Since March 2020 the city has been enormously impacted by the economic downturn brought about by COVID-19 and the restrictions on people’s movements. Business activity and pedestrian traffic fell dramatically. Many events were cancelled or postponed. Financial modelling the City of Melbourne has undertaken suggests the impact on our city’s economic output could be as much as $110 billion over the next five years with some 80,000 jobs at risk. The recovery challenge is substantial.

As CEO, I want to reassure Melburnians that we will deliver initiatives and activities for our city’s reactivation and recovery. We will build on Melbourne’s strong foundations. Indeed the impact of the pandemic should not completely overshadow the many achievements outlined in this annual report.

Major projects and other infrastructure continued to create jobs and improve services, with significant progress made on Southbank Boulevard, Lady Huntingfield Family Services Centre, Kensington Community Recreation Centre and the restoration of Melbourne Town Hall. The Queen Victoria Market precinct renewal is on track to ensure a thriving future for this cherished Melbourne institution.

We delivered the first year of our Transport Strategy 2030, guided by data, community expectations and expert advice that showed a fall in vehicle numbers in the city and rising demand for better pedestrian and cycling infrastructure.

Waste management is a generational challenge and in the past year we have delivered the first stages of our Waste and Resource Recovery Strategy. We collected 31,837 tonnes of residential waste and 10,305 tonnes of recycling. In a commitment to Greening the City projects that help mitigate climate change we created 9380 square metres of new open space.

Prioritising care for those who are some of the most vulnerable in our community, the homeless and at risk, we took a lead advocacy role, connecting the government, corporate and philanthropic sectors to create new accommodation models and support services for those sleeping rough. COVID-19 and the provision of emergency accommodation for rough sleepers has presented an opportunity to end rough sleeping. It is important that we do not go back to how things were on the streets of Melbourne and that we continue to offer assistance to rough sleepers as they transition to supported accommodation.

We also worked hard to foster community connections. Work on our Aboriginal Reconciliation Action Plan neared completion and our efforts to significantly improve the understanding of and respect for the culture of Australia’s First Peoples continue as this plan is finalised and implemented.

The emergence of COVID-19 has brought an unforeseen and deep economic recession to our city and state. The City of Melbourne responded swiftly, prioritising essential services for our community and rolling out financial and advisory support for businesses. A dedicated business concierge service was established in March which has provided information and assistance to more than 11,000 Melbourne businesses in its first six months of operation.

As restrictions ease, we look forward to encouraging people to return to the city in a safe and staged way, ensuring the return of city workers is gradual and managed. To this end, we have developed a COVID-19 Reactivation and Recovery Plan to guide our city’s rejuvenation.

I thank City of Melbourne Councillors, all City of Melbourne staff, other government partners, business and community members for their efforts in the past financial year. I look forward to working closely with you on Melbourne’s reactivation and recovery, to return our city to the vibrant and prosperous place known globally as one of the world’s most dynamic cities.

Justin Hanney
Chief Executive Officer
City of Melbourne

Please note that due to the Council election in October 2020 and the election period required by the Local Government Act 2020, there is no Lord Mayor’s message in the 2019–20 Annual Report.
It provided immediate support in the second half of the year to ratepayers, businesses and the broader community affected by the COVID-19 pandemic, while delivering essential services and important capital expenditure programs.

An increase in total revenue of $46.6 million was the result of a general increase in rates and supplementary valuations, inflows from projects, additional state funding to support specific programs relating to the pandemic, and gains on the disposal of assets. Fees and charges were below prior year as community services were restricted or closed due to lockdowns imposed on the central business district and greater Melbourne. The increase in revenue was partially offset by increases in employee-related expenses, grants programs to assist businesses, artists and community groups, and state-funded programs to clean and ‘green’ the city and surrounding suburbs.

There were further increases to depreciation expense and bad and doubtful debts. The net actual cost to the Council relating to the reduction in fees and charges, assistance to ratepayers and businesses under hardship claims, and the additional grant expenditure as a direct result of COVID-19 was $25 million for the financial year.

The Council has provided support to the Queen Victoria Market (QVM) in the form of a $1.9 million grant and a further $9.3 million by way of a convertible loan that is expected to be drawn in 2020–21. QVM was hit hard by COVID-19 and, as a result, the QVM Board with support from the Council provided 100 per cent trader rent relief for the period up to 30 June 2020 while COVID-19 Stage 3 restrictions were in place.

The Council set its most ambitious capital works target for the 2019–20 year. It delivered $123.5 million in capital works, which was $1.5 million higher than the previous year and one of the highest on record. The increase in net assets of $205.1 million to $4.5 billion was due to capital expenditure and an increment in asset valuations related to land and buildings and infrastructure assets.

Cash and cash equivalents decreased by $76.9 million from the previous year due to a reclassification of term deposits over 90 days to Other Financial Assets, and a transfer of long-term deposits to non-current assets.

Net funds at the Council reduced slightly to $136.6 million, which provides the Council with a good base to achieve vital programs in 2020–21 and beyond. The loan of $28.5 million held with the Clean Energy Finance Corporation was paid out early in October 2019.

The table below provides a high-level view of the financial year:

<table>
<thead>
<tr>
<th>Financial result</th>
<th>June 2020 ($’000)</th>
<th>June 2019 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income statement surplus / (Deficit)</td>
<td>73.0</td>
<td>50.2</td>
</tr>
<tr>
<td>Comprehensive result surplus / (Deficit)</td>
<td>205.1</td>
<td>(183.3)</td>
</tr>
<tr>
<td>Underlying result</td>
<td>(17.1)</td>
<td>17.8</td>
</tr>
<tr>
<td>Capital investment</td>
<td>123.5</td>
<td>122.0</td>
</tr>
<tr>
<td>Cash assets and equivalents</td>
<td>42.6</td>
<td>119.5</td>
</tr>
<tr>
<td>Net funds</td>
<td>136.6</td>
<td>140.5</td>
</tr>
<tr>
<td>Net assets</td>
<td>4,531.1</td>
<td>4,326.0</td>
</tr>
<tr>
<td>Current asset ratio</td>
<td>1.30</td>
<td>1.83</td>
</tr>
</tbody>
</table>

The Council’s current ratio, which measures its financial strength, reduced to 1.30 as a result of the reclassification of cash and cash equivalents, and an increase in trade payables at 30 June 2020. The overall result is a strong balance sheet to move into the new financial year. This will allow the Council to provide exemplary service and support to the community and deliver on its planned infrastructure needs as well as continue to support the city through the COVID-19 pandemic.

Michael J Tenace FCPA
Chief Financial Officer
City of Melbourne
COVID-19 has had a profound impact on cities across the world. While the long-term impacts are yet to be fully understood, the pandemic and resulting restrictions have had a significant effect on our economy and the health and wellbeing of the community.

In response to new restrictions, City of Melbourne made changes to its Council operations with several services and operations temporarily closing or being put on hold. This included libraries, swimming pools and leisure centres, club sport, festivals and public events. Council has had to be agile and rethink how we do business to ensure we support our residents and businesses during this time. This has impacted our revenue streams and budget.

City of Melbourne has experienced the following impacts as a result of COVID-19:

- Hospitality - As of 30 June 2020, 7 per cent of food businesses have shut permanently and others have adapted to provide take away or home delivery only. There have also been disruptions in supply chains due to people working from home.
- Technology – digital transformation has accelerated with events moving online and the establishment of contactless retail and eHealth consultations.
- Sports, arts and culture – the temporary closure of venues and cessation of some sporting competitions and cultural events has had a significant impact.
- Knowledge – there has been a new focus on education, research and design to help minimise community transmission of COVID-19.
- Environment – with people spending more time in their immediate neighbourhoods there has been an increased reliance on green open spaces.
- Tourism – restrictions have halted tourism, resulting in a significant impact on jobs in the events, accommodation and food industries.
- Health and wellbeing – there have been significant impacts on mental health, safety and security, access to food, housing, technology and health services. The pandemic has also negatively impacted women and children’s safety and led to an increase in racial discrimination.

As part of its initial response to COVID-19, City of Melbourne:

- established a financial relief system for residents to request a deferment, waiver, refund, payment plan or extension in paying their permits, licenses, rates, fees and charges through our General Financial Hardship Policy
- identified functions to be delivered through working from home and those that should temporarily cease, including the closure of community centres, libraries and recreation centres
- segregated essential staff and reduced movement between City of Melbourne buildings
- coordinated personal protective equipment (PPE) for staff and to requesting community organisations
- coordinated staff flu vaccinations
- redeployed staff whose work had been impacted by restrictions and closing of facilities
- enhanced surveillance of streets by local laws officers and increased support for rough sleepers and vulnerable people
- recruited cleaning crews to clean the CBD and surrounding suburbs, including sanitising high-touch areas for the retail trade
- set up a COVID-19 testing site at Kensington Town Hall
- delivered 10,000 masks and more than 2000 meals to members of the community between March and May (including food for parents at our childcare centres)
- visited families of young babies and children in the public housing towers and across our municipality and continued immunisation services
- contacted food relief agencies and organisations listed in the Community Food Guide to ensure services are up to date
- visited aged care clients in the public housing towers and across the municipality and provided online and telephone programs to our healthy ageing residents
- provided information to residents, community organisations and leaders
- provided funding to the Salvation Army Night Cafe to deliver food to vulnerable community members.

City of Melbourne launched a local economic package to support city businesses, including grants, rent and rate relief. Our local economic package included:

- one-on-one advice and support through our expanded COVID-19 Business Concierge Hotline to help businesses navigate the restrictions and financial support options
- rent relief for tenants in Council-owned and managed buildings
- suspended fees for street trading permits for three months
- reduced registration fee for food businesses
- a new Rates Financial Hardship Policy and General Financial Hardship Policy
- a virtual business support summit
- grants to develop online and e-services
- free cleaning and sanitising of high-touch areas for retail traders.
Health and wellbeing implications

As we navigate and work through the path to recovery, the Municipal Public Health and Wellbeing Plan will help us support our community.

The COVID-19 pandemic and resulting restrictions have impacted people’s physical and mental health, safety and security (physical and financial) and access to food, housing, technology and health services.

Those with the least resources and with specific vulnerabilities have been hit the hardest. We have seen increases in mental distress and loneliness, family violence, racial vilification, alcohol consumption, unemployment and financial hardship. The number of people avoiding medical check-ups has risen and the digital divide has widened.

There have also been many unforeseen positive outcomes. There has been a movement towards sustainable transport, a spike in bicycle use and less traffic congestion. The increase in working from home has enhanced work and life balance and some people have been more connected to their neighbourhoods. Many businesses are showing resilience and agility by adapting the way they operate. More food businesses are providing take away and delivery services and the retail sector is pivoting to online shopping with free delivery.

Adapting to COVID-19

City of Melbourne acted quickly to offer extra support to residents and businesses affected by COVID-19 restrictions. We also found innovative ways to continue to offer core services. Here is a summary of the ways we adapted:

- Support for vulnerable people. We released grants to help not-for-profit and community groups provide essential support to residents. We delivered more than 2000 meals to vulnerable people and supported local food distribution programs.
- Virtual citizenship ceremonies. We became the first Australian council to pilot online citizenship ceremonies for individuals and family groups.
- Support for new parents. Most of our maternal and child health services moved to telehealth. We delivered care packs to new mums who gave birth during isolation, filled with items donated by local businesses.
- Online council meetings. Council and Future Melbourne Committee meetings moved online. The system allows councillors to vote and members of the public to participate from their homes.
- Family violence support. We provided counselling and support for people experiencing family violence during isolation.
- Support for international students. We provided Queen Victoria Market retail vouchers to help international students impacted by COVID-19 make ends meet and continue to feel welcome in our community.
- Community Food Guide. As many businesses adjusted their operating models, we refreshed our guide that assists with finding healthy and affordable food in the municipality.
- Digital programming in our libraries. Storytelling sessions went online and were also delivered in languages other than English. We supported local artists by offering $2.5 million in quick response grants to develop new work and present projects digitally.
- Online exercise. Local people kept moving while our recreation centres were closed by using our Active Melbourne app. The app recorded more than 88,000 visits with people attending virtual classes including yoga and pilates. We also offered outdoor personal training when appropriate.
- Community Support Directory. This lists a range of services available to support people in our city during the COVID-19 pandemic. It provides contact details for mental health support, financial services, food relief, housing and medical services.
- Extra business support. Local business owners attended our first ever virtual business summit in April 2020. Over 600 representatives from Melbourne’s small and medium business community logged on to hear our panel of experts share their thoughts on how together, we can get through this unprecedented time.
It’s hard to comprehend how much has changed since the beginning of this year. Our lives have been upended by a global health crisis worse than any in living memory. We are all struggling to find a way forward in a world where many of the old rules simply do not apply.

COVID-19 has presented enormous challenges for every level of the health system. Australia’s early lockdown and strict physical distancing measures, extensive testing and contact tracing, and ongoing restrictions have so far spared us the terrible scenes witnessed in Europe, the United States and South America. This has enabled our hospitals and general practices to care for patients with COVID-19 and minimise the spread to patients and staff. It has also allowed doctors and other health professionals to undertake telephone and video consultations alongside face-to-face consultations.

The pandemic has led to an increase in a range of health and social problems. With isolation, rising unemployment and economic uncertainty there has been a consequent increase in depression, anxiety, drug and alcohol problems and family violence.

Unfortunately despite this, fewer people are going to their doctors and seeking health care. This means people are missing out on important cancer screening and diagnosis and the best management of their chronic and mental health problems. We must continue to liaise with local doctors for routine care and management of health conditions and attend specialist and hospital appointments.

It’s also important that we are kind and care for each other in such difficult times.

Dr Ines Rio

Road to recovery

The city has been hit hard by COVID-19. The health and wellbeing and economic impacts of COVID-19 will be felt for many years to come. But cities are resilient. We’ll need to work together to help the city recover. There is an opportunity to create a city that is even better than it was before by developing new ways of working.

We have established a City of the Future Taskforce that will map out a Recovery Roadmap. This plan connects our immediate response with our city’s long term recovery and regeneration. By linking the actions taken in the short term with the outcomes we wish to see in the future, we can best use our resources to benefit the city. We have an unprecedented opportunity to harness the disruption to bring about benefits that may not have otherwise been possible.

There will be challenging times ahead, but Melbourne has a rich history of transforming itself in the face of adversity, becoming one of the world’s most liveable and sought-after cities. We will chart a path forward out of this crisis into a more equitable, sustainable and extraordinary future.

More information on our response to the COVID-19 pandemic can be found at melbourne.vic.gov.au
LOOKING BACK ON 2019–20 AND FUTURE DIRECTIONS

Below is a summary list of the major initiatives for each of our nine Council Plan goals including those undertaken in 2019–20 and those planned for 2020–21. More detailed information on our 2019–20 major initiatives is provided in the ‘performance against our goals’ section of this report.

A city that cares for its environment

Looking back on 2019–20
To facilitate innovative solutions to minimise the municipality’s waste we:

• Progressed the delivery of year one of the Waste and Resource Recovery Strategy.

Future direction
Over 2020–21 we will:

• Expand the waste and resource recovery hub network for city businesses.
• Implement the Climate and Biodiversity Emergency Response.

A city for people

Looking back on 2019–20
To provide a review of the options for housing in the municipality taking into account the needs of a diverse population we:

• Partnered with the Victorian Government, other councils and key stakeholders to progress affordable housing mechanisms and commence development of an Affordable Housing Policy.

To facilitate integrated service provision for people experiencing homelessness we:

• Established mechanisms and partnerships to enable donations from the corporate and philanthropic sectors to help provide additional crisis accommodation and support services within inner metropolitan municipalities for rough sleepers and those at high risk of homelessness.

Future direction
Over 2020–21 we will:

• Complete design documentation for Kensington Community Recreation Centre redevelopment ready for construction.
• Increase and upgrade accessible and inclusive spaces for women in City of Melbourne sports facilities.

A creative city

Looking back on 2019–20
To provide resources for artists to develop new ideas we:

• Delivered an inclusive Melbourne in Winter pilot program.

Future direction
Over 2020–21 we will:

• Invest in public art in the City of Melbourne.
A prosperous city

Looking back on 2019–20
To support small business during a period of major disruption we:
• Delivered digital tools in a defined precinct to communicate disruption to city users and enable them to report disruption to the City of Melbourne.

Future direction
Over 2020–21 we will:
• Plan for economic recovery and growth.
• Deliver support for Melbourne businesses that will enhance capability to respond to long-term impacts of COVID-19.

A knowledge city

Looking back on 2019–20
To provide opportunities for people to participate in knowledge festivals and forums we:
• Intended to deliver phase two of the Melbourne Knowledge Week Festival growth plan but were unable to do so due to the COVID-19 pandemic.

Future direction
Over 2020–21 we will:
• Finalise the location for a new city library and develop a future libraries plan.

A connected city

Looking back on 2019–20
To facilitate planning for alternative transport modes, including electric and autonomous vehicles, share-cars and water transport we:
• Delivered year one of the Transport Strategy 2030.

Future direction
Over 2020–21 we will:
• Deliver priority actions of the Transport Strategy 2030.
• Progress the delivery of cycle lane infrastructure.
A deliberative city

Looking back on 2019–20
To provide a network of physical and digital spaces for ratepayers and city users to collaborate using new technologies to solve city problems we:

• Progressed work on the delivery of the Melbourne City DNA engagement and participation hub on the ground floor of the Melbourne Town Hall.

Future direction
Over 2020–21 we will:

• Design and deliver the Town Hall Commons on completion of the ground floor security upgrade.

A city planning for growth

Looking back on 2019–20
To provide renewal of the Queen Victoria Market precinct we:

• Continued the Queen Victoria Market Precinct Renewal program.

Future direction
Over 2020–21 we will:

• Continue the Queen Victoria Market Precinct Renewal Program.

A city with an Aboriginal focus

Looking back on 2019–20
To advocate for the ideal of reconciliation with Aboriginal and Torres Strait Islander people including through a treaty or other instrument of reconciliation we:

• Progressed the review of the combined Reconciliation Action Plan and Aboriginal Melbourne Action Plan.

Future direction
Over 2020–21 we will:

• Advance our commitment to reconciliation.
2019–20 BUDGET
KEY CAPITAL WORKS PROJECTS

1. Kensington Community Recreation Centre $348,000
2. Town Hall Buildings Restoration and Refurbishment $5,052,000
3. Queen Victoria Precinct Renewal Program $16,217,000
4. Bourke Street Precinct Redevelopment $702,000
5. Transforming Southbank Boulevard $2,799,000
6. Lincoln Square $2,736,000
7. Lady Huntingfield Family and Children’s Service Centre $7,613,000
EVENTS CALENDAR
2019–20

July
• Run Melbourne
• Open House Melbourne
• NAIDOC Week
• Bastille Day French Festival

August
• Melbourne Writers Festival
• Indian Film Festival of Melbourne
• Melbourne Fashion Week
• White Night Reimagined
• Craft Cubed Festival
• Melbourne Day
• Melbourne International Film Festival

September
• Toyota AFL Finals Series and Parade
• Melbourne Fringe Festival
• Mid-Autumn Moon Lantern Festival

October
• Melbourne Marathon
• Victorian Seniors Festival
• Blues Music Festival Docklands
• Taiwan Festival
• Spring Fling Festival
• Fed Square Live
• Mexican Festival
• Victorian Festival of Diwali 2019
• Ride2Work Day Community Breakfast 2019

November
• Melbourne Awards (Gala Ceremony)
• Raising the Bar
• Melbourne Music Week
• Melbourne Cup Carnival
• Melbourne Cup Parade
• Night Noodle Markets
• Polish Festival
• SalamFest Muslim Arts Festival
• Opera in the Bowl
• Christmas Festival (November – December)
• Carlton Italian Festa
December
- Variety Children’s Christmas Party
- Vision Australia Carols by Candlelight
- African Music and Cultural Festival
- RMIT Graduation Parade
- Mapping Melbourne
- Koorie Heritage Trust’s A Very Koorie Krismas
- Head of The Yarra
- Victorian Disability Sport and Recreation Festival
- New Year’s Eve

January
- Vida Melbourne Latin Summer Festival
- Australian Open
- Midsumma Carnival
- NGV Kids Summer Festival
- Australia Day
- Balit Narrun Festival
- Chinese New Year Festival

February
- Sunset Series
- Melbourne Storm Community Events
- Movies Under the Stars
- Sustainable Living Festival
- The Lonsdale Street Greek Festival
- Jayco Herald Sun Tour
- Melbourne Japanese Summer Festival
- Opera for the People
- Northside Summer Festival
- Queer Soiree

March
- Moomba Festival
- Melbourne Art Book Fair
- Turkish Pazar Festival
- Virgin Australia Melbourne Fashion Festival

April
- ANZAC Day*

May
- Law Week**
- Reconciliation Week (May – June)**

June
- Emerging Writers’ Festival **
- Refugee Week**

* Closed service due to COVID-19
** Online program due to COVID-19