee hires during the reporting period was 5.88 (by head count) or 6.50 FTE. (This is up from last year's rate of 5.24 head count and 5.57 FTE).

Workforce turnover in 2017-18 by gender and age

Age	Female	Male	Indeterminate / Intersex / Unspecified	Total
Under 30 years	39 (22.81 FTE)	22 (11.67 FTE)	0	61 (34.48 FTE)
30-49 years 11 months	111 (82.59 FTE)	46 (38.87 FTE)	0	157 (121.46 FTE)
Over 50 years	31 (22.36 FTE)	27 (19.48 FTE)	0	58 (41.84 FTE)
<b>Total</b>	<b>181 (127.76 FTE)</b>	<b>95 (70.02 FTE)</b>	<b>0</b>	<b>276 (197.78 FTE)</b>



## Number of staff (FTE) by organisational group, employment type and gender as at 30 June 2018

Employment type	Gender	City Economy and Activation	City Design and Projects	City Strategy and Place	City Communities	City Operations	Executive Services	Grand total
Permanent full-time	Female	95.20	16.00	56.00	167.70	98.58	84.25	517.73
Permanent full-time	Male	28.00	26.00	44.00	66.00	211.25	87.00	462.25
Permanent full-time	Indeterminate / Intersex / Unspecified	0.00	0.00	2.00	0.00	0.00	0.00	2.00
Permanent part-time	Female	18.51	3.51	17.74	96.45	24.83	22.89	183.93
Permanent part-time	Male	2.42	0.60	2.80	26.19	10.21	4.14	46.36
Maximum term full-time	Female	17.20	15.00	12.00	25.00	16.00	11.25	96.45
Maximum term full-time	Male	5.00	10.00	11.00	11.00	12.00	9.00	58.00
Maximum term part-time	Female	6.87	5.58	6.75	13.92	4.91	3.23	41.26
Maximum term part-time	Male	3.44	0.79	0.60	4.22	2.98	0.73	12.76
Casual	Female	0.23	0.00	0.00	2.01	0.10	0.00	2.34
Casual	Male	0.19	0.00	0.00	0.60	0.09	0.00	0.88
<b>Grand total</b>		<b>177.06</b>	<b>77.48</b>	<b>152.89</b>	<b>413.09</b>	<b>380.95</b>	<b>222.49</b>	<b>1423.96</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	\$408,784	14 October 1986	15 September 2017	14 September 2020
Director City Operations	Position vacant				
Director City Economy and Activation	Katrina McKenzie	\$368,377	21 January 2016	17 October 2016	16 October 2019
Director City Strategy and Place	Claire Ferres Miles	\$368,377	7 May 2018	7 May 2018	6 May 2021
Director City Communities	Linda Weatherson	\$368,377	7 December 1987	19 July 2018	18 July 2020

# DIVERSITY AND INCLUSION

Diversity and inclusion are woven into the foundations of our organisation. At the City of Melbourne, we know that embracing and valuing the diversity of our workforce leads to better outcomes not just as an employer, but in the community. Diversity and inclusivity guides our thinking with regard to the community facilities and services we provide and the inclusive public environments we create and events we celebrate.

While definitions of diversity change and grow over time, we truly understand and appreciate that diversity adds value to what we do and how we do it. Diversity significantly enriches our decision making, innovation and productivity. The City of Melbourne understands that a diverse and inclusive culture promotes a higher sense of employee well-being and psychological safety, and greater team engagement with higher levels of commitment and satisfaction. At the heart of our culture of diversity and inclusion are our values of integrity, courage, accountability, respect and excellence.

This is how we can see our diversity and inclusion ethos shine through in our values:

Our values	How we see diversity and inclusion in our values
<p><b>Integrity</b> Be honest and reliable, have integrity.</p>	<p>Challenging our own unconscious biases.</p>
<p><b>Courage</b> Speak up, have courage, make things happen.</p>	<p>Speaking up when observing actions that are not supportive of our commitment to inclusion.</p>
<p><b>Accountability</b> Act with accountability; be responsible for what you do and how you do it.</p>	<p>Ensuring you welcome, value and support your colleagues and customers.</p>
<p><b>Respect</b> Stay open, be inclusive, value every voice, establish respect and collaborate.</p>	<p>Be open to individuals' differences and experiences and enable them to fully participate.</p>
<p><b>Excellence</b> Display excellence; work with energy and passion for the best possible results.</p>	<p>Draw on the unique differences of our people (diversity of thought and experience) to achieve the best possible results.</p>

In 2017-18, we introduced new diversity and inclusion activities added to our existing suite. These include a Pride network for LGBTQI staff and allies, expanded purchased leave options, a pay equity analysis, an inclusion census, and a new round of bystander training.

The City of Melbourne was very proud to win the 2018 Champion of Flexible Work Awards in the category of local government. We continue to drive a culture of flexibility, with our 'all roles flex' policy and suite of supporting tools to assist managers and employees brainstorm ways to walk the talk. Workplace flexibility enhances the culture of our organisation and enriches the experience of our employees as we work hard to serve our community.

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.

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.

We developed and are in the process of implementing our first Aboriginal Employment Strategy. Already we are making impressive progress. We have:

- Introduced 'identified roles' and have commenced employment into those roles including an Aboriginal Employment Advisor.
- Reviewed our employment policies in consideration of our Aboriginal Employment Strategy.
- Supported 14 employees to participate in the Jawun secondment program. The secondees are immersed in Aboriginal culture for the six week program, and experience a rich learning environment. Secondees use their experience and skills to support Aboriginal organisations to achieve their aims.
- Reviewed the entire recruitment process in support of the Aboriginal Employment Strategy.
- Networked and presented internally and externally to Reconciliation and inclusion events; student groups; Koori Youth Summit Expo; NRL, AFL Sports Ready; Koori Youth Projects.
- Have had great success with our traineeship and intern program. All three trainees completing their twelve month Certificate 4 in Business and moved into employment with City of Melbourne.
- Welcomed four interns through the CareerTrackers program with two going on to other employment opportunities at the City of Melbourne while completing their university studies.
- Held career days with universities.
- Implemented Aboriginal Employment Champions and Mentors.
- Developed and delivered a Cultural Awareness Program.
- Exceeded targets in our Aboriginal talent pool and our employment targets.

We will aim to meet and exceed our goals for the Aboriginal Employment Strategy in 2018-19. \*

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 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 2018

**Award employees**

(Class 1 to Class 7 also including senior officer staff)

1 female to 0.62 males

(2016-17 was 0.61 males, 2015-16 was 0.71, 2014-15 was 0.80)

1 male to 1.62 females

(2016-17 was 1.60 females, 2015-16 was 1.55, 2014-15 was 1.44)

**Executive employees**

(Executive 1 to Executive 5)

1 female to 1.07 males

(2016-17 was 1.10 males, 2015-16 was 1.50, 2014-15 was 2.20)

1 male to 0.94 females

(2016-17 was 0.91 females, 2015-16 was 0.67, 2014-15 was 0.46)

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

\* This responds to a health and wellbeing priority

Employee classification by gender (FTE) as at 30 June 2018

Gender	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7 / Snr Off.*	Exec	Grand total
Female	16.71	49.98	169.39	178.36	174.09	151.94	73.58	27.66	841.71
Male	19.69	23.95	111.25	103.37	106.60	117.76	66.82	30.80	580.24
Indeterminate / Intersex / Unspecified	0.00	0.00	0.00	0.00	0.00	2.00	0.00	0.00	2.00
<b>Grand total</b>	<b>36.41</b>	<b>73.93</b>	<b>280.64</b>	<b>281.73</b>	<b>280.70</b>	<b>271.70</b>	<b>140.40</b>	<b>58.46</b>	<b>1423.96</b>

\*Snr Off. – Senior Officer Contract

Employee classification by age group (FTE)

Age group	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7 / Snr Off.*	Exec	Grand total
Under 30 years	20.08	20.37	41.89	50.37	9.00	6.40	1.00	0.00	149.11
30–49 years	11.43	35.74	136.24	176.79	195.51	179.12	90.84	30.06	855.73
50 years plus	4.90	17.81	102.51	54.57	76.19	86.18	48.56	28.40	419.12
<b>Grand total</b>	<b>36.41</b>	<b>73.93</b>	<b>280.64</b>	<b>281.73</b>	<b>280.70</b>	<b>271.70</b>	<b>140.40</b>	<b>58.46</b>	<b>1423.96</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, a partnership with a local medical and allied health provider, our occupational health and safety (OHS) learning program and OHS Committees, and our extensive people assist program to support staff with both personal and work-related issues.

During 2017-18, we developed and implemented a framework for a new safety leadership program to improve our safety culture. This framework outlines the safety learning requirements for all employees and includes the development and delivery of compulsory learning programs for all those with people management responsibilities.

Our Occupational Health and Safety Policy Statement outlines our commitment and approach to managing safety in the workplace. Operational risks and hazards are managed by continuously evaluating and improving work environments and processes to ensure the OHS management system continues to address hazards associated with our risk profile. This management system is audited against the Australian Safety Standard AS/NZS 4801:2001 on an annual basis by an external certification body.

This is the fifth 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 2017-18.

During 2017-18 we selected a vendor to provide a new online safety management system to improve incident reporting and action management for managing our safety risks. Configuration of the system has commenced and will be followed by a pilot as part of the change management process.

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
8.4	33.6	0	4.72%	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 3.74%. 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	24
Other types of accident	20
Manual handling	4
Striking against stationary object	4
Mental stress	3
Occupational overuse syndrome	3
Struck by moving object	3
Vehicle accident	3
Falling object during handling	2
Verbal assault by other person or persons	2
Lacerations	2
Bite (insect, animal)	1
Striking against moving objects	1
<b>Grand total</b>	<b>72</b>

Workcover claims

We received 39 WorkCover claims in 2017-18. Six of these claims were rejected with 31 accepted. A further two claims remain pending. Our WorkCover premium rate is currently 1.0254 per cent and our performance rating is currently 0.6525\*.

Financial year	Standard claims	Minor claims	Premium incl gst (\$)	Premium as % of remuneration
2017-18**	12	19	1,562,176.65	1.03
2016-17	21	8	1,354,185.42	0.86
2015-16	20	8	1,072,540.39	0.67
2014-15	16	3	729,389.86	0.52
2013-14	20	9	510,648.30	0.40

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

\*\* Annual claims data will change retrospectively as a result of minor claims progressing to standard claims and claims being rejected.



# EMPLOYEE DEVELOPMENT AND TRAINING

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. Our 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 2017-18 we also developed and commenced delivery of a Leadership Program as part of a continued focus on the development of our leaders. The second pilot of the leadership program with 30 participants has commenced. The learning and development team also supported identified staff to participate in the City of Melbourne-supported leadership scholarships for the Masters in Public Administration through ANZSOG; the Future Focus Leadership Program through the Committee for Melbourne; and the Williamson Community Leadership Program.

Last year 2013 courses were delivered through our learning program across 50 individual subjects, with a total of 2533 participants. A breakdown of average training hours by gender and classification can be seen in average formal training hours by gender and classification.

We are upholding our commitment to becoming a recognised child safe organisation. Our people leaders and employees in occupational roles that interact with children continued to attend 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 fully support reconciliation. As part of our Reconciliation Action Plan 2015-18, we 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 14 workshops, educating 207 employees. The program also includes a local Aboriginal Cultural Awareness Walk facilitated by the Koorie Heritage Trust. This year, 288 employees participating in the experience across 23 sessions.

We continued a biennial compliance-training program so that our employees understand their roles and responsibilities regarding key corporate policies, Acts, local and national legislations. This mandatory staff program consists of 11 training modules with a module being run every two months over a 24-month period. These modules include such topics as our code of conduct, privacy and data protection, work health and safety, fraud and improper conduct, equal employment, bullying and harassment, family violence prevention and gender equality.

## 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
Female	3.2	2.5	2.8	3.8	4.2	3.7	7.3	3.3
Male	3.6	3.0	3.3	4.9	5.3	3.8	7.8	3.8
Indeterminate / Intersex / Unspecified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## 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 Hours Delivered
Child Safe Standards 'Speak-up'	60	0	18	15	15	15	33	0	156

\*Snr Off. - Senior Officer Contract

Note: A large proportion of staff attended this training in 2016-17 when it first launched. The numbers are therefore lower in 2017-18.

# 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 and significant urban renewal projects such as the Queen Victoria Market Precinct Renewal Program and the West Melbourne Structure Plan.

Community members also shared their views on several new and refreshed open spaces including a new playground at JJ Holland Park. Our community also shared their stories around Birrarung Marr whilst children shared their views on the Gardiner Reserve Park Expansion and Upgrade.

Our community engagement has resulted in decisions that improve policy and services and greater community satisfaction and wellbeing. As shown by the Department of Environment, Land, Water and Planning's 2018 Community Satisfaction Survey, satisfaction with our community consultation and engagement (index score of 63), is above the state-wide average (index score of 55). This is in line with the recent high standards that have been established.

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

- 2018-19 Annual Plan and Budget
- Transport Strategy Refresh
- Royal Park Transport Assessment
- Community Grants Framework
- Creative Strategy
- Southbank Heritage Review
- West Melbourne Structure Plan
- Electronic Gaming Policy Review
- Waste and Resource Recovery Plan
- Birrarung Marr Master Plan
- Hoddle Grid Heritage Review
- Smoke Free Areas
- Melbourne Arts Precinct
- Southbank Boulevard and Dodds Street Draft Concept Plan
- Boyd Park Redevelopment
- What's Your Story?
- Gardiner Reserve Expansion and Upgrade
- Busking Review
- Domestic Animal Management Plan
- Music Plan

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)

Participate Melbourne metrics:

2016-17

85,264  
website visitors

5962  
registered members

2017-18

109,696  
website visitors

8409  
registered members

We have also brought the community into the conversation on collaborative projects with the Victorian Government, especially in areas of growth and urban renewal. These projects include the Metro Tunnel Project, the West Gate Tunnel Project, Fishermans Bend, Arden Macaulay Renewal Area, and Public Housing Renewal Program.

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, Rail Projects Victoria and Melbourne Water. The City of Melbourne has led the delivery of [www.ardenmacaulay.vic.gov.au](http://www.ardenmacaulay.vic.gov.au). This single online presence brings government partners together to inform communities about the renewal area.

### Recognising Diversity

Our ongoing commitment to work with and engage across our whole community allows Council to make informed decisions that are truly representative of Melbourne's diversity.

In 2017-18 we recruited more people living with a disability and with a lived experience of homelessness onto Council's Disability and Homelessness Advisory Committees than ever before. For the first time both Committees recruited identified Aboriginal members.

As a city with an Aboriginal focus, we worked closely with and involved Melbourne's Traditional Owner groups in key decisions. Through the African Australian Community Partnership program and Melbourne Youth Services Forum we remained connected with community and the Victorian Government, building local voices and needs into our ongoing work.

# IMPROVEMENT

Improving the way we serve our customers is central to everything we do. At the City of Melbourne, we are focused on ensuring our services are simple, fast, integrated and have been designed with the customer's needs in mind.

Improvement highlights in 2017-18 include:

## Digital Services Platform (DSP)

To improve customer experience and service our Technology Services team built a Digital Services Platform (DSP) to provide the City of Melbourne with the capabilities required to digitally serve and manage the service needs of our customers.

The platform was designed with a customer first focus to ensure that the digital interactions are not organisational ways of managing work but meet customer needs and are frictionless.

The DSP comprises:

- a mobile enabled, simple user interface to report service issues and to ask questions
- a modern Customer Relationship Management solution that will allow us to better know and serve our customers through enhanced channel, case management and communication capabilities
- introduction of new live chat channel to offer digital real time assistance to customers seeking information
- technical integration and data capability to build customer master data management allowing for connected customer views across the various City of Melbourne services and transactions
- enhanced payment gateway capabilities and payment reform capabilities to enable a single customer invoice view.

In 2017-18 we transitioned eight key transactional services to the DSP parallel to building foundational customer experience capability. These included improved digital ways to report:

- illegally dumped rubbish
- illegally parked cars
- parking Infringement review requests.

Across the range of services we have transitioned we have seen average increases in digital reporting between 15 per cent to 35 per cent indicating a good uptake of the improved digital interface by our customers.

The DSP is a multiyear program of work to ensure the City of Melbourne builds modern technology capabilities to allow customer service and organisational efficiencies. In coming phases of the program additional services will be digitally enabled and improved.

## Real-time faulty meter reports

Approximately four per cent of drivers who report a faulty meter each year receive a parking fine because the meter appears to be functioning when the parking officer inspects it. After receiving a fine, each customer spends more than nine minutes taking action to resolve it and a minimum of nine days waiting to receive the outcome of their infringement review. The City of Melbourne spends a minimum of 15 minutes dealing with each of these cases.

In the first four months since implementing real-time faulty meter reports in February 2018, we have seen an 85 per cent reduction in fines issued in these circumstances, and are working to refine our approach to reduce this number further.

Adding a real-time alert to the officers' equipment has:

- given officers better oversight of issues affecting on-street parking
- created a better driver experience by reducing the number of infringements issued to vehicles where the meter is found to be faulty
- eliminated waste in our processes by reducing the number of requests for infringement review, freeing up staff time to action other customer requests
- reduced the number of negative interactions our Customer Relations Team had with our customers on the telephone, freeing up staff time to assist other customers.

We estimate this new technology will save our customers around 91 hours disputing a fine and more than 9873 days spent waiting for a resolution each year.

The improvement project received a high commendation at the Municipal Association of Victoria (MAV) Technology Awards for Excellence in March 2018.

# OUR ENVIRONMENTAL PERFORMANCE

Our approach to managing both our organisational and city environmental performance is driven by the priorities identified within Council Plan goal – a city that cares for its environment, and the city-wide strategies and plans which support it. To lead and inspire action throughout the community we continually work on improving our own operations, with a current focus on three key impact areas: greenhouse gas emissions, energy consumption, and water management.

## Energy and emissions

The City of Melbourne is a certified carbon neutral organisation through the National Carbon Offset Standard, as well as 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. The City of Melbourne Emissions Reduction Plan for Our Operations, launched in 2016, is our roadmap for reducing emissions from our activities between 1 July 2016 and 30 June 2021. To do our share to avoid a 1.5 °C rise in global average temperature by 2050, we need to reduce our emissions by approximately 4.5 per cent each year, or 17,524 tonnes of carbon dioxide equivalent, based on our 2011-12 baseline year for the National Carbon Offset Standard.

### 2017-18 Results

Improving the energy efficiency of our operations and increasing our uptake of renewable energy sources is critical to achieving our ambitious emissions reduction targets. We have undertaken a number of energy efficiency upgrades in the reporting year to reduce operational emissions including thermal efficiency improvements, energy management controls, and energy optimisation and building tuning projects across our offices, libraries, recreation centres, and community buildings. We also upgraded a further 3357 LED streetlights, which will result in an annual greenhouse gas emissions reduction of around 2445 tonnes per year, and generated approximately 1292 MWh of renewable energy from the 983 kW of solar which council has installed across 24 buildings since 2003. These solar installations reduce Council's reliance on Victoria's carbon-intensive electricity grid and are estimated to have abated 1524 tonnes of emissions this year.

Through energy efficiency and renewable energy initiatives such as these, the City of Melbourne is on track to again exceed its science-based emissions reduction target of 4.5 per cent per year in 2017-18. We are committed to reporting annually to the community on our progress towards our emissions reduction target and our annual carbon accounts will be finalised in October 2018 in line with the standards and reporting cycle set out in the Federal Government Carbon Neutral Program the *National Greenhouse and Energy Reporting Act 2007*.

To download the Emissions Reduction Plan for Our Operations 2016-21 and view our achievements to date, please visit our website at [melbourne.vic.gov.au](http://melbourne.vic.gov.au) and enter 'emissions reduction plan' in the search box.

## Water management

Water is essential for liveability in Melbourne, keeping our green spaces healthy and cooling the city. As the climate changes and we have less but more intense bursts of rainfall, we need to be clever about how we design our city to ensure that we use the right water for the right purpose, while minimising flood risk. In order to meet our water management challenges across our operations and the municipality we practice Integrated Water Management, defined as the coordinated management of all components of the water cycle including water consumption, rainwater, stormwater, wastewater and groundwater, to secure a range of benefits for the wider catchment. Total Watermark: City as a Catchment Strategy and the Municipal Integrated Water Management Plan guide our work in this area and contain both operational and municipal targets for the City. See the results City of Melbourne and municipal water indicators under Council Plan goal – a city that cares for its environment.

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

# RISK MANAGEMENT

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

Risk management planning is 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 CEO 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 contagion

How do you prepare for an urgent and unexpected event? From extreme heat, to a serious fire, to a major pandemic, 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, we ran a hypothetical exercise called Exercise contagion. This exercise was based on a pandemic scenario to evaluate the effectiveness of our Influenza Pandemic Action Plan and the supporting plans of other organisations.

It was jointly facilitated by the City of Melbourne and the Department of Health and Human Services and involved a panel of specialists discussing the implications of a major pandemic. The exercise covered the hypothetical spread of a pandemic from overseas to Victoria. Using the Department of Health and Human Services plan for each defined stage of a pandemic, the participants looked at the preparation and actions needed to deal with this situation. This included relevant community messaging, management of health and wellbeing issues and preparation of an appropriate vaccine. It also involved enacting business continuity plans to ensure that key services continued to be delivered despite the reduced workforce availability.

In these challenging situations we need to collaborate with our partners across the city. Those involved included City of Melbourne staff with a key role if a pandemic occurred, our contractors, Victoria Police, Ambulance Victoria, Yarra Trams, Metro Trains, Red Cross, Royal Melbourne Hospital, the North Western Melbourne Primary Health Network of GPs and Victoria State Emergency Service.

The exercise allowed us to better understand our plans and helped validate the arrangements in place to help manage the impacts of a pandemic on the community. It also provided some learnings about opportunities for improvement.

We have now committed to an annual program that will continue to strengthen our skills, making sure we can respond to emergencies. A big thank you to everyone involved on the day. The positive collaboration was a great example of our teams and partner agencies working as one.



# AUDIT OPERATIONS

## Audit and risk committee

In accordance with section 139 of the *Local Government Act 1989*, the Melbourne City Council 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 and processes and practices.

The audit and risk committee met five times during 2017-18 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 2017-18 the independent members were: Chair Richard Moore, Therese Ryan, Stuart Hall and Geoff Harry.

The Council representatives, Deputy Lord Mayor Arron Wood, Councillor Tessa Sullivan and Councillor Philip Le Liu served on the committee in 2017-18.

Information about our independent audit and risk 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. As the Audit and Risk Committee Charter limits the tenure of each member to three terms of three years each Richard retired after nine years' valuable service on 30 June 2018.

**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 40 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, City of Whittlesea, City of Greater Dandenong, IBAC, Agriculture Services Victoria, 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. Oakton Services Pty Ltd have provided internal audit services under contract since July 2014 and in June 2018 were reappointed for a further three years.

**External audit**

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

**Audit committee meeting attendance**

ATTENDEE	ROLE	4.8.17 Quarterly	25.8.17 Special	17.11.17 Quarterly	16.2.18 Quarterly	4.5.18 Quarterly
Richard Moore	Chairman	✓	✓	✓	✓	✓
Geoff Harry	Member	✓	✓	✓	✓	✓
Therese Ryan	Member	✓	X	✓	✓	✓
Stuart Hall	Member	✓	✓	✓	✓	✓
Deputy Lord Mayor Arron Wood	Council representative	✓	✓	✓	✓	✓
Councillor Tessa Sullivan*	Council representative	✓	✓	✓		
Councillor Philip Le Liu	Council representative	X	✓	✓	✓	✓

\*resigned in December 2017 and was not replaced on the Committee.

# 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 current 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. We seek to procure environmentally preferred products and services and to do business with contractors and providers who have similar sustainability objectives and policies.

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.

Our procurement and corporate contract management system prescribes best practice methodologies in its contract management and processes.

In 2017-18 the Centre Led Procurement Model entered its third year. The Model continues to be refined while delivering strong social and financial benefits including:

- simplification and improvements of the procurement process
- an increased focus on sustainability outcomes
- encouraging the engagement of Aboriginal businesses and social enterprises.

In September 2016 the City of Melbourne launched its Aboriginal Procurement Strategy at the Melbourne Aboriginal Enterprise Expo. The strategy sets a target of 0.9 per cent of total procurement 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 2017-18, we processed 62 tenders, including expressions of interest and select tenders.

Contracts were awarded or extended in the following key service categories:

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

A list of all current major service contracts greater than \$1 million annually is provided on our website at [melbourne.vic.gov.au](http://melbourne.vic.gov.au) by entering 'major service contracts' in the search box.

For service contracts with a value greater than \$150,000, strategic 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 it meets our sustainability objectives. Note: these reviews do not apply to capital works contracts.

**Contracts**

This 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*. We 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.

We entered into the following contracts in 2017-18 in accordance with section 186(5)(c) of the *Local Government Act 1989*. These contracts were entered into in reliance on Ministerial exemption.

Ministerial exemption	Contract title
Procurement Australia	<ul style="list-style-type: none"> <li>• Electricity Supply to Public Lighting</li> <li>• Metered Electricity Services</li> <li>• Learning and Development Services Panel; PA Panel 1410/0618 - Recruitment and Associated Services</li> <li>• Provision of Debt Collection Services</li> <li>• EPA Services</li> <li>• Fleet Leasing Services</li> </ul>
State Purchase Contract	<ul style="list-style-type: none"> <li>• Provision of Travel Services</li> <li>• Construction Supplier Register (CSR)</li> <li>• Marketing Services Register (MSR)</li> <li>• Salesforce</li> <li>• Microsoft Software Enterprise Agreement</li> <li>• Cloud Computing Panel</li> </ul>
City of Melbourne	<ul style="list-style-type: none"> <li>• Student Welcome Desk Melbourne Airport</li> <li>• Ageing and Inclusion Services - Service A: Home and Community Care (HACC) - Active</li> <li>• Ageing and Inclusion Services - Service C: Meal Preparation - Ballarat Health Services - Active</li> <li>• Planned Activity Group for older people experiencing or at risk of homelessness - VincentCare - Active</li> <li>• Ageing and Inclusion Services Panel (On Call only) - Active</li> <li>• Youth Homelessness Services - Active 1 July 2018</li> <li>• Integrated Security Services</li> <li>• Software Modules - Technology One</li> <li>• Election Services</li> <li>• Electricity and Associated Services - Active 1 July 2018</li> <li>• Provision of Specialised Security Consulting Services</li> </ul>

# INNER MELBOURNE ACTION PLAN 2016–2026

The Inner Melbourne Action Plan (IMAP) is a partnership between the five inner Melbourne councils – the Cities of Melbourne, Stonnington, Yarra, Maribyrnong and Port Phillip – to implement five goals and 27 strategies across a diverse range of issues affecting the Inner Melbourne region. The IMAP implementation committee is a special committee of each council working as one. It has just completed its 12th year of successful partnership.

During 2017-18 the IMAP councils undertook the following joint projects:

**Coordination of the 2018 IMAP StreetCount** of people sleeping rough in Inner Melbourne on the morning of Tuesday 19 June. This was the first time the count, held very second year, was undertaken across the five municipalities resulting in 392 people being counted. The count was aided by corporate donations, the help of 400 volunteers, and was jointly funded by the Victorian Government. Launch Housing project managed the joint StreetCount and more than 30 partner agencies were involved, including Victoria Police. Initial outcomes included significant media attention and a call for greater responsiveness by government.

**Implementation of the Census of Land Use and Employment (CLUE)** – IMAP council partners were successful in receiving Smart Cities and Suburbs funding from the Australian Government to modernise the City of Melbourne’s CLUE business database to cloud technology, thus enabling partner councils the opportunity to participate in the survey in future years.

IMAP tourism partners supported the publication of the 2018 Official Visitor Map in conjunction with Destination Melbourne and showcased over 70 additional cultural attractions in inner Melbourne in Cultural Tourism Victoria’s *Experience Culture Victoria 2017-18* publication.

**Protecting people in crowded places** – An IMAP working group reviewed the Australian Government’s document, sharing insights and identifying opportunities for greater collaboration over event management, site and procedural security, and education on safety in the inner city.

**Wayfinding and Signage** – IMAP councils along with Transport for Victoria, VicRoads, Public Transport Victoria and Wyndham City Council are promoting consistent visitor signage across inner Melbourne and the rest of Victoria. During 2017-18 the IMAP councils adopted the group’s Wayfinding Signage Standards for Victoria as an operational manual. Comprehensive user testing of new signage designs was undertaken by the City of Melbourne and changes were made to the ‘family’ of signs as a result of feedback. The Office of the Victorian Government Architect and Transport for Victoria have been approached for signage design review and integrated mapping development.

**Regional Active Sport and Recreation Facilities Planning Study** – The five IMAP Councils have consolidated all data on sporting facilities, infrastructure and use across Inner Melbourne. In 2018, consultants were engaged to assess the future provision of active outdoor and aquatic sport and recreation facilities.

**Urban Manufacturing – The Dilemma of Urban Employment Land** – IMAP councils, in conjunction with the University of Melbourne, completed work on this research project in 2017-18, aimed at helping guide strategic decisions regarding the rezoning of employment land. The study illuminated the impacts of development on small innovative manufacturers providing new skilled employment opportunities in the Inner city.

**Mimicking natural ecosystems to improve green roof development** – IMAP, Melbourne Water and the Australian Research Council funded this three-year linkage grant to the University of Melbourne. The research examines light weight substrates and plant combinations for optimum water storage capacity and successful conversion of green roofs in inner Melbourne’s climate. Findings were presented to the IMAP implementation committee in February 2018.

# PROPERTY HOLDINGS

As part of our commitment to increase the level of transparency in our financial reporting, we include a list of the City of Melbourne's top 20 properties by value.

Address	2018 consolidated value \$ million	2017 consolidated value \$ million	2016 consolidated value \$ million
Royal Park, Flemington Road, Parkville VIC 3052	\$364.12	\$364.51	\$328.08
Fawcner Park, 24-88 Commercial Road, South Yarra VIC 3141	\$257.01	\$235.97	\$193.72
Kings Domain, Alexandra Avenue, Melbourne VIC 3004	\$219.72	\$199.56	\$163.36
Fitzroy Gardens, 230-298 Wellington Parade, East Melbourne VIC 3002	\$204.85	\$205.41	\$185.42
Queen Victoria Market, 65-159 Victoria Street, Melbourne VIC 3000	\$118.97	\$120.30	\$123.88
Princes Park, 200-590 Royal Parade, Carlton North VIC 3054	\$118.03	\$112.86	\$107.93
Melbourne Town Hall (including Administration Building), 90-130 Swanston Street, Melbourne VIC 3000	\$109.14	\$100.03	\$95.69
Munro Site, Therry Street, Melbourne VIC 3000	\$105.97	\$82.56	\$0.00
Council House 2, 218-242 Little Collins Street, Melbourne VIC 3000	\$82.57	\$63.46	\$71.60
Flagstaff Gardens, 309-311 William Street, West Melbourne VIC 3003	\$58.22	\$55.66	\$51.55
Birrarung Marr, Batman Avenue, Melbourne VIC 3000	\$50.26	\$47.25	\$45.14
Carlton Gardens South, Victoria Street, Carlton VIC 3053	\$40.99	\$44.15	\$42.65
Alexandra Gardens, St Kilda Road Melbourne VIC 3004	\$40.44	\$41.33	\$37.03
Queen Victoria Gardens, St Kilda Road, Melbourne VIC 3004	\$39.72	\$35.11	\$36.10
Alexandra Park, Alexandra Avenue, Melbourne VIC 3004	\$37.73	\$35.96	\$34.73
Council House, 196-212 Little Collins Street, Melbourne VIC 3000	\$37.63	\$36.99	\$30.21
Carlton Gardens North, 1-111 Carlton Street, Carlton VIC 3053	\$37.26	\$36.06	\$34.77
Treasury Gardens, 2-18 Spring Street, East Melbourne VIC 3002	\$32.74	\$38.72	\$35.20
J.J. Holland Park, 67-121 Kensington Road, Kensington VIC 3031	\$29.73	\$31.55	\$29.91
Carlton Baths, 216-248 Rathdowne Street, Carlton VIC 3053	\$25.69	\$21.83	\$26.83

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



# GOVERNANCE AND MANAGEMENT CHECKLIST 2017–18

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

Governance and Management Items		Assessment	
1	<b>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"/>
2	<b>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"/>
3	<b>Strategic resource plan</b> (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 26 June 2018	<input checked="" type="checkbox"/>
4	<b>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: 26 June 2018	<input checked="" type="checkbox"/>
5	<b>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: 1 October 2017	<input checked="" type="checkbox"/>
6	<b>Rating strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 26 June 2018	<input checked="" type="checkbox"/>
7	<b>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"/>
8	<b>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"/>
9	<b>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 2018	<input checked="" type="checkbox"/>

Governance and Management Items		Assessment	
10	<b>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: 27 February 2018	<input checked="" type="checkbox"/>
11	<b>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: 14 June 2018	<input checked="" type="checkbox"/>
12	<b>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 July 2017	<input checked="" type="checkbox"/>
13	<b>Risk management framework</b> (framework outlining council's approach to managing risks to the Council's operations)	Framework  Date of operation of current framework: 1 December 2015	<input checked="" type="checkbox"/>
14	<b>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  Date of establishment: 1 July 1999	<input checked="" type="checkbox"/>
15	<b>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  Date of engagement of current provider: 1 July 2014	<input checked="" type="checkbox"/>
16	<b>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  Date of operation of current framework: 1 July 2014	<input checked="" type="checkbox"/>
17	<b>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)	Report  Date of report: 3 May 2018	<input checked="" type="checkbox"/>
18	<b>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  Date statements presented: 15 August 2017, 14 November 2017, 20 February 2018, 15 May 2018	<input checked="" type="checkbox"/>
19	<b>Risk reporting</b> (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports  Date of reports: 17 November 2017 and 4 May 2018	<input checked="" type="checkbox"/>

Governance and Management Items		Assessment	
20	<b>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 Date of reports: 31 July 2017 and 2 February 2018	<input checked="" type="checkbox"/>
21	<b>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 Date statements presented: 24 October 2017	<input checked="" type="checkbox"/>
22	<b>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 Date reviewed: 15 May 2018	<input checked="" type="checkbox"/>
23	<b>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 Date of review: 28 February 2017	<input checked="" type="checkbox"/>
24	<b>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 Date local law made: 26 October 2010	<input checked="" type="checkbox"/>

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



**Ben Rimmer**  
Chief Executive Officer  
Dated: 31 August 2018



**Sally Capp**  
Lord Mayor  
Dated: 3 September 2018

# LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK PERFORMANCE INDICATORS

## Report of operations

Service performance indicators Service / indicator / measure		Results 2015	Results 2016	Results 2017	Results 2018	Material variations and comments
<b>Aquatic facilities</b>						
<b>AF2</b>	<b>Service standard</b> <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	1.00	All four City Of Melbourne aquatic facilities were inspected in October 2017.
<b>AF3</b>	<b>Health and safety</b> <i>Reportable safety incidents at aquatic facilities</i>  [Number of WorkSafe reportable aquatic facility safety incidents]	4	2	5	4	There were four reportable aquatic facility safety incidents.
<b>AF4</b>	<b>Service cost</b> <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	\$4.05	Increase from last year is \$650,000 for Melbourne City Baths, which is mainly due to building maintenance costs quoted works in 2017-18.
<b>AF5</b>	<b>Service cost</b> <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	\$3.36	Result identifies that the figures are on track.
<b>AF6</b>	<b>Utilisation</b> <i>Utilisation of aquatic facilities</i>  [Number of visits to aquatic facilities / Municipal population]	4.0	4.2	4.1	3.8	No material variation.
<b>Animal management</b>						
<b>AM1</b>	<b>Timeliness</b> <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	1.6	Over the last year we have been able to maintain an average of 1.56 days in responding to our customer requests.

<b>Service performance indicators</b>		<b>Results</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>2018</b>	
<b>Service standard</b>						
<b>AM2</b>	<p><i>Animals reclaimed</i></p> <p>[Number of animals reclaimed / Number of animals collected] x100</p>	41.1%	38.4%	37.4%	36.8%	<p>A total of 36.8 per cent of animals that were impounded were returned to their original owner. Over the past year, we have experienced the collection of a high number of unowned or semi-owned cats and kittens due to our proactive cat trapping, 26.7 per cent of all animals collected fit into this category. All avenues are explored to reunite animals with their owner prior to delivering to the pound and whilst at the pound. A review of our cat management policy is underway in consultation with key stakeholders such as the Lost Dogs Home, RSPCA and neighbouring councils.</p>
<b>Service cost</b>						
<b>AM3</b>	<p><i>Cost of animal management service</i></p> <p>[Direct cost of the animal management service / Number of registered animals]</p>	\$112.25	\$114.01	\$104.66	\$122.59	<p>The City of Melbourne has a team of four Animal Management Officers and this combined with a lower number of animals registered in comparison to many other council's results in a higher cost to provide animal management services. The team conduct proactive park patrols daily to minimise the risk of dog attacks and dogs creating a nuisance in public places, attend community events to promote responsible pet ownership and registration, conduct audits of domestic animal businesses annually as well as regular proactive spot checks. The City of Melbourne also provides a contracted 24 hour emergency service and pound facilities for animals.</p>

<b>Service performance indicators</b>		<b>Results</b>	<b>Results</b>	<b>Results</b>	<b>Results</b>	<b>Material variations</b>
<b>Service / indicator / measure</b>		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>and comments</b>
<b>Health and safety</b>						
<b>AM4</b>	<b>Animal management prosecutions</b> [Number of successful animal management prosecutions]	1	4	6	10	Melbourne's ongoing growth in population and higher density living will place a range of additional demands on our public open spaces including animal management. This will present a greater emphasis on the enforcement of animal controls and potentially a greater number of prosecutions.
<b>Food safety</b>						
<b>Timeliness</b>						
<b>FS1</b>	<b>Time taken to action food complaints</b> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	-	3.6	3.5	2.2	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.
<b>Service standard</b>						
<b>FS2</b>	<b>Food safety assessments</b> [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	93.9%	96.2%	99.7%	100%	All available premises were inspected within the required period. In addition, 143 class 2 premises did not require an inspection because they ceased to operate and their registrations were abolished. A further eight class 2 premises were rescheduled to the next quarter as they were undergoing renovations and were not operating.



<b>Service performance indicators</b>						
	<b>Service / indicator / measure</b>	<b>Results 2015</b>	<b>Results 2016</b>	<b>Results 2017</b>	<b>Results 2018</b>	<b>Material variations and comments</b>
<b>Service cost</b>						
<b>FS3</b>	<i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$648.65	\$647.77	\$687.47	\$642.33	No material variation.
<b>Health and safety</b>						
<b>FS4</b>	<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	95.4%	99.6%	98.8%	100%	No material variation.
<b>Governance</b>						
<b>Transparency</b>						
<b>G1</b>	<i>Council decisions made at meetings closed to the public</i> [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	28.0%	26.6%	28.8%	25.7%	The number of Council and Committee resolutions made in closed session in 2017-18 (25.66 per cent) has reduced in comparison to the results from 2016-17 (28.85 per cent).
<b>Consultation and engagement</b>						
<b>G2</b>	<i>Satisfaction with community consultation and engagement</i> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	59	58	64	63	The level of satisfaction with community consultation and engagement in 2018 is one point lower than last year. It is six points higher than other councils across metropolitan Melbourne and eight points higher than the state wide average for councils who participate in the same community satisfaction survey.

Service performance indicators		Results	Results	Results	Results	Material variations
Service / indicator / measure		2015	2016	2017	2018	and comments
<b>Attendance</b>						
<b>G3</b>	<i>Councillor attendance at council meetings</i>  [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	87.0%	90.9%	91.5%	92.1%	Councillor attendance at Council meetings in 2017-18 (92.12 per cent) is comparable to the result for 2016-17, which was 91.52 per cent.
<b>Service cost</b>						
<b>G4</b>	<i>Cost of governance</i>  [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$89,230.00	\$86,967.27	\$87,460.54	\$86,500.36	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.
<b>Satisfaction</b>						
<b>G5</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	63	The level of community satisfaction with how the Council has performed in making decisions in the interest of the community in 2018 is three points lower than last year. It is five 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.
<b>Libraries</b>						
<b>Utilisation</b>						
<b>LB1</b>	<i>Library collection usage</i>  [Number of library collection item loans / Number of library collection items]	5.2	5.1	5.0	5.5	End of year result shows a positive increase in turnover.
<b>Resource standard</b>						
<b>LB2</b>	<i>Standard of library collection</i>  [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	84.5%	85.8%	84.2%	82.8%	No material variation.

<b>Service performance indicators</b>						
	<b>Service / indicator / measure</b>	<b>Results 2015</b>	<b>Results 2016</b>	<b>Results 2017</b>	<b>Results 2018</b>	<b>Material variations and comments</b>
	<b>Service cost</b>					
<b>LB3</b>	<i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$8.63	\$7.39	\$7.82	\$7.93	No material variation.
	<b>Participation</b>					
<b>LB4</b>	<i>Active library members</i> [Number of active library members / Municipal population] x100	33.8%	35.4%	34.3%	29.6%	End of year result is lower than the previous year but still within the acceptable threshold of five per cent. The number of active members has increased by 1.4 per cent while the municipal population increased by 8.04 per cent.
<b>Maternal and child health (MCH)</b>						
	<b>Satisfaction</b>					
<b>MC1</b>	<i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100	103.1%	110.4%	104.5%	101.1%	No material variation.
	<b>Service standard</b>					
<b>MC2</b>	<i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.0%	99.9%	100.0%	99.8%	100 per cent infant enrolments in MCH Service is consistent with the last two years results.
	<b>Service cost</b>					
<b>MC3</b>	<i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	-	\$75.25	\$78.17	\$82.69	Increase from 2016-17 result due to higher building and employee costs.
	<b>Participation</b>					
<b>MC4</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	80.7%	84.3%	82.5%	80.3%	No material variation.
	<b>Participation</b>					
<b>MC5</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	55.6%	81.1%	88.2%	82.6%	No material variation.

Service performance indicators Service / indicator / measure		Results 2015	Results 2016	Results 2017	Results 2018	Material variations and comments
<b>Roads</b>						
<b>R1</b>	<p><b>Satisfaction of use</b> <i>Sealed local road requests</i></p> <p>[Number of sealed local road requests / Kilometres of sealed local roads ] x100</p>	85	109	174	173	There has been a slight decrease in a number of sealed road requests during the second half of this financial year compared to the first half of the year. However the total number of requests per 100 km of roads for the whole year is very close to the last financial year.
<b>R2</b>	<p><b>Condition</b> <i>Sealed local roads below the intervention level</i></p> <p>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</p>	92.6%	82.4%	82.4%	78.3%	The number of kilometres of sealed local roads below the renewal intervention level set by the Council has slightly decreased compared to last year. This may be due to increased construction activities due to Melbourne Metro Works and other development activities. Also the increase in construction costs resulted in Council undertaking less road resurfacing works.
<b>R3</b>	<p><b>Service cost</b> <i>Cost of sealed local road reconstruction</i></p> <p>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</p>	\$249.58	\$264.27	\$275.34	\$277.18	There has been a slight increase in the cost of local road reconstruction compared to last year. This is mainly due to increase in schedule of contract rates as a result of rise and fall adjustments.
<b>R4</b>	<p><b>Service cost</b> <i>Cost of sealed local road resealing</i></p> <p>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</p>	\$59.04	\$48.32	\$43.66	\$44.34	There has been slight increase in average cost of local road resealing compared to the last year as result of increase in the unit rate of sealing.

<b>Service performance indicators</b>		<b>Results</b>	<b>Results</b>	<b>Results</b>	<b>Results</b>	<b>Material variations</b>
<b>Service / indicator / measure</b>		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>and comments</b>
<b>R5</b>	<p><b>Satisfaction</b></p> <p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	76	75	73	70	The level of community satisfaction with how the Council has performed on the condition of sealed local roads in 2018 is three points lower than last year. It is two points higher than other councils across metropolitan Melbourne and 17 points higher than the state wide average for councils who participate in the same community satisfaction survey.
<b>Statutory planning</b>						
<b>SP1</b>	<p><b>Timeliness</b></p> <p><i>Time taken to decide planning applications</i></p> <p>[The median number of days between receipt of a planning application and a decision on the application]</p>	60	74	80	95	A median of 95 days to decide planning applications is a 19 per cent increase from the previous year. This reflects a trend in decisions taking longer over the last few years and is largely due to the increasing complexity in the applications received. A final decision on these complex applications may require us to refer the application to multiple authorities before a final determination can be made.
<b>SP2</b>	<p><b>Service standard</b></p> <p><i>Planning applications decided within 60 days</i></p> <p>[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100</p>	81.0%	75.0%	74.4%	59.4%	59 per cent of our planning applications were decided within the required legislated time frames. This reflects a trend of decisions taking longer over the last few years and is largely due to the increasing complexity in the applications received. A final decision on these complex applications may require us to refer the application to multiple authorities before a final determination can be made.

<b>Service performance indicators</b>		<b>Results</b>	<b>Results</b>	<b>Results</b>	<b>Results</b>	<b>Material variations</b>
<b>Service / indicator / measure</b>		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>and comments</b>
<b>Service cost</b>						
<b>SP3</b>	<i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$2499.00	\$2448.00	\$2383.47	\$2451.90	No material variation.
<b>Decision making</b>						
<b>SP4</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	65.6%	61.8%	69.4%	68.4%	The number of decisions made in favour of City of Melbourne did not significantly change from the previous years.
<b>Waste collection</b>						
<b>Satisfaction</b>						
<b>WC1</b>	<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	62	78	103	61	The overall number of kerbside bin collection requests has significantly decreased due to a reduction in missed collections, following the implementation of new and more efficient waste collection runs by our waste contractor.
<b>Service standard</b>						
<b>WC2</b>	<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	2.4	3.8	4.9	4.7	This year's slight decrease in missed bin collections is due to the implementation of new and more efficient waste collection runs by our waste contractor.
<b>Service cost</b>						
<b>WC3</b>	<i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$249.93	\$213.62	\$217.11	\$237.33	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.



<b>Service performance indicators</b>		<b>Results</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>2018</b>		
<b>Service cost</b>						
<b>WC4</b>	<i>Cost of kerbside recyclables collection service</i>  [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$66.97	\$63.25	\$60.02	\$62.56	The cost of the kerbside recycling 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 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.
<b>Waste diversion</b>						
<b>WC5</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	25.3%	26.2%	26.9%	27%	This result is not materially different from previous years. The City of Melbourne's landfill diversion rate is historically less than other local councils due to low volumes of green waste.

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



**Ben Rimmer**  
Chief Executive Officer  
Dated: 31 August 2018

# CITY OF MELBOURNE 2017–18 PERFORMANCE STATEMENT

For the year ended 30 June 2018

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## **Description of municipality**

The Melbourne municipality is the heart of greater Melbourne and covers the central city and 14 inner city suburbs. More than 160,000 people call the municipality home and a further 768,000 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 around 50 per cent by the year 2036.

The Local Government Area covers an area of 37.7 square kilometres and in 2018 has 583.4 hectares of parkland.

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# SUSTAINABLE CAPACITY INDICATORS

For the year ended 30 June 2018

Indicator / measure	Results				Material variations
	2015	2016	2017	2018	
<b>Population</b>					
<i>Expenses per head of municipal population</i>	\$3074	\$3001	\$3037	\$2728	Lower ratio than last year due to increased estimated residential population growth.
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$14,894	\$14,513	\$14,007	\$12,084	Lower ratio due to increased estimated residential population growth.
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	492	519	565	663	Our estimated residential population has increased from 137,000 last year to almost 160,000, leading to a higher population density per kilometre of road.
[Municipal population / Kilometres of local roads]					
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i>	\$3099	\$3153	\$3433	\$2654	2017-18 included compulsory acquisition of City Square assets by Rail Projects Victoria, which led to higher ratio. Also, the increased estimated residential population growth has not translated into higher revenue due to constrained revenue environment.
[Own-source revenue / Municipal population]					
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i>	\$147	\$123	\$148	\$119	No material variation.
[Recurrent grants / Municipal population]					
<b>Disadvantage</b>					
<i>Relative socio-economic disadvantage</i>	8	8	8	7	The index is designed to compare the relative socio-economic characteristics of areas at a given point in time, not to compare individual areas across time. The Australian Bureau of Statistics cautions against comparing across time because the values will have changed, meaning the same score in different census years does not represent the same level of disadvantage.
[Index of Relative Socio-economic Disadvantage by decile]					

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**Definitions**

“adjusted underlying revenue” means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

“infrastructure” means non-current property, plant and equipment excluding land

“local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

“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.

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# SERVICE PERFORMANCE INDICATORS

For the year ended 30 June 2018

Service / Indicator / measure	Results				Material variations
	2015	2016	2017	2018	
<b>Aquatic facilities</b>					
<b>Utilisation</b>					
<i>Utilisation of aquatic facilities</i>	4.0	4.2	4.1	3.8	No material variation.
[Number of visits to aquatic facilities / Municipal population]					
<b>Animal management</b>					
<b>Health and safety</b>					
<i>Animal management prosecutions</i>	1	4	6	10	Melbourne's ongoing growth in population and higher density living will place a range of additional demands on our public open spaces including animal management. This will present a greater emphasis on the enforcement of animal controls and potentially a greater number of prosecutions.
[Number of successful animal management prosecutions]					
<b>Food safety</b>					
<b>Health and safety</b>					
<i>Critical and major non-compliance notifications</i>	95%	100%	99%	100%	No material variation.
[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					
<b>Governance</b>					
<b>Satisfaction</b>					
<i>Satisfaction with council decisions</i>	60	62	66	63	The level of community satisfaction with how the Council has performed in making decisions in the interest of the community in 2018 is three points lower than last year. It is five 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.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					

Service / Indicator / measure	Results				Material variations
	2015	2016	2017	2018	
<b>Libraries</b>					
<b>Participation</b>					
<i>Active library members</i>	34%	35%	34%	30%	End of year result is lower than the previous year but still within the acceptable threshold of five per cent.  The number of active members has increased by 1.4 per cent while the municipal population increased by 8.04 per cent.
[Number of active library members / Municipal population] x100					
<b>Maternal and child health</b>					
<b>Participation</b>					
<i>Participation in the MCH service</i>	81%	84%	82%	80%	No material variation.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
<b>Participation</b>					
<i>Participation in the MCH service by Aboriginal children</i>	56%	81%	88%	83%	No material variation.
[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</b>					
<i>Satisfaction with sealed local roads</i>	76	75	73	70	The level of community satisfaction with how the Council has performed on the condition of sealed local roads in 2018 is three points lower than last year. It is two points higher than other councils across metropolitan Melbourne and 17 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]					
<b>Statutory planning</b>					
<b>Decision making</b>					
<i>Council planning decisions upheld at VCAT</i>	66%	62%	69%	68%	The number of decisions made in favour of City of Melbourne did not significantly change from the previous years.
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100					



Service / Indicator / measure	Results				Material variations
	2015	2016	2017	2018	
<b>Waste collection</b>					
<b>Waste diversion</b>					
<i>Kerbside collection waste diverted from landfill</i>	25%	26%	27%	27%	This result is not materially different from previous years. The City of Melbourne's landfill diversion rate is historically less than other local Councils due to low volumes of green waste.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

**Definitions**

- "Aboriginal child" means a child who is an Aboriginal person
- "Aboriginal person" has the same meaning as in the *Aboriginal Heritage Act 2006*
- "active library member" means a member of a library who has borrowed a book from the library
- "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act
- "class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act
- "class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act
- "critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
- "food premises" has the same meaning as in the *Food Act 1984*
- "local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*
- "major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
- "MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
- "population" means the resident population estimated by council
- "WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

# FINANCIAL PERFORMANCE INDICATORS

For the year ended 30 June 2018

Dimension / indicator / measure	Results			Forecasts			Material variations		
	2015	2016	2017	2018	2019	2020		2021	2022
<b>Efficiency</b>									
<b>Revenue level</b>									
Average residential rate per residential property assessment	\$1086	\$1130	\$1062	\$1109	\$1139	\$1116	\$1108	\$1075	No material variation.
[Residential rate revenue / Number of residential property assessments]									
<b>Expenditure level</b>									
Expenses per property assessment	\$3954	\$3950	\$3870	\$3862	\$3667	\$3557	\$3545	\$3471	No material variation.
[Total expenses / Number of property assessments]									
<b>Workforce turnover</b>									
Resignations and terminations compared to average staff	11.91%	8.41%	12.24%	11.45%	12.64%	12.68%	12.69%	12.70%	Variance related to organisation realignment in 2016-17.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100									
<b>Liquidity</b>									
<b>Working capital</b>									
Current assets compared to current liabilities	163.60%	141.28%	229.82%	173.77%	125.89%	122.18%	122.23%	117.78%	Lower ratio in forward projections reflect funding requirements for major infrastructure projects.
[Current assets / Current liabilities] x100									
<b>Unrestricted cash</b>									
Unrestricted cash compared to current liabilities	81.38%	48.48%	24.59%	-0.62%	0%	0%	0%	0%	Negative in 2017-18 due to majority of the cash invested over 90 days, which forms part of other financial assets rather than cash.
[Unrestricted cash / Current liabilities] x100									

Dimension / indicator / measure	Results					Forecasts			Material variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Obligations</b>									
<b>Asset renewal</b>									
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	73.54%	68.82%	74.65%	86.18%	68.12%	79.81%	79.96%	112.77%	Higher renewal spend in 2017-18 compared to prior year.
<b>Loans and borrowings</b>									
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	0%	12.31%	11.44%	11.05%	24.39%	49.77%	80.59%	72.10%	Borrowings required for higher capital spend in future years due to major infrastructure projects.
<b>Loans and borrowings compared to rates</b>									
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	0%	0.37%	0.36%	0.37%	0.49%	0.96%	1.20%	7.36%	No material variation.
<b>Indebtedness</b>									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	0.77%	8.19%	7.19%	7.96%	17.89%	34.70%	55.89%	50.94%	Increase in future years due to borrowings related to capital works for major infrastructure projects.
<b>Operating position</b>									
<b>Adjusted underlying result</b>									
Adjusted underlying surplus (or deficit)/ Adjusted underlying revenue] x100	6.24%	9.53%	16.11%	3.64%	6.90%	7.75%	6.83%	5.95%	2016-17 was higher due to sale of City Square assets. Ratio for 2017-18 is lower because of lower revenue and higher maintenance cost related to growing city population.
<b>Stability</b>									
<b>Rates concentration</b>									
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	57.71%	56.96%	53.14%	59.95%	61.23%	61.54%	62.52%	63.53%	2016-17 was lower than prior and current year due to sale of City Square assets increased the underlying revenue.
<b>Rates effort</b>									
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.26%	0.27%	0.25%	0.25%	0.25%	0.25%	0.26%	0.26%	No material variation.

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**Definitions**

“adjusted underlying revenue” means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

“adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure

“asset renewal expenditure” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

“current assets” has the same meaning as in the AAS

“current liabilities” has the same meaning as in the AAS

“non-current assets” means all assets other than current assets

“non-current liabilities” means all liabilities other than current liabilities

“non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council’s Strategic Resource Plan

“own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

“population” means the resident population estimated by council

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges

“recurrent grant” means a grant other than a non-recurrent grant

“residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

“restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

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# OTHER INFORMATION

For the year ended 30 June 2018

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## **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 26 June 2018 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.

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## CERTIFICATION OF THE PERFORMANCE STATEMENT



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.



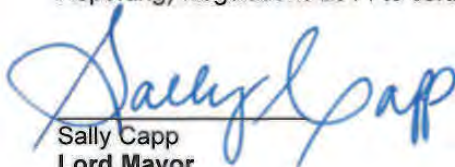
Sandeep Bordia  
**Acting Principal Accounting Officer**  
Dated: 4/9/2018

In our opinion, the accompanying Performance Statement of the Melbourne City Council for the year ended 30 June 2018 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.



Sally Capp  
**Lord Mayor**  
Dated: 4.9.18



Arron Wood  
**Deputy Lord Mayor**  
Dated:



Ben Rimmer  
**Chief Executive Officer**  
Dated: 4/9/18

## Independent Auditor's Report

### To the Councillors of City of Melbourne

<b>Opinion</b>	<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 2018</li> <li>• sustainable capacity indicators for the year ended 30 June 2018</li> <li>• service performance indicators for the year ended 30 June 2018</li> <li>• financial performance indicators for the year ended 30 June 2018</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 2018 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>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards 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 APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria 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>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors are 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>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, 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.</p>



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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 decisions of users taken on the basis of this performance statement.

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 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 overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement 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.

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MELBOURNE  
10 September 2018



Tim Loughnan  
as delegate for the Auditor-General of Victoria

# ANNUAL FINANCIAL REPORT 2017-18







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## 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 (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



Sandeep Bordia (FCPA)  
Principal Accounting Officer  
Melbourne  
Date: 4/9/2018

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 2018 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 the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Sally Capp  
Lord Mayor  
Melbourne  
Date: 4.9.18



Arron Wood  
Deputy Lord Mayor  
Melbourne  
Date: 4.9.18



Ben Rimmer  
Chief Executive Officer  
Melbourne  
Date: 4/9/18





## Independent Auditor's Report

### To the Councillors of Melbourne City Council

<b>Opinion</b>	<p>I have audited the consolidated financial report of Melbourne City Council (the council) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> <li>• consolidated entity and council balance sheet as at 30 June 2018</li> <li>• consolidated entity and council comprehensive income statement for the year then ended</li> <li>• consolidated entity and council statement of changes in equity for the year then ended</li> <li>• consolidated entity and council statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial statements.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the council as at 30 June 2018 and their 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. I further describe my responsibilities under that Act and those standards 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 and the consolidated entity 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 Victoria. 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 of the council 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 and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to 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 and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the council and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the council and the consolidated entity. I remain solely responsible for my audit opinion.

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  
10 September 2018



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



# FINANCIAL STATEMENTS

## Comprehensive Income Statement

For the Year Ended 30 June 2018

	Consolidated		Note	Council	
	2018 \$'000	2017 \$'000		2018 \$'000	2017 \$'000
<b>Income</b>					
Rates and charges	271,273	262,105	2.1	271,508	262,323
Statutory fees and fines					
Parking fines	44,347	39,066	2.2	44,347	39,066
Other statutory fees and fines	11,467	11,036	2.2	11,467	11,036
User fees					
Parking fees	50,352	53,713	2.3	46,621	49,883
Other user fees	22,681	17,562	2.3	22,683	17,590
Grants - operating	15,545	12,804	2.4	15,292	12,804
Grants - capital	9,955	10,098	2.4	9,955	10,098
Contributions - monetary	19,968	21,680	2.5	19,947	21,215
Contributions - non monetary	35	800	2.5	35	800
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2,707	47,008	2.6	2,156	41,588
Fair value adjustments for investment properties	1,186	16,565	5.4	1,186	16,565
Other income	210,236	212,812	2.7	24,631	29,971
<b>Total Income</b>	<b>659,752</b>	<b>705,249</b>		<b>469,828</b>	<b>512,939</b>
<b>Expenses</b>					
Employee costs	250,221	243,513	3.1	160,925	156,222
Materials and services	267,012	250,580	3.2	185,304	168,757
Depreciation and amortisation	76,883	75,833	3.3	63,392	61,372
Bad and doubtful debts	6,452	6,833	3.4	6,458	6,245
Borrowing costs	1,117	1,090	3.5	995	942
Other expenses	10,354	10,686	3.6	6,099	6,262
Grants and contributions	13,245	14,305		13,245	14,305
<b>Total Expenses</b>	<b>625,284</b>	<b>602,840</b>		<b>436,418</b>	<b>414,105</b>
<b>Surplus For The Year</b>	<b>34,468</b>	<b>102,409</b>		<b>33,410</b>	<b>98,834</b>
<b>Other Comprehensive Income Items that will not be reclassified to surplus or deficit in future periods</b>					
Net asset revaluation increment	257,097	193,403	5.2(a)	232,528	193,705
Gain/(loss) on defined benefits plans	1,675	10,653	8.3	-	-
<b>Total Other Comprehensive Income</b>	<b>258,772</b>	<b>204,056</b>		<b>232,528</b>	<b>193,705</b>
<b>Total Comprehensive Result</b>	<b>293,240</b>	<b>306,465</b>		<b>265,938</b>	<b>292,539</b>

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

## Balance Sheet

For the Year Ended 30 June 2018

	Consolidated		Note	Council	
	2018 \$'000	2017 \$'000		2018 \$'000	2017 \$'000
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	59,866	104,403	4.1 (a)	49,982	90,581
Trade and other receivables	57,174	49,859	4.1 (c)	33,603	29,245
Other financial assets	89,750	28,250	4.1 (b)	88,000	26,000
Inventories	749	721	4.2 (a)	-	-
Other assets	7,130	69,441	4.2 (b)	2,677	67,387
<b>Total Current Assets</b>	<b>214,669</b>	<b>252,674</b>		<b>174,262</b>	<b>213,213</b>
<b>Non-Current Assets</b>					
Trade and other receivables	9,686	6,231	4.1 (c)	7,500	2,500
Other financial assets	32,175	-	4.1 (b)	32,175	-
Investment in subsidiaries, associates and trust	7,750	7,250	5.3	31,980	31,394
Property, infrastructure, plant and equipment	4,259,172	3,981,954	5.2	4,157,894	3,905,159
Investment property	211,447	210,347	5.4	211,447	210,347
Intangible assets	61,258	39,513	4.2 (c)	37,813	16,368
Net assets of City of Melbourne's Defined Benefits Superannuation Fund	10,818	9,120	8.3	-	-
<b>Total Non-Current Assets</b>	<b>4,592,306</b>	<b>4,254,415</b>		<b>4,478,809</b>	<b>4,165,768</b>
<b>Total Assets</b>	<b>4,806,975</b>	<b>4,507,089</b>		<b>4,653,071</b>	<b>4,378,981</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	82,359	77,624	4.3 (a)	60,853	54,433
Trust funds and deposits	7,973	6,475	4.3 (b)	6,036	6,215
Provisions	44,617	43,819	4.5	33,393	32,129
Interest bearing liabilities	223	473	4.4	-	-
<b>Total Current Liabilities</b>	<b>135,172</b>	<b>128,391</b>		<b>100,282</b>	<b>92,777</b>
<b>Non-Current Liabilities</b>					
Trust funds and deposits	75	1,677	4.3 (b)	75	-
Provisions	6,024	5,057	4.5	3,713	3,641
Interest bearing liabilities	30,000	30,000	4.4	30,000	30,000
<b>Total Non-Current Liabilities</b>	<b>36,099</b>	<b>36,734</b>		<b>33,788</b>	<b>33,641</b>
<b>Total Liabilities</b>	<b>171,271</b>	<b>165,125</b>		<b>134,070</b>	<b>126,418</b>
<b>Net Assets</b>	<b>4,635,704</b>	<b>4,341,964</b>		<b>4,519,001</b>	<b>4,252,563</b>
<b>Equity</b>					
Accumulated surplus	2,097,056	2,121,793		2,020,146	2,047,619
Reserves	2,538,648	2,220,171	8.1	2,498,855	2,204,944
<b>Total Equity</b>	<b>4,635,704</b>	<b>4,341,964</b>		<b>4,519,001</b>	<b>4,252,563</b>

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

**Statement of Changes in Equity**  
For the Year Ended 30 June 2018

	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Consolidated</b>								
	<b>Note</b>							
Balance at beginning of the financial year		4,341,964	4,035,499	2,018,955	2,171,109	1,977,706	49,062	38,838
Surplus for the year		34,468	102,409	102,409	-	-	-	-
Net asset revaluation increment	8.1	257,097	193,403	-	257,097	193,403	-	-
Investment in associates	8.1	500	-	-	-	-	500	-
Transfers to other reserves	8.1	-	-	(18,161)	-	-	76,241	18,161
Transfers from other reserves	8.1	-	-	15,360	-	-	(15,360)	(7,937)
Actuarial gain - City of Melbourne's Defined Benefits Superannuation Fund	8.1	1,675	10,653	10,653	-	-	-	-
Balance at the end of the financial year		4,635,704	4,341,964	2,097,055	2,428,206	2,171,109	110,443	49,062
<b>Council</b>								
	<b>Note</b>							
Balance at beginning of the financial year		4,252,563	3,960,024	1,959,006	2,155,885	1,962,180	49,062	38,838
Surplus for the year		33,410	98,834	98,834	-	-	-	-
Net asset revaluation increment	8.1	232,528	193,705	-	232,528	193,705	-	-
Investment in associates	8.1	500	-	-	-	-	500	-
Transfers to other reserves	8.1	-	-	(18,161)	-	-	76,241	18,161
Transfers from other reserves	8.1	-	-	15,360	-	-	(15,360)	(7,937)
Balance at the end of the financial year		4,519,001	4,252,563	2,020,145	2,388,413	2,155,885	110,443	49,062

*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 2018

	Consolidated		Note	Council	
	2018 \$'000	2017 \$'000		2018 \$'000	2017 \$'000
<b>Cash Flows from Operating Activities</b>					
Rates and charges	269,698	263,058		269,933	263,276
Statutory fees and fine	55,303	49,756		55,303	49,756
User fees	75,487	77,161		78,035	71,888
Grants - operating	15,770	13,069		15,517	13,069
Grants - capital	10,805	10,805		10,805	10,805
Contributions - monetary	20,236	21,999		20,215	21,534
Interest received	4,064	2,535		3,533	2,406
Dividends received	45	38		2,595	3,838
Other receipts	227,373	232,107		19,239	24,912
Net GST refund	8,425	3,012		20,654	15,592
Trust funds and deposits repaid	(104)	(960)		(1,401)	(503)
Employee costs	(250,620)	(248,892)		(160,059)	(150,396)
Materials and services	(309,778)	(285,885)		(218,210)	(195,916)
Other payments	(24,714)	(26,883)		(20,039)	(21,429)
<b>Net cash provided by operating activities</b>	<b>101,988</b>	<b>110,920</b>		<b>96,120</b>	<b>108,832</b>
<b>Cash Flows from Investing Activities</b>					
Proceeds from sale of property, infrastructure, plant and equipment	65,639	6,689	5.2	65,088	1,269
Payments for property, infrastructure, plant and equipment	(113,667)	(83,145)		(101,637)	(78,188)
Payments for investments	(93,675)	(15,700)		(94,175)	(21,000)
Loans and advances made	(3,928)	(1,611)		(5,000)	(2,500)
<b>Net cash used in investing activities</b>	<b>(145,631)</b>	<b>(93,767)</b>		<b>(135,724)</b>	<b>(100,419)</b>
<b>Cash Flows from Financing Activities</b>					
Finance costs	(1,117)	(1,090)		(995)	(942)
Proceeds from borrowings	223	-		-	-
<b>Net cash used in financing activities</b>	<b>(894)</b>	<b>(1,090)</b>		<b>(995)</b>	<b>(942)</b>
Net increase(decrease) in cash and cash equivalents	(44,537)	16,063		(40,599)	7,471
Cash and cash equivalents at beginning of the financial year	104,403	88,340		90,581	83,110
<b>Cash and cash equivalents at the end of the financial year</b>	<b>59,866</b>	<b>104,403</b>		<b>49,982</b>	<b>90,581</b>
Financing arrangements			7.2		
Restrictions on cash assets			4.1		

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

## Statement of Capital Works

For the Year Ended 30 June 2018

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Buildings</b>				
Buildings	9,960	6,854	9,600	6,507
Building improvements	11,344	7,547	10,880	6,550
<b>Total Buildings</b>	<b>21,304</b>	<b>14,401</b>	<b>20,480</b>	<b>13,057</b>
<b>Plant &amp; Equipment</b>				
Plant, machinery and equipment	16,952	17,134	3,566	1,813
Fixtures, fittings and furniture	285	590	279	551
Computers and telecommunications	14,912	13,585	14,665	12,483
Library books	1,427	1,295	1,427	1,295
<b>Total Plant &amp; Equipment</b>	<b>33,576</b>	<b>32,604</b>	<b>19,937</b>	<b>16,142</b>
<b>Infrastructure</b>				
Roads	7,173	6,932	7,173	6,932
Bridges	201	744	201	744
Footpaths and cycleways	9,092	8,018	9,092	8,018
Drainage	9,905	7,326	9,905	7,326
Recreational, leisure and community facilities	695	168	695	168
Parks, open space and streetscapes	32,712	25,295	32,712	25,295
Other infrastructures	5,061	643	5,061	643
<b>Total Infrastructure</b>	<b>64,839</b>	<b>49,126</b>	<b>64,839</b>	<b>49,126</b>
<b>Total Capital Works Expenditure</b>	<b>119,719</b>	<b>96,131</b>	<b>105,256</b>	<b>78,325</b>
<b>Represented by:</b>				
New asset expenditure	50,389	34,646	36,157	16,840
Asset renewal expenditure	50,420	45,813	50,420	45,813
Asset expansion expenditure	10,401	8,295	10,401	8,295
Asset upgrade expenditure	8,509	7,377	8,278	7,377
<b>Total Capital Works Expenditure</b>	<b>119,719</b>	<b>96,131</b>	<b>105,256</b>	<b>78,325</b>

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

# OVERVIEW

## Introduction

These financial statements are the consolidated Group accounts for Melbourne City Council (the "Council") and its 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.

## 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 report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

## Significant accounting policies

### Basis of accounting

#### *Application of Accrual Basis*

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.

#### *Use of Judgements, Estimates and Assumptions*

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 to reflect better information or to reflect actual results are recognised in the period in which the estimates are 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 values of assets and liabilities (refer to Note 7.4 related to determination of fair value);
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2);
- the measurement of employee provisions (refer to Note 4.5);
- the measurement of goodwill (refer to Note 4.2).

#### *Application of Accounting Policies*

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



# NOTES TO FINANCIAL STATEMENTS

## Note 1 Performance against budget

This note compares actual to budget performance for both income and expenditure and the capital works programme. It shows actual performance against Council's financial plan, expressed through its annual budget. 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 whereby further explanation is warranted for any items where variances exceed the threshold. 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 2017. 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 at the time of budget preparation.

The budget information provided only relates to Council. A consolidated budget is not required and therefore not prepared.

### 1.1 Income and Expenditure

Council	Budget	Actual	Variance		
	2018 \$'000	2018 \$'000	2018 \$'000	%	Ref
<b>Income</b>					
Rates and charges	272,661	271,508	(1,153)	(0%)	
Statutory fees and fines					
Parking fines	40,675	44,347	3,672	9%	1
Other statutory fees and fines	10,803	11,467	664	6%	
User fees					
Parking fees	46,185	46,621	436	1%	
Other user fees	17,197	22,683	5,486	32%	2
Grants - operating	10,352	15,292	4,940	48%	3
Grants - capital	9,127	9,955	828	9%	
Contributions - monetary	23,620	19,947	(3,673)	(16%)	4
Contributions - non monetary	-	35	35	100%	
Net gain on disposal of property, infrastructure, plant and equipment	943	2,156	1,213	129%	5
Fair value adjustments for investment properties	-	1,186	1,186	100%	6
Other income	20,254	24,631	4,377	22%	7
<b>Total Income</b>	<b>451,817</b>	<b>469,828</b>	<b>18,011</b>	<b>4%</b>	
<b>Expenses</b>					
Employee costs	158,625	160,925	(2,300)	(1%)	
Materials and services	174,661	185,304	(10,643)	(6%)	8
Depreciation and amortisation	63,098	63,392	(294)	0%	
Bad and doubtful debts	5,135	6,458	(1,323)	(26%)	9
Borrowing costs	1,310	995	315	24%	
Other expenses	6,431	6,099	332	5%	
Grants and contributions	13,006	13,245	(239)	(2%)	
<b>Total Expenses</b>	<b>422,266</b>	<b>436,418</b>	<b>(14,152)</b>	<b>(3%)</b>	
<b>Surplus for the year</b>	<b>29,551</b>	<b>33,410</b>	<b>3,859</b>	<b>13%</b>	

Explanation of material variations

Ref.	Item	Explanation
1	<i>Parking fines</i>	Mainly due to increase in fines issued and additional penalties related to parking infringements not being paid on time.
2	<i>Other user fees</i>	Increased volume of gantry permits due to increased construction activities.
3	<i>Grants - operating</i>	Funding was received from the Department of Justice and Regulation for Public Security Measures (\$3.3 million) and higher community and arts programs grants (\$1.3 million).
4	<i>Contributions - monetary</i>	Funding for certain infrastructure projects were delayed in 2017-18.
5	<i>Net gain on disposal of property, infrastructure, plant and equipment</i>	This is due to partial sale of Sampson Lane in 2017-18.
6	<i>Fair value adjustments for investment properties</i>	This reflects the increasing land value on Council's investment properties.
7	<i>Other income</i>	Mainly due to increase in investment interest from higher than anticipated cash balance.
8	<i>Materials and services</i>	There were higher waste management, CBD security measures, and increased meter maintenance costs, as a result of a growing city population. Legal costs were higher due to By-election and investigation costs.
9	<i>Bad and doubtful debts</i>	Increase due to higher parking infringement notices issued and increase in court lodgement and enforcement fees.

1.2 Capital Works

Council	Budget	Actual	Variance	%	Ref
	2018 \$'000	2018 \$'000	2018 \$'000		
<b>Buildings</b>					
Buildings	11,601	9,600	2,001	17%	1
Building improvements	40,575	10,880	29,695	73%	2
<b>Total Buildings</b>	<b>52,176</b>	<b>20,480</b>	<b>31,696</b>	<b>61%</b>	
<b>Total Property</b>	<b>52,176</b>	<b>20,480</b>	<b>31,696</b>	<b>61%</b>	
<b>Plant &amp; Equipment</b>					
Plant & equipment	2,346	3,566	(1,220)	(52%)	3
Fixtures, fittings & furniture	1,475	279	1,196	81%	4
Computers and telecommunications	14,380	14,665	(285)	(2%)	
Library books	1,502	1,427	75	5%	
<b>Total Plant &amp; Equipment</b>	<b>19,703</b>	<b>19,937</b>	<b>(234)</b>	<b>(1%)</b>	
<b>Infrastructure</b>					
Roads	8,284	7,173	1,111	13%	5
Bridges	891	201	690	77%	
Footpaths and cycleways	8,908	9,092	(184)	(2%)	
Drainage	10,009	9,905	104	1%	
Recreational, leisure and community facilities	978	695	283	29%	
Waste management	200	-	200	100%	
Parks, open space and streetscapes	51,636	32,712	18,924	37%	6
Other infrastructures	6,040	5,061	979	16%	
<b>Total Infrastructure</b>	<b>86,946</b>	<b>64,839</b>	<b>22,107</b>	<b>25%</b>	
<b>Total capital works expenditure</b>	<b>158,825</b>	<b>105,256</b>	<b>53,569</b>	<b>34%</b>	
<b>Represented by:</b>					
New asset expenditure	43,682	36,157	7,525	17%	
Asset renewal expenditure	54,242	50,420	3,822	7%	
Asset expansion expenditure	21,054	10,401	10,653	51%	
Asset upgrade expenditure	39,847	8,278	31,569	79%	
<b>Total capital works expenditure</b>	<b>158,825</b>	<b>105,256</b>	<b>53,569</b>	<b>34%</b>	

Out of the \$53.6 million variance in total capital works expenditure, \$10.3 million will be carried forward to 2018-19 (2017: \$21.9 million was carried forward to 2017-18) (refer to Note 4.1(a)).

i. Explanation of material variations

Ref.	Item	Explanation
1	<i>Buildings</i>	The renewal of the Melbourne Town Hall roof (\$1.0 million) was postponed due to a change of scope and will be incorporated into the wider Melbourne Town Hall restoration project.
2	<i>Building improvements</i>	Queen Victoria Market Precinct Renewal delayed due to external authority approvals and lengthy contract negotiations (\$27.0 million).  Lady Huntingfield Child Care Centre delayed due to external authority approvals in addition to tender documentation delays (\$2.5 million); construction is now due to commence in August 2018.
3	<i>Plant &amp; equipment</i>	External funding was received from the Department of Justice and Regulation for security upgrades for the City of Melbourne (\$1.1 million).
4	<i>Fixtures, fittings &amp; furniture</i>	Fitout works at the Melbourne Visitor Centre (currently located at Federation Square) were cancelled in 2017/18, and an alternative Visitor centre will be trialled at the Melbourne Town Hall in 2018-19.
5	<i>Roads</i>	The City Road improvement plan was delayed due to a change in scope, (which includes construction of signalised traffic lights) will commence in July 2018. (\$0.3 million), funding was received in advance in the prior year (\$0.4 million), Spencer Street Pedestrian Safety Works have been delayed due to an external part sewer upgrade (\$0.1 million).
6	<i>Parks, open space &amp; streetscapes</i>	A planned landscape upgrade at Southbank Promenade, was dependant on an external contribution (\$2.9 million), this was not received due to the development at Crown Casino being postponed. The Southbank Boulevard upgrade and Living Victoria Fund was delayed due to the Metro Rail Project. The Dodd St Linear park will now be delivered in unison with the Southbank Boulevard upgrade project (\$2.7 million). Boyd new park demolition works were delayed (\$1.2 million) due to the presence of asbestos.

## Note 2 Funding for the delivery of our services

### 2.1. Rates and charges

Council uses 'net annual value' as the basis of valuation for 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 2017-18 was \$6.1 billion (2016-17 \$5.9 billion).

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Residential	100,709	90,070	100,944	90,288
Non-residential	169,546	163,887	169,546	163,887
Culture & recreational	430	422	430	422
Supplementary rates and rate adjustments	74	7,322	74	7,322
Interest on Rates & Charges	514	404	514	404
	<b>271,273</b>	<b>262,105</b>	<b>271,508</b>	<b>262,323</b>

The 2016 General Valuation reflects property values as at 1 January 2016 was used for 2017-18 rating purposes. The valuation was first applied in the rating year commencing 1 July 2016 and will end 30 June 2018 after which the 2018 General Valuation will take effect from 1 July 2018.

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 supplementary rates notices are issued.

### 2.2. Statutory fees and fines

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Infringements and costs				
Parking fines	44,347	39,066	44,347	39,066
<b>Total parking fines</b>	<b>44,347</b>	<b>39,066</b>	<b>44,347</b>	<b>39,066</b>
Infringements and costs				
General fines	1,350	1,363	1,350	1,363
Town planning fees	4,449	4,294	4,449	4,294
Land Information Certificates	220	209	220	209
Permits	2,097	1,880	2,097	1,880
Food and Health Act registration	3,351	3,290	3,351	3,290
<b>Total other statutory fees and fines</b>	<b>11,467</b>	<b>11,036</b>	<b>11,467</b>	<b>11,036</b>
<b>Total Statutory fees and fines</b>	<b>55,814</b>	<b>50,102</b>	<b>55,814</b>	<b>50,102</b>

Statutory fees and fines (including parking 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.

## 2.3. User fees

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Parking	50,352	53,713	46,621	49,883
<b>Total parking fees</b>	<b>50,352</b>	<b>53,713</b>	<b>46,621</b>	<b>49,883</b>
Aged and health services	291	283	291	283
Leisure centre and recreation	4,985	5,084	4,987	5,085
Child care/children's programs	2,763	2,734	2,763	2,734
Registration and other permits	2,096	1,973	2,096	1,973
Building services	9,204	4,125	9,204	4,125
Waste management services	546	442	546	442
Berthing	628	573	628	573
Other fees and charges	2,168	2,348	2,168	2,375
<b>Total other user fees</b>	<b>22,681</b>	<b>17,562</b>	<b>22,683</b>	<b>17,590</b>
<b>Total user fees</b>	<b>73,033</b>	<b>71,275</b>	<b>69,304</b>	<b>67,473</b>

User fees are recognised as revenue when the service has been provided or Council has otherwise earned the income. Citywide recognises revenue arising from service contracts by reference to the stage of completion by reference to the proportion of costs incurred to date compared to the estimated total costs of contract.

## 2.4. Funding from other levels of government

Grants were received in respect of the following:

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Summary of Grants</b>				
Commonwealth funded grants	6,970	8,083	6,717	8,083
State funded grants	18,530	14,819	18,530	14,819
<b>Total grants received</b>	<b>25,500</b>	<b>22,902</b>	<b>25,247</b>	<b>22,902</b>



(a) Operating Grants

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Recurrent - Commonwealth Government</b>				
General home care	2,110	1,957	2,110	1,957
Financial Assistance Grant	2,991	3,929	2,991	3,929
Other	56	40	56	40
<b>Recurrent - State Government</b>				
Aged care	1,253	1,242	1,253	1,242
Libraries	858	810	858	810
Maternal & Child Health	850	798	850	798
Pre School Services	380	306	380	306
Support Services for Families	604	458	604	458
Disability Services Grant	139	132	139	132
Arts Programs	641	666	641	666
Events	150	175	150	175
Other	698	921	698	921
<b>Total Recurrent Operating Grants</b>	<b>10,730</b>	<b>11,434</b>	<b>10,730</b>	<b>11,434</b>
<b>Non-recurrent - Commonwealth Government</b>				
Other	453	380	200	380
<b>Non-recurrent - State Government</b>				
Roads & Streets	104	23	104	23
Resilience	333	500	333	500
Arts Programs	562	374	562	374
Public Security	3,266	-	3,266	-
Other	97	93	97	93
<b>Total Non-recurrent Operating Grants</b>	<b>4,815</b>	<b>1,370</b>	<b>4,562</b>	<b>1,370</b>
<b>Total Operating Grants</b>	<b>15,545</b>	<b>12,804</b>	<b>15,292</b>	<b>12,804</b>

(b) Capital Grants

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Recurrent - Commonwealth Government</b>				
Roads to recovery	654	755	654	755
Road & Streets	706	1,022	706	1,022
<b>Recurrent - State Government</b>				
Parking Levy	7,000	7,000	7,000	7,000
<b>Total Recurrent Capital Grants</b>	<b>8,360</b>	<b>8,777</b>	<b>8,360</b>	<b>8,777</b>
<b>Non-recurrent - Commonwealth Government</b>				
Other	100	-	100	-
<b>Non-recurrent - State Government</b>				
Park & Gardens	67	25	67	25
Road & Streets	1,428	1,296	1,428	1,296
<b>Total Non-recurrent Capital Grants</b>	<b>1,595</b>	<b>1,321</b>	<b>1,595</b>	<b>1,321</b>
<b>Total Capital Grants</b>	<b>9,955</b>	<b>10,098</b>	<b>9,955</b>	<b>10,098</b>

## (c) Unspent grants received on condition that they be spent in a specified manner

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Balance at start of year	1,877	2,037	1,877	2,037
Received during the financial year and remained unspent at balance date	745	1,877	745	1,877
Received in prior years and spent during the financial year	(542)	(2,037)	(542)	(2,037)
<b>Balance at year end</b>	<b>2,080</b>	<b>1,877</b>	<b>2,080</b>	<b>1,877</b>

Grant income is recognised when Council obtains control of the contributions. Control normally occurs upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

## 2.5 Contributions

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Public Open Space	15,299	17,207	15,299	17,207
Child Care Benefit	1,962	2,109	1,962	2,109
Sponsorships	580	820	559	675
Non-Government Capital	1,583	302	1,583	302
Other Contributions	544	1,242	544	922
<b>Total Contributions - Monetary</b>	<b>19,968</b>	<b>21,680</b>	<b>19,947</b>	<b>21,215</b>
Land	-	800	-	800
Infrastructure	35	-	35	-
<b>Total Contributions - Non Monetary</b>	<b>35</b>	<b>800</b>	<b>35</b>	<b>800</b>

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

## 2.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Land &amp; Buildings</b>				
Proceeds of sales	2,310	62,725	2,310	62,725
Written down value of assets disposed	(73)	(20,665)	(73)	(20,665)
Gain on sale	2,237	42,060	2,237	42,060
<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	604	6,600	53	1,180
Written down value of assets disposed	(134)	(1,715)	(134)	(1,715)
(Loss)/Gain on sale	470	4,885	(81)	(535)
Proceeds of sale	2,914	69,414	2,363	63,994
Written down value of assets disposed	(207)	(22,406)	(207)	(22,406)
<b>Total net gain on disposal of property, infrastructure, plant and equipment*</b>	<b>2,707</b>	<b>47,008</b>	<b>2,156</b>	<b>41,588</b>

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

\* The net gain of \$41.6 million in 2017 mainly relates to compulsory acquisition of City Square assets by Rail Projects Victoria.

2.7. Other income

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Interest	4,064	2,535	3,533	2,406
Dividends	45	38	2,595	3,838
Investment property/market rentals*	23,838	24,769	6,718	7,672
Intercompany revenue	-	-	4,011	6,687
Sales & recoveries**	182,107	184,770	7,592	8,668
Project income	182	700	182	700
<b>Total Other Income</b>	<b>210,236</b>	<b>212,812</b>	<b>24,631</b>	<b>29,971</b>

Interest is recognised as it is earned.

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

\* Consolidated income includes Queen Victoria Market stall holder revenue of \$17.1 million for 2018 (2017: \$17.1 million).

\*\* Consolidated income includes Citywide Services revenue for rendering of contractual services of \$172.7 million for 2018 (2017: \$176.9 million).

## Note 3 The cost of delivering services

### 3.1. Employee costs

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Wages and salaries	202,834	197,497	128,847	125,256
WorkCover	4,103	4,052	1,461	1,494
Superannuation contributions	20,009	19,888	13,715	13,586
Fringe benefit tax	706	1,290	470	528
Annual leave and long service leave	22,569	20,786	16,432	15,358
	<b>250,221</b>	<b>243,513</b>	<b>160,925</b>	<b>156,222</b>

### Superannuation

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Defined benefit fund</b>				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	175	168	175	168
Melbourne City Council Superannuation sub-plan (Vision Super)	1,247	1,204	985	967
	<b>1,422</b>	<b>1,372</b>	<b>1,160</b>	<b>1,135</b>
<b>Accumulation funds</b>				
Employer contributions to Vision Super	11,784	11,751	8,317	8,870
Employer contributions - other funds	6,803	6,765	4,238	3,581
	<b>18,587</b>	<b>18,516</b>	<b>12,555</b>	<b>12,451</b>
<b>Total Superannuation contributions</b>	<b>20,009</b>	<b>19,888</b>	<b>13,715</b>	<b>13,586</b>
Employer contributions payable at reporting date	812	60	-	-

Refer to Note 8.2 for further information relating to Council's superannuation obligations.

### 3.2. Materials and services

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Contract payments	137,785	136,865	119,022	114,089
Building maintenance	530	569	306	361
General maintenance	40,549	28,370	23,775	13,391
Utilities	11,784	10,795	7,895	7,561
Administration/Supplies	45,673	45,651	11,902	14,182
Information technology	7,373	6,637	4,833	4,585
Insurance	3,102	2,910	1,528	1,438
Consultants	20,216	18,783	16,043	13,150
	<b>267,012</b>	<b>250,580</b>	<b>185,304</b>	<b>168,757</b>

3.3. Depreciation and amortisation

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Property	8,526	8,393	7,557	7,497
Plant and equipment	21,174	22,579	8,952	9,314
Infrastructure	41,998	40,906	41,998	40,906
<b>Total depreciation</b>	<b>71,698</b>	<b>71,878</b>	<b>58,507</b>	<b>57,717</b>
Intangible assets	5,185	3,955	4,885	3,655
<b>Total depreciation and amortisation</b>	<b>76,883</b>	<b>75,833</b>	<b>63,392</b>	<b>61,372</b>

Refer to Note 4.2(c) and 5.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

3.4. Bad and doubtful debts

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Parking fine debtors	6,467	6,163	6,467	6,163
Trade debtors	(15)	670	(9)	82
<b>Total bad and doubtful debts</b>	<b>6,452</b>	<b>6,833</b>	<b>6,458</b>	<b>6,245</b>

Below table provides movement in doubtful debts related to parking infringements

Movement in doubtful debts - parking infringements	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the year	17,381	17,722	17,381	17,722
New provisions recognised	6,467	6,163	6,467	6,163
Amounts written off as uncollectible	(2,622)	(7,627)	(2,622)	(7,627)
Amounts recovered during the year	(5,768)	1,123	(5,768)	1,123
<b>Balance at the end of the year</b>	<b>15,458</b>	<b>17,381</b>	<b>15,458</b>	<b>17,381</b>

Below table provides movement in doubtful debts related to trade debtors

Movement in doubtful debts - trade debtors	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the year	1,496	826	370	288
New provisions recognised	(15)	670	(9)	82
Amounts written off as uncollectible	(438)	(68)	(47)	(70)
Amounts recovered during the year	58	68	44	70
<b>Balance at the end of the year</b>	<b>1,101</b>	<b>1,496</b>	<b>358</b>	<b>370</b>

3.5. Borrowing costs

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Interest - Borrowings	1,117	1,090	995	942
	<b>1,117</b>	<b>1,090</b>	<b>995</b>	<b>942</b>

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.

3.6. Other expenses

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Auditors remuneration - VAGO - audit of financial statements	251	255	146	143
Audit services - external	45	21	45	21
Audit services - internal	513	489	258	254
Fire brigade levy	159	171	159	171
Taxes & Levies	2,097	3,324	881	2,038
Operating lease rentals	4,708	4,259	2,228	1,669
Other costs	2,581	2,167	2,382	1,966
	<b>10,354</b>	<b>10,686</b>	<b>6,099</b>	<b>6,262</b>

## Note 4 Our financial position

### 4.1. Financial assets

#### (a) 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.

#### (b) Other financial assets

Other financial assets are valued at fair value (refer to Note 7.4) at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>(a) Cash and Cash Equivalents</b>				
Cash on hand	65	59	32	36
Cash at bank	27,047	37,643	17,950	25,545
Term deposits	32,754	66,701	32,000	65,000
<b>Total Cash and cash equivalents</b>	<b>59,866</b>	<b>104,403</b>	<b>49,982</b>	<b>90,581</b>
<b>(b) Other financial assets</b>				
Term deposits - current	89,750	28,250	88,000	26,000
Term deposits - non current*	32,175	-	32,175	-
<b>Total other financial assets</b>	<b>121,925</b>	<b>28,250</b>	<b>120,175</b>	<b>26,000</b>
<b>Total financial assets</b>	<b>181,791</b>	<b>132,653</b>	<b>170,157</b>	<b>116,581</b>

Council funds are subject to external restrictions that limit amounts available for discretionary use. These include:

	Consolidated			Council	
	2018 \$'000	2017 \$'000	Note	2018 \$'000	2017 \$'000
Trust funds and deposits	8,048	8,152	4.3	6,111	6,215
Acquisition trust*	32,175	-		32,175	-
Reserve funds (Public Open Space)	44,489	37,740	8.1	44,489	37,740
<b>Total restricted funds</b>	<b>84,712</b>	<b>45,892</b>		<b>82,775</b>	<b>43,955</b>
<b>Unrestricted funds</b>	<b>97,079</b>	<b>86,761</b>		<b>87,382</b>	<b>72,626</b>
<b>Total Council funds</b>	<b>181,791</b>	<b>132,653</b>		<b>170,157</b>	<b>116,581</b>

\* Term deposit - non current is the Acquisition Trust fund created in relation to compulsory sale of City Square assets by Rail Projects Victoria in 2016-17. The funds received in 2017-18 have been placed in a trust account until the City Square land has been handed back to City of Melbourne.



Intended allocations

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

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash held to fund carried forward capital projects	13,790	21,941	10,332	21,941
<b>Total funds subject to intended allocations</b>	<b>13,790</b>	<b>21,941</b>	<b>10,332</b>	<b>21,941</b>

(c) Trade and other receivables

Current	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Statutory receivables</b>				
Rate debtors	2,577	1,002	2,577	1,002
Infringement debtors	36,295	32,558	36,295	32,558
Provision for doubtful debts - Infringements	(15,458)	(17,381)	(15,458)	(17,381)
<b>Non statutory receivables</b>				
Trade debtors*	30,167	32,233	3,912	8,474
Provision for doubtful debts - Trade debtors	(1,101)	(1,496)	(358)	(370)
Net GST receivable	4,694	2,943	6,635	4,962
<b>Total current trade and other receivables</b>	<b>57,174</b>	<b>49,859</b>	<b>33,603</b>	<b>29,245</b>

\*Consolidated trade debtors includes Citywide trade receivables of \$19.3 million (2017: \$21.2 million).

Non-Current	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Non statutory receivables</b>				
Project loan*	9,686	4,572	-	-
Loan to subsidiary**	-	-	7,500	2,500
Land sale deferred settlement	-	1,659	-	-
<b>Total non-current trade and other receivables</b>	<b>9,686</b>	<b>6,231</b>	<b>7,500</b>	<b>2,500</b>

\*Project loan includes Sustainable Melbourne Fund issuing Environmental Upgrade Agreement (EUA) financial loans to borrowers that are asset backed.

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

Short term receivables are recognised at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

i. Ageing of receivables (other debtors)

The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current (not yet due)	26,362	26,895	2,370	6,423
Past due by up to 30 days	1,573	2,314	692	1,073
Past due between 31 and 180 days	1,407	2,328	517	758
Past due between 181 and 365 days	374	595	299	119
Past due by more than 1 year	451	101	34	101
<b>Total</b>	<b>30,167</b>	<b>32,233</b>	<b>3,912</b>	<b>8,474</b>

ii. Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$1.1 million (2017: \$1.5 million) were impaired. The amount of the provision raised against these debtors was \$0.4 million (2017: \$0.7 million). They individually have been impaired due to their doubtful collection. Many of the long outstanding past due amounts are in the hands of Council's debt collectors or are subject to payment arrangements.

The ageing of trade receivables that have been individually determined as impaired at reporting date is:

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current (not yet due)	-	19	-	-
Past due by up to 30 days	-	97	-	-
Past due between 31 and 180 days	440	728	86	160
Past due between 181 and 365 days	569	549	180	107
Past due by more than 1 year	92	103	92	103
<b>Total</b>	<b>1,101</b>	<b>1,496</b>	<b>358</b>	<b>370</b>

4.2. Non-financial assets

(a) Inventories

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Inventory held for distribution	749	721	-	-
<b>Total inventories</b>	<b>749</b>	<b>721</b>	<b>-</b>	<b>-</b>

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Prepayments	2,778	3,187	1,421	1,771
Accrued income*	4,352	66,254	1,256	65,616
<b>Total other assets</b>	<b>7,130</b>	<b>69,441</b>	<b>2,677</b>	<b>67,387</b>

\*Accrued income in 2017 includes compensation for the compulsory acquisition of City Square assets by Rail Projects Victoria (\$62.7million).

(c) Intangible assets

	Consolidated		Council	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Software	38,413	16,368	37,813	16,368
Goodwill	22,770	22,770	-	-
Customer relationships	75	375	-	-
	<b>61,258</b>	<b>39,513</b>	<b>37,813</b>	<b>16,368</b>

Consolidated	Software	Goodwill	Customer relationships	Total
	\$'000	\$'000	\$'000	\$'000
<b>Gross carrying amount</b>				
Balance at 30 June 2017	35,350	22,770	375	58,495
Additions from acquisition	15,674	-	-	15,674
WIP	10,936	-	-	10,936
Balance at 30 June 2018	61,960	22,770	375	85,105
<b>Accumulated amortisation and impairment</b>				
Balance at 30 June 2017	(18,550)	-	-	(18,550)
Amortisation expense	(4,997)	-	(300)	(5,297)
Impairment expense	-	-	-	-
Amortisation written back	-	-	-	-
Balance at 30 June 2018	(23,547)	-	(300)	(23,847)
Net book value at 30 June 2017	16,800	22,770	375	39,945
Net book value at 30 June 2018	38,413	22,770	75	61,258

Council	Software	Goodwill	Customer relationships	Total
	\$'000	\$'000	\$'000	\$'000
<b>Gross carrying amount</b>				
Balance at 30 June 2017	34,918	-	-	34,918
Additions from acquisition	15,394	-	-	15,394
WIP	10,936	-	-	10,936
Balance at 30 June 2018	61,248	-	-	61,248
<b>Accumulated amortisation and impairment</b>				
Balance at 30 June 2017	(18,550)	-	-	(18,550)
Amortisation expense	(4,885)	-	-	(4,885)
Amortisation written back	-	-	-	-
Balance at 30 June 2018	(23,435)	-	-	(23,435)
Net book value at 30 June 2017	16,368	-	-	16,368
Net book value at 30 June 2018	37,813	-	-	37,813

All intangible assets have finite lives and are amortised as expenses on a systematic basis over the assets' useful lives. Amortisation is generally calculated on a straight line basis, at a rate that allocates asset values, less any estimated residual values over their estimated useful lives. Estimates of the remaining useful lives and amortisation methods are reviewed at least annually, and adjustments made where appropriate.

**Impairment testing for cash generating units containing goodwill**

Goodwill is related to Council's subsidiary Citywide Service Solutions Pty Ltd. Goodwill has been reviewed for impairment at the year ending 30 June 2018.

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:

	2018	2017
	\$'000	\$'000
Victoria Operations	8,714	8,714
NSW/ACT Operations	7,868	7,868
Technigro	6,188	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. 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 impairment has been recognised.

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

Future cash flows have been based on the 2018-19 budget and overlaid with appropriate discount and growth rates. The discount and growth rate assumptions are as follows:

	2018	2017
Discount Rate	8.50%	8.50%
Terminal Value Growth Rate	2.20%	2.20%

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. In the model the first year of cash flows are based on the 2018-19 budget. The long-term compound annual growth rate in EBITDA is estimated by management using past experience and expectations for the future.

**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 \$123,000 (2017: \$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 \$123,000 (2017: \$140,000) which would result in a minor impairment in the case of a 10 basis point decrease.

**4.3. Payables**

**(a) Trade and other payables**

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current</b>				
Trade payables	19,246	16,974	8,358	4,445
Accrued operating expenses	48,133	51,253	31,805	34,334
Accrued capital work expenses	9,017	5,500	17,628	14,635
Income in advance	5,963	3,897	3,062	1,019
	<b>82,359</b>	<b>77,624</b>	<b>60,853</b>	<b>54,433</b>

**(b) Trust funds and deposits**

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current</b>				
Refundable deposits	5,332	3,345	3,462	3,158
Fire services levy	2,032	2,669	2,032	2,669
Retention amount	212	98	212	98
Other refundable deposits	397	363	330	290
	<b>7,973</b>	<b>6,475</b>	<b>6,036</b>	<b>6,215</b>
<b>Non Current</b>				
Refundable deposits	75	1,677	75	-
	<b>75</b>	<b>1,677</b>	<b>75</b>	<b>-</b>

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. Trust funds that are forfeited, resulting in Council gaining control of the funds, are recognised as revenue at the time of forfeit.

**Purpose and nature of items**

Refundable Deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received to the State government.

Retention Amounts - Council has a contractual right to retain certain amounts until contractors have met those 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 are paid to the relevant contractor in line with Council's contractual obligations.

**4.4. Interest-bearing loans and borrowing**

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current</b>				
Security deposits	223	473	-	-
<b>Non-current</b>				
Borrowing - secured*	30,000	30,000	30,000	30,000
<b>Total</b>	<b>30,223</b>	<b>30,473</b>	<b>30,000</b>	<b>30,000</b>
<b>Maturity profile for borrowing is:</b>				
Not later than one year	223	-	-	-
Later than one year and not later than five years	30,000	30,473	30,000	30,000

\* Borrowings consist of a \$30 million fixed term loan (ending 9 October 2020) with Clean Energy Finance Corporation, secured by a charge over general rates levied by Council.

**4.5. Provisions**

Below is a summary of current and non-current provisions:

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current provisions</b>				
Employee provisions	43,454	43,082	32,235	31,401
Other provisions	1,163	737	1,158	728
	<b>44,617</b>	<b>43,819</b>	<b>33,393</b>	<b>32,129</b>
<b>Non-current provisions</b>				
Employee provisions	6,024	5,057	3,713	3,641
	<b>6,024</b>	<b>5,057</b>	<b>3,713</b>	<b>3,641</b>
<b>Total provisions</b>	<b>50,641</b>	<b>48,876</b>	<b>37,106</b>	<b>35,770</b>

Below is a summary of provisions by categories:

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Employee provisions</b>				
Balance at the beginning of year	48,139	48,092	35,042	33,465
Additional provisions	22,569	20,786	16,432	15,358
Amounts used	(21,230)	(20,739)	(15,526)	(13,781)
Balance at the end of year	<b>49,478</b>	<b>48,139</b>	<b>35,948</b>	<b>35,042</b>
<b>Insurance claims</b>				
Balance at the beginning of year	728	558	728	558
Additional provisions	609	198	609	198
Amounts used	( 179)	(28)	( 179)	(28)
Balance at the end of year	<b>1,158</b>	<b>728</b>	<b>1,158</b>	<b>728</b>
<b>Other provisions</b>				
Balance at the beginning of year	9	1,560	-	1,250
Amounts used	( 4)	(1,551)	-	(1,250)
Balance at the end of year	<b>5</b>	<b>9</b>	<b>-</b>	<b>-</b>
<b>Total provisions</b>	<b>50,641</b>	<b>48,876</b>	<b>37,106</b>	<b>35,770</b>

(a) Employee provisions

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current provisions expected to be wholly settled within 12 months</b>				
Annual leave	16,082	15,842	11,166	10,775
Long service leave	2,504	2,846	1,740	1,608
	<b>18,586</b>	<b>18,688</b>	<b>12,906</b>	<b>12,383</b>
<b>Current provisions expected to be wholly settled after 12 months</b>				
Annual leave	69	28	-	-
Long service leave	24,799	24,366	19,329	19,018
	<b>24,868</b>	<b>24,394</b>	<b>19,329</b>	<b>19,018</b>
<b>Total current provisions</b>	<b>43,454</b>	<b>43,082</b>	<b>32,235</b>	<b>31,401</b>
<b>Non-Current</b>				
Long service leave	6,024	5,057	3,713	3,641
<b>Total non-current provisions</b>	<b>6,024</b>	<b>5,057</b>	<b>3,713</b>	<b>3,641</b>
<b>Aggregate carrying amount of employee provisions</b>				
Current	43,454	43,082	32,235	31,401
Non-current	6,024	5,057	3,713	3,641
<b>Total aggregate carrying amount of employee provisions</b>	<b>49,478</b>	<b>48,139</b>	<b>35,948</b>	<b>35,042</b>

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 and annual 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 the 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. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

Long service leave key assumptions:

	Consolidated		Council	
	2018	2017	2018	2017
Discount rate	1.9%-2.7%	1.6%-2.7%	1.9%-2.7%	1.6%-2.7%
Inflation rate	2.0%-3.9%	2.5%-3.8%	2.0%-3.9%	2.5%-3.8%
Settlement period	7 years	7 years	7 years	7 years

(b) Insurance claims and other provisions

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current</b>				
Insurance claims	1,158	728	1,158	728
Other provisions	5	9	-	-
	<b>1,163</b>	<b>737</b>	<b>1,158</b>	<b>728</b>

4.6. Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2018.

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Bank overdraft facility	2,500	2,500	-	-
Credit card facilities	630	373	300	300
Bank loan facility	75,000	102,100	75,000	75,000
Other financing facilities*	30,000	30,000	30,000	30,000
<b>Total facilities</b>	<b>108,130</b>	<b>134,973</b>	<b>105,300</b>	<b>105,300</b>
Used facilities*	(30,093)	(30,086)	(30,029)	(30,086)
Unused facilities	78,037	104,887	75,271	75,214

\* Clean Energy Finance Corporation



4.7. Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

Council 2018	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Waste	14,570	3,516	2,544	-	20,630
Roads, Streets & Related Infrastructure	49,070	47,374	45,997	-	142,441
Parks & Gardens	17,060	17,044	12,690	-	46,794
Parking	6,775	1,501	205	-	8,481
Integrated Security Services, Infrastructure & Maintenance	4,963	4,870	2,734	-	12,567
HR Services	6,563	444	778	87	7,872
Facilities & Maintenance	4,677	214	323	-	5,214
Events	5,710	4,002	2,945	-	12,657
Community Services	5,298	1,427	958	-	7,683
Cleaning - Outdoor	12,985	12,347	9,141	-	34,473
Energy & Utilities	3,197	3,197	9,166	3,055	18,615
Business Services	2,301	2,132	2,074	-	6,507
Other categories	12,857	3,293	114	-	16,264
<b>Total</b>	<b>146,026</b>	<b>101,361</b>	<b>89,669</b>	<b>3,142</b>	<b>340,198</b>
<b>Capital</b>					
Building & Equipment	14,752	154	-	-	14,906
Parks & Gardens	255	-	-	-	255
<b>Total</b>	<b>15,007</b>	<b>154</b>	<b>-</b>	<b>-</b>	<b>15,161</b>

Council 2017	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Waste	16,892	13,409	5,921	-	36,222
Roads, Streets & Related Infrastructure	38,783	553	162	-	39,498
Parks & Gardens	18,774	15,501	27,006	-	61,281
Parking	9,293	6,043	2,160	-	17,496
Integrated Security Services, Infrastructure & Maintenance	3,242	3,049	5,320	-	11,611
HR Services	15,637	5,504	252	-	21,393
Facilities & Maintenance	8,350	8,350	3,510	-	20,210
Events	4,187	149	-	-	4,336
Community Services	6,731	2,620	155	-	9,506
Cleaning - Outdoor	12,238	12,238	20,555	-	45,031
Property	3,167	3,167	24	-	6,358
IT Software	3,523	1,520	745	-	5,788
Other categories	13,638	4,453	351	-	18,442
<b>Total</b>	<b>154,455</b>	<b>76,556</b>	<b>66,161</b>	<b>-</b>	<b>297,172</b>
<b>Capital</b>					
Building & Equipment	-	-	-	-	-
Parks & Gardens	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Operating lease commitments

At the reporting date, Council and its subsidiaries have the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use by Council and its subsidiaries in carrying out their normal operations (these obligations are not recognised as liabilities):

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Property rentals</b>				
Not later than one year	3,765	3,388	1,430	1,415
Later than one year and not later than five years	5,220	6,337	1,944	3,247
Later than five years	852	1,026	602	587
	<b>9,837</b>	<b>10,751</b>	<b>3,976</b>	<b>5,249</b>
<b>Fleet lease</b>				
Not later than one year	2,346	2,514	686	686
Later than one year and not later than five years	4,257	6,874	224	910
Later than five years	23	363	-	-
	<b>6,626</b>	<b>9,751</b>	<b>910</b>	<b>1,596</b>
<b>Total operating lease payable</b>	<b>16,463</b>	<b>20,502</b>	<b>4,886</b>	<b>6,845</b>

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.

## Note 5 Assets we manage

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### 5.1 Assets held for sale

Council does not have non-current assets held for sale at reporting date, nor in the previous year.

## 5.2 Property, infrastructure, plant and equipment

## a. Summary of Property, Infrastructure, Plant and Equipment

## Consolidated

Category	Fair Value 30 June 2017	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Fair Value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	2,379,207	14,776	-	257,702	(8,526)	(14)	-	2,643,145
Infrastructure	1,446,238	51,100	-	(605)	(41,906)	(73)	-	1,454,754
Plant & Equipment	77,789	19,229	-	-	(21,266)	(1,266)	-	74,486
Work in progress	66,257	92,807	-	-	-	-	(72,277)	86,787
<b>Total</b>	<b>3,969,491</b>	<b>177,912</b>	<b>-</b>	<b>257,097</b>	<b>(71,698)</b>	<b>(1,353)</b>	<b>(72,277)</b>	<b>4,259,172</b>

## Council

Category	Fair Value 30 June 2017	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Fair Value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	2,350,684	14,776	-	233,133	(7,557)	-	-	2,590,327
Infrastructure	1,446,237	51,100	-	(605)	(41,906)	(41,906)	-	1,454,753
Plant & Equipment	30,999	19,229	-	-	(9,044)	(134)	-	27,550
Work in progress	64,777	92,807	-	-	-	-	(70,903)	85,264
<b>Total</b>	<b>3,892,696</b>	<b>177,912</b>	<b>-</b>	<b>232,528</b>	<b>(58,507)</b>	<b>(207)</b>	<b>(70,903)</b>	<b>4,157,894</b>

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

## b. Summary of Work in Progress

## Consolidated

Category	Balance 30 June 2017	Additions	Write offs	Transfers	Balance 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	21,657	21,941	-	(14,096)	29,502
Infrastructure	24,326	64,971	-	(51,100)	38,197
Plant & Equipment	20,274	5,895	-	(7,081)	19,088
<b>Total</b>	<b>66,257</b>	<b>92,807</b>	<b>-</b>	<b>(72,277)</b>	<b>86,787</b>

## Council

Category	Balance 30 June 2017	Additions	Write offs	Transfers	Balance 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	21,300	21,697	-	(14,066)	28,931
Infrastructure	24,326	64,971	-	(51,100)	38,197
Plant & Equipment	19,151	4,722	-	(5,737)	18,136
<b>Total</b>	<b>64,777</b>	<b>91,390</b>	<b>-</b>	<b>(70,903)</b>	<b>85,264</b>

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

## c. Details of Property Category

## Consolidated

	Land		Buildings					Work In Progress \$'000	Property Total \$'000
	Specialised \$'000	Non-specialised \$'000	Total \$'000	Heritage \$'000	Specialised \$'000	Non-specialised \$'000	Leasehold Improvements \$'000		
At fair value 30 June 2017	1,877,455	139,491	2,016,946	173,693	114,512	67,868	11,404	21,657	2,406,080
Accumulated depreciation at 30 June 2017	-	-	-	-	-	-	(5,216)	-	(5,216)
<b>Fair Value 30 June 2017</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>21,657</b>	<b>2,400,864</b>
<b>Movements in Fair Value</b>									
Additions	3,755	-	3,755	2,622	5,756	1,831	812	21,941	36,717
Contributions	-	-	-	-	-	-	-	-	-
Revaluations	223,852	26,073	249,925	26,735	(9,864)	(9,094)	-	7,777	257,702
Disposals	-	-	-	-	(21)	-	(418)	-	(439)
Write-offs	-	-	-	-	-	-	-	-	-
Transfers from WIP	-	-	-	-	-	-	-	(14,096)	(14,096)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>227,607</b>	<b>26,073</b>	<b>253,680</b>	<b>29,357</b>	<b>(4,129)</b>	<b>(7,263)</b>	<b>394</b>	<b>7,845</b>	<b>279,884</b>
<b>Movements in Accumulated Depreciation</b>									
Depreciation and amortisation	-	-	-	(2,203)	(3,287)	(1,964)	(1,072)	-	(8,526)
Accumulated depreciation on disposals	-	-	-	-	21	-	404	-	425
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,203)</b>	<b>(3,266)</b>	<b>(1,964)</b>	<b>(668)</b>	<b>-</b>	<b>(8,101)</b>
Fair value 30 June 2018	2,105,062	165,564	2,270,626	203,050	110,393	60,605	11,798	29,502	2,685,964
Accumulated depreciation 30 June 2018	-	-	-	(2,203)	(3,266)	(1,964)	(5,884)	-	(13,317)
<b>Fair Value/Written Down Value 30 June 2018</b>	<b>2,105,062</b>	<b>165,564</b>	<b>2,270,626</b>	<b>200,847</b>	<b>107,117</b>	<b>58,641</b>	<b>5,914</b>	<b>29,502</b>	<b>2,672,647</b>

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

Council

	Land			Buildings					Work In Progress \$'000	Property Total \$'000
	Specialised \$'000	Non-specialised \$'000	Total \$'000	Heritage \$'000	Specialised \$'000	Non-specialised \$'000	Leasehold Improvements \$'000	Total \$'000		
At fair value 30 June 2017	1,856,023	139,491	1,995,514	173,693	112,316	67,868	2,790	356,667	21,300	2,373,481
Accumulated depreciation at 30 June 2017	-	-	-	-	-	-	(1,497)	(1,497)	-	(1,497)
<b>Fair Value 30 June 2017</b>	<b>1,856,023</b>	<b>139,491</b>	<b>1,995,514</b>	<b>173,693</b>	<b>112,316</b>	<b>67,868</b>	<b>1,293</b>	<b>355,170</b>	<b>21,300</b>	<b>2,371,983</b>
<b>Movements in Fair Value</b>										
Additions	3,680	-	3,680	2,622	5,687	1,831	247	10,387	21,697	35,764
Contributions	-	-	-	-	-	-	-	-	-	-
Revaluations	199,283	26,073	225,356	26,735	(9,864)	(9,094)	-	7,777	-	233,133
Disposals	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-
Transfers from WIP	-	-	-	-	-	-	-	-	(14,066)	(14,066)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>202,963</b>	<b>26,073</b>	<b>229,036</b>	<b>29,357</b>	<b>(4,177)</b>	<b>(7,263)</b>	<b>247</b>	<b>18,164</b>	<b>7,631</b>	<b>254,831</b>
<b>Movements in Accumulated Depreciation</b>										
Depreciation and amortisation	-	-	-	(2,203)	(3,201)	(1,964)	(189)	(7,557)	-	(7,557)
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,203)</b>	<b>(3,201)</b>	<b>(1,964)</b>	<b>(189)</b>	<b>(7,557)</b>	<b>-</b>	<b>(7,557)</b>
Fair value 30 June 2018	2,058,986	165,564	2,224,550	203,050	108,139	60,605	3,037	374,831	28,931	2,628,312
Accumulated depreciation 30 June 2018	-	-	-	(2,203)	(3,201)	(1,964)	(1,686)	(9,054)	-	(9,054)
<b>Fair Value/Written Down Value 30 June 2018</b>	<b>2,058,986</b>	<b>165,564</b>	<b>2,224,550</b>	<b>200,847</b>	<b>104,938</b>	<b>58,641</b>	<b>1,351</b>	<b>365,777</b>	<b>28,931</b>	<b>2,619,257</b>



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

## d. Details of Infrastructure Category

## Consolidated

	Roads	Bridges	Footpaths & cycleways	Drainage	Recreational, leisure and Community	Parks open spaces and streetscapes	Other	Statues, sculptures & artworks	Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2017	748,633	107,866	143,586	135,309	6,842	43,850	213,399	56,185	24,326	1,479,996
Accumulated depreciation at 30 June 2017	-	-	-	-	(1,599)	-	-	(7,834)	-	(9,433)
<b>Fair Value 30 June 2017</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>24,326</b>	<b>1,470,563</b>
<b>Movements in Fair Value</b>										
Additions	12,187	781	12,416	8,570	122	2,552	14,054	418	64,971	116,071
Contributions	-	-	-	-	-	-	-	-	-	-
Revaluations	4,618	1,310	(6,636)	772	(69)	(244)	(356)	-	-	(605)
Disposals	(61)	-	-	(12)	-	-	-	-	-	(73)
Write-offs	-	-	-	-	-	-	-	-	-	-
Transfers from WIP	-	-	-	-	-	-	-	-	(51,100)	(51,100)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>16,744</b>	<b>2,091</b>	<b>5,780</b>	<b>9,330</b>	<b>53</b>	<b>2,308</b>	<b>13,698</b>	<b>418</b>	<b>13,871</b>	<b>64,293</b>
<b>Movements in Accumulated Depreciation</b>										
Depreciation and amortisation	(17,452)	(1,612)	(6,521)	(1,754)	(401)	-	(13,493)	(673)	-	(41,906)
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(17,452)</b>	<b>(1,612)</b>	<b>(6,521)</b>	<b>(1,754)</b>	<b>(401)</b>	<b>-</b>	<b>(13,493)</b>	<b>(673)</b>	<b>-</b>	<b>(41,906)</b>
Fair value 30 June 2018	765,377	109,957	149,366	144,639	6,895	46,158	227,097	56,603	38,197	1,544,289
Accumulated depreciation 30 June 2018	(17,452)	(1,612)	(6,521)	(1,754)	(2,000)	-	(13,493)	(8,507)	-	(51,339)
<b>Fair Value/Written Down Value 30 June 2018</b>	<b>747,925</b>	<b>108,345</b>	<b>142,845</b>	<b>142,885</b>	<b>4,895</b>	<b>46,158</b>	<b>213,604</b>	<b>48,096</b>	<b>38,197</b>	<b>1,492,950</b>

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

Council

	Roads	Bridges	Footpaths & cycleways	Drainage	Recreational, leisure and Community	Parks open spaces and streetscapes	Other	Statues, sculptures & artworks	Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2017	748,633	107,866	143,586	135,309	6,842	43,850	213,399	56,185	24,326	1,479,996
Accumulated depreciation at 30 June 2017	-	-	-	-	(1,599)	-	-	(7,834)	-	(9,433)
<b>Fair Value 30 June 2017</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>24,326</b>	<b>1,470,563</b>
<b>Movements in Fair Value</b>										
Additions	12,187	781	12,416	8,570	122	2,552	14,054	418	64,971	116,071
Contributions	-	-	-	-	-	-	-	-	-	-
Revaluations	4,618	1,310	(6,636)	772	(69)	(244)	(356)	-	-	(605)
Disposals	(61)	-	-	(12)	-	-	-	-	-	(73)
Write-offs	-	-	-	-	-	-	-	-	-	-
Transfers from WIP	-	-	-	-	-	-	-	-	(51,100)	(51,100)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>16,744</b>	<b>2,091</b>	<b>5,780</b>	<b>9,330</b>	<b>53</b>	<b>2,308</b>	<b>13,698</b>	<b>418</b>	<b>13,871</b>	<b>64,293</b>
<b>Movements in Accumulated Depreciation</b>										
Depreciation and amortisation	(17,452)	(1,612)	(6,521)	(1,754)	(401)	-	(13,493)	(673)	-	(41,906)
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(17,452)</b>	<b>(1,612)</b>	<b>(6,521)</b>	<b>(1,754)</b>	<b>(401)</b>	<b>-</b>	<b>(13,493)</b>	<b>(673)</b>	<b>-</b>	<b>(41,906)</b>
Fair value 30 June 2018	765,377	109,957	149,366	144,639	6,895	46,158	227,097	56,603	38,197	1,544,289
Accumulated depreciation 30 June 2018	(17,452)	(1,612)	(6,521)	(1,754)	(2,000)	-	(13,493)	(8,507)	-	(51,339)
<b>Fair Value/Written Down Value 30 June 2018</b>	<b>747,925</b>	<b>108,345</b>	<b>142,845</b>	<b>142,885</b>	<b>4,895</b>	<b>46,158</b>	<b>213,604</b>	<b>48,096</b>	<b>38,197</b>	<b>1,492,950</b>

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

## e. Details of Plant and Equipment Category

## Consolidated

	Plant machinery & equipment	Fixtures fittings & furniture	Computers & telecomms	Library books	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)
<b>Fair Value 30 June 2017</b>	<b>56,957</b>	<b>2,247</b>	<b>14,624</b>	<b>3,961</b>	<b>20,274</b>	<b>98,063</b>
<b>Movements in Fair Value</b>						
Additions	15,343	647	2,310	929	5,895	25,124
Contributions	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Disposals	(13,644)	(152)	(202)	-	-	(13,998)
Write-offs	-	-	-	-	-	-
Transfers from WIP	-	-	-	-	(7,081)	(7,081)
Impairment losses recognised in operating result	-	-	-	-	-	-
<b>Total</b>	<b>1,699</b>	<b>495</b>	<b>2,108</b>	<b>929</b>	<b>(1,186)</b>	<b>4,045</b>
<b>Movements in Accumulated Depreciation</b>						
Depreciation and amortisation	(13,447)	(473)	(5,746)	(1,600)	-	(21,266)
Accumulated depreciation on disposals	12,389	147	196	-	-	12,732
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
<b>Total</b>	<b>(1,058)</b>	<b>(326)</b>	<b>(5,550)</b>	<b>(1,600)</b>	<b>-</b>	<b>(8,534)</b>
Fair value 30 June 2018	149,665	9,601	47,087	13,596	19,088	239,037
Accumulated depreciation 30 June 2018	(92,067)	(7,185)	(35,905)	(10,306)	-	(145,463)
<b>Fair Value/Written Down Value 30 June 2018</b>	<b>57,598</b>	<b>2,416</b>	<b>11,182</b>	<b>3,290</b>	<b>19,088</b>	<b>93,574</b>

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

Council

	Plant machinery & equipment	Fixtures fittings & furniture	Computers & telecomms	Library books	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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)
<b>Fair Value 30 June 2017</b>	<b>13,439</b>	<b>1,571</b>	<b>12,028</b>	<b>3,961</b>	<b>19,151</b>	<b>50,150</b>
<b>Movements in Fair Value</b>						
Additions	2,750	538	1,512	929	4,722	10,451
Contributions	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Disposals	(4,133)	-	-	-	-	(4,133)
Write-offs	-	-	-	-	-	-
Transfers from WIP	-	-	-	-	(5,737)	(5,737)
Impairment losses recognised in operating result	-	-	-	-	-	-
<b>Total</b>	<b>(1,383)</b>	<b>538</b>	<b>1,512</b>	<b>929</b>	<b>(1,015)</b>	<b>581</b>
<b>Movements in Accumulated Depreciation</b>						
Depreciation and amortisation	(2,640)	(284)	(4,520)	(1,600)	-	(9,044)
Accumulated depreciation on disposals	3,999	-	-	-	-	3,999
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
<b>Total</b>	<b>1,359</b>	<b>(284)</b>	<b>(4,520)</b>	<b>(1,600)</b>	<b>-</b>	<b>(5,045)</b>
Fair value 30 June 2018	37,643	7,330	37,578	13,596	18,136	114,283
Accumulated depreciation 30 June 2018	(24,228)	(5,505)	(28,558)	(10,306)	-	(68,597)
<b>Fair Value/Written Down Value 30 June 2018</b>	<b>13,415</b>	<b>1,825</b>	<b>9,020</b>	<b>3,290</b>	<b>18,136</b>	<b>45,686</b>

5.2. Property, infrastructure, plant and equipment (cont'd)

f. Recognition

*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 (refer to Note 7.4) is 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.

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.

*Recognition thresholds*

Council has set a threshold limit for all categories of assets of \$2,000 which means that all assets with a fair value of \$2,000 (2017:\$2,000) or greater are recognised in these financial statements.

*Land under roads*

Council recognises land under roads it controls at deemed cost.

*Financial leases*

Council does not have any financial leases.

*Repairs and maintenance*

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.

*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.

g. Depreciation and amortisation

Buildings, infrastructure, plant and equipment, and other assets having limited useful lives are systematically depreciated over their estimated 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.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

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

Depreciation periods used are summarised below and are consistent with the prior year unless otherwise stated.

5.2. Property, infrastructure, plant and equipment (cont'd)

All assets in the below table have capitalisation threshold limit of \$2,000.

	Depreciation Period (Years)
<b>Land &amp; land improvement</b>	
Land	0
<b>Buildings</b>	
Heritage buildings	100
Buildings	8-40
Leasehold improvements	10-17
<b>Plant and equipment</b>	
Plant, machinery and equipment	3-20
Fixtures, fittings and furniture	5-10
Computers and telecommunications	3-8
Library books	4-5
<b>Infrastructure</b>	
Road pavements and seals	12-20
Road substructure	50-90
Road kerb, channel and minor culverts	32-50
Bridge deck	15-25
Bridge substructure	25-100
Footpaths and cycleways	7-50
Drainage	90-120
Recreational, leisure and community facilities	12-50
Parks, open space and streetscapes	0-20
Off street car parks	4-15
<b>Intangible assets</b>	5-8

Threshold limit for above assets is \$2,000

h. Description of significant unobservable inputs into level 3 valuations

Council	2018	2017
	\$'000	\$'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.	2,058,986	1,856,023
<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.	104,938	112,316
<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.	1,406,657	1,397,877

5.2. Property, infrastructure, plant and equipment (cont'd)

i. Valuation of Property

In accordance with Council policy, a revaluation was undertaken for land and buildings at the reporting date. For land and buildings, fair value (refer to Note 7.4) is market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

Valuation of land and buildings were undertaken by a qualified independent valuer John O'Leary, Fellow of the Australian Property Institute, Certified Practising Valuer, Member No 62206. Date of valuation is 30/6/2018.

Details of Council's land and buildings and other relevant information about the fair value hierarchy as at 30 June 2018 are as follows:

Council	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Non-specialised land	-	149,264	16,300	165,564
Specialised land	-	13,309	2,045,677	2,058,986
<b>Total land</b>	-	<b>162,573</b>	<b>2,061,977</b>	<b>2,224,550</b>
Heritage Buildings	-	13,981	186,866	200,847
Buildings	-	61,051	102,528	163,579
<b>Total buildings</b>	-	<b>75,032</b>	<b>289,394</b>	<b>364,426</b>

No transfers between levels occurred during the year.

j. Valuation of Infrastructure

In accordance with Council policy, a revaluation was undertaken of infrastructure assets at the reporting date. For infrastructure, fair value (refer to Note 7.4) is replacement cost less accumulated depreciation as the date of valuation. The date of the current valuation is detailed in the following table.

Valuation of infrastructure assets was undertaken by Thyagie Wettasinghe, Asset Engineer, Master of Infrastructure Engineering and Management. Date of valuation is 30/6/2018.

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

Council	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Roads	-	-	747,925	747,925
Bridges	-	-	108,345	108,345
Footpaths and cycleways	-	-	142,845	142,845
Drainage	-	-	142,885	142,885
Recreational, leisure and community facilities	-	-	4,895	4,895
Parks, open space and streetscapes	-	-	46,158	46,158
Promenades and wharves	-	-	68,741	68,741
Other infrastructure	-	-	144,863	144,863
<b>Total Infrastructure</b>	-	-	<b>1,406,657</b>	<b>1,406,657</b>

No transfers between levels occurred during the year.



k. Reconciliation of Specialised Land

Council	2018	2017
	\$'000	\$'000
Land under roads	17,200	17,200
Parks and reserves	2,041,786	1,838,823
<b>Total specialised land</b>	<b>2,058,986</b>	<b>1,856,023</b>

5.3 Investment in Subsidiaries, Associates and Trusts

Non-Current	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>a) Subsidiaries</b>				
CityWide Service Solutions Pty Ltd	-	-	18,406	18,406
Queen Victoria Market Pty Ltd	-	-	200	200
Sustainable Melbourne Fund	-	-	5,624	5,538
Enterprise Melbourne*	-	-	-	-
	-	-	24,230	24,144
<b>b) Associates</b>				
Regent Management Company Pty Ltd	7,500	7,000	7,500	7,000
MAPS Group Ltd (Procurement Australia)	250	250	250	250
	7,750	7,250	7,750	7,250
	<b>7,750</b>	<b>7,250</b>	<b>31,980</b>	<b>31,394</b>

\* Investment in Enterprise Melbourne is \$10.

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2018 and the results of their operations for the year then ended. There were no changes in Council's ownership or control of its subsidiary entities during the year.

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.

Principles of consolidation

Council controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with that 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 Council assumes control.

Where dissimilar accounting policies are adopted by subsidiary entities and the effect of those differences are considered to be 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.

a) Subsidiaries

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

Citywide has a 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

	2018	2017
	\$'000	\$'000
<b>Summarised statement of comprehensive income</b>		
Total income	243,155	241,235
Total expenses	238,921	231,598
Surplus/(deficit) for the year	4,234	9,637
Other comprehensive income	-	-
<b>Total comprehensive result</b>	<b>4,234</b>	<b>9,637</b>
<b>Summarised balance sheet</b>		
Current assets	50,004	50,810
Non-current assets	126,750	103,400
Total assets	176,754	154,210
Current liabilities	50,660	55,002
Non-current liabilities	14,674	6,722
Total liabilities	65,334	61,724
<b>Net assets</b>	<b>111,420</b>	<b>92,486</b>
<b>Summarised statement of cash flows</b>		
Net cash provided/(used in) operating activities	12,062	20,283
Net cash provided/(used in) investing activities	(12,559)	(8,156)
Net cash provided/(used in) financing activities	(3,800)	(3,650)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(4,297)</b>	<b>8,477</b>

*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

	2018	2017
	\$'000	\$'000
<b>Summarised statement of comprehensive income</b>		
Total income	23,928	23,425
Total expenses	23,680	25,718
Surplus/(deficit) for the year	248	(2,293)
Other comprehensive income	(931)	-
<b>Total comprehensive result</b>	<b>(683)</b>	<b>(2,293)</b>
<b>Summarised balance sheet</b>		
Current assets	3,898	3,923
Non-current assets	3,475	4,825
Total assets	7,373	8,748
Current liabilities	3,171	3,848
Non-current liabilities	1,813	1,828
Total liabilities	4,984	5,676
<b>Net assets</b>	<b>2,389</b>	<b>3,072</b>
<b>Summarised statement of cash flows</b>		
Net cash provided/(used in) operating activities	225	(2,413)
Net cash provided/(used in) investing activities	32	1,397
Net cash provided/(used in) financing activities	-	(16)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>257</b>	<b>(1,032)</b>

*Sustainable Melbourne Fund Trust (100% owned subsidiary of Council)*

This entity is a self-sustaining fund set up by Council to invest 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**

	2018	2017
	\$'000	\$'000
<b>Summarised statement of comprehensive income</b>		
Total income	1,084	762
Total expenses	1,030	730
Surplus/(deficit) for the year	54	32
Other comprehensive income	-	-
<b>Total comprehensive result</b>	<b>54</b>	<b>32</b>
<b>Summarised balance sheet</b>		
Current assets	3,583	3,615
Non-current assets	9,684	4,572
Total assets	13,267	8,187
Current liabilities	108	92
Non-current liabilities	7,535	2,525
Total liabilities	7,643	2,617
<b>Net assets</b>	<b>5,624</b>	<b>5,570</b>
<b>Summarised statement of cash flows</b>		
Net cash provided/(used in) operating activities	(4,896)	(3,653)
Net cash provided/(used in) investing activities	-	2,300
Net cash provided/(used in) financing activities	5,000	2,500
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>104</b>	<b>1,147</b>

*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

	2018	2017
	\$'000	\$'000
<b>Summarised statement of comprehensive income</b>		
Total income	2	1
Total expenses	508	469
Surplus/(deficit) for the year	(506)	(468)
Other comprehensive income	-	-
<b>Total comprehensive result</b>	<b>(506)</b>	<b>(468)</b>
<b>Summarised balance sheet</b>		
Current assets	88	40
Non-current assets	-	-
Total assets	88	40
Current liabilities	60	69
Non-current liabilities	-	-
Total liabilities	60	69
<b>Net assets</b>	<b>28</b>	<b>(29)</b>
<b>Summarised statement of cash flows</b>		
Net cash provided/(used in) operating activities	(515)	(398)
Net cash provided/(used in) investing activities	-	322
Net cash provided/(used in) financing activities	563	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>48</b>	<b>(76)</b>

The negative net assets position shown above 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.

b) 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.

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

*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 profit of \$36,410 (2017: operating loss of \$82,102) and net gain on revaluation of non current assets (\$1.7 million).
- The latest valuation of the Regent Management Company Pty Ltd.'s assets was undertaken by Ernst & Young on 23 November 2017 using the Income Capitalisation Approach. That valuation resulted in land and buildings being revalued at \$15 million as at 31 December 2017 (previous valuation was \$14.0 million). The Income Capitalisation Approach is based on primary valuation method.

*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. Council has approximately 15% of the voting rights (it 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 2017 of \$815,835 compared to a profit of \$370,853 for the previous year. The Company paid a dividend for the 2017 financial year of 18.0 cents per share. Dividend payment of \$45,000 was received in December 2017. Net assets are \$5.2 million as at 30 September 2017.

**5.4 Investment property**

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Land</b>				
Balance at beginning of financial year	154,233	140,570	154,233	140,570
Additions	-	-	-	-
Disposals	-	(750)	-	(750)
Fair value adjustments	15,197	14,413	15,197	14,413
Balance at end of financial year	<b>169,430</b>	<b>154,233</b>	<b>169,430</b>	<b>154,233</b>
<b>Buildings</b>				
Balance at beginning of financial year	56,114	67,450	56,114	67,450
Additions	-	357	-	357
Disposals	-	(13,845)	-	(13,845)
Fair value adjustments	(14,097)	2,152	(14,097)	2,152
Balance at end of financial year	<b>42,017</b>	<b>56,114</b>	<b>42,017</b>	<b>56,114</b>
<b>Total investment properties</b>	<b>211,447</b>	<b>210,347</b>	<b>211,447</b>	<b>210,347</b>

Investment property 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 the 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.

Building disposals in 2017 includes City Square assets disposed due to compulsory acquisition by Rail Projects Victoria.

**Valuation of investment property**

Valuation of investment property was undertaken in June 2018. The valuation has been determined in accordance with a valuation by a qualified valuer John O'Leary, Fellow of the Australian Property Institute, (FAP), Grad Dip (Prop) F.Fin, Certified Practising Valuer, Member No 62206. The valuation is at fair value (refer to Note 7.4), based on the current market value for the property.

## Note 6 People and relationships

### 6.1 Council and key management remuneration

#### (a) Related Parties

##### *Parent entity*

Melbourne City Council is the parent entity.

##### *Subsidiaries and Associates*

Interests in subsidiaries and associated are detailed in Note 5.3.

#### (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 Sally Capp	24 May 2018 – 30 June 2018
Deputy Lord Mayor Arron Wood	(Acting Lord Mayor from 6 February to 23 May 2018)
Cathy Oke	
Jackie Watts	
Kevin Louey	
Rohan Leppert	
Susan Riley	
Beverley Pinder-Mortimer	17 Jan 2018 – 30 June 2018
Nicolas Frances Gilley	
Philip Le Liu	
Nicolas Reece	
Tessa Sullivan	1 July 2017 – 31 December 2017
Lord Mayor Robert Doyle	1 July 2017 – 5 February 2018

#### Chief Executive Officer and other Key Management Personnel

Position	Name
Chief Executive Officer	Ben Rimmer
Director City Operations	Martin Cutter
Director City Design and Projects	Rob Adams
Director City Strategy and Place	Claire Ferres Miles/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	Miriam Slattery
Manager Customer Relations	Joelene Shembri
Chief Digital Officer and Manager Smart City Office	Michelle Fitzgerald
Senior Strategic Advisor	Geoff Lawler
Chief of Staff	Amelia Bitsis/Ben Hart
Chief Legal Counsel	Kim Wood
<b>Councillors (including part year)</b>	<b>13</b>
<b>Chief Executive Officer and other Key Management Personnel</b>	<b>16</b>
<b>Total Key Management Personnel</b>	<b>29</b>



(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2018	2017
	\$'000	\$'000
Short-term benefits	5,055	4,217
Post-employment benefits	508	505
Long-term benefits	34	7
Termination benefits	378	-
<b>Total</b>	<b>5,975</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:

	2018	2017
\$10,000 - \$19,999	1	5
\$20,000 - \$29,999	3	1
\$30,000 - \$39,999	1	3
\$40,000 - \$49,999	8	5
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	-	1
\$120,000 - \$129,999	1	-
\$139,000 - \$139,999	1	-
\$180,000 - \$189,999	2	1
\$200,000 - \$209,999	-	1
\$220,000 - \$229,999	1	1
\$230,000 - \$239,999	1	1
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	-	2
\$270,000 - \$279,999	1	1
\$280,000 - \$289,999	1	-
\$300,000 - \$309,999	1	-
\$330,000 - \$339,999	-	1
\$340,000 - \$349,999	1	2
\$360,000 - \$369,999	-	1
\$370,000 - \$379,999	2	-
\$380,000 - \$389,999	-	1
\$390,000 - \$399,999*	1	-
\$400,000 - \$409,999	1	-
\$430,000 - \$439,999*	1	-
\$450,000 - \$459,999	1	1
\$510,000 - \$519,999*	1	-
	<b>32</b>	<b>30</b>
	<b>\$'000</b>	<b>\$'000</b>
Total remuneration for the financial year included above	<b>5,975</b>	<b>4,729</b>

\* These remunerations include termination payments in 2018.

(d) Senior Officers' Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) For Council, is an officer who has management responsibilities and reports directly to the Chief Executive; or whose total annual remuneration exceeds \$145,000 (2017:\$142,000); or
- b) For subsidiaries, are the Managing Director, Chief Executive Officers and executives, or whose total annual remuneration exceeds \$145,000 (2017:\$142,000).

The number of Senior Officers are shown below in their relevant income bands:

Income Range	Consolidated		Council	
	2018	2017	2018	2017
\$140,000 - \$149,999	21	57	17	54
\$150,000 - \$159,999	43	30	39	25
\$160,000 - \$169,999	59	13	54	10
\$170,000 - \$179,999	17	10	15	8
\$180,000 - \$189,999	14	8	11	7
\$190,000 - \$199,999	8	11	7	10
\$200,000 - \$209,999	6	3	4	2
\$210,000 - \$219,999	6	5	3	3
\$220,000 - \$229,999	5	7	3	7
\$230,000 - \$239,999	-	2	-	2
\$240,000 - \$249,999	5	3	2	3
\$250,000 - \$259,999	5	1	1	1
\$260,000 - \$269,999	3	3	2	1
\$270,000 - \$279,999	1	-	1	-
\$280,000 - \$289,999	-	2	-	-
\$290,000 - \$299,999	1	2	1	1
\$310,000 - \$319,999	1	-	1	-
\$320,000 - \$329,999	-	2	-	1
\$330,000 - \$339,999	1	1	-	1
\$350,000 - \$359,999	1	-	-	-
\$430,000 - \$439,999	-	1	-	-
\$600,000 - \$699,999	1	-	-	-
	<b>198</b>	<b>161</b>	<b>161</b>	<b>136</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>35,263</b>	<b>28,573</b>	<b>27,601</b>	<b>23,384</b>

The remuneration threshold for Senior Officers' is reviewed each year by the Minister for Local Government. The threshold amount in 2017-18 was \$145,000 (2017: \$142,000). 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

6.2 Related party disclosure

(a) Transactions with related Parties

During the period Council entered into related party transactions totalling \$338,000. The nature of the transactions is related to products and services, including consulting, subscriptions and delivery costs.

(b) 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.

(c) 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.

(d) 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.

(e) 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 shown below.

All subsidiaries are incorporated and are resident in Australia.

\$'000	Citywide Service Solutions Pty Ltd		Queen Victoria Market Pty Ltd		Sustainable Melbourne Fund Trust		Enterprise Melbourne Pty Ltd	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from subsidiaries	449	440	171	3,518	118	27	-	-
Expenditure to subsidiaries	69,840	58,876	91	-	7	9	-	-
Funding to subsidiaries	-	-	-	-	-	-	508	469
Income Tax and Payroll Tax Equivalent payments from subsidiaries	2,608	3,890	931	(983)	-	-	-	-
Dividend payments from subsidiaries	2,550	3,800	-	-	-	-	-	-
Owing to subsidiaries	41	55	58	652	-	-	-	-
Owing by subsidiaries	14,579	8,618	40	40	-	-	-	-
Loans to subsidiaries*	-	-	-	-	7,500	2,500	-	-

\* Loans and borrowing to subsidiary relates to a loan provided by Council to the Sustainable Melbourne Fund at 3% fixed.

## Note 7 Managing uncertainties

### 7.1 Contingent assets and liabilities

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

#### (a) Contingent assets

There were no contingent assets to disclose for 2017-18.

#### *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 receivables under non-cancellable operating leases are as follows:

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Not later than one year	16,358	14,219	3,881	3,234
Later than one year and not later than five years	29,567	46,501	9,207	7,636
Later than five years	34,768	34,791	30,533	30,556
	<b>80,693</b>	<b>95,511</b>	<b>43,621</b>	<b>41,426</b>

#### (b) Contingent liabilities

#### *Superannuation*

As shown in Note 8.3, Council and its subsidiaries contribute to two superannuation schemes that may require additional employer contributions depending on the performance of the schemes. Details of the circumstances which may result in the need to make additional contributions are explained in Note 8.3.

#### *Future superannuation contributions*

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$0.1 million.

#### *Other contingent liabilities*

Due to the nature of its business operations, Council has a number of outstanding insurance claims and associated litigation at balance date of which some may result in legal proceedings to determine liability. At balance date, Council is unable to reliably measure the outcomes of these proceedings.

### 7.2 Change in accounting standards

The following new Australian Accounting Standards (AAS's) have recently been issued but which are not mandatory for the year ended 30 June 2018. Council has assessed the impact of these pending standards on its business and has identified that the following potential impacts will flow from the application of these standards in future reporting periods.

#### *Financial Instruments - Disclosures (AASB 7) (applies 2018-19)*

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

*Financial Instruments (AASB 9) (applies 2018-19)*

The key changes in this standard include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

*Revenue from contracts with customers (AASB 15) (applies 2019-20 for LG sector)*

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.

*Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019-20)*

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

*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.

*Income of Not-for-Profit Entities (AASB 1058) (applies 2019-20)*

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.

### 7.3 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.

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 \$10 million to the Sustainable Melbourne Fund (SMF), which has drawn to \$7.5 million (\$2.5 million 2017). 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 7.1 (b).

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 council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or 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.

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 period's 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 4.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

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) 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% (2017:1.51%).

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.

## 7.4 Fair value measurement

### *Fair value hierarchy*

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.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. 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 Australian Accounting Standards.

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.



*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 initial recognition. At reporting date each year, Council reviews the carrying value of the individual classes of assets to ensure that each asset materially approximates their fair value. Where the carrying value materially differs from the fair value, the class of assets is revalued.

Fair value valuations are determined in accordance with a valuation hierarchy, changes to which can only occur if an external change in the restrictions or limitations on the use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details of the fair value hierarchy are explained in Note 5 for each class of asset.

In addition, Council undertakes a formal valuation of land, buildings and infrastructure assets annually. The valuations are performed either by experienced Council officers or independent experts engaged by Council.

Where assets are revalued, the revaluation increments arising from the valuations 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 previously 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 have been included in the asset revaluation reserve for that class of asset in which case the decrement is debited 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.

*Impairment of assets*

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal 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.

**7.5 Events occurring after balance date**

No matters have occurred after balance date that require disclosure in the financial report.

## Note 8 Other matters

### 8.1 Reserves

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Asset revaluation - property and infrastructure	2,428,206	2,171,109	2,388,413	2,155,885
<b>Other Reserves</b>				
<b>Restricted</b>				
Reserve for public open space	44,489	37,740	44,489	37,740
<b>Non-Restricted</b>				
Investments revaluation reserve	4,725	4,225	4,725	4,225
Tree Compensation Reserve	3,470	3,203	3,470	3,203
Queen Victoria Market Renewal Project Reserve	57,759	3,894	57,759	3,894
	<b>2,538,648</b>	<b>2,220,171</b>	<b>2,498,855</b>	<b>2,204,947</b>

#### (a) Asset revaluation reserve

Consolidated	Balance at beginning of 2017 \$'000	Increment (Decrement) \$'000	Balance at end of 2017 \$'000	Increment (Decrement) \$'000	Balance at end of 2018 \$'000
<b>Property</b>					
Land	1,259,123	152,866	1,411,989	249,925	1,661,914
Buildings	96,947	24,123	121,070	7,777	128,847
<b>Infrastructure</b>					
Roads & Laneways	390,979	9,815	400,794	4,618	405,412
Bridges	15,302	1,653	16,955	1,310	18,265
Footpaths and cycleways	102,299	(1,205)	101,094	(6,636)	94,458
Drainage	31,243	(857)	30,386	772	31,158
Recreational, leisure and community facilities	(96)	-	(96)	(69)	(165)
Parks, open space and streetscapes	2,723	762	3,485	(244)	3,241
Other infrastructure	73,576	6,246	79,822	(356)	79,466
Artworks	5,610	-	5,610	-	5,610
	<b>1,977,706</b>	<b>193,403</b>	<b>2,171,109</b>	<b>257,097</b>	<b>2,428,206</b>

Council	Balance at beginning of 2017 \$'000	Increment (Decrement) \$'000	Balance at end of 2017 \$'000	Increment (Decrement) \$'000	Balance at end of 2018 \$'000
<b>Property</b>					
Land	1,243,596	153,162	1,396,758	225,356	1,622,114
Buildings	96,947	24,123	121,070	7,777	128,847
<b>Infrastructure</b>					
Roads & Laneways	390,979	9,821	400,800	4,618	405,418
Bridges	15,302	1,653	16,955	1,310	18,265
Footpaths and cycleways	102,299	(1,205)	101,094	(6,636)	94,458
Drainage	31,243	(857)	30,386	772	31,158
Recreational, leisure and community facilities	2,092	-	2,092	(69)	2,023
Parks, open space and streetscapes	2,723	762	3,485	(244)	3,241
Other infrastructure	71,389	6,246	77,635	(356)	77,279
Artworks	5,610	-	5,610	-	5,610
	<b>1,962,177</b>	<b>193,705</b>	<b>2,155,885</b>	<b>232,528</b>	<b>2,388,413</b>

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

(b) Other reserves – Summary

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Balance at the beginning of the year	49,062	38,838	49,062	38,838
Transfers from accumulated surplus	76,241	18,161	76,241	18,161
Transfers to accumulated surplus	(15,360)	(7,937)	(15,360)	(7,937)
Transfers from investment-non current asset	500	-	500	-
Balance at the end of the financial year	<b>110,443</b>	<b>49,062</b>	<b>110,443</b>	<b>49,062</b>

Other reserves – Reserve for Public Open Space

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Balance at the beginning of the year	37,740	23,091	37,740	23,091
Transfers from accumulated surplus	15,299	17,207	15,299	17,207
Transfers to accumulated surplus	(8,550)	(2,558)	(8,550)	(2,558)
Balance at the end of the financial year	<b>44,489</b>	<b>37,740</b>	<b>44,489</b>	<b>37,740</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*.

Other reserves – Investments Revaluation Reserve – Regent Management Pty Ltd

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Balance at the beginning of the year	4,225	4,225	4,225	4,225
Transfers from investment-non current asset	500	-	500	-
Transfers to investment-non current asset	-	-	-	-
Balance at the end of the financial year	<b>4,725</b>	<b>4,225</b>	<b>4,725</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.

Other reserves – Tree Compensation reserve

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Balance at the beginning of the year	3,203	2,249	3,203	2,249
Transfers from accumulated surplus	1,267	954	1,267	954
Transfers to accumulated surplus	(1,000)	-	(1,000)	-
Balance at the end of the financial year	<b>3,470</b>	<b>3,203</b>	<b>3,470</b>	<b>3,203</b>

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

Other reserves – Queen Victoria Market Renewal Project reserve

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Balance at the beginning of the year	3,894	9,273	3,894	9,273
Transfers from accumulated surplus	59,675	-	59,675	-
Transfers to accumulated surplus	(5,810)	(5,379)	(5,810)	(5,379)
Balance at the end of the financial year	<b>57,759</b>	<b>3,894</b>	<b>57,759</b>	<b>3,894</b>

Queen Victoria Market renewal reserve is used to facilitate a major redevelopment of the Queen Victoria Market site.

8.2 Reconciliation of cash flow from operating activities to surplus/(deficit)

	Consolidated		Council	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Surplus/(deficit) for the year</b>	34,468	102,409	33,410	98,834
Depreciation/amortisation	76,883	75,833	63,392	61,372
Profit/(Loss) on disposal of property, plant and equipment	(2,707)	(47,008)	(2,156)	(41,588)
Fair value adjustments for investment property	(1,186)	(16,565)	(1,186)	(16,565)
Contributions - Non-monetary assets	(35)	(800)	(35)	(800)
Other	(3,493)	(42)	(3,579)	(42)
<b>Changes in assets and liabilities in relation to operating activities:</b>				
(Increase)/Decrease in trade and other receivables	(7,315)	606	(4,358)	(2,620)
(Increase)/Decrease in prepayment	409	987	350	18
(Increase)/Decrease in accrued income	(823)	961	1,635	2,407
(Decrease)/Increase in trade and other payables	5,852	6,649	7,415	7,822
(Increase) in Inventories	(28)	(141)	-	-
(Decrease)/Increase in provisions	426	(1,381)	430	(1,080)
(Decrease)/Increase in employee benefits	(359)	(9,628)	906	1,577
(Decrease)/Increase in trust funds and deposits	(104)	(960)	(104)	(503)
<b>Net cash provided by/(used in) operating activities</b>	<b>101,988</b>	<b>110,920</b>	<b>96,120</b>	<b>108,832</b>

8.3 Superannuation

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 the Comprehensive Income Statement when they are made or due.

**Accumulation**

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive 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 2018, this was 9.5% as 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 for employers to top up funding. 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 Fund 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 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

- Net investment returns 6.5% pa
- Salary inflation 3.5% pa
- Price inflation (CPI) 2.5% pa.

Vision Super has advised that the VBI as at 30 June 2018 is 106.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 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 2017 triennial 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 2018, this rate was 9.5% of members' salaries (9.5% in 2016-17). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

#### Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

#### **2017 triennial actuarial investigation surplus amounts**

The Fund's triennial investigation as at 30 June 2017 identified the following in the Defined Benefit category of which Council is a contributing employer:

- A VBI surplus of \$69.8 million
- A total service liability surplus of \$193.5 million
- A discounted accrued benefits surplus of \$228.8 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 2017. Council was notified of the 30 June 2017 VBI during August 2017.

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.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to the investigation date.

### 2018 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

#### Melbourne City Council Superannuation Sub Plan (CMSSP) Members

A separate plan is operated for Melbourne City Council (the Council) 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 the Council.

As provided under paragraph 34 of AASB 119, the 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. 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*

The 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 2017. As at 30 June 2017, the CMSSP's VBI was 123.5%. At 30 June 2018, the Fund Actuary advised that the VBI is 124.0%.

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 fully funded within three years.

Under SPS 160, the VBI is used as the primary funding indicator. Because the VBI was above 100% at 30 June 2017, the Fund Actuary determined that no change was necessary to the Defined Benefit category's funding arrangements from prior years and that 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 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 31 December 2017, 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%.

### Funding calls

The Fund's Trustee is required to comply with the superannuation prudential standards. Under 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% (2017: 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, and
- 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 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.



Retrenchment increments

During 2017-18, Council was required to make payment of 50,974 to the CMSSP in respect of retrenchment increments (\$0 in 2016-17). Council's liability to the CMSSP as at 30 June 2018 for retrenchment increments, accrued interest and tax is \$0 (2017: \$0).

**2017 actuarial investigation surplus amounts**

The CMSSP's latest actuarial investigation was as at 30 June 2017. This investigation identified the following in the defined benefit category:

- A VBI surplus of \$10.8 million;
- A total service liability surplus of \$12.2 million, and
- A discounted accrued benefits surplus of \$13.5 million.

The VBI surplus means that the market value of the CMSSP's assets as at 30 June 2017 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 2017.

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 2017.

The discounted accrued benefit surplus means that the current value of the assets in the CMSSP's defined benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2017.

Council was notified of the 30 June 2017 VBI during August 2017.

Accrued benefits

The CMSSP's liability was determined in the 30 June 2017 actuarial investigation pursuant to the requirements of the Australian Accounting Standard AAS 1056 as follows:

	<b>30 June 2017</b>
	<b>\$ Million</b>
Net market value of assets	56.7
Accrued benefits (per Accounting Standards)	43.2
Difference between Assets and Accrued benefits	13.5
Vested benefits	45.9
Vested benefits index	123.5%

The financial assumptions used to calculate the accrued benefits of the CMSSP as at 30 June 2017 were:

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

**The 2018 interim actuarial investigation**

The next interim actuarial investigation of the CMSSP's liability for accrued benefits is based on the CMSSP's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in October 2018. The Fund Trustee has begun to de-risk the investment portfolio of the CMSSP because of its VBI position. The financial assumptions for the purposes of this investigation are:

- Net investment return 2.0% pa
- Salary inflation 3.5% pa
- Price inflation 2.0% pa.

**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 \$1.3 million (2017: \$1.2 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 2019 is \$0.1 million.

<b>Melbourne City Council Superannuation Sub Plan</b>	<b>2018</b>	<b>2017</b>
	<b>000's</b>	<b>000's</b>
Asset/(Liability) recognised in Balance Sheet	10,818	9,120
Total amount recognised in Comprehensive Income Statement	1,675	10,653



## How to contact us

### Online:

[melbourne.vic.gov.au](http://melbourne.vic.gov.au)

### 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

We cater for people of all backgrounds  
Please call 03 9280 0726

03 9280 0717 廣東話  
03 9280 0719 Bahasa Indonesia  
03 9280 0720 Italiano  
03 9280 0721 普通话  
03 9280 0722 Soomaali  
03 9280 0723 Español  
03 9280 0725 Việt Ngữ  
03 9280 0726 عربي  
03 9280 0726 한국어  
03 9280 0726 हिंदी  
03 9280 0726 All other languages

### National Relay Service:

If you are deaf, hearing impaired or speech-impaired,  
call us via the National Relay Service: Teletypewriter (TTY)  
users phone 1300 555 727 then ask for 03 9658 9658  
9am to 5pm, Monday to Friday (Public holidays excluded)

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