

Annual report  
2017/18  
City of Yarra

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# Welcome

## Acknowledgment

Yarra City Council acknowledges the Wurundjeri as the Traditional Owners of this country, pays tribute to all Aboriginal and Torres Strait Islander people in Yarra and gives respect to Elders past and present.

## Introduction

Welcome to Yarra City Council's Annual Report for 2017/18.

This Annual Report covers year one of our 2017–21 Council Plan, which incorporates the Health and Wellbeing Plan for the first time.

Like all Victorian councils, Yarra is required to prepare its Annual Report in accordance with the *Local Government Act 1989*, and to submit it to the Minister for Local Government by 30 September 2018. The Annual Report is also a great opportunity to share information with our community by:

- detailing our progress towards the objectives we set in the Council Plan 2017–21
- highlighting achievements and challenges
- providing information about our finances and governance.

## Your feedback

If you'd like to let us know what you think of this report, or have an idea of what you'd like to see in future reports, give us a call on 9205 5555 or email [info@yarracity.vic.gov.au](mailto:info@yarracity.vic.gov.au)

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Printed copies of this report are available at:

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- Richmond Town Hall
- Connie Benn Centre
- Bargoonga Nganjin – North Fitzroy Library
- Carlton Library
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## Translations

FOR INFORMATION IN YOUR LANGUAGE ABOUT THIS DOCUMENT OR ABOUT COUNCIL, PLEASE CALL 9280 1940 AND QUOTE THE **REF** NUMBER BELOW.

### ARABIC

للمعلومات باللغة العربية، حول هذا المستند أو عن المجلس البلدي، نرجو الإتصال هاتفيا على الرقم 9280 1930 وأذكر رقم المرجع **REF** المذكور أدناه.

### SIMPLIFIED CHINESE

欲知有关本文档或议会的普通话版本信息，请致电9280 1937并报上下列**REF**号码。

### TRADITIONAL CHINESE

欲知有關本文檔或議會的粵語版本資訊，請致電9280 1932並報上下列**REF**號碼。

### GREEK

ΓΙΑ ΠΛΗΡΟΦΟΡΙΕΣ ΣΤΑ ΕΛΛΗΝΙΚΑ ΣΧΕΤΙΚΕΣ ΜΕ ΑΥΤΟ ΤΟ ΈΓΓΡΑΦΟ Ή ΤΗ ΔΗΜΑΡΧΙΑ, ΠΑΡΑΚΑΛΟΥΜΕ ΚΑΛΕΣΤΕ ΤΟ 9280 1934 ΚΑΙ ΑΝΑΦΕΡΕΤΕ ΤΟΝ ΑΡΙΘΜΌ **REF** ΠΑΡΑΚΆΤΩ.

### ITALIAN

PER AVERE INFORMAZIONI IN ITALIANO SU QUESTO DOCUMENTO O SUL COMUNE, SI PREGA CHIAMARE IL NUMERO 9280 1931 E CITARE IL NUMERO DI RIFERIMENTO (**REF** NUMBER) SOTTOINDICATO.

### SPANISH

PARA INFORMACIÓN EN CASTELLANO SOBRE ESTE DOCUMENTO O SOBRE EL AYUNTAMIENTO, LLAME AL 9280 1935 Y CITE EL NÚMERO DE **REF** DE MÁS ADELANTE.

### VIETNAMESE

ĐỂ BIẾT THÔNG TIN BẰNG TIẾNG VIỆT VỀ TÀI LIỆU NÀY HAY VỀ HỘI ĐỒNG, XIN HÃY GỌI SỐ 9280 1939 VÀ NÊU SỐ **REF** DƯỚI ĐÂY.

## About Yarra

### Our community

Our community has a unique demographic make-up, with many people living at the lowest end of the socio-economic scale and many at the highest.

Our population is relatively young, with half aged between 25 and 49 years. The average age is 33 years.

Nearly one fifth of our community were born in non-English speaking countries and just under a quarter speak a language other than English at home. Top languages spoken at home, other than English, are Vietnamese, Greek and Mandarin.

Yarra has fewer families and more group houses than greater Melbourne, and one third of our residents live alone.

### Our community by numbers

- Nearly a third of our community is aged between 25 and 36.
- Our population of 96,368 is expected to increase by 42% to 136,965 by 2033.
- Around 10% of our community live in public housing.
- 58% of workers are in managerial and professional occupations.
- More than one in five residents aged 15 years and older did some voluntary work in the last year.
- Half of our households rent their homes.
- 37% of our community live in apartments, 22% in terraces, semi-detached or town houses.
- About one in five households do not own a car.
- Nearly half of all journeys to and from work use sustainable methods.

### Our city

Our city has 10 neighbourhoods, each offering something a little different for residents and visitors, from riverside parkland to urban pocket parks, boutique shopping to funky second-hand outlets, gourmet restaurants to cheap and cheerful eateries, live music to art galleries, heritage terrace houses to contemporary apartments.

Fitzroy is of particular significance to our Aboriginal community, as a long time meeting place and the location of many of Victoria's first Aboriginal services, including the Victorian Aboriginal Health Service, which is still in Fitzroy.

North Richmond is home to many Vietnamese businesses and community organisations.

### Our city by numbers

- Five libraries, 10 neighbourhood houses, three leisure centres.
- 235 hectares of open space and parkland.
- 60 art galleries, more than 50 live music venues, three community radio stations.
- 82% of the local economy is small to medium businesses.
- Nearly 70,000 people employed in the local economy.
- Three-quarters of buildings are covered by a Heritage Overlay.

## Your Council

The Yarra community is represented by nine elected Councillors.

While individual Councillors are able to consult with their constituents and advocate on their behalf, it is only as a collective that they can make decisions affecting the municipality. Each November, Councillors elect a Mayor from within their ranks to chair formal meetings and speak on behalf of Council in a variety of forums.

This Council was elected on 22 October 2016.

Its term will conclude on 24 October 2020.

### Langridge Ward Councillors

- Cr Danae Bosler – elected 2016.
- Cr Stephen Jolly – first elected 2004 and re-elected 2008, 2012 and 2016.
- Cr Amanda Stone – first elected in 2008 and re-elected 2012 and 2016.  
Cr Stone's one-year term as Mayor concluded in November 2017.

### Melba Ward Councillors

- Cr Mi-Lin Chen Yi Mei – elected 2016.
- Cr Daniel Nguyen – elected 2016.  
Cr Nguyen's one-year term as Mayor began in November 2017.
- Cr James Searle – elected 2016.

### Nicholls Ward Councillors

- Cr Misha Coleman – first elected 2012 and re-elected 2016.  
Cr Coleman was elected as Deputy Mayor for 2017/18.
- Cr Jackie Fristacky AM – first elected 2002 and re-elected in 2004, 2008, 2012 and 2016.
- Cr Mike McEvoy – elected 2016.

# Report of operations

## The year in review

A snapshot of the year's work towards achieving our strategic objectives.

### Strategic Objective 1: A healthy Yarra

*A place where community health, safety and wellbeing are a focus in everything we do.*

## Highlights

### Greening Abbotsford

Construction of a new 'pocket park' began in Mollison Street, Abbotsford, supporting the health and wellbeing of a community with limited access to open space. The final design was based on valuable feedback from local residents. By converting paved areas into green open space, we are creating a more liveable, healthy and sustainable city.

### Better health outcomes for Aboriginal children

Aboriginal participation in our maternal and child health services has improved. Three years ago the percentage of Aboriginal children enrolled in our services was only 59.7% (of those who had attended at least once during the year) compared to 79.8% for the broader population. This year the figure for Aboriginal children rose to 79.4% (virtually on par with the broader population).

### Reducing the harmful impacts of drugs

The state government began a two-year trial of a medically supervised injecting room at North Richmond Community Health (NRCH). Council advocated strongly for this decision, having long supported a harm-minimisation approach. Supervision reduces overdose-related deaths and makes our public places safer. Council is working closely with the state government, Victoria Police, NRCH and other frontline agencies to manage any impacts on local amenity.

### Planning for our parks

Our parks and gardens are the lungs of our city, providing beautiful spaces for people of all ages to relax, play, walk, ride and just 'be'. This year we spoke with more than 2000 community members about their open space priorities. These conversations will inform our 10-year open space strategy to meet the needs of our growing community.

WORKING FOR YOU:

881K

visits to our leisure centres



## **Strategic Objective 2: An inclusive Yarra**

*A place where inclusion, diversity and uniqueness are welcomed, respected and celebrated.*

### **Highlights**

#### **Remembering the Stolen Generations**

We launched a public artwork honouring the struggles and resilience of the Stolen Generations on the 20<sup>th</sup> anniversary of National Sorry Day. 'Remember Me' by Kamilaroi/Gamilaroi artist Reko Rennie, was funded by Council with support from the Victorian Government and other generous donors. We worked closely with local Aboriginal and Torres Strait Islander communities to create this artwork and garden.

#### **Sensitive Storytime**

Yarra Libraries developed a program to help children on the autism spectrum participate in our regular storytime sessions. Our Sensitive Storytime sessions take place in a less crowded, more controlled environment, and are also of benefit to children with a range of other sensitivities. The sessions are enhanced with a timer, a visual schedule and a sensory tent to help all children feel more comfortable.

#### **Standing together against racism**

We delivered the We Stand Together campaign, which provides quick, practical advice for people experiencing racial and religious attacks. Importantly it also provides tips for people who witness attacks and want to help. Our project partners include Carringbush Adult Education, Cohealth, Micare, Neighbourhood Justice Centre, Fitzroy Legal Service, Victoria Police and Victorian Equal Opportunity and Human Rights Commission.

#### **Making the most of public space**

Our new Events in Public Spaces Policy helped organisers plan their public events and obtain the approvals they need. The policy has created a simple and transparent one-stop-shop for organising public events like festivals, markets, weddings and street parties, while managing risk and ensuring public safety. This year's highlights included the ReLink Community Cup at Victoria Park, Fairfield in February at Fairfield Amphitheatre and the Sri Chinmoy Fun Run at Kevin Bartlett Reserve.

**WORKING FOR YOU:**

**\$860K**

in community grants

### **Strategic Objective 3: A sustainable Yarra**

*A place where Council leads on sustainability and protects and enhances its natural environment.*

#### **Highlights**

##### **Wind-powered wins**

We helped launch the Melbourne Renewable Energy Project in collaboration with the cities of Melbourne, Port Phillip and Moreland. Our involvement will see us source 100% of our electricity through clean and renewable sources like wind power – this will cover all Council owned and operated buildings, as well as parks and street lighting.

##### **Food scraps success**

About 180 single dwellings helped divert more than 7000 kilograms of waste from landfill by taking part in our food scraps collection trial. Participation rates were encouraging (about 50%), demonstrating a real appetite for the service. And contamination rates were low (just over 1%), showing that residents paid close attention to what can and can't go in the bins. The trial will soon be expanded to include green waste, and additional households will be brought on board.

##### **Caring for our urban forest**

Trees are very important to our community, offering shade, adding character to our streets and providing a home for birds and other wildlife. This year we adopted an Urban Forest Strategy to guide our approach to Yarra's trees and ensure we continue to experience the environmental, social and economic benefits that trees provide.

##### **Continuing carbon neutral**

We maintained our carbon neutral certification, which we have held since 2012. We have achieved this not only by purchasing offsets against carbon emissions, but also by reducing emissions in real terms. This year's energy wins included installation of 238 kilowatts of solar panels across eight sites and battery storage units in five community facilities. These initiatives will reduce our electricity consumption and greenhouse gas emissions by around 408 tonnes per year.

#### **WORKING FOR YOU:**

**48K**

households receiving bin collections

## **Strategic Objective 4: A liveable Yarra**

*A place where development and growth are managed to maintain and enhance the character and heritage of the city.*

### **Highlights**

#### **Planning for the future**

We adopted a Community Infrastructure Plan to help us consider the evolving needs of our growing and diverse municipality. Our goal is to respond to community needs for facilities such as parks, libraries and leisure centres and ensure that they are well-located and flexible for all members of our community.

#### **Guiding housing growth**

We developed a draft Housing Strategy in close consultation with the community to help guide the location of residential development in Yarra. When adopted, the new strategy will help us maintain the unique character of Yarra while taking advantage of the economic and employment opportunities that come with growth. Our end goal is an even more liveable and prosperous city.

#### **Developers to contribute**

Developers would contribute money towards community facilities under a new plan to help provide for the needs of our growing city. The Development Contributions Plan will require major developers to contribute to local assets like roads, footpaths or community facilities. This year Council endorsed the draft and submitted it to the Victorian Government for approval. Public exhibition is scheduled for the first half of 2018/19.

#### **Fostering affordable housing**

The availability of affordable housing is an essential part of maintaining a community that is socially, economically and culturally diverse. Our new Affordable Housing in Significant Developments policy note asks developers of new residential sites containing 50 or more dwellings to ensure that at least 5% of dwellings are accessible to households on low-to-moderate incomes.

#### **WORKING FOR YOU:**

**1,175**

food premises inspections

## **Strategic Objective 5: A prosperous Yarra**

*A place where local businesses prosper and creative and knowledge industries thrive.*

### **Highlights**

#### **Empowering artists**

Our Room to Create program continued to enhance Yarra's reputation as a centre for the arts. Among the highlights were four short-term artist residencies at three under-utilised properties: William's Reserve, Studio One and Florence Peel Centre. Works to emerge from the program included new writing, choreography, illustration, filmmaking and much more. Based on the success of this pilot program, two additional sites are being prepared to increase the number of residencies available.

#### **Banding together**

Our support for Yarra's world-renowned live music scene continued this year with initiatives to benefit local venues, musicians and businesses. Highlights included hosting the annual Leaps and Bounds Music Festival, teaming with Music Victoria for a live music round table, support for a statue celebrating local music industry icon Molly Meldrum, and support for the Band Mates program, which empowers people with disability to attend music gigs.

#### **Building businesses**

We continued planning for our major activity centres, completing the draft Bridge Road Master Plan and beginning work on the Brunswick Street Master Plan. We also supported Yarra's small-to-medium businesses and not-for-profit agencies with a full program of education and networking opportunities. Highlights included workshops on marketing and social media, recruitment and retention, online sales, record keeping, graphic design and grant applications.

#### **Promoting employment**

We consulted our community on a new strategy to identify the best areas for economic and employment growth, encourage a healthy variety of business and employment activities, support the expansion of Yarra's health sector, and plan for the future of Yarra's remaining industrial areas. Feedback received will inform a comprehensive Spatial Economic and Employment Strategy for the city.

**WORKING FOR YOU:**

**747K**

items borrowed from our libraries

## **Strategic Objective 6: A connected Yarra**

*A place where connectivity and travel options are environmentally sustainable, integrated and well-designed.*

### **Highlights**

#### **Safer streets**

As part of our commitment to creating safer and more liveable streets, we began work on a 12-month trial of a 30km/hr speed limit in sections of Collingwood and Fitzroy. The research and planning phase is complete and the trial is due to commence in September 2018. Our goal is to gather information that will help make our streets safer for all road users, including pedestrians, cyclists and motorists.

#### **Sharing our spaces**

We transformed Stewart Street, Richmond, into a shared zone to improve pedestrian safety and access to Richmond Station. New features include traffic calming devices at both ends of the street and a mesh wall for creeping vines, as well as new trees and plants. The bold pavement design is inspired by Australian army uniforms from the First World War, which were produced at the nearby Australian Knitting Mills. Within five months of completion, speeds in this area had declined by 8km/hr and the number of cyclists was up by 48%.

#### **Transport for all**

We continued to negotiate with Public Transport Victoria and Yarra Trams for accessible tram stops on key routes within Yarra. Plans now call for Nicholson Street (Route 96) to include stops with ramps, raised platforms, real time arrival information, and better lighting. This will improve access for a range of community members, including people with wheelchairs or other mobility aids, parents with prams, and older people. Works are scheduled to begin in early 2018/19.

#### **Better bicycle lanes**

Three years ago we installed Copenhagen-style bicycle lanes in Wellington Street, Collingwood, from Gipps Street to Victoria Parade. The lanes are fully separated from traffic to help cyclists feel safer and more confident on the road. This year we developed plans to extend the lanes to Johnston Street to create 1 kilometre of fully separated bicycle infrastructure on one of Yarra's most popular routes. The works are due to commence in 2018/19.

#### **WORKING FOR YOU:**

**63K**

square metres of roads resealed

## **Strategic Objective 7: A leading Yarra**

*A place where transparency, performance and community participation drive the way we operate.*

### **Highlights**

#### **Youth insights**

Expanding the ways we include young people in our decision-making was a key engagement goal for 2017/18. This year we spoke to more than 750 children, parents, carers, teachers and young people for our 0–25 Plan and held a dedicated youth session for our annual budget. Our Youth Advisory Committee and Youth Ambassadors also shared valuable insights on the issues that affect young people.

#### **Transparent decision-making**

While our Council Meetings are open to the public, we understand that it isn't always practical for people to attend in person. This year we began recording each of our public sessions and publishing the audio file on our website. This has made our decision-making more transparent and accountable, particularly to people who would be inconvenienced by attending an evening weekday session (e.g. parents with young children).

#### **Customer first**

Having launched our new and improved website at the end of last year, we followed up this year with a range of enhancements designed to improve the customer experience. Highlights include streamlined feedback and complaint forms, and vastly improved search functionality. It's now much easier for community members to find the information and resources they need.

#### **Listening and learning**

We believe in talking to people who will be affected by our decisions, not only to understand their specific circumstances, but also to benefit from their local knowledge and expertise. This year we held thousands of face-to-face and online conversations with people passionate about their neighbourhoods. One highlight was our 'Taking it to the Streets' traffic management consultation, which attracted more than 700 participants across Abbotsford and Collingwood.

#### **WORKING FOR YOU:**

**176K**

telephone conversations with customer service

## Mayor's message

When I assumed the role of Yarra Mayor in November 2017, I pledged to lead a council that continues to fight for a more equitable and inclusive community.

Over the past year we have worked hard to deliver on that promise, starting with action to acknowledge the hardships faced by our Aboriginal and Torres Strait Islander communities, and the special role that they continue to play in the life of our city.

These communities told us that they experience January 26 as a day of sadness, pain and disconnection, and to show our support we treated the day as an opportunity for quiet reflection rather than celebration. We saw this as an opportunity for the community to learn more about the Aboriginal heritage of Yarra.

Just a few months later I had the privilege of speaking at the launch of the Stolen Generations Marker in Fitzroy. Launched on the 20<sup>th</sup> anniversary of Sorry Day, the marker honours the struggles of the Stolen Generations and acknowledges the resilience of Aboriginal and Torres Strait Islander families.

Other highlights included our second annual Reconciliation on the Rooftop event at Bargoonga Nganjin (co-hosted with Aboriginal Housing Victoria and SNAICC) and the unveiling of the Celebration Dreaming mural in Gertrude Street, Fitzroy.

Working hand-in-hand with young people and including them in our decision-making was a major priority for 2017/18. Development of our brand new 0–25 Plan was the centrepiece of our renewed push in this area.

Over the course of several months we spoke to more than 750 children, young people, parents, teachers and service providers, and we asked them to describe the services and resources that would make a real difference in their lives.

This feedback helped us settle on an innovative mix of service provision, direct action, collaboration and advocacy. Our plan is to meet the learning, health and safety needs of young people as they grow into active participants in our community.

We also hosted a 'pizza and ping pong' feedback session to hear about young people's ideas and priorities for next year's budget. I spoke with about 40 young people at this session and I was impressed, not only by how smart and articulate they are, but also by how invested they are in their local communities.

Other recent examples of our commitment to inclusivity include development of our Sensitive Storytime program for children on the autism spectrum, our video campaign in support of same sex marriage, and production of the We Stand Together anti-racism resource.

We achieved all of this while continuing to deliver the essentials of local government like road maintenance, rubbish collection and child care at the highest levels.

According to an independent survey conducted by Metropolis Research, average customer satisfaction with our 29 key services and facilities was 7.83 (out of 10), which compares favourably to the 7.37 average of metropolitan Melbourne. More detail on our performance in this survey is presented in the CEO's message.

I'd like to acknowledge the many fine contributions of my fellow councillors, including Cr Amanda Stone, who served as Mayor during the opening months of this financial year, and Cr Misha Coleman, who served as Yarra's first ever Deputy Mayor.

A big thanks also to our tireless CEO Vijaya Vaidyanath, her dynamic Executive Team, and the hundreds of staff members who serve the community with dedication and distinction.

Finally, my thanks to the wonderfully diverse peoples of Yarra, who inspire us with creativity, compassion and community spirit.

**Daniel Nguyen**  
**Mayor**



## Chief Executive Officer's message

I'm proud to lead a hardworking and innovative workforce, one that strives to provide the Yarra community with the highest standards of service.

Our commitment to excellence was confirmed by the annual customer satisfaction survey conducted by Metropolis Research. Satisfaction with the overall performance of Yarra Council was at 6.99 (out of 10), well above the 6.53 average for metropolitan Melbourne. Average satisfaction with our key services and facilities was even better at 7.83 (again exceeding the metropolitan average) with weekly rubbish collection receiving the highest rating at 8.79. In fact, we recorded better than average results in all six of the survey's broad service categories (recreation, community, waste, communications, infrastructure and local laws).

Our top performing categories include core local government functions like rubbish and recycling, libraries, and services for families and older people. Our most improved categories include key areas like road maintenance and management of parks and gardens.

These results indicate a heartening level of confidence in our day-to-day work for the community.

We have performed well financially over the past 12 months, reporting a full year operating surplus of \$20.9 million (2017: \$17.5 million), an increase of \$3.4 million. Additionally, we have reduced our loans and borrowings by more than \$1.1 million, whilst reducing our reliance on revenue generated from rates and charges which now constitutes 54.9% of our total operating revenue (2017: 56.2%). I invite you to peruse our Chief Financial Officer's report for more highlights.

Yarra is one of Australia's leading sustainable cities, and our environmental evolution continued this year when we joined the landmark Melbourne Renewable Energy Project. With the construction of a new wind farm in rural Victoria, we will be able to source 100% of our electricity needs from this clean and renewable source. This will eventually empower us to reduce our carbon emissions by around 75% against our 2001 baseline.

We are also striving to reduce our environmental footprint by trialling new waste and recycling approaches. This year about 400 Abbotsford households took part in our weekly food scraps collection trial. Results have been most encouraging, and we will continue to explore ways to reduce the amount of food and garden waste going to landfill.

We closed out the year by hosting the Yarra Sustainability Awards to recognise environmental innovators throughout the city. And we started a conversation with the community that will inform a major update of our sector-leading Yarra Environment Strategy.

This year we were pleased to have our efforts recognised with a number of awards from peak industry bodies, including:

- The local community has embraced the Bargoonga Nganjin North Fitzroy Library, and this remarkable building has now been recognised with a pair of prestigious awards, including a Melbourne Design Award in the Public and Institutional Architecture category and a Master Builders Association of Victoria Award in the Construction of Commercial Buildings category.
- Our upgrade of Williams Reserve in Richmond was celebrated with an Australian Institute of Landscape Architects Award of Excellence in the Parks and Open Space category. Our redesigned park includes a new

playground, irrigation system, footpath and picnic tables, as well as additional trees and plants.

- We received the National Award for Local Government in the Excellence in Road Safety category for our Road Safety Innovation Project. This program is leading to creative and affordable solutions like LED lights on pedestrian crossings and brightly painted pavements to highlight shared-use areas.
- We took a leadership role in the Municipal Association of Victoria's Council Alliance for a Sustainable Built Environment, which has developed practical tools to encourage sustainable planning outcomes. This cutting-edge work was highlighted with a win in the Government category of the Premier's Sustainability Awards.

I want to thank the Mayor and Councillors for their leadership and guidance over the past 12 months, and acknowledge the outstanding support I have received from my Executive Team. I also wish to pay tribute to the enormous energy and commitment displayed every day by our staff members. We consider it a great privilege to serve the people of Yarra, and we thank you for your interest in our 2017/18 Annual Report.

**Vijaya Vaidyanath**  
**Chief Executive Officer**

## Chief Financial Officer's report

The following pages provide a summary of Council's financial activities over the past year, from 1 July 2017 to 30 June 2018.

Council's financial performance for the year focused on achieving the objectives of the Council Plan 2017–21. Financial performance into the future is guided by both the current Council Plan 2017–21 and the Long Term Financial Strategy. Ensuring financial sustainability and the maintenance and improvement of infrastructure assets, enhancing quality services and outcomes to the community, along with the achievement of future operating surpluses, are key considerations. Full financials are available in the Financial Statements section.

### Financial snapshot

- \$191.5 million revenue in 2017/18 compared to \$180.7 million in 2016/17.
- \$20.9 million operating surplus in 2017/18 compared to \$17.5 million in 2016/17.
- \$27.1 million capital works program in 2017/18 compared to \$34.3 million in 2016/17.
- \$1.975 billion in assets in 2017/18 compared to \$1.734 billion in 2016/17.
- \$105 million in rates and charges (54.9% of income) in 2017/18 compared to \$101.5 million (56.1% in 2016/17).
- \$51.1 million in cash holdings in 2017/18 compared to \$34.1 million in 2016/17.
- Debt of \$44.9 million in 2017/18 compared to \$46 million in 2016/17.

### Operating result

#### Net results 2013/14 to 2017/18

	2013/14 \$'000s	2014/15 \$'000s	2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s
<b>Revenue</b>	157,326	164,462	170,910	180,679	191,451
<b>Expenses</b>	144,653	154,527	160,901	163,173	170,582
<b>Surplus/(Deficit)</b>	12,673	9,935	10,009	17,506	20,869

The net result is Council's operating result comprising operating revenue less operating expenditure. It includes non-cash items, such as depreciation and accrual accounting items, and is therefore not a cash surplus.

## Equity

Year-end balance 2017/18

	\$'000s
<b>Balance at the beginning of the financial year</b>	1,655,112
<b>Surplus for the year</b>	20,869
<b>Net reserves movement (incl. revaluation)</b>	219,306
<b>Balance at the end of the financial year</b>	1,895,287

## Cash

Year-end cash position 2017/18

	\$'000s
<b>Net cash provided by operating activities</b>	41,453
<b>Net cash used in investing activities</b>	(21,379)
<b>Net cash provided by financing activities</b>	(3,140)
<b>Net increase in cash held</b>	16,934
<b>Cash at the beginning of the financial year</b>	34,152
<b>Cash at the end of the financial year</b>	51,086

## Balance Sheet

### Summary Balance Sheet 2017/18

	\$'000s
Current assets (incl. cash assets \$51.1m)	68,064
Non-current assets	1,907,116
Total assets	1,975,180
Current liabilities	34,574
Non-current liabilities	45,319
Total liabilities	79,893
<b>NET ASSETS</b>	<b>1,895,287</b>
Accumulated surplus	624,716
Reserves	1,270,571
<b>EQUITY</b>	<b>1,895,287</b>

### Capital Works Program

Council delivered a \$27.1 million capital works program, including \$6.7 million on buildings; \$16.2 million on infrastructure such as roads, footpaths, drainage, and open space/recreational facilities; and \$1.9 million on plant, equipment and other. Refer to the Financial Statements section for more detail on Council's capital works program.

### Financial Statements

Council's financial statements detail the total financial transactions and activities for the year and also provide an overview of Council's financial position. The financial report includes five major financial statements: the Comprehensive Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, and the Capital Works Statement. Refer to the Financial Statements section for full details.

### Comprehensive Income Statement

Major categories of both income and expenditure to determine the surplus (or deficit) for the year are included in the Comprehensive Income Statement. The operating surplus for 2017/18 (income less expenditure) is \$20.9 million. Total operating income of \$191.5 million was achieved and total operating expenditure of \$170.6 million was incurred. Major income categories include rates and charges, statutory fees and fines, user fees, government grants, contributions and reimbursements. The following table details the composition of Council's \$191.5 million total operating income for 2017/18.

### Income by category 2017/18

Income by category	Income (\$'000s)	%
Rates and charges	105,008	54
Statutory fees and fines	31,909	17
User fees	30,194	16
Government grants	12,895	7
Contributions	6,950	4
Net gain/(loss) on disposal of non-current assets	2,230	1
Other income	2,265	1
<b>Total</b>	<b>191,451</b>	<b>100</b>

### **Expenditure by category**

The majority of Council's operating expenditure relates to direct service delivery. Major expenditure categories include employee costs, materials and services, bad/doubtful debts, depreciation, and borrowing costs. The following table details the allocation of Council's \$170.6 million total operating expenditure for 2017/18.

### Expenditure by category 2017/18

Expenditure by category	\$'000s	%
Employee costs	80,695	47
Materials and services	61,995	36.5
Bad and doubtful debts	4,200	3
Depreciation	21,074	12
Borrowing costs	2,007	1
Other expenses (e.g. auditors' fees, Councillors' allowances)	611	0.5
<b>Total</b>	<b>170,582</b>	<b>100</b>

## Balance Sheet

Council's Balance Sheet (see the Financial Statements section) shows what Council owns (its assets) and what it owes (its liabilities) and its net worth. The major components of assets include property (land and buildings), infrastructure assets (roads, footpaths, drains), plant and equipment, cash and investments and debtors. As at 30 June 2018, Council held \$1,975.2 million in assets, an increase on the previous year of \$240 million.

### Council assets 2013/14 to 2017/18

	2013/14 \$'000s	2014/15 \$'000s	2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s
<b>Assets</b>	1,534,760	1,605,856	1,708,562	1,734,122	1,975,180

## Liabilities

Council's liabilities include amounts owed to suppliers, employee leave entitlements and debt. As at 30 June 2018, Council's liabilities total \$79.9 million, which is an increase of \$0.9 million on the previous year.

### Other liabilities and debt 2013/14 to 2017/18

Increased debt in 2017/18 reflects a loan taken to support the building of Bargoonga Nganjin, North Fitzroy Library.

	2013/14 \$'000s	2014/15 \$'000s	2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s
<b>Other liabilities</b>	33,281	35,279	38,501	33,010	35,026
<b>Debt</b>	32,500	32,500	32,500	46,000	44,867

### Statement of Changes in Equity

The Statement of Changes in Equity (see the Financial Statements section) details the changes in Council's retained earnings, including reserves movement, over the reporting period. Council's equity as at 30 June 2018 is \$1,895.3 billion, which is an increase of \$240 million during the year due to the surplus on operations and a significant asset revaluation.

#### Council equity 2013/14 to 2017/18

	2013/14 \$'000s	2014/15 \$'000s	2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s
<b>Council Equity</b>	1,468,981	1,538,077	1,637,561	1,655,112	1,895,287

### Statement of Cash Flows

The cash flow statement (see the Financial Statements section) details Council's cash inflows and outflows for the year. Council's cash balance as at 30 June 2018 is \$51.1 million, which will be used to fund Council's operations during the 2018/19 financial year.

#### Cash balance 2013/14 to 2017/18

	2013/14 \$'000s	2014/15 \$'000s	2015/16 \$'000s	2016/17 \$'000s	2017/18 \$'000s
<b>Cash balance</b>	21,719	22,435	22,544	34,152	51,086

### Audit opinion

Council has received an unmodified (clear) audit opinion from the Victorian Auditor-General's Office (VAGO).

### Future directions

Council's 10-year Long Term Financial Strategy (LTFS) outlines its future financial direction. The LTFS is available on Council's website.



## Capital works

Yarra's capital works program is our investment in our city and our community. It provides new community infrastructure and renewal or upgrade of existing infrastructure.

The adopted 2017/18 capital works budget was \$33.49 million across 319 projects. This budget was adjusted throughout the year to \$29.3million to reflect changes in the program.

As at the end of June, there were 280 capital works projects completed (88% of number of budgeted projects), with actual expenditure of \$27.1 million (81% of budgeted expenditure). Compared to the adjusted budget of \$29.3 million, the result is 93%.

### Capital works summary 2017/18

	\$'000s
Buildings	6,738
Roads, footpaths, kerb and channel constructions, drains, cycleways	12,339
Open space improvements	3,816
Information systems	1,750
Plant and equipment and other	1,892
Library resources	596
<b>Total</b>	<b>27,131</b>

Capital works highlights 2017/18

Buildings and facilities	\$000s
Building Energy Efficiency projects	527
Citizen Park public toilet renovations	157
Collingwood Town Hall roof restoration works	425
Fitzroy pool improvements	1,010
Fitzroy Town Hall roof restoration works	1,439
Mark Street Hall renovations	142
Richmond Library renovations	258
Richmond Town Hall renewal works	358

Open space	\$000s
New park at Charles Street /Mollison Street Abbotsford (staged works)	723
Darling Gardens irrigation system	557
George Knott Athletics track	576
Merri Creek trail – Coulson reserve	287
Williams Reserve	226
Darling Gardens playground	206

Civic and culture	\$000s
Victoria Street/Lennox Street streetscape project	188
Library resources	590

Roads and drains	\$000s
42 road pavement renewal projects	3,631
Various local area traffic management and transport projects	609
23 footpath renewal projects	1,282
7 drainage renewal/upgrade projects	862
13 right-of-way (lanes) renewal projects	732
24 kerb and channel renewal projects	1,518
10 tree root barrier treatments	364
Targeted <i>Disability Discrimination Act</i> infrastructure upgrades to improve accessibility	157

## **Capital works spotlight**

### **George Knott Athletics Track**

2017/18 expenditure: \$576k

The new athletics track at George Knott Reserve involved the demolition of the existing track, works to improve drainage, and the replacement of the asphalt under-surfacing and the laying of a new track surface. The new track surface is a Polytan/APT Spurtan BV system, which conforms to the International Association of Athletics Federations standards for athletics track surfaces. Works will be completed in spring 2018.

### **Fitzroy Pool renovations**

2017/18 expenditure: \$1.01M

Completed works provide a compliant entrance ramp, the redevelopment of the male and female change rooms; three individual change rooms, including one accessible change room with hoist and adult change table; an outdoor shower pod; and four 'bathing boxes' – colourful outdoor individual change rooms.

The additional change rooms, shower pod and bathing boxes have been very well received, particularly at peak times when demand upon the change rooms can be high.

### **Merri creek trail – Coulson Reserve**

2017/18 expenditure: \$287k

The project involved the construction of a new 100-metre ramp and new path network connecting the Merri Creek trail south of Heidelberg Road to the trail section north of Coulson Reserve. The new path and ramp provide an alternative all-abilities access route away from low flood-prone bridges and a steep incline under Heidelberg Road along the existing Merri Creek trail.

### **Darling Gardens irrigation system**

2017/18 expenditure: \$557k

The new irrigation system installed at Darling Gardens provides essential water to the garden's heritage trees and avenues. The project involved increasing water supply and pressure by adding an extra meter to the supply. The underground pipe works were mostly bored to protect trees from the root damage normally encountered with traditional excavations.

### **Building energy efficiency projects**

2017/18 expenditure: \$527k

Yarra's latest solar generation and battery project involved the Installation of 238 kilowatts of solar panels across eight sites and Tesla battery storage installations in five community facilities, including leisure centres, libraries and sports pavilions.

The renewable energy system will reduce electricity consumption and greenhouse gas emissions across the sites by around 408 tonnes per year, which is the equivalent emission of 110 average Victorian cars per annum.

The total battery storage capacity is approximately 100 kilowatt hours, which is the daily equivalent to powering nine average Yarra households.

This project forms part of Council's Environment Strategy and sustainability initiatives, which aim to achieve a 60% reduction in greenhouse emissions from council's 2001 levels by 2020.

## **Your investment in Yarra**

Your rates provide vital Council services that help improve your neighbourhood and create a healthy, vibrant and connected community. These are:

### **Family, youth and children's services**

Maternal and child health, family and support services, community planning and advocacy, childcare, kindergarten, playgroup and youth services.

### **Aged and disability services**

Community care services and community transport for older people.

### **Leisure, arts, culture and venues**

Three leisure centres and the Burnley Golf Course, community meeting spaces, public art and festivals such as Leaps and Bounds and Gertrude Street Projection Festival.

### **Library services**

Five library locations across Yarra, creative activities and events for the community.

### **Parks and recreation**

Maintenance of open spaces, including 94 parks and 42 playgrounds, street tree planting and sports field allocation to clubs.

### **Strategic transport and sustainability**

Bicycle and pedestrian infrastructure, advocacy for public transport improvements, reduction in energy consumption and waste.

### **Compliance, parking and traffic**

Animal management, local laws, food safety, parking enforcement and traffic studies.

### **Waste and recycling**

Rubbish and recycling, hard and green waste, street cleaning, graffiti removal, litter, dumped rubbish, weed control and drain maintenance.

### **Infrastructure and asset management**

Management and maintenance of community buildings and facilities, roads, drains, footpaths.

### **Construction management**

Building and other safety permits, monitoring of major developments, protection of local amenity and 24/7 emergency call out to assist the community.

### **Strategic and statutory planning**

Yarra planning scheme review, urban design frameworks, planning permit applications, planning and heritage advice, and VCAT advocacy.

### **Customer service**

Four customer service centres, a telephone call centre and an after-hours service.

**Advocacy, engagement and communications**

Up to 100 community consultations per year, advocacy on key strategic issues, print and website publications, social media and communications.

**Finance, performance and risk**

Long-term financial planning, annual budgeting, financial management, performance reporting, auditing, risk management and emergency management.

**Governance**

Two Council Meetings per month, Council agendas and minutes, records management, freedom of information and privacy and legal expenses for a range of matters such as planning, compliance and construction management.

**Administrative support services**

Human resources, organisational development, innovation, computer and telecommunication support across all Council services.

**Capital Works**

Council delivers a robust capital works program building new assets, as well as renewing and upgrading its substantial community infrastructure assets base.

# Council staff

Organisational structure as at 30 June

Chief Executive Officer Vijaya Vaidyanath*						
<b>Director Corporate, Business &amp; Finance</b> Andrew Day*	<b>Director Community Wellbeing</b> Lucas Gosling (acting)*	<b>Director City Works &amp; Assets</b> Chris Leivers*	<b>Director Planning &amp; Place Making</b> Bruce Phillips*		<b>Group Manager CEO Office</b> Ivan Gilbert*	<b>Group Manager People, Culture &amp; Community</b> Gracie Karabinis (acting)*
Chief Financial Officer	Manager Aged & Disability Services	Manager Building & Asset Management	Manager City Strategy	<b>Assistant Director Planning &amp; Place Making</b> Jane Waldock*	Manager Advocacy & Engagement	Unit Manager Occupational Health and Safety**
Manager Corporate Planning & Performance	Manager Family, Youth & Children's Services	Manager City Works	Manager Statutory Planning	Unit Manager Sustainability* *	Unit Manager Property Services**	Unit Manager Community Partnerships**
Manager Compliance & Parking	Manager Library Services	Manager Construction Management	Manager Recreation and Open Space	Coordinator Strategic Transport**	Coordinator Office of Mayor & Councillors**	Senior Coordinator Human Resource Services**
Manager Customer Service	Manager Leisure Services	Manager Traffic & Civil Engineering			Senior Governance Advisor**	Senior Coordinator Organisational Development* *
Manager Information and Communication Technology	Unit Manager Arts, Culture & Venues**				Senior Advisor City Heritage**	Senior Coordinator People and Strategy**
	Unit Manager Social Policy & Research**					Coordinator Workforce Diversity & Inclusion**

\*Member of Executive

\*\*Not a senior officer



## **Organisational realignment**

### **Organisational realignment during 2017/18**

The Chief Executive Officer made a number of structural changes to streamline workflows and promote closer collaboration between teams. These changes better aligned the organisation to deliver on the priorities outlined in our new Council Plan.

- The Health, Safety and Risk Unit moved from the Corporate, Business & Finance Division to the People, Culture & Community Group.
- The Traffic & Special Projects, Engineering & Asset Management, and Building Assets branches were reorganised to become the Traffic & Civil Engineering, City Works and Building & Asset Management branches (City Works & Assets Division).
- The Waste Minimisation & Agriculture team moved from the Sustainability Unit (Planning & Place Making Division) to the City Works Branch (City Works & Assets Division).
- The Construction Management Unit moved from the Planning & Place Making Division to the City Works & Assets Division.
- The Corporate Records Unit moved from the CEO's Office Group to the Customer Service Branch (Corporate, Business and Finance Division)

## **Executive Management Team**

### **Vijaya Vaidyanath – Chief Executive Officer**

The Chief Executive Officer is responsible for the implementation and maintenance of Council's policies. As the primary conduit between Yarra's elected Council and its workforce, Vijaya ensures that the organisation's day-to-day activities are in alignment with its long-term strategic objectives. The Chief Executive Officer provides high-level advice to Councillors and acts on behalf of the organisation in a range of contexts. She is ultimately responsible for all services provided by the Council.

### **Andrew Day – Director Corporate, Business & Finance**

The Corporate, Business & Finance Division is responsible for managing Council's financial performance and long-term financial sustainability. It is also responsible for key corporate planning processes and information systems, along with providing procurement, business continuity and emergency management coordination. Externally the division manages customer service, local laws compliance, and parking enforcement and administration services.

### **Ivan Gilbert – Group Manager CEO's Office**

Ivan oversees the Governance Support Unit, the Mayor and Councillors Office, the Property Services, the Advocacy & Engagement Branch, and the Senior Heritage Advisor, and also assists the Chief Executive Officer. Areas of responsibility include organising council meetings business, facilitating legal advice, and maintaining the Policy Management Framework, as well as issues management, consultations, media relations, and print and digital communications. Ivan is also responsible for processing Protected Disclosure matters in association with the Independent Broad-based Anti-corruption Commission, Freedom of Information and State Ombudsman

inquiries, maintenance of Council's public register, and instruments of delegation. The Group Manager CEO's Office also serves as Internal Ombudsman.

### **Lucas Gosling – Director Community Wellbeing**

The Community Wellbeing Division enhances community wellbeing through policy development, service delivery, community planning and partnerships. Lucas oversees activities focussed on community participation, through services and activities related libraries, leisure services, senior citizens, children, young people and families, arts, culture, venues, access and inclusion. Lucas also serves as project sponsor for major community infrastructure initiatives.

### **Bruce Phillips – Director of Planning & Place Making**

The services provided by the Planning & Place Making Division are designed to protect and enhance Yarra's physical, social and economic environment. Bruce oversees activities related to economic development, environmental management and advocacy, urban design, parks and gardens, recreation and open space, statutory and strategic planning, and sustainable transport. He also leads a number of activities in major projects.

### **Chris Leivers – Director City Works & Assets**

Chris is responsible for the provision, maintenance and amenity of public infrastructure in the City of Yarra. As Director City Works and Assets, he oversees traffic and civil engineering; construction and maintenance of civil infrastructure such as roads, drains and footpaths; asset management; construction management and asset protection; and recycling and waste, along with a range of other activities related to the management of buildings and assets. He is responsible for development and implementation of Council's capital works program.

### **Jane Waldock – Assistant Director Planning & Place Making**

Jane's primary area of responsibility is Sustainability and Strategic Transport. These teams undertake advocacy and engagement projects as well as initiating and delivering transport and environmental capital works programs. Jane also assists the CEO at Inner Metropolitan Partnership, Inner Metropolitan Action Plan, and Resilient Melbourne meetings, and manages Council's relationship with the Yarra Energy Foundation.

### **Gracie Karabinis – Group Manager People, Culture & Community**

Gracie is responsible for organisational development, recruitment and diversity, culture and leadership, employee and industrial relations, risk management, occupational health and safety, and management of WorkCover. She is also responsible for community partnerships, Aboriginal multicultural affairs, community grants, housing and homelessness, and community safety.

## Workforce positions at 30 June 2017

At 30 June 2018, Council had a total of **834.4** equivalent full-time positions (which includes temporary and casual positions)

Equivalent full time positions (excludes temporary and casual)

	Equivalent Full time positions (excluding temporary and casual positions)
<b>2015/16</b>	742.19
<b>2016/17</b>	755.07
<b>2017/18</b>	757.51

Workforce data by seniority and gender 2017/18  
(including casual and temporary positions)

WORKFORCE DATA										
Structure	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total
Classification	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Permanent Full Time - Female	0.0	1.0	34.0	66.9	60.0	62.1	36.5	35.0	24.0	<b>319.5</b>
Permanent Full Time - Male	0.0	0.0	35.9	31.5	47.7	61.1	42.5	30.0	32.0	<b>280.7</b>
Permanent Part Time - Female	1.4	2.6	32.9	25.9	13.9	10.8	3.9	3.5	10.5	<b>105.4</b>
Permanent Part Time - Male	1.7	1.5	23.5	13.1	6.6	2.2	2.3	0.0	1.0	<b>51.9</b>
Temporary – Female	0.0	0.2	0.0	0.8	2.0	1.0	0.5	1.6	0.0	<b>6.1</b>
Temporary – Male	0.0	0.2	0.0	1.0	1.3	1.6	1.5	0.0	0.0	<b>5.6</b>
Casual	10.2	0.9	30.8	15.0	0.4	1.0	0.0	1.2	5.7	<b>65.2</b>
<b>TOTAL</b>	<b>13.3</b>	<b>6.4</b>	<b>157.1</b>	<b>154.2</b>	<b>131.9</b>	<b>139.8</b>	<b>87.2</b>	<b>71.3</b>	<b>73.2</b>	<b>834.4</b>

Workforce data by division and gender 2017/18  
(includes casuals and temporary positions)

Employment type/gender	CEO's Office	City Works & Assets	Community Wellbeing	Corporate, Business & Finance	Executive	People, Culture & Community	Planning & Place Making	Total
Permanent FT – F	14.0	48.3	143.3	56.6	2.0	13.0	42.3	<b>319.5</b>
Permanent FT – M	4.0	122.5	39.0	76.6	0.0	5.0	33.5	<b>280.6</b>
Permanent PT – F	2.3	18.5	64.0	10.9	0.0	3.9	5.8	<b>105.3</b>
Permanent PT – M	1.5	21.5	17.4	9.0	0.0	0.6	1.8	<b>51.8</b>
Temporary – F	0.8	1.5	1.6	0.4	0.6	0.5	0.3	<b>5.7</b>
Temporary – M	0.0	1.5	2.6	1.3	0.0	0.5	0.3	<b>6.2</b>
Casual	2.1	28.2	20.8	12.8	0.0	1.1	0.2	<b>65.2</b>
<b>TOTAL</b>	<b>24.6</b>	<b>242.0</b>	<b>288.7</b>	<b>167.7</b>	<b>2.6</b>	<b>24.6</b>	<b>84.2</b>	<b>834.4</b>

# Performance report

The *Local Government Act 1989* requires each council to adopt and report against a four-year Council Plan, which sets out the medium-term direction of Council and the outcomes sought by Councillors for their term.

The plan must include strategic objectives, strategies, strategic indicators and a strategic resource plan. The following report reflects year one (2017/18) of the Council Plan 2017–21.

Council produces an annual plan alongside each year's budget, setting out projects and activities that Council will undertake towards achieving the strategic objectives.

## Strategic Objectives

The Council Plan 2017–21 is divided into seven directions known as strategic objectives:

1. A healthy Yarra
2. An inclusive Yarra
3. A sustainable Yarra
4. A liveable Yarra
5. A prosperous Yarra
6. A connected Yarra
7. A leading Yarra

## Strategies

Each strategic objective is supported by strategies, which identify the focus for the next four years.

## Activities

Activities represent the work undertaken by Council in pursuit of Strategic Objectives and Strategies. Drawn from initiatives in the Council Plan 2017–21 and actions in and the Annual Plan 2017/18, activities provide a framework for measuring Council's progress towards each strategic objective.

## Strategic Indicators

Strategic indicators provide a second framework for measuring Council's progress towards each strategic objective.

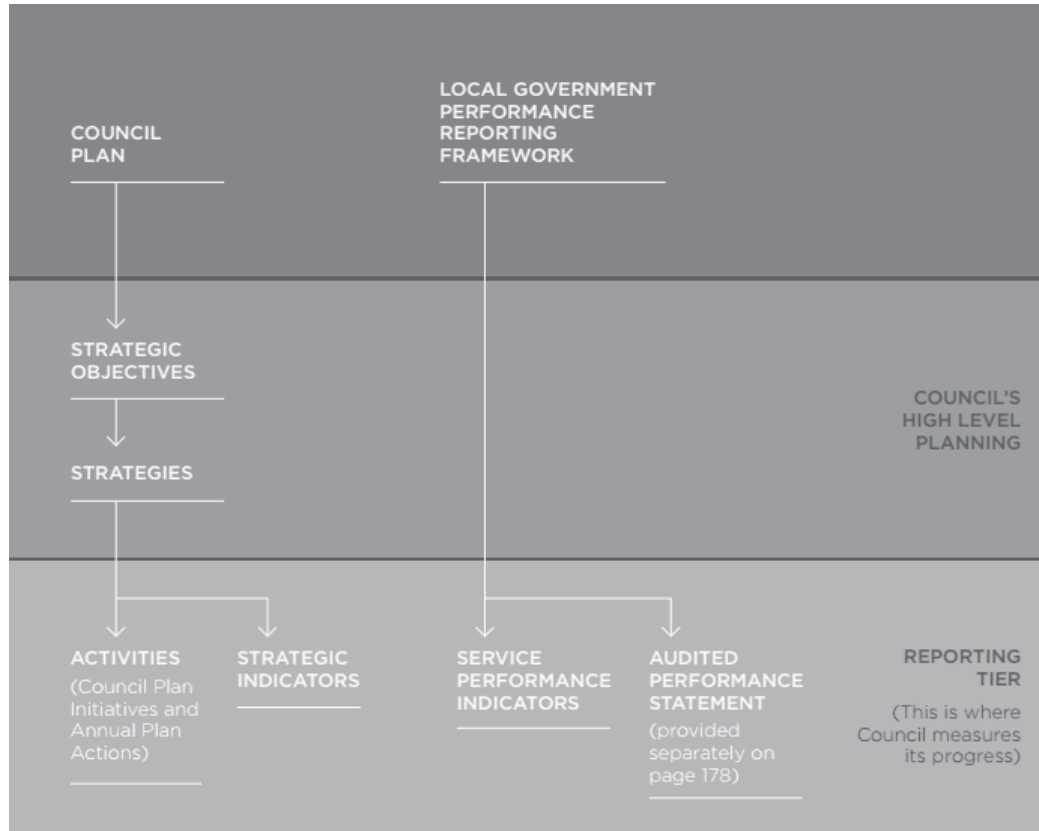
## Service Performance Indicators

Local Government (Planning and Reporting) Regulations require Councils to report on Service Performance Indicators, which align to Strategic Objectives. Results of these indicators, including comparisons with other councils and sector averages, will be published on the Victorian Government's Know Your Council website later this year.

## Performance Statement

Council is also required to publish an audited performance statement as part of its Annual Report.

The performance statement contains a selection of the service performance indicators as well as a number of financial performance indicators and sustainable capacity indicators. This is provided in the performance statement section.



## Performance summary

Of the 70 Annual Plan Activities, 60 (86%) were completed or on track.

### Performance against Activities for each Strategic Objective 2017/18

Strategic Objective	Activities		
	#	# complete or on track	% complete or on track
1. A healthy Yarra	10	6	60%
2. An inclusive Yarra	9	9	100%
3. A sustainable Yarra	6	5	83%
4. A liveable Yarra	13	9	69%
5. A prosperous Yarra	11	10	91%
6. A connected Yarra	12	12	100%
7. A leading Yarra	9	9	100%
<b>TOTAL</b>	<b>70</b>	<b>60</b>	<b>86%</b>

### Annual Plan completion rates 2014–18

(% Activities complete or on track)

Year	% Activities complete or on track
2017/18	86%
2016/17	83%
2015/16	92%

## Performance against Strategic Indicators for each Strategic Objective 2017/18

Strategic Objective	Strategic Indicators		
	#	# exceeded or within 10%	% exceeded or within 10%
1. A healthy Yarra	14*	12	86%
2. An inclusive Yarra	8*	7	87%
3. A sustainable Yarra	8*	7	87%
4. A liveable Yarra	12*	10	83%
5. A prosperous Yarra	8	6	75%
6. A connected Yarra	10*	8	80%
7. A leading Yarra	15*	13	87%
<b>TOTAL</b>	<b>74</b>	<b>63</b>	<b>85%</b>

\*2017/18 is the first year of reporting against the four-year Council Plan. Some indicators are not scheduled to be reported on this year nor do they have targets set.



## **Strategic Objective 1 – A healthy Yarra**

*A place where community health, safety and wellbeing are a focus in everything we do.*

### **Strategies**

The following strategies guide Council's work in this area:

1. Maintain and enhance Yarra's open space network to meet the diverse range of community uses.
2. Promote a community that is inclusive, resilient, connected and enjoys strong mental and physical health and wellbeing.
3. Provide health-promoting environments that encourage healthy eating and active living.
4. Assist to reduce the harms from alcohol and drugs on individuals and the community in partnership with state agencies and key service providers.
5. Promote environments that support safe and respectful sexual practices, and reproductive choices.
6. Promote a gender equitable, safe and respectful community.
7. Promote an effective and compassionate approach to rough sleeping and advocate for affordable, appropriate housing.
8. Provide opportunities for people to be involved in and connect with their community.

## **Services**

The following services have primary responsibility for delivering Strategic Objective 1:

### **Aged & Disability Services**

Provides a range of services to assist older adults and people with disabilities to live independently in their homes in partnership with the State and Federal Governments.

### **City Strategy**

Provides strategic research, planning policy and urban design advice on sustainable land use and development through policy development, strategic plans and the development of appropriate planning controls through the Yarra Planning Scheme.

### **Construction Management**

Responsible for ensuring that development and works being undertaken in the municipality meet agreed statutory and/or permit requirements, and that developments have minimum impact on the amenity of residents, businesses and Council infrastructure.

### **Compliance Services**

Responsible for a range of statutory enforcement services, including animal management, local laws enforcement, food safety and school crossing management, to maximise the health, safety and harmony of the city.

### **Family, Youth & Children's Services**

Provides direct services for children, young people and their families and is also responsible for municipal-wide planning for children and young people.

### **Recreation & Open Space**

Responsible for maintaining publicly-owned open spaces, including parks and gardens; protection and enhancement of the open space and streetscape network; and management of the city's trees.

### **Social Policy & Research**

Manages Council's response to community safety; health planning, including alcohol and other drug issues; policy and research; and the night time economy.

### **Leisure Services**

Operates three major leisure and aquatic facilities, a public golf course and a community gymnasium, and provides a range of high-quality facilities and programs that encourage participation from a broad cross-section of the community.

## Activities

Of the 10 activities within this strategic objective, six (60%) are complete or on track.

	Activity	Derived from	Summary	Percentage of target met
1.01	Prevent family violence	Council Plan initiative	We audited awareness and intervention strategies in Yarra and reviewed how effective our services are in identifying and responding to family violence.	97%
1.02	Advocate for a medically supervised injecting personality	Council Plan initiative	In October the state government announced support for a two-year trial of a medically supervised injecting centre at North Richmond Community Health. Council advocated strongly for this decision to help save lives and make our public places safer and more welcoming.	100%
1.03	Deliver public realm safety improvements to Lennox Street and Victoria Street intersection	Council Plan initiative	We engaged traders and other community stakeholders on plans to address complex health, safety and amenity issues in this precinct. A tender process was completed for improved lighting, furniture, paving and landscaping at the intersection.	74%
1.04	Work with the community to address alcohol-related harm for young people	Annual Plan activity	We explored partnership opportunities for a campaign highlighting the harms of underage drinking. Difficulties in recruiting young people to participate led to a short delay, and we are now considering other ways to complete the campaign.	57%
1.05	Create new open space	Council Plan initiative	Work began on a new park in Mollison Street, Abbotsford to support the health and wellbeing of a community with limited access to open space.	100%
1.06	Develop new	Council	We spoke with more than	78%

	Open Space Strategy	Plan initiative	2000 community members about their open space priorities. These conversations will inform our 10-year strategy to meet the needs of our growing community.	
<b>1.07</b>	Develop Leisure Centres Master Plan	Council Plan initiative	Development of a high-level facilities plan was deferred to future annual planning processes.	0%
<b>1.08</b>	Develop Homelessness Strategy	Council Plan initiative	Research was completed for a new policy framework to guide our support for people experiencing homelessness. Council resolved on 20 March 2018 to defer the drafting and consultation phases to 2018/19.	90%
<b>1.09</b>	Implement national aged care and disability reforms and future directions planning	Council Plan initiative	We continued to support our residents in transitioning to new aged care and disability packages, and further considered the best role of Council to play in supporting the wellbeing of older people and people with a disability.	92%
<b>1.10</b>	Promote community connection and wellbeing	Council Plan initiative	Highlights from our initiatives to support community connectedness included a program to teach life skills to children and young people, a program to encourage people from culturally diverse backgrounds to use our leisure facilities, and support for a program empowering people with a disability to attend live music performances.	100%

## Strategic Indicators (measures of success)

Of 14 strategic indicators 12 (86%) were achieved, one was not achieved and one did not have a target for 2017/18.

Council monitors and reports on a further 10 indicators of overall community health and wellbeing (see section below). Targets are not set for these measures as Council cannot directly affect the result.

Achieved = Exceeded or within 10% of target

Not achieved = Did not meet target

<b>Strategy: 1.1 Maintain and enhance Yarra's open space network to meet the diverse range of community uses.</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of new open space projects planned or completed	A new public park was constructed at Charles and Mollison Streets, Abbotsford.	1 park Achieved
Community satisfaction with parks, gardens and open space	Yarra residents' rating (0-10) of satisfaction with the provision of parks, gardens and reserves as measured by the Annual Customer Satisfaction Survey, 2018.  The result of 8.28 is categorised as 'excellent' according to the survey's satisfaction rating.	8.28 Achieved
<b>Strategy: 1.2 Promote a community that is inclusive, resilient, connected and enjoys strong mental and physical health and wellbeing.</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Key National Aged and Disability Care Reform milestones implemented	While all program requirements from the Department of Health and Human Services have been met, the final analysis of the options for reform are being delayed due to uncertainty at the Federal Government policy level, with a number of key decisions on final program design still to be confirmed. Work has continued on assessing the options as best possible. Recommendations to Council will occur in 2018/19. Future strategic directions have been developed as part of the Access & Inclusion Strategy and Active & Healthy Ageing Strategy.	No 2017/18 target
Community participation in Maternal and Child Health service	Percentage of infants residing in Yarra who visited Council's Maternal and Child Health Service. Source, Department of Health and Human Services report on Maternal and Child Health Services. This continues to be a solid result. Target based on previous year's result.	80.41% Achieved

<b>Strategy: 1.3 Provide health promoting environments that encourage healthy eating and active living.</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Community satisfaction with Council's Leisure facilities	Yarra residents' rating (0-10) of satisfaction with Council's leisure facilities as measured by the Annual Customer Satisfaction Survey, 2018.  The result of 8.15 is categorised as 'excellent' according to the survey's satisfaction rating.	8.15  Achieved
Proportion of registered premises that are inspected annually in accordance with the Food Act 1984	Council assessed 1,175 food premises compared to 1,170 eligible premises. Food safety assessments are undertaken in accordance with relevant legislation. This indicator is measured by the number of registered class 1 and class 2 food premises that receive an annual food safety assessment. This indicator is reported on a calendar year to align to Department of Health and Human Services reporting requirements.	100.4%  Achieved
Number of community garden initiatives implemented	Five community gardens (community growth spaces) were implemented.	5 community gardens  Achieved
<b>Strategy: 1.4 Assist to reduce the harms from alcohol and drugs on individuals and the community in partnership with state agencies and key service providers.</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Report on alcohol and drug harm minimisation initiatives delivered	<ul style="list-style-type: none"> <li>• Several alcohol and drug harm minimisation initiatives were delivered through 2017/18. Highlights include:</li> <li>• Quarterly liquor forums delivered to assist venues with the development of good policy and practice,</li> <li>• Communities that Care Smart Generation supply monitoring program delivered resulting in an 11% decrease in packaged liquor outlets that sold alcohol to a young person without asking for ID.</li> <li>• Advocacy for the existing medically supervised injecting room, including through enquiry submissions.</li> <li>• Ongoing amenity improvements through the delivery of the syringe management contract.</li> <li>• Ongoing financial support provided to the Yarra Drug and Health Forum.</li> <li>• Training opportunities provided to staff from Yarra venues in the areas of emergency management, responding to a</li> </ul>	100%  Achieved

	health emergency, mental health, first aid and Advanced Responsible Service of Alcohol.	
<b>Strategy: 1.5 Promote environments that support safe and respectful sexual practices, and reproductive choices.</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Report on delivered advocacy and health and wellbeing activities	<p>Several advocacy and health and wellbeing initiatives were delivered through 2017/18. Highlights include:</p> <p><b>Alcohol and other drugs</b></p> <ul style="list-style-type: none"> <li>• Council made submissions to the Law Reform, Road and Community Safety Committee Inquiry into Drug Law Reform and the Legislative Council Inquiry into the Drugs, Poisons and Controlled Substances Amendment (Pilot Medically Supervised Injecting Centre) in support for the establishment of a medically supervised injecting centre.</li> </ul> <p><b>Gambling</b></p> <ul style="list-style-type: none"> <li>• Yarra Council joined the Alliance for Gambling Reform as a leadership Council.</li> <li>• Yarra Council made a submission to the Victorian Commission for Gambling and Liquor Regulation's introduction of cashless and 'ticket in, ticket out' gambling.</li> <li>• Yarra Council wrote a letter to Darebin Council to support its opposition to the introduction of additional poker machines at the Darebin RSL in Preston.</li> </ul> <p><b>Libraries</b></p> <ul style="list-style-type: none"> <li>• Libraries Change Lives celebrates the value and impact of Victoria's public libraries and the role they play in healthy communities. Libraries Change Lives is a state-wide campaign spearheaded by Public Libraries Victoria Network and the State Library. Our aim is to start a state-wide conversation about the value and impact of Victoria's public libraries, and the role they play in healthy communities. We want to raise awareness and grow funding for Victorian public libraries on which our communities rely. This campaign has provided training to library staff at Yarra Libraries on advocacy and presenting as part of the project.</li> </ul>	100% Achieved

	<p><b>Affordable Housing</b></p> <ul style="list-style-type: none"> <li>• Consultations and promotion of Yarra Council's Policy Guidance Note: Affordable Housing in Private Developments, involving advocacy to developers, state government policy makers and other councils about the need to formalise how Council views its affordable housing contribution.</li> <li>• Working with Inner Melbourne Action Plan to undertake a rough sleeping count across all Council areas, to collect data to support advocacy for better service response to rough sleepers by the Department of Health and Human Services.</li> <li>• Submission to the Legislative Council's Inquiry into Public Housing Redevelopment, and follow-up letter to the Premier, Treasurer and Minister for Housing supporting the recommendations from this Inquiry.</li> <li>• Participation as panel member at the University of Melbourne's Transforming Housing's event, 'Maximising the social benefits of public housing renewal' where Yarra joined tenant advocates and researchers to argue for a better renewal that ensures tenants can return to their same homes and for a higher increase in social returns.</li> </ul>	
<p>Number of programs and initiatives focused on improving sexual and reproductive health outcomes</p>	<p>Several programs and initiatives focused on improving sexual and reproductive health outcomes were delivered through 2017/18. Highlights include:</p> <ul style="list-style-type: none"> <li>• Provided a Professional Development session on sexual health run by youth peer educators from Young and Empowered Around Health (YEAH) at the Yarra Youth Provider Network.</li> <li>• Facilitated a session for young people at the youth centre on sexual health facilitated by YEAH.</li> <li>• Installed condom dispensers in bathrooms with easy access to information on sexual health.</li> <li>• Partnered with Fitzroy High to facilitate certain sessions as part of the Respectful Relationships curriculum, specifically on the impacts of pornography on young</li> </ul>	<p>100% Achieved</p>



	<p>people.</p> <ul style="list-style-type: none"> <li>Yarra Liquor Forum has included a range of agenda topics relating to responding to sexual assaults.</li> </ul>	
<b>Strategy: 1.6 Promote a gender equitable, safe and respectful community.</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of community activities and programs supported and developed	<p>Council undertook a number of initiatives to support gender equity and respectful communities including:</p> <ul style="list-style-type: none"> <li>Meetings with Proud 2 Play, Sport and Recreation and Melbourne City FC looking at supporting gender diverse soccer.</li> <li>AFL clinic held for young women during July School Holiday Program.</li> <li>Youth Services initiated a women's/gender diverse electronic music program.</li> <li>Delivered Unconscious Bias training to staff.</li> <li>Recruitment of 11 new Family Violence Contact Officers.</li> <li>Executive Endorsement of the Family Violence Organisational Statement.</li> <li>Supporting the rollout of Respectful Relationships curriculum in Yarra schools.</li> <li>Partnering with Drummond Street services in facilitating Queerspace, a safe place for young gender diverse/LGBTIQ people to meet once or twice a month.</li> <li>Question and answer session with AFLW star.</li> <li>Children's Services supporting Free to be ME program.</li> <li>Grant application submitted to support dads in the early years of parenting.</li> <li>Recreation team working with local clubs to support inclusion of diverse genders and sexualities.</li> </ul>	100% Achieved
<b>Strategy: 1.7 Promote an effective and compassionate approach to rough sleeping and advocate for affordable, appropriate housing.</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of requests for	The incidence of primary homelessness in a given time period locally is not readily verifiable – for	81 requests

homelessness assistance responded to by Council	instance, it is not always visible. Council's knowledge of primary homelessness comes via encounters or visible sightings by its staff in the course of their duties or via enquiries lodged through its customer service channels. Council can, however, report on the number of referrals it made to agencies that provide outreach services to persons experiencing homelessness, which was 81 referrals for the financial year.	Achieved
Deliver the Social and Affordable Housing Strategy	<p>The Policy Guidance Note: Affordable Housing in Significant Developments went to Council in October and was approved for public exhibition. Social Policy and Research facilitated a stakeholder consultation session on two affordable housing topics – i.e. the policy note and positions on Department of Health and Human Services renewal. The note was updated post consultation and was endorsed by Council in October and published on Council's website.</p> <p>The Social and Affordable Housing Strategy will be presented to Council in 2018/19.</p>	50% Not achieved
<b>Strategy: 1.7 Provide opportunities for people to be involved in and connect with their community.</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number and breadth of community activities / programs supported	<p>Council connects with its community through a range of programs and activities. Highlights this year include:</p> <ul style="list-style-type: none"> <li>• Promotion of volunteering opportunities through Council's website, key external networks and events, various forms of media and direct contact with customers.</li> <li>• Neighbourhood houses and learning centres provide a wide range of lifelong learning activities such as English classes, volunteer opportunities, sustainability programs, 'work for the dole' activities and community activities/events.</li> <li>• Fitzroy Learning Network (FLN): "Girl Zone": rap/RnB music group developing skills in music and performance for young African girls.</li> <li>• Carlton Neighbourhood Learning Centre: "English Language Conversation Centre" classes for newly arrived groups to practice English</li> <li>• Finbar Neighbourhood House: Broadband for Seniors classes for seniors on</li> </ul>	100% Achieved

	<p>computer literacy.</p> <ul style="list-style-type: none"> <li>Alphington Community Centre: 'Men's Shed' to help men maintain connections to community, for skills development and to promote health and wellbeing.</li> <li>Belgium Avenue Neighbourhood House and North Carlton Neighbourhood House Playgroups and preschool education programs for families living in housing estates.</li> <li>FLN engaged with local women to develop a "Women in Leadership" training program to provide skill development and pathways for employment participation and as an outcome established the FLN Catering Group.</li> <li>Official launch of the MOU and Partnership Strategy with Yarra's neighbourhood houses and learning centres.</li> </ul>	
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#### Indicators of overall community health and wellbeing

*Council monitors and reports on the following indicators of overall community health and wellbeing. Results are derived from external sources and are not updated annually. The most recent data available has been reported. Targets are not set for these measures as Council cannot directly affect the result.*

Yarra residents feel a part of their community	Yarra 71.5% (Victoria 72.3%, LGA Rank 60) Source: VicHealth Indicators Survey, 2011	71.5%
Percentage of adults who feel valued by society	Yarra 53.9% Source: Victorian Population Health Survey, 2014	53.9%
Percentage of adults who report high or very high psychological distress	Yarra 11.1% (Victoria 12.6%, LGA Rank 44) Source: Victorian Population Health Survey, 2014	11.1%
Percentage of children who are developmentally on track	Source: Australian Early Development Census Community Profile 2015. Physical - 72.4% Social - 72.9% Emotional - 74.2% Language - 82.2% Communication - 71.3%	Various
Perceptions of safety, day and	Rating 0-10	Day 8.75

night	Yarra Annual Customer Satisfaction Survey, 2018	Night 7.24
Gaming machine losses per adult	\$379 Source: Victorian Commission for Gambling and Liquor Regulation Gaming machine losses per adult 2017/18. (LGA Rank 48)	\$379
Percentage of adults consuming recommended intake of vegetables	Yarra 7.9% (Victoria 6.4%, LGA Rank 31) Source: Victorian Population Health Survey, 2014	7.9%
Percentage of adults who undertook adequate physical activity	Yarra 45.9% (Victoria 41.4%, LGA Rank not available) Source: Victorian Population Health Survey, 2014	45.9%
Percentage of adults with increased risk of short term alcohol-related harm	Yarra 55.1% (Victoria 42.5%, LGA Rank 12) Source: Victorian Population Health Survey, 2014	55.1%
A reduction in rates of chlamydia and teenage pregnancy	103.6 Notifications of chlamydia per 10,000 population, 20-Aug-2017 to 19-Aug-2018 Source: Surveillance of Notifiable Conditions in Victoria, Department of Health & Human Services, 20-Aug-2017 to 19-Aug-2018. Retrieved from <a href="http://www.health.vic.gov.au/ideas/downloads/daily_reports/rptLGS_YarraC_GR.pdf">http://www.health.vic.gov.au/ideas/downloads/daily_reports/rptLGS_YarraC_GR.pdf</a> 9.6 Rate of 15-19 year old women who gave birth per 1,000 population, 2011 Source: Department of Education and Early Childhood Development. VCAMS Indicator 14.1 Teenage Fertility Rate. Retrieved from <a href="http://www.education.vic.gov.au/about/research/Pages/vcamsindicator.aspx">http://www.education.vic.gov.au/about/research/Pages/vcamsindicator.aspx</a>	Various

## Service Performance Indicators

Service Indicator Measure	2015/16 Result	2016/17 Result	2017/18 Result	Commentary
<b>Animal Management</b>				
<b>Timeliness</b> Time taken to action animal management requests (Number of days between receipt and first response action for all animal management requests / Number of animal management requests)	2.06	2.46	1.89	The time to action requests remains under three days and is within acceptable parameters.
<b>Service standard</b> Animals reclaimed (Number of animals reclaimed / Number of animals collected) x100	72.85%	55.49%	52.25%	The downward trend in animals reclaimed since 2017/18 is in part due to the 2017/18 and 2018/19 results including feral and diseased animals captured or surrendered to the pound service – current legislation prohibits these animals from being reclaimed or rehoused. Prior to this feral and diseased animals were excluded from the count.
<b>Service cost</b> Cost of animal management service (Direct cost of the animal management service / Number of registered animals)	\$40.11	\$51.98	\$55.04	The increased costs in 2016/17 and 2017/18 reflect increased patrol and prosecution activity.
<b>Health and safety</b> Animal management prosecutions (Number of successful animal management prosecutions)	5.00	11.00	13.00	Council has increased its patrol activity since 2016/17 compared to previous years, including follow-up of alleged dog attacks where the owner could

				not originally be identified, resulting in an increase in prosecutions.
<b>Aquatic facilities</b>				
<b>Satisfaction</b> User satisfaction with aquatic facilities (User satisfaction with how council has performed on provision of aquatic facilities)	81.80	84.20	82.10	This continues to be a solid result across the four years within acceptable tolerances. Result is from the Annual Customer Satisfaction Survey.
<b>Service standard</b> Health inspections of aquatic facilities (Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities)	3.00	4.33	4.00	Council has increased its inspection frequency in the last two years as part of its pool management program.
<b>Health and Safety</b> Reportable safety incidents at aquatic facilities (Number of WorkSafe reportable aquatic facility safety incidents)	1.00	0	1.00	The low number of reportable safety incidents over the past four years is due in part to the services safety accreditation program.
<b>Service cost</b> Cost of indoor aquatic facilities (Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities)	\$1.18	\$0.49	\$1.23	A change in year-end reporting in 2016/17 resulted in some 2016/17 expenditure items being carried over into 2017/18. The impact of this was a reduction in the cost per visit in 2016/17 and inflation of the 2017/18 result.
<b>Service cost</b> Cost of outdoor aquatic facilities (Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic)	\$0.00	\$0.00	\$0.00	All City of Yarra pools are defined as indoor pools under the Local Government Planning and Reporting Framework guidelines.

facilities)				
<b>Utilisation</b> Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population)	11.63	11.96	9.14	A number of pools were closed for maintenance and refurbishment works during 2017/18, reducing the availability to the public and impacting on the total number of visitations in 2017/18. Considering the slight drop in 2017/18 this still continues to be a strong result and reflects significantly higher-than- average utilisation compared to the all councils average in 2016/17.
<b>Food safety</b>				
<b>Timeliness</b> Time taken to action food complaints (Number of days between receipt and first response action for all food complaints / Number of food complaints)	1.42	1.88	1.82	The trend in time taken to action food complaints remains steady with complaints being actioned within two days. From 1 July 2016, time taken to action food complaints is reported by calendar year. Previously this indicator was reported by financial year.
<b>Service standard</b> Food safety assessments (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	98.15%	99.83%	100.43%	This continues to be a solid result within acceptable tolerances. Food safety assessments are undertaken in accordance with relevant legislation.

accordance with the Food Act 1984) x100				
<b>Service cost</b> Cost of food safety service (Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984)	\$407.79	\$356.34	\$358.13	The reduction in costs in 2016/17 and 2017/18 reflects operational efficiencies.
<b>Health and safety</b> Critical and major non-compliance notifications (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 a food premises) x100	100.00%	100.00%	99.56%	The trend in follow-up of notifications remains steady against our target of 100%.
<b>Home and Community Care (HACC)</b>				
<b>Timeliness</b> Time taken to commence the HACC service (Number of days between the referral of a new client and the commencement of HACC NAservice / Number of new clients who have received a HACC service)	33.72	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Program (CHSP).
<b>Service standard</b> Compliance with community care common standards (Number of Community Care Common Standards	83.33%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.



expected outcomes met / Number of expected outcomes under the Community Care Common Standards) x100				
<b>Service cost</b> Cost of domestic care service (Cost of the domestic care service / Hours of domestic care service provided)	\$65.34	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
<b>Service cost</b> Cost of personal care service (Cost of the domestic care service / Hours of personal care service provided)	\$65.34	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
<b>Service cost</b> Cost of respite care service (Cost of the domestic care service / Hours of respite care service provided)	\$65.34	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
<b>Participation</b> Participation in HACC service (Number of people that received a HACC service / Municipal target population for HACC services) x100	13.44%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
<b>Participation</b> Participation in HACC service by Culturally and Linguistically Diverse (CALD) people (Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for	10.24%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.

HACC services) x100				
<b>Maternal and Child Health (MCH)</b>				
<b>Satisfaction</b> Participation in first MCH home visit (Number of first MCH home visits / Number of birth notifications received) x100	102.72%	93.20%	98.81%	The trend is an overall increase in service delivery hours offered through the service. Proportional decrease in first-time participation is due to a number of factors, including population increase, population migration and data management changes.
<b>Service standard</b> Infant enrolments in the MCH service (Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received) x100	97.00%	101.85%	109.18%	This continues to be a solid result within acceptable tolerances.
<b>Service cost</b> Cost of MCH service (Cost of the MCH service / Hours worked by MCH nurses)	\$90.71	\$84.55	\$97.56	A slight decrease in the number of birth registration and visitations in 2017/18 reduced the number of service hours compared to previous years, which resulted in an increase in average cost in 2017/18.
<b>Participation</b> Participation in the MCH service . (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x100	79.82%	79.38%	80.41%	This continues to be a solid result within acceptable tolerances.
<b>Participation</b> Participation in the MCH service by	59.72%	63.41%	79.37%	The trend shows increasing demand and participation by the Yarra Aboriginal

<p>Aboriginal children (Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x100</p>				<p>and Torres Strait Islander population and participation rates in the Victorian Aboriginal Health Service.</p>
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## **Strategic Objective 2 – An inclusive Yarra**

*A place where inclusion, diversity and uniqueness are welcomed, respected and celebrated.*

### **Strategies**

The following strategies guide Council's work in this area:

1. Build resilience by providing opportunities and places for people to meet, be involved in and connect with their community.
2. Remain a highly inclusive municipality, proactive in advancing and advocating for the rights and interests of specific groups in the community and community issues.
3. Continue to be a local government leader and innovator in acknowledging and celebrating Aboriginal history and culture in partnership with Traditional Owners
4. Acknowledge and celebrate our diversity and people from all cultural backgrounds.
5. Support community initiatives that promote diversity and inclusion.

### **Services**

The following services have primary responsibility for delivering Strategic Objective 2:

#### **Aged and Disability Services**

Provides a range of services to assist older adults and people with disabilities to live independently in their homes in partnership with the state and federal governments.

#### **Community partnerships**

Leads community development in Yarra to support Council's strategic objectives through strengthening civic participation, championing social inclusion and cohesion, and supporting community groups and organisations.

## Activities

Of the 9 activities within this strategic objective, 9 (100%) are complete or on track.

	Activity	Derived from	Summary	Percentage of target met
<b>2.01</b>	Develop Volunteer Strategy	Council Plan initiative	Planning was completed for development of new strategy to guide our support for volunteering in Yarra. Council resolved on 20 March 2018 to defer the drafting and consultation phases to 2018/19.	100%
<b>2.02</b>	Develop Human Rights Charter	Council Plan initiative	Planning and research was completed for our new human rights charter. Council resolved on 20 March 2018 to defer the drafting and consultation phases to 2018/19.	100%
<b>2.03</b>	Stolen Generations Marker project	Council Plan initiative	A public artwork honouring the struggles and resilience of the Stolen Generations was launched in Atherton Gardens Housing Estate on the 20 <sup>th</sup> anniversary of National Sorry Day with more than 500 people in attendance.	100%
<b>2.04</b>	Implement Aboriginal Partnerships Plan	Council Plan initiative	This year's Aboriginal Partnerships Plan highlights included the January 26 project, developing an information resource for CALD communities, completion of the Stolen Generations Marker and development of the Aboriginal Partnerships Plan 2019–2022.	100%
<b>2.05</b>	Implement Multicultural Partnerships Plan 2015–18	Council Plan initiative	This year's Multicultural Partnerships Plan highlights included the We Stand Together campaign in support of people experiencing racial and religious attacks, and our Refugee Week events highlighting the	100%

			contributions of refugees and asylum seekers.	
<b>2.06</b>	Develop LGBTIQ Strategy	Annual Plan Activity	Research and planning for an LGTBIQ strategy was completed. Council resolved on 20 March 2018 to defer the drafting and consultation phases to the 2018/19.	100%
<b>2.07</b>	Develop new Positive Ageing Strategy and Action Plan	Council Plan initiative	A draft strategy and action plan to support older members of our community was prepared with the support of our Active Ageing Advisory Group. The draft is scheduled for final adoption in August 2018.	99%
<b>2.08</b>	Develop new Access and Inclusion Strategy and Action Plan	Council Plan initiative	A draft strategy and action plan to support community members with disability was prepared with the support of our Disability Advisory Committee. The draft is scheduled for final adoption in August 2018.	99%
<b>2.09</b>	Develop Public Spaces Policy	Council Plan initiative	Our newly adopted Events in Public Spaces Policy is helping event organisers plan their public activities, acquire the approvals they need and ensure public safety.	100%

## Strategic Indicators (measures of success)

Of eight strategic indicators, seven (87%) were achieved and one did not have a target for 2017/18.

Achieved = Exceeded or within 10% of target

Not achieved = Did not meet target

<b>Strategy: 2.1 Build resilience by providing opportunities and places for people to meet, be involved in and connect with their community</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Adopt a Volunteer Strategy	Consultation and development of a draft Volunteer Strategy will be undertaken in 2018/19.	No 2017/18 target
Number and diversity of community events held	<p>Council's Multicultural Partnerships Plan provides for a range of diversity events. This year's highlights include:</p> <ul style="list-style-type: none"> <li>• Refugee week.</li> <li>• We Stand Together (anti-racial vilification resource), public community forum building capacity on racial vilification.</li> <li>• Yarra Settlement Forum.</li> <li>• Neighbourhood Houses and Learning Centres provide a wide range of lifelong learning activities including English classes.</li> <li>• Fitzroy Learning Network's 'Girl Zone' rap/RnB music group for young African girls.</li> <li>• Broadband for Seniors.</li> <li>• Alphington community Centre Men's Shed.</li> <li>• Playgroups and preschool education programs for families living in housing estates.</li> </ul>	100% Achieved
<b>Strategy: 2.2 Remain a highly inclusive municipality, proactive in advancing and advocating for the rights and interests of specific groups in the community and community issues</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Adopt the Access and Inclusion Strategy and Action Plan	The draft Access and Inclusion Strategy and Action Plan has been developed and is scheduled to be	90% Achieved

	presented to Council for endorsement in August 2018.	
Annual report on Council's performance against the Victorian Charter of Human Rights and Responsibilities	All reports to Council and Council policy development contain a statement on the implications of the report and recommendations against the Charter of Human Rights.	100% Achieved
<b>Strategy: 2.3 Continue to be a local government leader and innovator in acknowledging and celebrating Aboriginal history and culture in partnership with Traditional Owners</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Complete the Stolen Generations Marker project	The Stolen Generations Marker was launched in Atherton Gardens Housing Estate on Saturday 26 May, the 20th anniversary of National Sorry Day with more than 500 people in attendance.	100% Achieved
Number of Aboriginal cultural activities and events delivered	Council runs a number of initiatives and programs through its Aboriginal Partnership Action Plan. Major events supported this year include: <ul style="list-style-type: none"> <li>• NAIDOC Week.</li> <li>• Reconciliation Week activities, including Black Wiz (internal and external events), and Reconciliation on the Rooftop at Bargoonga Nganjin.</li> <li>• Stolen Generations Marker</li> <li>• National Sorry Day.</li> <li>• Smith Street Dreaming Festival.</li> </ul>	100% Achieved
<b>Strategy: 2.4 Acknowledge and celebrate our diversity and people from all cultural backgrounds</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of cultural festivals and events delivered by Council	More than 60 festivals and events have been supported by Council through the grants program in 2017/18. Highlights this year include: <ul style="list-style-type: none"> <li>• NAIDOC celebrations at Collingwood Children's Farm.</li> <li>• Moon Cake Festival at Atherton Gardens.</li> <li>• Annual Yarra Gala Ball.</li> <li>• Music From The Wetlands Festival.</li> </ul>	100% Achieved



	<ul style="list-style-type: none"> <li>• Johnston Street Spanish Festival.</li> <li>• Victoria Street Lunar Festival.</li> <li>• Melbourne Irish Festival.</li> <li>• Messy Play Day and Rock A Bye Baby at Fitzroy Town Hall.</li> <li>• Breaking Fast Eid ul Fiter and Eid Ul Adha events.</li> <li>• Emerge in Yarra.</li> <li>• Collingwood CWA Night of Cake.</li> <li>• Emerge Festival.</li> <li>• Leaps and Bounds.</li> <li>• Gertrude Projection Festival.</li> <li>• Fringe Festival.</li> <li>• Fairfield Concerts Series.</li> <li>• Lunar New Year.</li> <li>• Harvest Festival.</li> </ul>	
<b>Strategy: 2.5 Support community initiatives that promote diversity and inclusion</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of initiatives supported to promote diversity	<p>Council supported a number of activities to promote diversity. Highlights this year include:</p> <ul style="list-style-type: none"> <li>• Celebrating Cultural Diversity Week.</li> <li>• Celebrating Refugee Week.</li> <li>• Forums such as: English for newly arrived, family violence, children services for newly arrived and refugee families and health services for newly arrived, all run by the Yarra Settlement Forum.</li> </ul>	100% Achieved

## **Strategic Objective 3 – A sustainable Yarra**

*A place where Council leads on sustainability and protects and enhances its natural environment.*

### **Strategies**

The following strategies guide Council's work in this area:

1. Investigate strategies and initiatives to better manage the long-term effects of climate change.
2. Support and empower a more sustainable council and community.
3. Lead in sustainable energy policy and deliver programs to promote carbon neutral initiatives for the municipality and maintain Council as a carbon neutral organisation.
4. Reduce the amount of waste-to-landfill with a focus on improved recycling and organic waste disposal.
5. Promote responsible water usage and practices.
6. Promote and facilitate urban agriculture with a focus on increasing scale and uptake in the community.
7. Investigate strategies and initiatives to improve biodiversity.

### **Services**

The following services have primary responsibility for delivering Strategic Objective 3:

#### **Sustainability Services**

Focuses on the advocacy and policy areas of environment.

#### **Waste Services**

Oversees the delivery of all waste services and waste minimisation.

#### **Water Management Services**

Plans for Council to be an active participant in whole-of-water-cycle management and seek all available opportunities to reduce the reliance on potable water by working with water corporations to achieve cost efficient access to alternative water, including treated, and reusing stormwater, recycled water and rainwater.

## Activities

Of the five activities within this strategic objective, five (83.3%) are complete or on track.

	Activity	Derived from	Summary	Percentage of target met
<b>3.01</b>	Develop Biodiversity Strategy	Council Plan initiative	Work began on a city-wide strategy to preserve and enhance biodiversity in Yarra. The date for completion of the project has been extended to 2018/19.	76%
<b>3.02</b>	Develop Urban Forest Strategy	Council Plan initiative	Council adopted a strategy to manage Yarra's urban forest, and to consider the environmental, social and economic benefits trees provide. A formal implementation plan will be developed in 2018/19.	91%
<b>3.03</b>	Embed climate adaptation	Council Plan initiative	We continued to embed climate change adaptation in our internal processes, one highlight being a training package to empower staff members to integrate this thinking into their day-to-day roles.	100%
<b>3.04</b>	Reduce energy use and emissions	Annual Plan Activity	We maintained carbon neutral certification under the National Carbon Offset Standard. We also helped launch the Melbourne Renewable Energy Project to ensure that 100% of our future energy needs can be accessed from clean and renewable sources.	100%
<b>3.05</b>	Reduce organic waste	Council Plan initiative	Selected Abbotsford households helped divert waste from landfill by taking part in our food scraps collection trial. Participation rates were good (about 50%) and contamination rates low (generally 1–3%). The trial will soon be expanded to include green waste and additional households.	100%

<b>3.06</b>	Integrate environmental and sustainability policies and strategies	Council Plan initiative	Activities to support this initiative included completion of the Home for All Seasons project, which aimed to make the homes of Home and Community Care clients more comfortable and energy-efficient, and progression of the Embedding Green Infrastructure Project.	100%
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### Strategic Indicators (measures of success)

Of eight strategic indicators seven (87%) were achieved and one did not have a target for 2017/18.

Achieved = Exceeded or within 10% of target

Not achieved = Did not meet target

<b>Strategy: 3.1 Investigate strategies and initiatives to better manage the long-term effects of climate change</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Increase in the number and scale of Urban Forest Strategy initiatives implemented	<p>The Urban Forest Strategy was adopted by Council in September 2017. The strategy guides Council's long-term work to manage Yarra's urban forest, taking into consideration the current context, and the environmental, social and economic benefits trees provide.</p> <ul style="list-style-type: none"> <li>• 482 street trees were planted as part of the 2017/18 capital planting program following the urban forest principles.</li> <li>• Development of the priority planting plan has commenced.</li> <li>• Development of the Biodiversity Strategy is underway.</li> </ul>	100% Achieved
Reduce the urban heat island effect by further greening of the city	<p>This indicator is measured by the number of trees planted each year. 482 street trees were planted as part of the 2017/18 capital planting program, following the urban forest principles to promote greening of the city and reduce the urban heat island effect.</p>	100% Achieved
<b>Strategy: 3.2 Support and empower and more sustainable Council and community</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Complete review of the Environment Strategy	<p>A review of the previous environment strategy was conducted. Officers then developed a process to engage with a cross-section of the community to develop a new Environment Strategy which has commenced.</p>	100% Achieved

<b>Strategy: 3.3 Lead in sustainable energy policy and deliver programs to promote carbon neutral initiatives for the municipality and maintain Council as a carbon neutral organisation</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Reduce Council's carbon emissions (before offsets) and retain carbon neutral status for Council operations	<p>Council has joined the Global Covenant of Mayors for Climate and Energy. Council's Municipal Emissions Profile has been completed to the standard required by the Global Covenant of Mayors.</p> <p>240 kilowatts of additional solar panels and five Tesla batteries have been installed on council buildings, reducing emissions by over 400 tonnes and we have retained Council's carbon neutral status for Council operations.</p>	100% Achieved
<b>Strategy: 3.4 Reduce the amount of waste-to-landfill with a focus on improved recycling and organic waste disposal</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Reduction in waste to landfill	<p>The total waste generated from our kerbside services (rubbish and recycling) in 2017/18 was 24,815 tonnes, a decrease of 214 tonnes per annum, however the percentage diverted from landfill increased slightly compared to the previous year. Taking into account the increase in population, waste-to-landfill per person fell from 3.36kg/pp/wk to 3.12kg/pp/wk (7.14%) compared to last year.</p> <p>The Yarra Waste Minimisation Strategy 2018–22 focusses on a reduction in organic waste-to-landfill and does not set an overall target for waste-to-landfill. The target is based on the previous year's result.</p>	37.73% Achieved
<b>Strategy: 3.5 Promote responsible water usage and practices</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Review the Environmental Strategy to include responsible water usage practices	We commenced the process to develop the new Environment Strategy which will allow for adoption of new actions such as responsible water use practices.	100% Achieved

<b>Strategy: 3.6 Promote and facilitate urban agriculture with a focus on increasing scale and uptake in the community</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Increase the number of urban agriculture community initiatives supported and promoted	<p>Council successfully delivered the priority actions in Year 4 of the Urban Agriculture Strategy. Highlights include:</p> <ul style="list-style-type: none"> <li>Partnered with Richmond Community Learning Centre and Richmond Gardening Group to establish the Burnley Fruit Squad including in-kind and grant support.</li> <li>Facilitated the extension of Condell Growers and Sharers through the rearrangement of the adjoining car park, resulting in a net increase in useable open space in the Fitzroy area.</li> <li>Expanded the compost capacity of the Condell Growers and Sharers by facilitating the design, build and delivery of two new large scale compost bins.</li> <li>Undertook supporting role in the public consultation run by Open Space regarding the future use of the bocce courts at North Carlton Railway House.</li> <li>Supported the compost demonstration site at the Holden Street Neighbourhood House by providing additional compost and worm bins.</li> <li>Facilitation support for an application by Cohealth (Collingwood) to the Community Growing Spaces program.</li> </ul>	100% Achieved
<b>Strategy: 3.7 Investigate strategies and initiatives to improve biodiversity</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Adopt a Biodiversity Strategy	A project is underway to have the Yarra Biodiversity Strategy prepared by the end of 2018.	No 2017/18 target

## Service Performance Indicators

Service Indicator Measure	2015/16 Result	2016/17 Result	2017/18 Result	Commentary
<b>Waste collection</b>				
<b>Satisfaction</b> Kerbside bin collection requests (Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x1000	57.62	62.19	66.26	Council introduced a new customer request system across the organisation mid-2017, which improved the capture and categorising of customer requests and allows customers to log their own request online. Request numbers have increased slightly across a range of categories since its implementation.
<b>Service standard</b> Kerbside collection bins missed (Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts) x10,000	1.05	3.68	0.18	Yarra uses a two-person crew on each collection truck and manual bin movement, compared to other services that use a driver and automatic lift system. This is due to narrow local roads and extensive on-street parking. This practice reduces the incidence of bins on the street being missed. The significant reduction in 2017/18 is due in part to work undertaken with the new contractor to reduce the incidence of missed bins; the introduction of a new customer request system with more specific categories, which filters bin requests to identify missed bins; and the increase in the number of bin lifts due to the extrapolation of multi-unit development shared bins (1100, 660, 240 litre) previously



				counted as one lift to equivalent residential bin lifts.
<p><b>Service cost</b></p> <p>Cost of kerbside garbage bin collection service</p> <p>(Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins)</p>	\$98.56	\$115.95	\$85.84	<p>Yarra uses a two-person crew on each collection truck and manual bin movement, compared to other services that use a driver and automatic lift system. This impacts on service costs. Yarra has an extensive number of multi-unit sites with a shared bin service using 1100, 660 and 240 litre bins. In previous years each of these bins counted as one lift. In 2017/18 our bin lifts are based on the extrapolation of the larger bins to the equivalent residential bin sizes for waste recycling collection. 1100 litre bin is equivalent to 13 lifts for garbage, this has increased the number of bin lifts compared to previous years, which has resulted in a decrease cost per lift.</p>
<p><b>Service cost</b></p> <p>Cost of kerbside recyclables collection service</p> <p>(Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins)</p>	\$49.81	\$71.09	\$50.25	<p>Yarra uses a two-person crew on each collection truck and manual bin movement, compared to other services that use a driver and automatic lift system. This impacts on service costs. Yarra has an extensive number of multi-unit sites with a shared bin service using 1100, 660 and 240 litre bins. Previous years each of these bins counted as one lift. In 2017/18 our bin lifts are based on the extrapolation of the larger bins to the equivalent residential bin sizes for waste recycling collection. 1100 litre bin is equivalent to 11 lifts for recycling, this has increased the number of bin lifts compared to</p>

				previous years, which has resulted in a decrease cost per lift.
<b>Waste diversion</b> Kerbside collection waste diverted from landfill (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100	38.52%	37.36	37.73%	The trend shows a consistent level of waste diversion from landfill. Council continues to promote environmental sustainability and the benefits of recycling. The increase in multi-unit developments within Yarra impacts on this number as recycling behaviour in these developments appears to be different to that of singled dwellings.

## **Strategic Objective 4 – A liveable Yarra**

*A place where development and growth are managed to maintain and enhance the character and heritage of the city.*

### **Strategies**

The following strategies guide Council's work in this area:

1. Protect Yarra's heritage and neighbourhood character.
2. Actively plan for Yarra's projected growth and development and advocate for an increase in social and affordable housing.
3. Plan, promote and provide built form, open space and public places that are accessible to all ages and abilities.
4. Protect Council assets through effective proactive construction management.
5. Encourage and promote environmentally sustainable building, urban design, place-making and public realm outcomes.
6. Provide direction and improve decision making on infrastructure projects through the application of the Strategic Community Infrastructure Framework.
7. Encourage engagement with the community when developments are proposed.

### **Services**

The following services have primary responsibility for delivering Strategic Objective 4:

#### **City Strategy**

Provides strategic research, planning policy and urban design advice on sustainable land use and development through policy development, strategic plans and the development of appropriate planning controls through the Yarra Planning Scheme.

#### **Construction Management**

Is responsible for ensuring that development and works being undertaken in the municipality meet agreed statutory and/or permit requirements, and that developments have minimum impact on the amenity of residents, businesses and Council infrastructure.

#### **Statutory Planning**

Is responsible for analysing, processing and assessing planning applications to ensure that the use and development of land, which gives effect to state and local planning policies, is based on clear procedures, appropriate public participation and coordination with other branches of Council.

## Activities

Of the 13 activities within this strategic objective, 9 (69.2%) are complete or on track.

	Activity	Derived from	Summary	Percentage of target met
4.01	Embed Strategic Community Infrastructure Planning Framework	Council Plan initiative	The Community Infrastructure Plan was adopted in April and work commenced to embed the Strategic Community Infrastructure Framework in organisational processes.	100%
4.02	Develop and implement Development Contributions Plan	Council Plan initiative	The Development Contributions Plan will require developers to pay a contribution towards essential city infrastructure. The draft plan was submitted to the Victorian Government in December 2017 and public exhibition is scheduled for the first half of 2018/19.	90%
4.03	Negotiate joint use agreement with Richmond High School	Council Plan initiative	We are working with the Department of Education and Training to develop a joint use agreement for community facilities as part of the Richmond High School project. The agreement will be finalised following completion of the second campus, when the needs and operations of the school can be fully considered.	56%
4.04	Implement Heritage Strategy 2015 2018	Annual Plan activity	The Heritage Strategy guides our efforts to preserve the unique history and character of Yarra. This year's highlights included an oral history report and improvements to our suite of local heritage walks.	100%
4.05	Review Heritage Strategy	Annual Plan activity	The scoping of a new Heritage Strategy and Action Plan was completed and a comprehensive review commenced.	100%
4.06	Develop Yarra Housing Strategy	Council Plan initiative	Following community consultation we completed a draft Housing Strategy to	93%

			guide Yarra's growth and support our engagement with the Victorian Government. Final adoption is expected in the first half of 2018/19.	
<b>4.07</b>	Develop Social and Affordable Housing Strategy	Council Plan initiative	Our new Affordable Housing in Significant Developments policy note asks developers of major residential projects to allocate 5% of the site to affordable housing. Our higher-level Social and Affordable Housing Strategy will be finalised in 2018/19.	50%
<b>4.08</b>	Re-write Yarra Planning Scheme	Council Plan initiative	The draft Yarra Planning Scheme Municipal Strategic Statement and local policies were prepared. This work will form the basis of a formal planning scheme amendment.	92%
<b>4.09</b>	Seek planning controls for Queens Parade, North Fitzroy	Council Plan initiative	Council prepared a draft planning scheme amendment to provide greater certainty about the nature and scale of development in Queens Parade. Ministerial approval to place the draft on public exhibition is now expected in early 2018/19.	100%
<b>4.10</b>	Prepare a built form analysis as part of the preparation of structure plans for major activity centres	Council Plan initiative	Built form analysis of our major shopping areas will inform development of structure plans to help guide growth and change in these critical areas. Studies undertaken this year include Swan Street, Queens Parade, Johnston Street, Brunswick Street, Smith Street, Victoria Street and Bridge Road.	95%
<b>4.11</b>	Develop activity centre structure plans	Council Plan initiative	Structure plans seek to manage development pressures. Due to other priorities with built form frameworks, amendments and policy drafting, part of this work was deferred to 2018/19.	65%
<b>4.12</b>	Alphington	Council	The Alphington Paper Mill	100%

	Paper Mill site development	Plan initiative	site is to be developed into a major residential precinct with shops, offices, open spaces and community facilities. This year's work included assessment of planning applications and approval of civil works for drainage and roads.	
<b>4.13</b>	Understanding planning in Yarra	Council Plan initiative	We aimed to better explain the nature and extent of Council's role in delivering planning outcomes. This year's activities included a public forum on managing growth in Yarra and a planning feature in Yarra News.	40%

### Strategic Indicators (measures of success)

Of 12 strategic indicators 10 (83%) were achieved, one was not achieved and one did not have a target for 2017/18.

Achieved = Exceeded or within 10% of target

Not achieved = Did not meet target

<b>Strategy: 4.1 Protect Yarra's heritage and neighbourhood character</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Complete actions within the Heritage Strategy 2015–2018	The oral history report has been completed and the content of the 17 existing heritage walks has been reviewed.  The format and platform for five heritage walk maps has been completed. Further work will be undertaken in subsequent years to prepare walk map graphics and modify the information on Yarra's website	100% Achieved
Develop a new or continuing Heritage Strategy 2018–2021	Review of the Heritage Strategy has commenced and will continue in 2018/19.	No 2017/18 target
<b>Strategy: 4.2 Actively plan for Yarra's projected growth and development and advocate for an increase in social and affordable housing</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Prepare a planning scheme amendment to introduce new Municipal Strategic Statement and local planning policies	Draft Yarra Planning Scheme Municipal Strategic Statement and local policies have been presented to councillors for review and consideration. The draft is the basis for formal planning scheme amendment.	90% Achieved
Satisfaction with aspects of planning and housing development. Deliver the Housing Strategy	Yarra residents' rating (0–10) of satisfaction with aspects of planning and development as measured by the Annual Customer Satisfaction Survey, 2018.  The result of 6.37 is categorised as 'solid' according to the survey's satisfaction rating.	6.37 Achieved
Deliver the Housing Strategy	The draft Housing Strategy was presented at Councillors' Briefings in June. The Housing Strategy is scheduled to be presented to Council for adoption in August 2018.	90% Achieved
Deliver the Social and Affordable Housing	The Policy Guidance Note: Affordable Housing in Significant Developments	50%

Strategy	<p>went to Council in October and was approved for public exhibition. Social Policy and Research facilitated a stakeholder consultation session on two affordable housing topics: the policy note and positions on Department of Health and Human Services renewal. The Note was updated post consultation and was endorsed by Council in October and published on Council's website.</p> <p>The Social and Affordable Housing Strategy will be presented to Council in 2018/19.</p>	Not achieved
<b>Strategy: 4.3 Plan, promote and provide built form and open space that is accessible to all ages and abilities</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of new open space and urban design projects that are accessible to all ages and abilities	<p>All open space projects consider access for all abilities as part of their brief and Council completed four new projects:</p> <ul style="list-style-type: none"> <li>• Williams Reserve park upgrade; Merri Creek Trail at Coulson Reserve shared pathway.</li> <li>• Wangaratta Street Reserve.</li> <li>• The new park at Charles and Mollison streets.</li> </ul>	4 projects Achieved
<b>Strategy: 4.4 Protect Council assets through effective proactive construction management</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Percentage of projects in adopted capital works program completed	Council completed 280 capital works projects compared to 319 budgeted capital works projects. This is a result of 87.77% compared to an organisational target of 85%.	87.77% Achieved
Percentage of capital works program budget expended	The adopted capital works budget was \$33.040 million with an actual spend of \$27,131 million. This is a result of 82.12% compared to an organisational target of 85%. Compared to the adjusted budget, i.e. after Council endorsed changes to the program, the result is 93%.	82.12% Achieved



<b>Strategy: 4.5 Encourage and promote environmentally sustainable building, urban design, place-making and public realm outcomes</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of Council planning decisions upheld at VCAT	The number of Council decisions upheld by VCAT was higher when compared with the previous year. Annual variances will continue until Council has embedded clear policy within the planning scheme to direct growth. This work continues to be undertaken and should be fully incorporated over the next 12 to 18 months. A number of interim built form controls have already been implemented and should provide greater certainty in built form outcomes for some parts of the municipality.	77.45% Achieved
<b>Strategy: 4.6 Provide direction and improve decision making on infrastructure projects through the application of the Strategic Community Infrastructure Framework</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of major projects that demonstrate consideration of the Community Infrastructure Planning Framework	The Strategic Community Infrastructure Framework was adopted by Council in April 2018. Seven relevant major projects, reported on as part of the Executive Major Projects portfolio, were undertaken, all demonstrated consideration of the framework.	100% Achieved
<b>Strategy: 4.7 Encourage engagement with the community when developments are proposed</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of community education initiatives delivered explaining Council's role and limitations in delivering planning and development outcomes	<p>A feature on planning ahead for housing and jobs appeared in the September/October Yarra News. While this focus was more about strategic work currently underway, it also focused on the planning space in Yarra and provided links to finding out more about Yarra.</p> <p>A forum for resident action groups was held in mid-November providing an outline of the strategic work program and status of that work.</p>	2 initiatives Achieved

## Service Performance Indicators

Service Indicator Measure	2015/16 Result	2016/17 Result	2017/18 Result	Commentary
<b>Statutory planning</b>				
<p><b>Timeliness</b></p> <p>Time taken to decide planning applications</p> <p>(The median number of days between receipt of a planning application and a decision on the application)</p>	117.00	118.00	117.00	The Yarra Planning Scheme is complex and the level of rigour of analysis required for applications is high. The indicator is measuring all applications (from minor to very major) and is recording a median turnaround time (this statistic is also irrespective of whether or not the 'statutory clock' has stopped because of further information requests of the applicant).
<p><b>Service standard</b></p> <p>Planning applications decided within required timeframes</p> <p>(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made with 10 days) / Number of planning application decisions made) x100</p>	43.61%	54.44%	57.67	From 1 July 2016 this indicator will be updated to include VicSmart planning applications, which should be assessed within 10 days. This may result in some variances year on year. The trend shows improvement in the time taken to make decisions on applications over the four years. Results for 2017/18 show improvement in percentage of applications determined within the required timeframes.
<p><b>Service cost</b></p> <p>Cost of statutory planning service</p> <p>(Direct cost of the statutory planning service / Number of planning applications received)</p>	\$3047.50	\$3332.87	\$3989.54	The overall cost of delivering planning services in 2017/18 increased. The number of applications received will lower however higher expenditure in external referrals and legal services resulted in a significant number of

				larger and more complex applications, which has increased the average cost of an application.
<p><b>Decision-making</b></p> <p>Council planning decisions upheld at VCAT</p> <p>(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</p>	78.69%	74.07%	75.45%	<p>The number of Council decisions upheld by VCAT was higher when compared with the previous year, this variance up or down will continue until Council has embedded clear policy within the planning scheme to direct growth. This work continues to be undertaken but won't be fully incorporated into the planning scheme for another 12 to 18 months.</p> <p>A number of interim built form controls have already been implemented and should provide greater certainty in built form outcomes for some parts of the municipality.</p>

## **Strategic Objective 5 – A prosperous Yarra**

*A place where local businesses prosper and creative and knowledge industries thrive.*

### **Strategies**

The following strategies guide Council's work in this area:

1. Maintain and strengthen the vibrancy and local identity of retail and commercial precincts.
2. Strengthen and monitor land use change and economic growth including new and emerging economic clusters.
3. Create local employment opportunities by providing targeted and relevant assistance to facilitate business growth, especially for small and medium size enterprises and entrepreneurs through the attraction and retention of businesses.
4. Develop Innovative Smart City solutions in collaboration with government, industry and community that use technology to embrace a connected, informed and sustainable future.
5. Facilitate and promote creative endeavour and opportunities for the community to participate in a broad range of arts and cultural activities.
6. Attract and retain creative and knowledge industries in Yarra.
7. Ensure libraries and neighbourhood houses, support lifelong learning, wellbeing and social inclusion.

### **Services**

The following services have primary responsibility for delivering Strategic Objective 5:

#### **Economic Development**

Responsible for developing programs to support Yarra's economy and promoting local businesses and key retail precincts. Also responsible for urban design, providing designs for improving the quality of the public domain in Yarra's activity centres, and undertaking design projects for key public spaces in the municipality.

#### **Library Services**

Develops and maintains integrated, coordinated library services comprising accessible and responsive practices that are connected to, and informed by, our community and are delivered by professional staff working with in a supportive learning culture.

#### **Arts, Culture and Venues**

Responsible for producing and commissioning works, facilitating projects between external stakeholders, managing the art and heritage collection, and managing the use of Council's civic and community buildings, as well as parks and open space.

## Activities

Of the 11 Activities within this strategic objective, 10 (91%) are complete or on track.

	Activity	Derived from	Summary	Percentage of target met
5.01	Review library facilities	Council Plan initiative	A review to identify flexible spaces to facilitate creative uses across Yarra Libraries has been completed and implementation is underway.	100%
5.02	Support live music	Council Plan initiative	Our support for Yarra's world-renowned live music scene included initiatives benefiting local venues, musicians and businesses. Highlights included our Leaps and Bounds Music Festival, our industry round table with Music Victoria, and support for a statue celebrating Molly Meldrum.	98%
5.03	Protect and create affordable and appropriate creative infrastructure	Council Plan initiative	We continued to promote access to affordable creative spaces to enhance Yarra's reputation as a centre for the arts and retain creatives as a significant employment sector. Among the highlights were short-term artists' residencies at William's Reserve, Studio One and Florence Peel Centre.	100%
5.04	Expand the arts sector	Annual Plan activity	The creative sector is important to Yarra socially, culturally and economically. Initiatives included support for live music venues through the Leaps and Bounds Festival, and development of a new partnership program to develop the skills of practitioners in the music industry.	100%
5.05	Develop shopping strip master plans	Council Plan initiative	Shopping strip masterplans help guide capital works proposals for some of our most important precincts.	70%

			This year we completed the Bridge Road Master Plan and began work on the Brunswick Street Master Plan. Completion of the latter was delayed due to competing priorities.	
<b>5.06</b>	Deliver Village Activation program	Council Plan initiative	We teamed with our business community for a campaign promoting shopping locally to reduce travel times and support local traders.	100%
<b>5.07</b>	Address shop vacancies	Council Plan initiative	Representations were made to traders, owners and property managers to address the issue of shop vacancies on Bridge Road. Estate agents elected not to participate in a program aimed at activating some of the vacant storefronts.	100%
<b>5.08</b>	Develop Yarra Spatial Economic Employment Strategy	Council Plan initiative	We consulted our community on a draft strategy to identify the best areas for economic and employment growth. Feedback received will inform the final version of our comprehensive Spatial Economic and Employment Strategy for the city.	100%
<b>5.09</b>	Deliver Business Events program	Council Plan initiative	We supported Yarra's small-to-medium businesses and not-for-profit agencies with a full program of affordable education and networking opportunities. Highlights included workshops on marketing, recruitment and grant applications.	100%
<b>5.10</b>	Review Economic Development Strategy	Annual Plan activity	We commenced a comprehensive review of our Economic Development Strategy to guide our support for local investment and jobs growth.	100%
<b>5.11</b>	Develop Open	Council	Council has adopted an	90%

	Data Policy	Plan initiative	Open Data Policy and implementation has begun. The new policy will foster greater transparency, responsiveness and accountability, and drive innovation and economic opportunities.	
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## Strategic Indicators (measures of success)

Of eight strategic indicators six (75%) were achieved, one was not achieved and one did not have a target for 2017/18.

Achieved = Exceeded or within 10% of target

Not achieved = Did not meet target

<b>Strategy: 5.1 Maintain and strengthen the vibrancy and local identity of retail and commercial precincts</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Prepare master plans for retail shopping strips	<p>Consultation on the Bridge Road Master Plan has been completed, the draft Master Plan was presented to and adopted by Council in October.</p> <p>Internal consultation on the draft Brunswick Street Master Plan has occurred to inform the preparation of design concepts. Further design work is needed prior to wider consultation and has been delayed with other project priorities.</p>	70% Not achieved
<b>Strategy: 5.2 Strengthen and monitor land use change and economic growth including new and emerging economic clusters</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Complete the review of the Yarra Economic Development Strategy	A comprehensive overview of Yarra's economic profile has been compiled in an Economic Snapshot Report on Yarra. This will help inform the review and development of the new Economic Development Strategy.	No 2017/18 target
<b>Strategy: 5.3 Create local employment opportunities by providing targeted and relevant assistance to facilitate business growth, especially for small and medium size enterprises and entrepreneurs through the attraction and retention of businesses</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Complete the review of the Yarra Economic Development Strategy	As above	
<b>Strategy: 5.4 Develop Innovative Smart City solutions in collaboration with government, industry and community that use technology to embrace a connected, informed and sustainable future</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Adopt an Open Data Policy	Open Data Policy was adopted by Council in May 2018.	100% Achieved



<b>Strategy: 5.5 Facilitate and promote creative endeavour and opportunities for the community to participate in a broad range of arts and cultural activities</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Increase participation in arts and cultural activities in Yarra	18 Arts and Culture Community Grants were awarded to promote opportunities for increased community participation.	100% Achieved
Deliver the Arts and Culture annual grants program	11 Arts and cultural grants awarded	100% Achieved
<b>Strategy: 5.6 Attract and retain creative and knowledge industries in Yarra</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of grants provided by the Room to Create fund	A Room to Create awareness-raising and fundraising event at Backwoods Gallery broadened the reach of the program and generated donations for the fund and grant program.	5 grants Achieved
<b>Strategy: 5.7 Ensure libraries and neighbourhood houses support lifelong learning, wellbeing and social inclusion</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Active library members	Percentage of Yarra population who used Library services. Source: Local Government Performance Reporting Framework 2018. This continues to be a strong result.	20.72% Achieved
Standard of library collection	Percentage of the Library collection that is less than five years old. Source: Local Government Performance Reporting Framework 2018.	69.37% Achieved

## Service Performance Indicators

Service Indicator Measure	2015/16 Result	2016/17 Result	2017/18 Result	Commentary
<b>Libraries</b>				
<b>Utilisation</b> Library collection usage (Number of library collection item loans / Number of library collection items)	4.46	4.30	4.96	Temporary closure of Richmond Library for refurbishments and closure of North Fitzroy library for the opening of the new Bargoonga Nganjin North Fitzroy Library in April 2017 had an impact on the number of loans, which in turn affected the library collection usage compared to the previous year. It remains a positive trend over the three-year reporting period.
<b>Resource standard</b> Standard of library collection (Number of library collection items purchased in the last 5 years / Number of library collection items) x100	99.14%	67.67%	69.37%	The 2015 and 2016 result recorded the percentage of stock purchased in the last five years that remained in circulation and did not include shelf stock more than five years old, since 2017 calculation refers to the percentage of the total collection that was purchased in the last five years. The trend since this correction is steady and slightly above the all Council average for 2016/17.
<b>Service cost</b> Cost of library service (Direct cost of the library service / Number of visits)	\$9.53	\$8.70	\$6.73	Yarra Council operates five libraries. The decrease in the cost ratio in 2017/18 is due to a significant increase in the visitations attributed to our new library and community hub in North Fitzroy, which opened in April 2017. Since opening, monthly visitations to the new library have increased from an average of 6500

				to 22,500 per month resulting in a 38% increase in total library visitations.
<b>Participation</b> Active library members (Number of active library members / Municipal population) x100	17.39%	17.82%	20.72%	In April 2017 Council opened its new library and multipurpose community hub in North Fitzroy (Bargoogna Nganjin). Since opening, overall library visitations have increased compared to previous years. The 2017/18 result reflects the community's steady utilisation of library services and is higher than the 2016/17 average for similar councils.

## **Strategic Objective 6 – A connected Yarra**

*A place where connectivity and travel options are environmentally sustainable, integrated and well-designed.*

### **Strategies**

The following strategies guide Council's work in this area:

1. Manage traffic movement and promote road safety within local roads.
2. Work in partnership with VicRoads and influence traffic management and road safety on main roads.
3. Investigate and implement effective parking management options.
4. Improve accessibility to public transport for people with mobility needs and older people.
5. Develop and promote pedestrian and bicycle infrastructure that encourages alternate modes of transport, and improves safety and connectedness.
6. Advocate for increased infrastructure and performance of public transport across Melbourne.

### **Services**

The following services have primary responsibility for delivering Strategic Objective 6:

#### **Traffic and Civil Engineering**

Provides, maintains, improves and manages Yarra's infrastructure with a focus on creating an efficient, effective and safe traffic environment.

#### **Parking Services**

Responsible for a range of statutory enforcement services to maximise the safety, compliance and harmony of the city and for the management of limited parking resources.

#### **Road Services and Fleet Management**

Manages and maintains Council's road and footpath infrastructure, fleet, plan and equipment.

#### **Strategic Transport**

Focuses on advocacy and policy and delivers cycling infrastructure.

## Activities

Of the 12 Activities within this strategic objective, 12 (100%) are complete or on track.

	Activity	Derived from	Summary	Percentage of target met
<b>6.01</b>	Implement traffic management initiatives	Council Plan initiative	This year's highlights included local area place making projects focusing on low speed environments and community education, and commencing work on a 12-month trial of a 30km speed limit in sections of Collingwood and Fitzroy.	100%
<b>6.02</b>	Trial Station Street closure	Council Plan initiative	Following research and community consultation, Council resolved on 5 February 2018 not to proceed with the proposed temporary Station Street closure.	100%
<b>6.03</b>	Submit traffic safety initiative and innovation grant applications on local roads	Council Plan initiative	With support from the Australian Government's Black Spot program, we completed works at Shelley and Elizabeth streets, Richmond, and Hunter and Nicholson streets, Abbotsford. Our grant application to develop a proposal for Canning and Richardson streets, Carlton North, was also successful.	100%
<b>6.04</b>	Advocate for DDA compliant tram stops	Annual Plan activity	We negotiated with Public Transport Victoria and Yarra Trams for accessible tram stops on key routes, including Nicholson Street, which is set to include stops with ramps and raised platforms. Works are scheduled to begin in early 2018/19.	100%
<b>6.05</b>	Advocate for improved tram stops near key school sites	Council Plan initiative	We advocated to the Victorian Government for tram stop improvements near the new Richmond High School, highlighting the need for safe and	90%

			accessible transport options in this area.	
<b>6.06</b>	Advocate for improved Inner Regional public transport	Council Plan initiative	We advocated for a range of public transport improvements. Examples include our feedback to VicRoads on the Streamlining Hoddle Street and Chandler Highway projects, and our discussions with Transdev regarding the Bus Rapid Transit project for the Eastern Freeway.	100%
<b>6.07</b>	Advocate for electric bus trial	Council Plan initiative	We developed a strategy to advocate for electric bus trial and made representations to Public Transport Victoria and other key bodies.	100%
<b>6.08</b>	Develop Car Share Policy	Council Plan initiative	A draft Car Share Policy has been developed to guide how and where car share spaces will be made available in Yarra. Community consultation on the draft will take place in early 2018/19.	97%
<b>6.09</b>	Undertake Bridge Road parking trial	Council Plan initiative	Preparations were made to trial different parking prices and controls to encourage people to visit Bridge Road more often. Council resolved on 19 June 2018 to seek further feedback from local traders. The trial is now expected to begin the first half of 2018/19.	97%
<b>6.10</b>	Progress Wellington Street Bike Lane (Stage 2)	Council Plan initiative	This year we developed plans to extend the Wellington Street separated bicycle lanes to help cyclists feel safer and more confident. A planning application has been lodged and works are expected to begin in 2018/19.	94%
<b>6.11</b>	Manage Dockless bikes		While Council is a strong supporter of sustainable transport, we expect bike share providers to carefully	100%

			consider the amenity needs of the community, and we work with providers and other councils to encourage responsible operation. The only dockless provider in Yarra ceased operations in June 2018, shortly after signing a Memorandum of Understanding with Council.	
<b>6.12</b>	Develop advocacy strategy for Walmer Street Bridge upgrade		We continued to advocate for a new bridge for Walmer Street to ensure that it is suitable for the hundreds of cyclists and pedestrians that use it daily. Replacement of the bridge has been included in our Strategic Advocacy Framework.	100%

## Strategic Indicators (measures of success)

Of 10 strategic indicators eight (80%) were achieved and two did not have a target for 2017/18.

Achieved = Exceeded or within 10% of target

Not achieved = Did not meet target

<b>Strategy: 6.1 Manage traffic movement and promote road safety within local roads</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of successful grant applications relating to road safety	Three grants were received and implemented including a Traffic Accident Commission grant for road safety treatment for the Richardson and Canning streets intersection.	3 grants Achieved
Community satisfaction with sealed local roads	Yarra residents' rating (0–10) of satisfaction with sealed local roads as measured by the Annual Customer Satisfaction Survey, 2018.  The result of 7.22 is categorised as 'good' according to the survey's satisfaction rating.	7.22 Achieved
<b>Strategy: 6.2 Work in partnership with VicRoads and influence traffic management and road safety on main roads</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Reduction in the number of road fatalities and serious accidents	There were 10 road fatalities and accidents requiring extended hospitalisation (>14 days) in 2017/18 compared to 23 in 2016/17 (57% reduction). This indicator is measured using road trauma statistics sourced from the Transport Accident Commission.	57% Achieved
<b>Strategy: 6.3 Investigate and implement effective parking management options</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Endorsement of new parking permit policy	This action is not scheduled to commence this year.	No 2017/18 target
<b>Strategy: 6.4 Improve accessibility to public transport for people with mobility needs and older people</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Monitor progress on improving public transport accessibility and report on any advocacy initiatives	Officers continued to facilitate PTV's Route 96 Disability Discrimination Act (DDA) tram stop project, which will provide DDA tram stops along the entire route. Council provided in principle support for detailed designs for new platform stops to be constructed between Victoria Parade and	100% Achieved



	<p>Johnston Street. The Streamlining Hoddle Street project will also include a DDA tram stop on Swam Street at Richmond Station.</p> <p>Council also advocated for a balanced response to the introduction of bus lanes along Hoddle Street, resulting in the adoption of peak period clearways, rather than 24/7 clearways.</p>	
Community satisfaction with Council's advocacy efforts	<p>Yarra residents' rating (0-10) of satisfaction with Council's advocacy efforts as measured by the Annual Customer Satisfaction Survey, 2018.</p> <p>The result of 6.75 is categorised as 'good' according to the survey's satisfaction rating.</p>	6.75 Achieved
<b>Strategy: 6.5 Develop and promote pedestrian and bicycle infrastructure that encourages alternate modes of transport, and improves safety and connectedness</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Community satisfaction ratings of levels of local road safety	<p>Yarra residents' rating (0–10) of satisfaction with local road safety as measured by the Annual Customer Satisfaction Survey, 2018.</p> <p>The result of 7.59 is categorised as 'very good' according to the survey's satisfaction rating.</p>	7.59 Achieved
Percentage of bicycle works completed	<p>Council spent \$748K (compared to a budget of \$699K) to complete the following capital works bicycle projects:</p> <ul style="list-style-type: none"> <li>• Bicycle lane marking (Budget \$30K/Actual \$31K).</li> <li>• On-road green bicycle lane marking projects.</li> <li>• Bicycles (Budget \$60K/Actual \$61K).</li> <li>• Installation of buffered bike lanes and green surface treatments at Scotchmer/St Georges Road intersection, Church Street south of Swan Street and Scotchmer and Nicholson Street intersection.</li> <li>• Bicycle parking (Budget \$28K/Actual \$27K).</li> <li>• Installation of approximately 100 bike hoops at various locations across the municipality and a bike corral on Smith Street.</li> <li>• Merri Creek Trail - Coulson Reserve Path (Budget \$250K/Actual \$287K).</li> <li>• A new 110 metre ramp along Merri</li> </ul>	107% Achieved

	<p>Creek escarpment at Clifton Hill is complete and open to walkers and bike riders.</p> <ul style="list-style-type: none"> <li>• Clarke Street Reserve pathway (Budget \$65K/Actual \$74K).</li> <li>• A refurbished 45 metre ramp along Yarra River at Abbotsford is complete and open to walkers and bike riders.</li> <li>• Merri Creek Parklands - Bundara Street Reserve (Budget \$266K/Actual \$268K).</li> <li>• A refurbished 350 metre section of Merri Creek Trail at North Fitzroy is complete and open to walkers and bike riders.</li> <li>• Work continued on seeking required approvals on Rushall Reserve bike path however progress has been delayed (this is not included in the figures above).</li> </ul>	
Complete Wellington Street Bike Lane construction	The Wellington Street separated bicycle lane (Gipps Street to Johnson Street) was tendered, and subsequently a planning permit application was submitted.	No 2017/18 target
<b>Strategy: 6.6 Advocate for increased infrastructure and performance of public transport across Melbourne</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Report on advocacy initiatives related to unsatisfactory public transport services	<p>The CEO of Yarra took a report prepared by Council's Disability Action Committee on accessibility of trains in Yarra to the Minister for Planning.</p> <p>Council officers have been representing community concerns and possible impacts of the North East Link.</p> <p>Increased infrastructure and performance of public transport were advocated for as part of VicRoads' Streamlining Hoddle Street and Chandler Highway major projects.</p>	100% Achieved

## Service Performance Indicators

Service Indicator Measure	2015/16 Result	2016/17 Result	2017/18 Result	Commentary
<b>Roads</b>				
<b>Satisfaction of use</b> Sealed local road requests (Number of sealed local road requests / Kilometres of sealed local roads) x100	96.75	107.49	112.01	Council introduced a new customer request system across the organisation mid-2017, which improved the capture and categorising of customer requests and allows customers to log their own request online. Request numbers have increased slightly across a range of categories since its implementation.
<b>Condition</b> Sealed local roads maintained to condition standards (Number of kilometres of sealed local roads below the renewal intervention level set by Council/ Kilometres of sealed local roads) x100	98.39%	98.75%	99.06%	This continues to be a solid result within acceptable tolerances. Council continues to achieve strong community satisfaction results for its local roads.
<b>Service cost</b> Cost of sealed local road reconstruction (Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed)	\$265.71	\$247.35	\$294.94	The vast majority of sealed road reconstructions in Yarra involve reconstruction of bluestone laneways. Council's Road Materials Policy stipulates that all laneways in heritage overlay areas are to be constructed in bluestones, which significantly increases costs. Council continues to achieve strong community satisfaction results for its local roads.
<b>Service cost</b> Cost of sealed local	\$36.22	\$30.87	\$33.16	Cost reductions were achieved in 2016/17 through economies of

road resealing (Direct cost of sealed local road resealing / Square metres of sealed local roads resealed)				scale on a number of large resealing projects. Council continues to achieve strong community satisfaction results for its local roads.
<b>Satisfaction</b> Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	73.30	72.30	72.20	Result from the Annual Customer Satisfaction Survey. This continues to be a solid result within acceptable tolerances. Council continues to achieve strong community satisfaction results for its local roads.

## **Strategic Objective 7 – A leading Yarra**

*A place where transparency, performance and community participation drive the way we operate.*

### **Strategies**

The following strategies guide Council's work in this area:

1. Ensure Council's assets and financial resources are managed responsibly to deliver financial sustainability.
2. Continue to develop a culture of continuous improvement and innovation.
3. Maintain a culture of transparency, governance, ethical practice and management of risks that instils a high level of community respect and confidence in Council decision-making.
4. Ensure Council services are efficient, well-planned, accessible and meet community needs.
5. Provide the community with meaningful and genuine opportunities to contribute to and participate in Council planning and decision making processes with a focus on young people, hard to reach and traditionally underrepresented communities.
6. Enable greater transparency and access to the conduct of Council Meetings.
7. Develop innovative smart city solutions in collaboration with government, industry and community which will use open data technology.
8. Continue a 'customer centric' approach to all service planning and delivery.
9. Advocate for the best interests of our community.

## **Services**

The following services have primary responsibility for delivering Strategic Objective 7:

### **Advocacy and Engagement**

Provides communications, issues and media management, consultation and engagement, strategic advocacy, publications, civic events, and digital communications, including website and social media.

### **Building and Asset Management**

Provides policy, strategy, processes, procedures and systems that produce an integrated and multidisciplinary approach to asset management. Council's building and land assets are managed in order to maximise their ability to support delivery of services to the community.

### **CEO's Office**

Responsible for a range of professional services to internal and external clients, with an emphasis on governance related issues including compliance, regulation, transparency and probity. It is also responsible for managing Council's property portfolio including leases, licenses and management agreements.

### **Corporate Planning and Performance**

Ensures services and products are strategically aligned, deliver value for money, and are accountable to staff, Councillors and the community.

### **Finance**

Delivers the financial accounting, management accounting, revenue management, valuations and payroll services to the organisation. Also develops financial strategies that will insure the City of Yarra is a viable organisation able to continue provision of quality services into the future.

### **Information and Communication Technology**

Facilitate the acquisition, maintenance, retirement and usage of all information systems maintained or used by the operations and staff of the city of Yarra.

### **Internal Audit and Assurance**

Ensures the organisation has policies and procedures in place to manage its risks and engender confidence in our corporate governance. Responsible for oversight of the organisation's internal audit program and provide the secretariat function for Council's audit committee.

### **People and Culture**

Promotes accountability and enhances competency, effectiveness and wellbeing as a shared responsibility of the organisation and its people. Strives to generate a positive and productive work and learning environment.

## Activities

Of the nine Activities within this strategic objective, nine (100%) are complete or on track.

	Activity	Derived from	Summary	Percentage of target met
<b>7.01</b>	Implement Community Engagement Policy	Council Plan initiative	We developed a draft Communications and Engagement Strategy to encourage community involvement in Council decision-making and prepare for new requirements foreshadowed in the State Government's review of the Local Government Act 1989. Formal adoption of the strategy is expected in 2018/19.	92%
<b>7.02</b>	Engage young people	Council Plan initiative	Including young people in our decision-making was a key goal for 2017/18. Highlights included our conversations with children and young people during the development of our 0–25 Plan, and consultation sessions with our Youth Advisory Committee and Youth Ambassadors.	100%
<b>7.03</b>	Review Strategic Advocacy Framework	Council Plan initiative	This year we completed a review of our Strategic Advocacy Framework, which guides our advocacy on behalf of the Yarra community, particularly to other governments and decision-making bodies.	100%
<b>7.04</b>	Implement Continuous Quality Improvement	Council Plan initiative	We continued to implement our Continuous Quality Improvement framework, this year focusing on business process improvement, skills development and establishing a 'community of practice'.	100%
<b>7.05</b>	Implement Service Review Program	Council Plan initiative	A Business Improvement Framework was developed to inform future service reviews. The review of parking infringement processes	100%

			began, while the review of recreation and open space functions was rescheduled to allow for changes to the organisational structure to be implemented.	
<b>7.06</b>	Develop Services Policy	Council Plan initiative	The Services Policy will guide the types of services and levels of service that we provide to the Yarra community. A process and budget bid to develop a Services Policy commenced this year. In adopting the 2018/19 Budget, Council resolved not to fund the deliberative engagement component on this topic.	100%
<b>7.07</b>	Develop Information Services Strategy	Council Plan initiative	We developed an Information Services Strategy to address our information and communication technology needs and ensure high-quality service delivery for the community.	100%
<b>7.08</b>	Focus on customer responsiveness	Council Plan initiative	Council is committed to delivering seamless customer service and resolving enquiries at the first point of contact. A focus this year was the introduction of a streamlined option for customer feedback and complaints on Council's website.	91%
<b>7.09</b>	Transmission of Council Meetings	Council Plan initiative	A 12-month trial of publishing audio recordings of Council meetings on Council's website commenced in September.	100%



## Strategic Indicators (measures of success)

Of 15 strategic indicators 13 (87%) were achieved, one was not achieved and one did not have a target for 2017/18.

Achieved = Exceeded or within 10% of target

Not achieved = Did not meet target

<b>Strategy: 7.1 Ensure Council's assets and financial resources are managed responsibly to deliver financial sustainability</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Council remains financially sustainable and receives a 'low risk' rating from the VAGO assessment conducted annually	There are seven VAGO financial sustainability risk indicators. Council received a low risk rating for six out of seven indicators and a medium risk rating for one out of 7 indicators for 2017/18.	
Net result	Net result/Total Revenue  A positive result indicates a surplus, and the larger the percentage, the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long term. The net result and total revenue are obtained from the comprehensive operating statement.	11%  Low = More than 0%  Achieved
Adjusted underlying result	Adjusted underlying surplus (or deficit)/Adjusted underlying revenue  Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business. A surplus or increasing surplus suggests an improvement in the operating position.	8.38%  Low = More than 5%  Achieved
Liquidity	Current assets/Current liabilities (ratio)  This measures the ability to pay existing liabilities in the next 12 months.  A ratio of one or more means there are more cash and liquid assets than short-term liabilities.	1.97  Low = More than 1.0  Achieved
Internal financing	Net operating cash flow/Net capital expenditure  This measures the ability of Council to finance capital works from generated cash flow.  The higher the percentage, the greater the ability for Council to finance capital works from their own funds.  Net operating cash flow and net capital expenditure are obtained from the cash flow	194%  Low = More than 100%  Achieved

	statement.	
Indebtedness	<p>Non-current liabilities/own-sourced revenue</p> <p>Comparison of non-current liabilities (mainly comprising borrowings) to own-sourced revenue. The higher the percentage, the less Council is able to cover non-current liabilities from the revenues Council generates itself.</p> <p>Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.</p>	<p>25%</p> <p>Low = 40% or less</p> <p>Achieved</p>
Capital Replacement	<p>Cash outflows for property, plant and equipment/Depreciation (ratio)</p> <p>Comparison of the rate of spending on infrastructure with depreciation. Ratios higher than 1:1 indicate that spending is faster than the depreciation rate. This is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option. Cash outflows for infrastructure are taken from the cash flow statement. Depreciation is taken from the comprehensive operating statement.</p>	<p>1.14</p> <p>Medium = 1.0-1.5</p> <p>Not achieved</p>
Renewal Gap	<p>Renewal and upgrade expenditure/depreciation (ratio)</p> <p>Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 1.0 indicate that spending on existing assets is faster than the depreciation rate.</p> <p>Similar to the investment gap, this is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option. Renewal and upgrade expenditure are taken from the statement of capital works. Depreciation is taken from the comprehensive operating statement.</p>	<p>1.1</p> <p>Low = More than 1</p> <p>Achieved</p>
<b>Strategy: 7.2 Continue to develop a culture of continuous improvement and innovation</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Number of staff trained in continuous improvement methodology	Continuous improvement methodology training developed and delivered internally for facilitators.	15 staff Achieved

<b>Strategy: 7.3 Maintain a culture of transparency, governance, ethical practice and management of risks that instils a high level of community respect and confidence in Council decision-making</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Community satisfaction with Council decisions	Yarra residents' rating (0–10) of satisfaction with Council's decisions as measured by the Annual Customer Satisfaction Survey, 2018.  The result of 6.68 is categorised as 'good' according to the survey's satisfaction rating.	6.68  Achieved
<b>Strategy: 7.4 Ensure Council services are efficient, well-planned, accessible and meet community needs</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Overall community satisfaction with Council performance	Yarra residents' rating (0–10) of overall satisfaction with Council's performance as measured by the Annual Customer Satisfaction Survey, 2018.  The result of 6.99 is categorised as 'good' according to the survey's satisfaction rating.	6.99  Achieved
Adoption of a Services Policy	A process and budget bid to develop a Services Policy commenced this year. In adopting the 2018/19 Budget, Council resolved not to fund the deliberative engagement component on this topic.	No 2017/18 target
<b>Strategy: 7.5 Provide the community with meaningful and genuine opportunities to contribute to and participate in Council planning and decision making processes with a focus on young people, hard to reach and traditionally underrepresented communities</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Community satisfaction with community consultation and engagement	Yarra residents' rating (0–10) of satisfaction with community consultation and engagement as measured by the Annual Customer Satisfaction Survey, 2018.  The result of 6.86 is categorised as 'good' according to the survey's satisfaction rating.	6.86  Achieved
<b>Strategy: 7.6 Enable greater transparency and access to the conduct of Council Meetings</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Implementation of Council Meeting broadcast system	Council Meeting podcast systems successfully launched and operational.	100%  Achieved

<b>Strategy: 7.7 Develop innovative smart city solutions in collaboration with government, industry and community which will use open data technology</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Digital Directions Strategy endorsed by Council	City of Yarra have completed a digital maturity assessment with work on the development of a Customer Experience/ Digital Strategy underway.	25% Achieved
<b>Strategy: 7.8 Continue a 'customer centric' approach to all service planning and delivery</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Community satisfaction with responsiveness to community needs	Yarra residents' rating (0-10) of satisfaction with Council's responsiveness to community needs as measured by the Annual Customer Satisfaction Survey, 2018.  The result of 6.89 is categorised as 'good' according to the survey's satisfaction rating.	6.89 Achieved
<b>Strategy: 7.9 Advocate for the best interests of our community</b>		
<i>Strategic indicator</i>	<i>Comment</i>	<i>Result</i>
Community satisfaction with community consultation and engagement	As above Strategy 7.5 Yarra residents' rating (0-10) of satisfaction with community consultation and engagement as measured by the Annual Customer Satisfaction Survey, 2018.  The result of 6.86 is categorised as 'good' according to the survey's satisfaction rating.	6.86 Achieved

## Service Performance Indicators

Service Indicator Measure	2015/16 Result	2016/17 Result	2017/18 Result	Commentary
<b>Governance</b>				
<p><b>Transparency</b></p> <p>Council decisions made at meetings closed to the public</p> <p>(Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors ) x100</p>	12.67%	11.29%	11.90%	Council has actively sought to increase the transparency of decision-making by reducing the number of resolutions made at closed meetings.
<p><b>Consultation and engagement</b></p> <p>Satisfaction with community consultation and engagement</p> <p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>	69.90	68.50	68.60	This continues to be a solid result within acceptable tolerances. The strong result reflects Yarra's continued commitment to consult and engage frequently and consistently on statutory and non-statutory matters that affect the community. Result from the Annual Customer Satisfaction Survey.
<p><b>Attendance</b></p> <p>Councillor attendance at council meetings</p> <p>(The sum of the number of Councillors who attended each ordinary and special Council Meeting / (Number of ordinary and special Council Meetings) x (Number of councillors elected</p>	92.06%	93.00%	92.06%	This continues to be a solid result within acceptable tolerances.

at the last Council general election)) x100				
<b>Service cost</b> Cost of governance (Direct cost of the governance service / Number of councillors elected at the last Council general election)	\$51,908.85	\$41,026.22	\$42,312.33	There was a decrease in Councillor operational expenditure in 2016/17 compared to previous years, attributed in part to reduced expenditure and a change in Council's telecommunications contract in 2016/17 resulting in reduction in costs.
<b>Satisfaction</b> Satisfaction with council decisions (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	68.60	67.00	66.88	This continues to be a solid result within acceptable tolerances and is underpinned by Council's ongoing commitment to consultation and engagement. Result from the Annual Customer Satisfaction Survey.

# Governance, management and statutory information

## Councillor allowances

In accordance with the *Local Government Act 1989*, Yarra pays its councillors allowances in recognition of the long hours and many obligations associated with the office.

These payments help to ensure that the role of councillor is not restricted to people already in receipt of significant independent incomes.

Yarra's Mayor receives \$75,051.00 plus 9.5% (being the equivalent of the Superannuation Guarantee Levy) for a total of \$85,465.85 per annum. Other Councillors receive \$25,225.00 plus 9.5% (being the equivalent of the Superannuation Guarantee Levy) for a total of \$27,621.38 per annum.

## Councillor expenses

The *Local Government Act 1989* provides that the Mayor and councillors are offered appropriate tools and support to enable them to properly undertake their statutory obligations.

There are substantial time commitments required of councillors in order for them to properly represent their constituents and perform their significant legal responsibilities, which often require travel and late hours. To assist councillors to carry out their duties, municipalities across Victoria provide them with efficient communication equipment and reimburse their official travel and telephone expenses and (where applicable) childcare expenses.

Councillor expenses in 2017/18 amounted to \$348,672.17 (this figure includes Councillor allowances).

Councillor expenses 2017/18 (incorporates Councillor allowances)

	Travel	Car mileage	Childcare	ICT	Conference and training	Unclassified (includes allowance)	TOTAL
Bosler	539.06	-	-	692.12	-	27,395.51	28,626.69
Chen Yi Mei	1,172.34	-	-	896.66	112.18	27,395.51	29,576.69
Coleman	1,132.78	997.33	900.00	1,399.97	5,037.00	28,074.79	37,541.87
Fristacky	81.53	-	-	916.76	2,331.86	27,395.51	30,725.66
Jolly	421.55	-	-	8,386.67	-	27,395.51	36,203.73
McEvoy	211.29	-	-	692.57	472.73	27,395.51	28,772.10
Nguyen	1,088.20	-	-	1,267.99	230.32	61,836.35	64,422.86
Searle	181.82	-	-	1,019.39	3,051.15	27,395.51	31,647.87
Stone	129.34	-	-	862.46	9,835.99	50,326.91	61,154.70



## **Governance and management checklist**

The following are the results of Yarra's assessment against the prescribed governance and management checklist.

**GOVERNANCE AND MANAGEMENT CHECKLIST**

LG131(3)

The following are the results in the prescribed form of council's assessment against the prescribed governance and management checklist.

R12	Governance and Management Items	Assessment
	1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy 24/06/2014
	2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines 30/05/2018
	3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act 26/06/2018
	4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act 26/06/2018
	5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Asset Management Strategy 03/04/2012; Roads Asset Management Plan 13/09/2013; Buildings Asset Management Plan 08/10/2013; Arts Collection Asset Management Plan 19/08/2008
	6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Council has incorporated its rating and revenue strategic elements in its Long Term financial Strategy which is then reflected in its annual budget document. 26/06/2018
	7 Risk policy ( policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy 27/11/2012
	8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy 18/11/2015
	9 Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 8/12/2014
	10 Procurement policy (policy under section 186A of the Local Government Act 1989 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 Local Government Act 19/09/2017

**GOVERNANCE AND MANAGEMENT CHECKLIST**

LG131(3)

The following are the results in the prescribed form of council's assessment against the prescribed governance and management checklist.

R12	Governance and Management Items	Assessment
11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Plan 28/05/2015
12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan 28/02/2014
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework 27/11/2012
14	Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act 9/03/2004
15	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged 15/01/2015
16	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework 1/08/2017
17	Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	No report Council develops Annual Plans which include the initiatives contained in the Council Plan. Progress of these initiatives against targets is reported on a quarterly basis
18	Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act 2017/18 Quarter 1 report 31/10/2017 2017/18 Quarter 2 report 20/03/2018 2017/18 Quarter 3 report 08/05/2018 2017/18 Quarter 4 report 04/09/2018
19	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports 20/03/2018 08/05/2018

**GOVERNANCE AND MANAGEMENT CHECKLIST**

LG131(3)

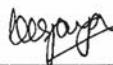
The following are the results in the prescribed form of council's assessment against the prescribed governance and management checklist.

R12	Governance and Management Items	Assessment
20	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Council develops Annual Plans which include the initiatives contained in the Council Plan. Progress of these initiatives against targets is reported quarterly, this reporting does not include the all Council Plan Strategic Indicators. Financial performance is reported separately on a quarterly basis, refer to indicator GC18. 2017/18 Quarter 1 report 19/12/2017 2017/18 Quarter 2 report 20/03/2018 2017/18 Quarter 3 report 08/05/2018 2017/18 Quarter 4 report 07/08/2018
21	Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act 17/10/2017
22	Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act 21/02/2017
23	Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act 5/09/2017
24	Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act 20/12/2011

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



**Cr Daniel Nguyen**  
Mayor  
Dated: 20 September 2018



**Vijaya Vaidyanath**  
Chief Executive Officer  
Dated: 20 September 2018

## Statutory information

### Carer support

Under section 11 of the Carers Recognition Act 2012, Council is required to provide information on its recognition and support of carers in its Annual Report.

Yarra provides paid carers leave and offers flexible working arrangements for employees with caring responsibilities, guided by our Flexible Working Policy.

We also support community members with carer responsibilities through our Aged and Disability Services.

During 2017/18 this included:

- Supporting carers and people with disability who are eligible to transition to the National Disability Insurance Scheme (NDIS) by providing a direct point of contact, follow-up, and referral pathways to the eligibility process and support for their planning process.
- Undertaking community transport and assisted shopping programs to support carers manage daily living needs

### Disability Action Plan

Under section 38(3) of the Disability Discrimination Act 2006, Council is required to provide an update on implementation of its Disability Action Plan in its Annual Report.

- The 2016–17 Action Plan of the current Access and Inclusion Strategy was completed in December. Of the 19 actions in the plan, 13 actions (68%) achieved 100% completion rate. One other action reached 70% completion rate. The overall level of implementation of the plan reached 76% completion rate.
- The development of the new Access and Inclusion Strategy 2018–24 and Action Plan 2018–20 has been completed in draft form in preparation for public exhibition.

Formulation of the Access and Inclusion Strategy and Action Plan was informed by considerable community engagement and guidance from Council's Disability Advisory Committee. Community consultation involved focus groups representing different types of disabilities in diverse communities, pop up consultations in key activity precincts and a survey with more than 250 responses. Stories, issues and aspirations derived from consultations were explored in an internal foresight planning session. The draft strategy and two-year action plan builds on previous achievements, and demonstrates a strong commitment to furthering an inclusive approach to planning, projects and practices.

- Council's Disability Advisory Committee's Public Transport Sub-committee developed the Community Appraisal of Disability Access at Railway Stations in the City of Yarra and provided research data in the Appendix 3 Appraisal Data.

The significance of this report rests on the fact that all data and evidence is based on direct experiences of people with physical and sensory disabilities who conducted the community access appraisal at each railway station. Their particular access requirement levels were used as an experiential approach to data collection. Council endorsed the report in April and now advocates to

the Victorian Government and Public Transport Victoria for implementation of recommended upgrades.

- Council considered advice from the Disability Advisory Committee on issues of access and inclusion in a number of strategic plans and projects including Open Spaces Strategy, Yarra Planning Scheme, Parking Restriction Policy, Public Toilets Strategy, Yarra Libraries Strategic Plan, Bridge Road Streetscape Master Plan and Public Toilets Strategy.

### **Domestic Animal Management Plan**

Under section 68(A) 3(c) of the Domestic Animals Act 1994. Council is required to provide an update on implementation of its Domestic Animal Management Plan in its Annual Report.

We continued to fulfil our yearly and ongoing commitments as outlined in the Domestic Animal Management Plan.

- As per the Domestic Animals Act 1994, we continue to offer and promote discounted registration fees on its website and on the registration renewal form. In addition administration staff also advise of the discount over the telephone, in particular during renewal time. We also offer three months' free registration for all new registrations from February each year, which are given via a 15-month expiry date.
- We raise awareness of animal over-population during authorised officer patrols and when hiring out cat cages by providing information to help reduce stray animals and reduce cats being a nuisance. We also occasionally provide a subsidised de-sexing program in conjunction with the Lost Dog's Home.
- In relation to collecting and reuniting stray domestic animals with their owners and achieving a relatively high reclaim rate, we ensure all seized and impounded animals are registered to their owner prior to release. Monthly data analysis is recorded in the government reporting system and targets have been met quarterly.
- We conduct regular reviews of the pound operation and performance and conduct meetings with pound operators to address issues that arise.
- We have reviewed the Domestic Animal Management Plan, which is scheduled to be submitted to the Department of Economic Development, Jobs, Transport and Resources in November. We will also internally review the Council Order and its standard operating procedures at this time.
- We have completed the annual audit of registered domestic animal businesses as per the yearly schedule.
- We investigated and responded to all animal complaints, including those related to barking dogs and dog attacks, within the internal key performance indicator timeframe and have provided results for government reporting.
- We have completed the annual inspections of declared dangerous, menacing and restricted breed dogs within the municipality as scheduled. We also completed an audit of the Victorian Declared Dog Registry in April.
- We conducted in-house training of officers to ensure the necessary skill sets are maintained, and officers have attended industry-based training throughout the year to ensure that they can properly administer and enforce the

requirements of the Domestic Animals Act 1994. In addition, further prosecution training was conducted with senior officers.

- We promoted and encouraged the responsible ownership of dogs and cats throughout the year with a direct focus during the registration renewal period. The promotion included media releases, regular park patrols and attendance at events such as the Gleadell Street Market to encourage the registration and identification of dogs and cats.
- Authorised officers continue to conduct daily park patrols to educate owners on their responsibilities and associated regulations to make sure people comply with the Act and to minimise the risk of dogs attacking dogs people or animals. Parks will be prioritised for attendance based on any identified issues or risks, however all parks with Yarra will be patrolled at some stage throughout the year.

### **Freedom of Information**

Council is committed to making a wide range of policy, reports, data, research and other documents available to residents without the need to lodge a formal request under the Freedom of Information Act 1982.

Where legal restrictions on Council mean that applications are required, Council strives to provide all information to which applicants are entitled, while preserving the privacy of third parties. During 2017/18, Council received 84 Freedom of Information applications, a small increase on the previous year. While the *Freedom of Information Act 1982* provides Council with 45 days to respond, we were able to respond to most requests within 14 to 21 days.

#### Freedom of information requests 2013–18

Year	Number of requests
2017/18	84
2016/17	83
2015/16	73
2014/15	82
2013/14	75

Freedom of information – application outcomes 2017/18

Outcome	Number of requests
Access fully granted	29
Access partially granted	40
Access refused	8
No documents to provide	5
Withdrawn or not proceeded with	2
<b>TOTAL</b>	<b>84</b>



### **Ministerial Directions – Food Act 1984**

Under section 7E of the Food Act 1984, Council is required to detail any Ministerial Directions it has received in relation to its administration of this Act.

Council did not receive any Ministerial Directions during the reporting period.

### **Ministerial Directions – Road Management Act 2004**

Under section 22(4) of the Road Management Act 1984, Council is required to detail any Ministerial Directions it has received in relation to its administration of this Act.

Council did not receive any Ministerial Directions during the reporting period.

### **Non-competitive contracts**

<b>Emergency contracts</b>	Nil
<b>Contract arrangements approved by the Minister</b>	Contract with Southern Cross Care (Vic) for the provision of Home and Community Care and Commonwealth Home Support services from 24 November 2018 to 30 September 2020.  Contract with Pacific Hydro Pty Ltd for the supply of electricity and associated services from 1 July 2018 to 31 December 2018.
<b>Non-competitive contracts</b>	Nil

### **Public register**

Council is committed to operating in an open and transparent manner. To this end, it makes a range of information available for public inspection.

Council's Register of Public Documents includes the following information:

- details of overseas or interstate travel.
- agendas and minutes of Council Meetings.
- minutes of Special Committee Meetings.
- register of delegations.
- details of property leases.
- register of authorised officers.
- list of donations and grants.

Inquiries regarding the Register of Public Documents should be made to Council's Governance Support Unit, located at the Richmond Town Hall.

## Protected disclosures

Council employees have the right to report alleged unethical practices within their organisation without fear of repercussion.

Reports of this kind are treated in accordance with Council's Protected Disclosures Policy, which is available from Council's website or the Governance Support Unit at Richmond Town Hall.

The following data is reported in respect of 2017/18:

The number and types of disclosures notified to the Independent Broad-based Anti-corruption Commission (IBAC) under section 21(2) or 22	0
The number and types of protected disclosure complaints referred to the investigating entity by the IBAC	0
The number and types of protected disclosure complaints investigated by the investigating entity	0
The number and types of protected disclosure complaints dismissed by the investigating entity	0
The number of applications for an injunction made by the investigating entity under section 50 during the financial year	0

For further details, please contact Council's Protected Disclosure Coordinator, Ivan Gilbert, on 9205 5110 or at [Ivan.Gilbert@yarracity.vic.gov.au](mailto:Ivan.Gilbert@yarracity.vic.gov.au)

## Special Committees

The following Special Committees were in operation during 2017/18

### Internal Development Approvals Committee

All Councillors are members of the Internal Development Approvals Committee, with three Councillors making up each meeting on a rotational basis. This Special Committee has the authority to make decisions on applications for planning permits that are referred to it by Council officers.

### Inner Melbourne Action Plan Implementation Committee

The Inner Melbourne Action Plan (IMAP) is a collaborative partnership between the Cities of Yarra, Melbourne, Port Phillip, Stonnington and Maribyrnong, with these Councils working together to strengthen the liveability, attraction and prosperity of the region. This Special Committee is formed in partnership with each of these councils and has delegated authority to progress the implementation of the action plan.

# Financial statements

This section contains comprehensive information about Council's financial position, including Certification of the Financial Report and Standard Statements, and the Independent Auditor's Report.

For a more general summary of Council's finances refer to the Chief Financial Officer's report section.

## Understanding the financial statements

Council's financial statements are presented in accordance with the Australian Equivalents to International Financial Reporting Standards.

Therefore particular terms required by the standards may not be familiar to some readers. Furthermore, as Council is a 'not for profit' organisation, some of the generally recognised terms used in private sector company reports are not appropriate to Council's reports. Council is committed to accountability, and it is in this context that this guide has been developed to assist readers to understand and analyse the Financial Report.

Council's Financial Report consists of two main sections: the statements and the notes. There are five Statements and eight notes, and each note has one or more subnotes. The format has changed slightly this year, with a new template for the statements and the notes being issued by Local Government Victoria (called the model accounts). These are prepared by Council staff, examined by Council's Audit Committee and by Council itself, and then audited by the Victorian Auditor-General.

The five Statements included in the first few pages of the report are the:

- Comprehensive Income Statement.
- Balance Sheet.
- Statement of Changes in Equity.
- Statement of Cash Flows.
- Statement of Capital Works.

Notes to these statements explain Council's accounting policies and how values contained in these statements were calculated.

## Comprehensive Income Statement

The Comprehensive Income Statement shows:

- Income – funding for the delivery of our services.
- Expenses – the cost of delivering our services during the year.

These expenses relate only to the 'operations' and do not include the cost associated with the purchase or building of assets. While asset purchase costs are not included in the expenses, there is an item for 'depreciation'. This value is an accounting entry to record the value of the assets consumed during the year. The key figure is the net result for the reporting period, which is equivalent to the profit or (loss) of Council for the year. A positive result means that revenues were greater than expenses. It is important to note however that this is not Council's cash result for the year. Please refer to the Cash Flow Statement for Council's cash movements.

## **Balance Sheet**

This one-page summary is a snapshot of Council's financial situation as at 30 June 2018. It shows what Council owns as assets and owes as liabilities.

The bottom line of this statement is net assets. This is the net worth of Council, which has been built up over many years. The assets and liabilities are separated into 'current' and 'non-current' categories. 'Current' means those assets or liabilities that will fall due in the next 12 months. 'Non-current' means those assets or liabilities that will fall due in greater than 12 months' time. The components of the Balance Sheet are described below.

### **Current and Non-current Assets**

- 'Cash and cash equivalents' include cash and investments i.e. cash held in the bank and in petty cash, and the market value of Council's investments with a maturity date of less than three months.
- 'Other financial assets' include the market value of Council's investments with a maturity date of greater than three months.
- 'Trade and other receivables' are monies owed to Council by ratepayers and other debtors.
- 'Inventories' represent Council's stock of inventory and fuels.
- 'Investments in associates and joint ventures' includes Council's investment in local government business enterprises.
- 'Property, infrastructure, plant and equipment' is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years.

### **Current and Non-current Liabilities**

- 'Trade and other payables' are monies owed to creditors by Council as at 30 June.
- 'Trust funds and deposits' represent monies held in trust by Council.
- 'Interest-bearing loans and borrowings' represent the loan borrowings held by Council.
- 'Provisions' are accrued annual leave and long service leave entitlements.

### **Net Assets**

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June. The net assets of Council are also synonymous with the total equity of Council.

### **Equity**

This is the term used to describe the components of net assets. These components are:

- 'Accumulated surplus', which is the value of all of Council's comprehensive results, and movements in reserves, accumulated over time.
- 'Reserves', which are made up of the Asset Revaluation Reserve (the difference between the previously recorded value of assets and their current

valuations), and Other Reserves (allocations of the accumulated surplus for either general or specific purposes).

### **Statement of Changes in Equity**

During the course of the year, the value of total equity (as set out in the Balance Sheet) changes. This statement shows the values of such changes and how these changes arose. The main reasons for a change in equity stem from:

- Profit or loss from operations, described in the statement as 'surplus' (deficit) for the year'.
- Revaluation of assets – this takes place every two years or whenever there is a material change in values (in accordance with Council policy).
- Transfer of monies to or from Council's general or specific reserves.

### **Statement of Cash Flows**

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. The values may differ from those shown in the Income Statement because the Income Statement is prepared on an accrual accounting basis. Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash, such as cash investments. Council's cash arises from, and is used in, three main areas:

#### **Cash flows from operating activities**

Receipts: All cash received into Council's bank account from ratepayers and others who owed money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include the proceeds associated with the sale of assets.

Payments: All cash paid by Council from its bank account to staff, creditors and other persons. It does not include the payments associated with the creation of assets.

#### **Cash flows from investing activities**

The accounting term 'investing activities' relates to assets such as capital works and other long term revenue-producing assets. This part of the statement includes all payments associated with the creation of assets and proceeds associated with the sale of assets.

#### **Cash flows from financing activities**

This part of the statement is where the receipt and repayment of borrowed funds are recorded. The bottom line of the Statement of Cash Flows is the cash at the end of the financial year. This shows the capacity of Council to meet its debts and other liabilities.

### **Notes to the Financial Report**

The notes are a very important and informative section of the report. To enable the reader to understand the basis on which the values shown in the Statements are established, it is necessary to provide an explanation of Council's accounting policies. These are described in each Note where they are applicable.

Apart from the accounting policies, the notes also give details behind many of the summary figures contained in the statements. The note numbers are shown beside the relevant items in the key Financial Statements. Where Council wishes to disclose

other information that cannot be incorporated into the statements, this is shown in the notes.

The notes include the breakdown of expenses, revenues, assets and liabilities, reserves and other assets, and transactions with persons related to Council. The notes should be read together with the other parts of the Financial Report to form a clear picture of Council's financial performance and position.

### **Statements by Principal Accounting Officer and councillors**

The certification by the Principal Accounting Officer is made by the person responsible for the preparation of the Financial Report. It certifies that, in their opinion, the report has met all the statutory and professional reporting requirements. The certification of councillors is made by two councillors on behalf of Council that, in their opinion, the Financial Report is presented fairly and is not misleading or inaccurate.

### **Auditor-General's Report**

The Auditor-General's Report is the external and independent opinion on the Financial Report. It provides the reader with a totally independent opinion on the Financial Report and the information it contains. The opinion covers both the statutory and professional requirements and also the true and fair aspects of the Financial Report.

## Financial Glossary

Term	Definition
Annual budget	Council's planned allocation of monetary resources for a specified financial year. The annual budget document sets out Council's short-term goals and objectives as part of its overall strategic planning framework.
Annual operating budget	The budgeted operating result for the specified financial year, with distinction made between revenue received for operating purposes and revenue received for capital purposes.
Capital expenditure	Large expenditure that results in (or prolongs the life of) an asset.
Capital renewal	Expenditure on an existing asset that returns the service potential or the life of the asset, up to that which it had originally.
Financing activities	Activities relating to changing the size and composition of the financial structure of the entity, including equity, and borrowings not falling within the definition of cash.
Infrastructure	Physical assets that contribute to meeting the community's need for access to major economic and social facilities and services.
International Financial Reporting Standards (IFRS)	Australian reporting entities currently report according to International Financial Reporting Standards.
Investing activities	Activities that relate to acquisition and disposal of non-current assets, including property, plant and equipment and other productive assets.
New assets	New assets or capital expenditure do not have any element of expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for Council. New assets will require maintenance and capital renewal in the future.
Operating activities	Operating activities relate to the day to day provision of goods and services.
Operating expenditure	Outflows in the form of reductions in assets or increases in liabilities, which result in a decrease in equity during the reporting period.

Term	Definition
Operating revenue	Inflows in the form of increases in assets or reductions in liabilities, which result in an increase in equity during the reporting period.
Statutory reserves	Funds set aside for specified statutory purposes in accordance with legislative and contractual requirements. These reserves are not available for other purposes.
Working capital	Funds that are free of all specific Council commitments and are available to meet daily cash flow requirements and unexpected short-term needs.



**Yarra City Council  
ANNUAL FINANCIAL REPORT  
For the Year Ended 30 June 2018**

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### Certification of the Financial Report

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.



**Angelica Marshall**  
CFO and Principal Accounting Officer  
20 September 2018  
Richmond


In our opinion the accompanying financial statements presents fairly the financial transactions of Yarra City Council for the year ended 30 June 2018 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.


On 4 September 2018, we were authorised by the Council to certify the financial report in its final form on behalf of the Council.



**Daniel Nguyen**  
Mayor  
20 September 2018  
Richmond



**Stephen Jolly**  
Councillor  
20 September 2018  
Richmond



**Vijaya Vaidyanath**  
Chief Executive Officer  
20 September 2018  
Richmond

## Independent Auditor's Report

### To the Councillors of Yarra City Council

<b>Opinion</b>	<p>I have audited the financial report of Yarra City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2018</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial report.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of 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 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 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'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**

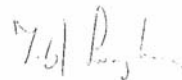
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE  
21 September 2018



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

### Comprehensive Income Statement For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Income</b>			
Rates and charges	2.1	105,008	101,482
Statutory fees and fines	2.2	31,909	26,929
User fees	2.3	30,194	27,582
Grants - operating	2.4	11,489	13,234
Grants - capital	2.4	1,406	3,104
Contributions and reimbursements	2.5	6,950	5,888
Net gain or (loss) on disposal of property, infrastructure, plant and equipment	2.6	2,230	563
Other income	2.7	2,265	1,897
<b>Total Income</b>		<u>191,451</u>	<u>180,679</u>
<b>Expenses</b>			
Employee costs	3.1	80,695	78,003
Materials and services	3.2	61,995	60,218
Depreciation and amortisation	3.3	21,074	20,347
Bad and doubtful debts	3.4	4,200	2,392
Borrowing costs	3.5	2,007	1,605
Other expenses	3.6	611	608
<b>Total Expenses</b>		<u>170,582</u>	<u>163,173</u>
<b>Surplus/(deficit) for the year</b>		20,869	17,506
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	5.2	211,197	44
<b>Total Comprehensive Result</b>		<u>232,066</u>	<u>17,550</u>

The above comprehensive income statement should be read in conjunction with the accompanying notes

**Balance Sheet**  
**As at 30 June 2018**

	Note	2018 \$'000	2017 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	51,086	22,152
Other financial assets	4.1	-	12,000
Trade and other receivables	4.1	15,857	14,197
Inventories	4.2	107	128
Other assets	4.2	1,014	371
<b>Total current assets</b>		<u>68,064</u>	<u>48,848</u>
<b>Non-current assets</b>			
Investments in associates and joint ventures	5.3	235	235
Property, infrastructure, plant and equipment	5.2	1,906,881	1,685,039
<b>Total non-current assets</b>		<u>1,907,116</u>	<u>1,685,274</u>
<b>TOTAL ASSETS</b>		<u>1,975,180</u>	<u>1,734,122</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4.3	9,283	10,149
Trust funds and deposits	4.3	10,906	8,569
Interest-bearing loans and borrowings	4.4	1,176	1,133
Provisions	4.5	13,209	12,582
<b>Total current liabilities</b>		<u>34,574</u>	<u>32,434</u>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	4.4	43,691	44,867
Provisions	4.5	1,398	1,484
Other Liabilities	4.3	230	225
<b>Total non-current liabilities</b>		<u>45,319</u>	<u>46,576</u>
<b>TOTAL LIABILITIES</b>		<u>79,893</u>	<u>79,010</u>
<b>NET ASSETS</b>		<u>1,895,287</u>	<u>1,655,112</u>
<b>EQUITY</b>			
Accumulated surplus		624,716	598,774
Reserves	8.1	1,270,571	1,056,339
<b>TOTAL EQUITY</b>		<u>1,895,287</u>	<u>1,655,112</u>

The above balance sheet should be read in conjunction with the accompanying notes.

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

2018		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
Balance at beginning of the financial year		1,655,112	598,773	1,035,678	20,661
Adjustment for prior periods (found/lost assets)	5.2	8,109	8,109	-	-
Surplus/(deficit) for the year		20,869	20,869	-	-
Net asset revaluation increment/(decrement)	8.1	211,197	-	211,197	-
Transfers to other reserves	8.1	-	(4,806)	-	4,806
Transfers from other reserves	8.1	-	1,771	-	(1,771)
<b>Balance at end of the financial year</b>		<b>1,895,287</b>	<b>624,716</b>	<b>1,246,875</b>	<b>23,696</b>

2017		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
Balance at beginning of the financial year		1,637,561	581,748	1,035,634	20,179
Surplus/(deficit) for the year		17,506	17,506	-	-
Net asset revaluation increment/(decrement)	8.1	44	-	44	-
Transfers to other reserves	8.1	-	(3,869)	-	3,869
Transfers from other reserves	8.1	-	3,388	-	(3,388)
<b>Balance at end of the financial year</b>		<b>1,655,112</b>	<b>598,773</b>	<b>1,035,678</b>	<b>20,661</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*



**Statement of Cash Flows**  
**For the Year Ended 30 June 2018**

	Notes	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		104,115	100,846
Statutory fees and fines		32,117	27,566
User fees		32,043	29,306
Government grants - operating		11,562	13,377
Government grants - capital		1,406	3,161
Contributions and reimbursements		7,114	6,004
Interest received		866	375
Trust funds and deposits received		14,682	14,200
Other receipts		3,581	1,267
Employee costs		(76,188)	(77,064)
Materials and services		(80,606)	(78,609)
Trust funds and deposits repaid		(14,682)	(14,199)
Net GST refund		5,443	6,759
Net cash provided by/(used in) operating activities	8.2	<u>41,453</u>	<u>32,988</u>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(24,094)	(34,187)
Proceeds from sale of property, plant and equipment	2.6	2,715	818
Net cash provided by/(used in) investing activities		<u>(21,379)</u>	<u>(33,369)</u>
<b>Cash flows from financing activities</b>			
Finance costs		(2,007)	(1,511)
Proceeds from borrowings		-	13,500
Repayment of borrowings		(1,133)	-
Net cash provided financing activities		<u>(3,140)</u>	<u>11,989</u>
Net increase/(decrease) in cash and cash equivalents		16,934	11,608
Cash and cash equivalents at the beginning of the financial year		34,152	22,544
<b>Cash and cash equivalents at the end of the financial year</b>	4.1	<u>51,086</u>	<u>34,152</u>
Restrictions on cash assets	4.1		

The above statement of cash flows should be read in conjunction with the accompanying notes.

**Statement of Capital Works**  
**For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>Property</b>		
Buildings	6,738	15,053
<b>Total buildings</b>	<u>6,738</u>	<u>15,053</u>
<b>Total property</b>	<u>6,738</u>	<u>15,053</u>
<b>Plant and equipment</b>		
Plant, machinery and equipment	1,892	1,440
Fixtures, fittings and furniture	-	145
Computers and telecommunications	1,750	2,231
Library books	596	662
<b>Total plant and equipment</b>	<u>4,238</u>	<u>4,478</u>
<b>Infrastructure</b>		
Roads	6,407	6,639
Footpaths and cycleways	1,282	3,157
Drainage	1,364	1,324
Recreational, leisure and community facilities	6,768	3,389
Waste management	108	115
Parks, open space and streetscapes	214	124
Other infrastructure	12	-
<b>Total infrastructure</b>	<u>16,155</u>	<u>14,747</u>
<b>Total capital works expenditure</b>	<u>27,131</u>	<u>34,279</u>
<b>Represented by:</b>		
New asset expenditure	4,323	10,958
Asset renewal expenditure	21,588	20,096
Asset upgrade expenditure	1,220	3,225
<b>Total capital works expenditure</b>	<u>27,131</u>	<u>34,279</u>

*The above statement of capital works should be read with the accompanying notes.*

## Notes to the Financial Report for the Year Ended 30 June 2018

### Introduction

The City of Yarra was established by an Order of the Governor in Council on 22 June 1994 and is a body corporate. The Council's main office is located at 333 Bridge Road Richmond.

### Statement of Compliance

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

### Significant Accounting Policies

#### (a) Basis of Accounting

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

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

## Notes to the Financial Report for the Year Ended 30 June 2018

## Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10% or \$250K where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures are those adopted by Council on 1 August 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.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

## 1.1 Income and expenditure

	Budget 2017/18 \$'000	Actual 2017/18 \$'000	Variance \$'000 Fav/(Unfav)	Variance % Fav/(Unfav)	Ref
<b>Revenues from ordinary activities</b>					
Rates and charges	105,158	105,008	(150)	(0.14)	1.1
Statutory fees and fines	28,534	31,909	3,375	11.83	1.2
User fees	27,064	30,194	3,130	11.56	1.3
Reimbursements	1,640	1,384	(256)	(15.61)	1.4
Grants - operating	12,023	11,489	(534)	(4.44)	1.5
Grants - capital	1,195	1,406	211	17.66	1.6
Contributions	4,300	5,566	1,266	29.44	1.7
Net gain (loss) on disposal of non current assets	300	2,230	1,930	643.45	1.8
Other income	1,207	2,265	1,058	87.65	1.9
<b>Total revenues</b>	<b>181,421</b>	<b>191,451</b>	<b>10,030</b>	<b>5.53</b>	
<b>Expenses from ordinary activities</b>					
Employee costs	80,639	80,695	(56)	(0.07)	
Materials and services	66,511	61,995	4,516	6.79	1.10
Bad and doubtful debts	2,010	4,200	(2,190)	(108.96)	1.11
Depreciation	20,664	21,074	(410)	(1.99)	1.12
Borrowing costs	2,139	2,007	132	6.17	
Other expenses	574	611	(37)	(6.51)	
<b>Total expenses</b>	<b>172,537</b>	<b>170,582</b>	<b>1,955</b>	<b>1.13</b>	
<b>Surplus/(Deficit) for the year</b>	<b>8,884</b>	<b>20,869</b>	<b>11,985</b>	<b>134.91</b>	

## Notes to the Financial Report for the Year Ended 30 June 2018

## Note 1 Performance against budget

## (i) Explanation of material variations

Ref	Item	Explanation
1.1	Rates and charges	Rates and charges are unfavourable to budget by \$0.15M (0.14%) mainly due to lower supplementary rate income raised for the year than expected.
1.2	Statutory fees and fines	Parking Revenue is favourable to budget by \$3.38M (11.83%) mainly due to additional infringements raised for the year and also higher court recovery costs than expected.
1.3	User Fees	User Fees are favourable to budget by \$3.13M (11.56%) due to additional town planning application fees and construction and enforcement activity undertaken during the year including the Judd Street occupation development activity. Child care fees were favourable and remained ahead of budget expectation for the year.
1.4	Reimbursements	Reimbursements were unfavourable to budget by \$0.26M (15.61%) which is mainly due to lower than expected construction development reinstatement recovery for the year but expenditure was also lower than expected.
1.5	Grants - operating	Operating Grants were unfavourable to budget by \$0.53M (4.44%) which is mainly due to recognition of expected grant reductions relating to Home Care and Commonwealth program adjustment for the NDIS (National Disability Insurance Scheme). Income is to be reduced for prior year payments received from Government. Additional grant income was also received in 2017/18 as advance payment from the Victorian Grants Commission (VGC) for 50% (\$999k) of the 2018/19 grants program. This funding will need to be carried over into 2018/19.
1.6	Grants - capital	Capital Grants favourable to budget by \$0.21M (17.66%) mainly due to the 50% advance payment of \$193K from VGC for the local roads component funding for 2018/19. This funding will need to be carried over into 2018/19.
1.7	Contributions	Contributions are \$1.27M (29.44%) favourable compared to budget mainly due to higher than expected developer contributions for development projects received for the year.
1.8	Net gain (loss) on disposal of non current assets	Net gain (loss) on disposal of non current assets is \$1.93M (643.45%) favourable compared to budget mainly due to sales of Rights of Way undertaken during the year. There were also motor vehicle sales and trade-ins programmed during the year.
1.9	Other Income	Other Income is favourable to budget by \$1.06M (87.65%) due to additional income received for non-voter penalties following the Council elections. Additional income was also received from interest on investments which is Council's available funds invested with banking institutions. Additional income was received for land tax objections in relation to property valuations but additional expenditure was incurred processing claims.
1.10	Materials and Services	Materials and services costs are favourable to budget by \$4.52M (6.79%) mainly due to lower than anticipated expenditure in legal fees, as well as a saving for insurance premiums and also contract savings for open space maintenance works following contract renegotiation. Consultant expenditure was lower than budget and restricted to priority projects.
1.11	Bad and doubtful debts	Bad and doubtful debts were unfavourable to budget by \$2.19M (108.98%) due to additional parking infringements being raised for the year. As each infringement is raised allowance is made for the debt to become doubtful and ultimately a bad debt. Collection is still pursued through the court system.
1.12	Depreciation	Depreciation was unfavourable to budget by \$0.41M (1.99%) due to higher than anticipated capital works capitalisation of assets from the previous year.

## Notes to the Financial Report for the Year Ended 30 June 2018

## Note 1 Performance against budget

## 1.2 Capital Works

	Budget 2017/18 \$'000	Actual 2017/18 \$'000	Variance \$'000 Fav/(Unfav)	Variance % Fav/(Unfav)	Note
<b>Property</b>					
Buildings	7,574	6,738	836	11.04	2.1
<b>Total buildings</b>	<b>7,574</b>	<b>6,738</b>	<b>836</b>	<b>11.04</b>	
<b>Total property</b>	<b>7,574</b>	<b>6,738</b>	<b>836</b>	<b>11.04</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	1,867	1,892	(25)	(1.34)	2.2
Computers and telecommunications	3,207	1,750	1,457	45.43	
Library projects	590	596	(6)	(1.02)	
<b>Total plant and equipment</b>	<b>5,664</b>	<b>4,238</b>	<b>1,426</b>	<b>25.18</b>	
<b>Infrastructure</b>					
Roads	8,396	7,098	1,298	15.46	2.3
Lanes	842	732	110	13.06	
Transport	872	612	260	29.82	2.4
Waste management	60	108	(48)	(80.00)	
Parks, open space and streetscapes	8,066	6,768	1,298	16.09	2.5
Street Furniture	330	290	40	12.12	
Retail Strips	730	321	409	56.03	2.6
Other infrastructure	506	226	280	55.34	
<b>Total infrastructure</b>	<b>19,802</b>	<b>16,155</b>	<b>3,647</b>	<b>18.42</b>	2.7
<b>Total capital works expenditure</b>	<b>33,040</b>	<b>27,131</b>	<b>5,909</b>	<b>17.88</b>	
<b>Represented by:</b>					
New asset expenditure	6,666	4,323	2,343	35.15	
Asset renewal expenditure	25,835	21,588	4,247	16.44	
Asset upgrade expenditure	539	1,220	(681)	(126.35)	
<b>Total capital works expenditure</b>	<b>33,040</b>	<b>27,131</b>	<b>5,909</b>	<b>17.88</b>	

## Notes to the Financial Report for the Year Ended 30 June 2018

## Note 1 Performance against budget

## (i) Explanation of material variations

**Material Variance Explanation**

Note	Item	Explanation
2.1	Buildings	Buildings are \$0.84M (11.04%) below budget, whilst completing 97% of budgeted projects, savings were achieved in expenditure at the Fitzroy Town Hall roof works project coupled with some project deferrals to 2018/19.
2.2	Computers and Telecommunications	Computers and telecommunications are \$1.46M (45.43%) below budget due to deferred expenditure for several information systems projects and carry over to 2018/19.
2.3	Roads	Roads assets are \$1.3M (15.46%) below budget mainly due to project deferrals and carry over into 2018/19.
2.4	Transport	Transport assets are \$0.26M (29.82%) below budget mainly due to the carry over of the Wellington St Bike Lanes project although additional project expenditure was incurred on Black Spot Safety and Safe Speeds projects.
2.5	Parks, open space and streetscapes	Parks, open space and streetscapes assets are \$1.3M (16.09%) below budget mainly due to the deferral of the Rushell Reserve shared path project and other project savings.
2.6	Retail Strips	Retail Strip assets are \$0.41M (56.03%) below budget mainly due to deferred projects and project savings.
2.7	Other Infrastructure	Other Infrastructure assets are \$0.28M (55.34%) below budget which relate to priority projects expenditure allocated elsewhere in the capital program and some project deferrals.

**Notes to the Financial Report for the Year Ended 30 June 2018****Note 2 Funding for the delivery of our services**

	2018	2017
	\$'000	\$'000

**Note 2.1 Rates and charges**

Council uses Net Annual Value (NAV) as the basis of valuation of all properties within the municipal district. The NAV of a property is its imputed rental value.

The valuation base used to calculate general rates for 2017/18 was \$2,544 million (2016/17 \$2,509 million) with the increase in the rate base resulting from the return of supplementary valuations for properties constructed and/or building works completed since the return of the previous general revaluation of land for rating purposes as at 1 January 2016.

The 2017/18 rate in the NAV dollar was 4.091118 cents. The 2016/17 rate in the NAV dollar was 4.0109 cents.

Residential	74,953	72,255
Commercial	22,206	20,700
Industrial	6,574	7,098
Supplementary rates and rate adjustments	776	1,028
Garbage bin charge	52	50
Interest on rates	447	351
<b>Total rates and charges</b>	<u>105,008</u>	<u>101,482</u>

A general revaluation of land for rating purposes within the municipal district was undertaken as at 1 January 2016 and was first applied to the rating period commencing 1 July 2016.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2018 and the valuation will be first applied in the rating year commencing 1 July 2018.

Rate income has increased compared to the previous year mainly due to the specified rate cap increase of 2.5% but also due to supplementary rates raised during the year which has seen residential property classification increases and a reduction in commercial properties.

**Note 2.2 Statutory fees and fines**

Infringements & costs	20,546	15,803
PERIN court recoveries	3,575	2,197
Fees - parking meters/ticket machines	5,902	7,133
Permits	1,886	1,786
<b>Total statutory fees and fines</b>	<u>31,909</u>	<u>26,929</u>

**Note 2.3 User fees**

Leisure centres and golf course fees	10,218	9,657
Child care/children's program fees	3,063	3,207
Town planning fees	3,496	2,879
Registration fees	1,508	1,344
Pre schools	841	647
Aged services fees	218	209
Road occupation permit fees	3,597	2,566
Library fees and fines	95	102
Footpath advertising & display	739	694
Building services fees	217	224
Valuation fees/supplementary charges	339	522
Kerb market fees	254	232
Land information certificates	143	116
Local laws fines	968	922
Rent*	1,734	1,773
Permits - Bins and Skips	172	152
After School Program	157	153
Vacation Care Program	115	144
Report and Consent Fees	160	135
Road Inspection Fees	891	719
Hall hire	489	471
Asset Protection Permits	215	197
Signs and goods permit fees	300	176
Other fees and charges	265	341
<b>Total user fees</b>	<u>30,194</u>	<u>27,582</u>

\* In 2016/17 Rent was reclassified from Other Income to User fees



## Notes to the Financial Report for the Year Ended 30 June 2018

Note 2.4 Funding from other levels of government	2018	2017
	\$'000	\$'000
Government grants were received in respect of the following:		
<b>Summary of grants</b>		
Commonwealth funded grants	9,514	11,406
State funded grants	3,381	4,932
<b>Total Grants Received</b>	<b>12,895</b>	<b>16,338</b>
<b>Operating Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Financial Assistance Grants - general purpose	1,988	2,714
Family Services	4,541	4,529
Aged Services - Home Care Services	1,727	957
Other	67	-
<b>Recurrent - State Government</b>		
Aged Services Assessment and Planning	862	2,920
School crossing supervisors	313	219
Library	696	626
Maternal and child health	611	584
Community safety	92	249
Other	52	66
<b>Total recurrent operating grants</b>	<b>10,949</b>	<b>12,865</b>
<b>Non-recurrent - Commonwealth Government</b>		
Environmental planning/Waste	185	45
<b>Non-recurrent - State Government</b>		
Community health	10	32
Family and children	185	96
Other	160	197
<b>Total non-recurrent operating grants</b>	<b>540</b>	<b>370</b>
<b>Total operating grants</b>	<b>11,489</b>	<b>13,234</b>
<b>Capital grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Financial Assistance Grants - local roads	386	567
Roads to recovery	382	506
<b>Recurrent - State Government</b>		
Road Safety	169	-
<b>Total recurrent capital grants</b>	<b>937</b>	<b>1,073</b>
<b>Non-recurrent - Commonwealth Government</b>		
Buildings	-	170
Plant, machinery and equipment	32	92
Roads - Black Spot funding	77	1,769
Other	130	-
<b>Non-recurrent - State Government</b>		
Roads	230	-
<b>Total non-recurrent capital grants</b>	<b>469</b>	<b>2,031</b>
<b>Total capital grants</b>	<b>1,406</b>	<b>3,104</b>
<b>Total grants</b>	<b>12,895</b>	<b>16,338</b>
<b>Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	1,145	-
Received during the financial year and remained unspent at balance	1,236	1,145
Received in prior years and spent during the financial year	(1,145)	-
<b>Balance at year end</b>	<b>1,236</b>	<b>1,145</b>

## Notes to the Financial Report for the Year Ended 30 June 2018

	2018	2017
	\$'000	\$'000
<b>Note 2.5 Monetary contributions and reimbursements</b>		
Resort and recreation fees*	4,806	3,870
Road reinstatements	273	262
Reimbursements Legal Fees	127	358
Recycling	434	557
Road maintenance/works (other)	362	309
Open space planning	237	-
Planning development	275	-
Park rental	222	365
Other reimbursements	214	167
<b>Total monetary contributions and reimbursements</b>	<u>6,950</u>	<u>5,888</u>

\* Resort and recreation fees received during the year and not spent are transferred to reserves pursuant to section 18 of the Subdivision Act 1988, (Resort and Recreation Reserve) (Note 8.1).

## Note 2.6 Net gain/(loss) on disposal of non-current assets

**Plant & Equipment**

Proceeds from sale of assets	300	878
Written down value of assets sold/disposed	(82)	(323)
Profit/(loss) on sale/disposal of property, plant and equipment	<u>218</u>	<u>555</u>

**Roads - Right of way**

Proceeds from sale of assets	2,415	34
Written down value of assets sold/disposed	(403)	(26)
Profit/(loss) on sale/disposal of property, plant and equipment	<u>2,012</u>	<u>8</u>

**Summary**

Proceeds from sale of assets	2,715	912
Written down value of assets sold/disposed	(485)	(349)
Profit/(loss) on sale/disposal of property, plant and equipment	<u>2,230</u>	<u>563</u>

## Note 2.7 Other income

Interest	866	375
Victorian Electoral Commission fines	227	340
Hall Hire	98	95
Waste Management	167	156
Venues and events	57	-
Recreational Services	-	210
Strategic Planning	92	67
Early Years Unit	43	69
Disadvantaged Accessibility	102	96
Leisure Services	84	35
Financial Accounting	95	70
Valuations	193	-
Other	241	384
<b>Total other income</b>	<u>2,265</u>	<u>1,897</u>

## Notes to the Financial Report for the Year Ended 30 June 2018

	2018	2017
	\$'000	\$'000
<b>Note 3 The cost of delivering services</b>		
<b>Note 3.1(a) Employee Costs</b>		
Wages and salaries	58,732	58,349
WorkCover	700	914
Casual staff	4,489	3,504
Superannuation	5,968	5,749
Fringe benefits tax	230	441
Agency staff (external)	5,143	4,895
Other	5,433	4,151
<b>Total employee costs</b>	<b>80,695</b>	<b>78,003</b>
<b>Note 3.1(b) Superannuation</b>		
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	641	462
	<b>641</b>	<b>462</b>
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,417	3,022
Employer contributions - other funds	2,910	2,265
	<b>5,327</b>	<b>5,287</b>
Refer to note 8.3 for further information relating to Council's superannuation obligations.		
<b>Note 3.2 Materials and services</b>		
Materials and services	22,343	21,879
Aged services contract payments	1,777	1,617
Waste services contract payments	4,120	4,320
Open space contract payments	2,398	2,499
Recycling contract payments	2,859	2,751
Bushland tree maintenance contract payments	1,364	1,326
Street cleaning services contract payments	2,828	2,306
Other contract payments	5,571	5,759
Building maintenance	4,049	4,554
General maintenance	3,937	3,198
Utilities	3,461	3,214
Information technology	3,269	2,721
Insurance	1,605	1,327
Consultants	2,414	2,747
<b>Total materials and services</b>	<b>61,995</b>	<b>60,218</b>
<b>Note 3.3 Depreciation and amortisation</b>		
Property	2,794	2,421
Plant and equipment	5,513	4,697
Infrastructure	12,767	13,229
<b>Total depreciation</b>	<b>21,074</b>	<b>20,347</b>

Refer to Note 5.2 for a more detailed break down of depreciation and amortisation charges.

**Notes to the Financial Report for the Year Ended 30 June 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 3.4 Bad and doubtful debts</b>		
Parking infringement debtors	4,107	2,392
Other debtors	93	-
<b>Total bad and doubtful debts</b>	<u>4,200</u>	<u>2,392</u>

**Movement in provisions for doubtful debts**

Balance at the beginning of the year	23,002	20,849
New Provisions recognised during the year	<u>3,963</u>	<u>2,153</u>
Balance at end of year	<u>26,965</u>	<u>23,002</u>

Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

**Note 3.5 Borrowing costs**

Interest - on borrowings	<u>2,007</u>	<u>1,605</u>
<b>Total borrowing costs</b>	<u>2,007</u>	<u>1,605</u>

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.

**Note 3.6 Other expenses**

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	78	72
Auditors' remuneration - Internal	229	214
Councillors' allowances	304	295
Other	-	28
<b>Total other expenses</b>	<u>611</u>	<u>608</u>

## Notes to the Financial Report for the Year Ended 30 June 2018

<b>Note 4 Our financial position</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>

**Note 4.1 Financial assets****(a) Cash and cash equivalents**

Cash at bank	2,075	1,142
Cash on hand	11	10
Term deposit investments*	49,000	21,000
<b>Total cash and cash equivalents</b>	<b>51,086</b>	<b>22,152</b>

\*In 2017/18 \$0m (2016/17 \$12m) of term deposit investments were reclassified to other financial assets in accordance with Australian Accounting Standard 139.

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

Trust funds and deposits (note 4.3)	11,136	8,794
Public open space / parking reserves (note 8.1b)	3,596	561
<b>Total restricted funds</b>	<b>14,732</b>	<b>9,355</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>36,354</b>	<b>12,797</b>

**Intended allocations**

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

- Cash held to fund carried forward capital works	2,954	3,959
- Trade and other payables	-	335
<b>Total funds subject to intended allocations</b>	<b>2,954</b>	<b>4,294</b>

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.

Other financial assets are valued at fair value, 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.

**(b) Other financial assets**

Term deposits	-	12,000
<b>Total financial assets</b>	<b>-</b>	<b>12,000</b>

In 2017/18 no 90 days or greater term deposit investments were held (2016/17 - \$12M).

**(c) Trade and other receivables****Current**

Rates debtors	5,385	4,492
Parking infringement debtors	31,883	26,869
Provision for doubtful debts - parking infringements	(26,172)	(22,029)
Other debtors	3,615	3,867
Provision for doubtful debts - other debtors	(793)	(973)
Workcover	171	171
GST recoverable from ATO	1,768	1,800
	<b>15,857</b>	<b>14,197</b>

**(a) Ageing of Receivables (excluding rate debtors)**

At balance date trade and other receivables debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

Current and past due by up to 30 days	3,759	3,172
Past due between 31 and 180 days	1,145	1,153
Past due between 181 and 365 days	1,946	570
Past due by more than 1 year	3,622	4,809
<b>Total trade &amp; other receivables</b>	<b>10,472</b>	<b>9,704</b>

**(b) Movement in provisions for doubtful debts**

Balance at the beginning of the year	23,002	20,849
New Provisions recognised during the year	4,200	2,392
Amounts already provided for and written off as uncollectible	(237)	(239)
<b>Balance at end of year</b>	<b>26,965</b>	<b>23,002</b>

Note 4.2 Non-financial assets	2018 \$'000	2017 \$'000
<b>(a) Inventories</b>		
Merchandise	104	122
General	3	6
<b>Total inventories</b>	<u>107</u>	<u>128</u>
<p>Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.</p>		
<b>(b) Other assets</b>		
Accrued income - Government grants and interest income	371	169
Prepayments - vehicle registrations and software support	643	202
<b>Total other assets</b>	<u>1,014</u>	<u>371</u>

## Notes to the Financial Report for the Year Ended 30 June 2018

	2018 \$'000	2017 \$'000
<b>Note 4.3 (a) Trade and other payables</b>		
Trade creditors	5,370	7,848
Superannuation	40	40
Accrued expenses	3,873	2,261
<b>Total trade and other payables</b>	<u>9,283</u>	<u>10,149</u>
<b>(b) Trust funds and deposits</b>		
<b>Current</b>		
Drainage works deposits	30	29
Leased Properties	29	29
Refundable deposit	5,126	3,243
Other refundable deposits	205	214
Income in advance	181	147
	<u>5,571</u>	<u>3,662</u>
Fire services levy	5,335	4,907
	<u>10,906</u>	<u>8,569</u>
<b>Non-current</b>		
Other Liabilities	230	225
<b>Total trust funds and deposits</b>	<u>11,136</u>	<u>8,794</u>

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 to be recognised as revenue at the time of forfeit.

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.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Fire Service Levy - Council is the collection agent for the fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

## Notes to the Financial Report for the Year Ended 30 June 2018

Note 4.4 Interest-bearing loans and borrowings	2018 \$'000	2017 \$'000
<b>Current</b>		
Loans - secured*	1,176	1,133
<b>Non-current</b>		
Loans - secured*	43,691	44,867
Total interest-bearing loans and borrowings	<u>44,867</u>	<u>46,000</u>
The maturity profile for Council's borrowings* and other liabilities is as follows:		
Not later than one year	1,176	1,275
Later than one year and not later than five years	37,674	37,762
Later than five years	6,017	6,963
	<u>44,867</u>	<u>46,000</u>

\* Borrowings are secured by way of mortgages over the general rates of Council.

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method. The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.



## Notes to the Financial Report for the Year Ended 30 June 2018

## Note 4.5 Provisions

	Employee Provision \$ '000		
<b>2018</b>			
Balance at beginning of the financial year	14,066		
Additional provisions	1,263		
Amounts used	(721)		
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-		
<b>Balance at the end of the financial year</b>	<b>14,608</b>		
<b>2017</b>			
Balance at beginning of the financial year	14,187		
Additional provisions	305		
Amounts used	(426)		
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-		
<b>Balance at the end of the financial year</b>	<b>14,066</b>		
		<b>2018</b>	<b>2017</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>			
Current provisions expected to be wholly settled within 12 months			
Annual leave	3,864	4,079	
TOIL	84	58	
Long service leave	526	1,058	
Current provisions expected to be wholly settled after 12 months			
Annual leave	1,222	971	
Long service leave	7,513	6,416	
Total current provisions	<u>13,209</u>	<u>12,582</u>	
<b>Non-current</b>			
Long service leave	<u>1,398</u>	<u>1,484</u>	
	<u>1,398</u>	<u>1,484</u>	
LSL representing less than 7 years of continuous service is measured at present value.			
Aggregate carrying amount of employee entitlements			
<b>Current</b>	13,209	12,582	
<b>Non-current</b>	<u>1,398</u>	<u>1,484</u>	
Total provisions	<u>14,607</u>	<u>14,066</u>	
Sum of full-time equivalent staff numbers	667	666	

The following assumptions were adopted in measuring the present value of long term employee benefits

Weighted average increase in employee costs	2.0%	4.0%
Weighted average discount rates	2.45%	1.88%
Weighted average settlement period	5 years	5.65 years

## Note 4.6 Financing facilities

Bank overdraft	10,000	10,000
Purchasing cards	343	500
Total facilities	<u>10,343</u>	<u>10,500</u>
Used purchasing card facilities	(154)	(21)
Unused facilities	<u>10,189</u>	<u>10,479</u>

## Notes to the Financial Report for the Year Ended 30 June 2018

**Note 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.

2018	Not later than 1 year (\$)'000	Later than 1 year and not later than 2 years (\$)'000	Later than 2 years and not later than 5 years (\$)'000	Later than 5 years (\$)'000	Total (\$)'000
<b>Operating</b>					
Street cleaning services	2,814	3,028	-	-	5,843
Garbage collection and recycling	6,650	6,713	20,571	-	33,934
Open space management	3,171	3,171	4,228	-	10,570
Information systems & technology	3,199	3,285	-	-	6,484
Cleaning contracts for Council buildings	1,466	1,414	298	-	3,178
Family Services	1,283	-	-	-	1,283
Home Care	1,235	750	-	-	1,985
Insurances	1,482	-	-	-	1,482
<b>Capital</b>					
Construction works	-	-	-	-	-
<b>Total*</b>	<b>21,300</b>	<b>18,361</b>	<b>25,097</b>	<b>-</b>	<b>64,759</b>

\* Contract commitments for 2017/18 onwards include Council contracts for known lump sum contract amounts.

2017	Not later than 1 year (\$)'000	Later than 1 year and not later than 2 years (\$)'000	Later than 2 years and not later than 5 years (\$)'000	Later than 5 years (\$)'000	Total (\$)'000
<b>Operating</b>					
Street cleaning services	2,803	2,814	3,028	-	8,646
Garbage collection and recycling	6,581	6,650	20,355	6,930	40,515
Open space management	3,152	3,171	7,399	-	13,722
Information systems & technology	3,106	3,199	3,285	-	9,590
Cleaning contracts for Council buildings	948	969	1,290	-	3,207
Family Services	1,245	1,283	-	-	2,528
Home Care	1,365	1,235	750	-	3,350
Insurances	1,189	-	-	-	1,189
<b>Capital</b>					
Construction works	-	-	-	-	-
<b>Total</b>	<b>20,390</b>	<b>19,321</b>	<b>36,107</b>	<b>6,930</b>	<b>82,747</b>

\* During 2015/16 Council re-tendered the garbage collection and recycling contract which extends into future years.

Operating lease commitments	2018 \$'000	2017 \$'000
At the reporting date, the Council had the following obligations under non-cancellable operating leases for equipment, land and buildings for use within Council activities (these obligations are not recognised as liabilities):		
Not later than one year	1,226	1,173
Later than one year and not later than five years	231	1,405
Later than five years	-	-
	<u>1,457</u>	<u>2,578</u>

**Assets we manage****Note 5 Non-current assets classified as held for sale****Note 5.1 Motor Vehicles held for sale at cost**

In 2017/18 and 2016/17 no non-current assets were classified as held for sale.

Notes to the Financial Report for the Year Ended 30 June 2018

Note 5.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value										WDV 30 June 2018 \$'000
	30 June 2017 \$'000	Found assets \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	*Lost assets \$'000	Transfers \$'000	30 June 2018 \$'000	
Land	828,933	18,800	1,289	-	168,915	-	(13,602)	-	-	1,005,335	
Buildings	196,775	3,728	6,654	-	(6,715)	(2,794)	(474)	(817)	2,018	200,375	
Plant and Equipment	26,867	-	8,069	-	27	(5,513)	(108)	-	178	29,520	
Infrastructure	627,368	-	8,214	-	47,970	(12,767)	(289)	-	900	671,396	
Work in progress	3,096	-	255	-	-	-	-	(3,096)	-	255	
<b>Summary of Work in Progress</b>	<b>1,685,039</b>	<b>22,528</b>	<b>24,481</b>	<b>-</b>	<b>211,197</b>	<b>(21,074)</b>	<b>(871)</b>	<b>(14,419)</b>	<b>-</b>	<b>1,906,881</b>	
	<b>Opening WIP</b>	<b>Additions</b>	<b>Transfers</b>	<b>Write Offs</b>	<b>Closing WIP</b>						
Buildings	\$'000	\$'000	\$'000	\$'000	\$'000						
Plant and Equipment	2,018	24	(2,018)	-	24						
Infrastructure	178	185	(178)	-	185						
<b>Total</b>	<b>3,096</b>	<b>255</b>	<b>(3,096)</b>	<b>-</b>	<b>255</b>						

\*During the year Council undertook a program of asset assessment and review which resulted in the identification of assets not previously recorded in the asset registers. These are classified in the financial statements as 'found assets'. Council also identified some assets that needed to be removed from the asset registers. These are classified in the financial statements as 'lost assets'.

Class of Asset	2018		Threshold limit (t)
	Periods	Threshold limit (t)	
Land	Nil	Nil	Nil
Land under roads acquired after 30 June 2008	Nil	Nil	Nil
Buildings	100 years	10,000	10,000
Land improvements	100 years	Nil	Nil
Heritage assets	100 years	Nil	Nil
Plant & machinery	7-10 years	500	500
Furniture, equipment & computers	3-10 years	500	500
Library books	6-7 years	Nil	Nil
Library audio and visual	4 years	Nil	Nil
Roads - substructure	120 years	50,000	50,000
Footpaths - seal	20 years	15,000	15,000
Kerb and channel	20 years	25,000	25,000
Bridges	75 years	15,000	15,000
Drains	50 years	25,000	25,000
Lanes - substructure	120 years	25,000	25,000
Lanes - seal	120 years	25,000	25,000
Mobile garbage bin/recycling crates	50 years	15,000	15,000
Irrigation & sprinkler systems	10 years	500	500
Street furniture	10 years	500	500
Parks & gardens furniture & equipment	20 years	500	500
Playground equipment	20 years	500	500

Notes to the Financial Report for the Year Ended 30 June 2018

a) Property

	Land - specialised	Land - non specialised	Land improvements	Total Land	Heritage Buildings - specialised	Buildings - specialised	Buildings - non specialised	Building Improvements	Leasehold Improvements	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	734,166	83,902	10,865	828,933	279,407	(80,632)	-	-	-	279,407	2,018	1,110,358
Accumulated depreciation at 1 July 2017	-	-	-	-	(80,632)	-	-	-	-	(80,632)	-	(80,632)
<b>Movements in fair value</b>												
Adjustment for found assets	18,800	-	-	18,800	3,728	-	-	-	-	3,728	-	22,528
Acquisition of assets at fair value	-	-	1,289	1,289	6,654	-	-	-	-	6,654	24	7,967
Revaluation increments (decrements)	169,915	-	-	169,915	(6,393)	-	-	-	-	(6,393)	-	163,522
Fair value of assets disposed	(13,602)	-	-	(13,602)	(474)	-	-	-	-	(474)	-	(474)
Adjustment for lost assets	-	-	-	-	(1,500)	-	-	-	-	(1,500)	-	(1,500)
Transfers	-	-	-	-	2,018	-	-	-	-	2,018	(2,018)	-
	175,113	-	1,289	176,402	4,033	-	-	-	-	4,033	(1,994)	178,441
<b>Movements in accumulated depreciation</b>												
Depreciation and amortisation	-	-	-	-	(2,794)	-	-	-	-	(2,794)	-	(2,794)
Revaluation increments (decrements)	-	-	-	-	(322)	-	-	-	-	(322)	-	(322)
Adjustment for lost assets	-	-	-	-	683	-	-	-	-	683	-	683
	-	-	-	-	(2,433)	-	-	-	-	(2,433)	-	(2,433)
At fair value 30 June 2018	909,279	83,902	12,154	1,005,335	283,440	(83,065)	-	-	-	283,440	24	1,288,799
Accumulated depreciation at 30 June 2018	-	-	-	-	(83,065)	-	-	-	-	(83,065)	-	(83,065)
	909,279	83,902	12,154	1,005,335	200,375	-	-	-	-	200,375	24	1,205,734

## Notes to the Financial Report for the Year Ended 30 June 2018

## (b) Plant and equipment

	Heritage plant and equipment \$'000	Motor Vehicles \$'000	Plant, machinery and equipment \$'000	Irrigation and sprinker systems \$'000	Street furniture \$'000	Parks and gardens furniture and equipment \$'000	Playground equipment \$'000	Fencing \$'000	Mobile garbage bins/recycling crates \$'000	Computers and Mobile Phones \$'000	Office furniture and equipment \$'000	Library books \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2017	4,745	7,148	7,487	1,579	15,941	8,535	1,215	2,096	2,855	16,800	11,797	7,489	178	87,875
Accumulated depreciation at 1 July 2017	(241)	(4,677)	(3,908)	(1,546)	(11,926)	(6,343)	(1,021)	(1,796)	(2,350)	(12,281)	(9,477)	(5,263)	-	(60,829)
<b>Movements in fair value</b>														
Acquisition of assets at fair value	130	895	257	557	1,039	2,345	339	58	152	1,516	185	596	185	8,254
Revaluation increments (decrements)	-	(725)	-	-	-	37	-	-	-	-	-	-	-	37
Fair value of assets disposed	-	-	-	-	-	-	-	-	-	-	-	-	-	(725)
Transfers	-	-	-	-	57	-	56	-	-	65	-	-	(178)	-
	130	170	257	557	1,096	2,382	395	58	152	1,581	185	596	7	7,566
<b>Movements in accumulated depreciation</b>														
Depreciation and amortisation	(47)	(750)	(695)	(7)	(351)	(228)	(48)	(53)	(72)	(2,219)	(471)	(561)	-	(5,513)
Revaluation increments (decrements)	-	617	-	-	-	(10)	-	-	-	-	-	-	-	(10)
Accumulated depreciation of disposals	(47)	(133)	(695)	(7)	(361)	(239)	(48)	(53)	(72)	(2,219)	(471)	(561)	-	617
	4,875	7,318	7,754	2,136	17,037	10,917	1,610	2,154	3,007	18,381	11,962	8,085	185	95,441
Accumulated depreciation at 30 June 2018	(288)	(4,810)	(4,603)	(1,553)	(12,287)	(6,582)	(1,069)	(1,849)	(2,422)	(14,500)	(9,948)	(5,824)	-	(65,735)
	4,587	2,508	3,151	983	4,750	4,335	541	305	985	3,881	2,034	2,261	185	29,705

Notes to the Financial Report for the Year Ended 30 June 2018

(c) Infrastructure

	Roads	Footpaths and cycleways	Drainage	Kerb and channel	Bridges	Lanes	Trees and Tree Infrastructure	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	364,241	123,305	106,335	137,852	5,146	89,151	7,318	-	-	900	834,248
Accumulated depreciation at 1 July 2017	(85,259)	(24,128)	(47,869)	(29,190)	(2,500)	(16,033)	-	-	-	-	(205,980)
<b>Movements in fair value</b>											
Acquisition of assets at fair value	4,532	805	1,144	1,733	-	-	-	-	-	46	8,260
Revaluation increments (decrements)	49,880	17,297	-	(3,238)	-	(776)	-	-	-	-	63,163
Fair value of assets disposed	(215)	-	-	-	-	(155)	-	-	-	-	(370)
Transfers	-	900	-	-	-	-	-	-	-	(900)	-
	54,197	19,002	1,144	(1,505)	-	(931)	-	-	-	(854)	71,053
<b>Movements in accumulated depreciation</b>											
Depreciation and amortisation	(5,414)	(2,481)	(1,035)	(2,757)	(51)	(1,030)	-	-	-	-	(12,767)
Revaluation increments (decrements)	(12,400)	(3,682)	-	741	-	148	-	-	-	-	(15,193)
Accumulated depreciation of disposals	54	-	-	-	-	27	-	-	-	-	81
Transfers	-	-	-	-	-	-	-	-	-	-	-
	(17,760)	(6,163)	(1,035)	(2,016)	(51)	(855)	-	-	-	-	(27,879)
At fair value 30 June 2018	418,438	142,307	107,479	136,347	5,146	88,220	7,318	-	-	46	905,302
Accumulated depreciation at 30 June 2018	(104,019)	(30,291)	(48,904)	(31,206)	(2,551)	(16,888)	-	-	-	-	(233,859)
	314,419	112,016	58,575	105,141	2,595	71,332	7,318	-	-	46	671,442

## Notes to the Financial Report for the Year Ended 30 June 2018

**Property, infrastructure, plant and equipment (continued)****Acquisition**

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the 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.

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

**Land under roads**

Council recognises land under roads it controls at fair value.

**Depreciation and amortisation**

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the 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 listed below and are consistent with the prior year unless otherwise stated.

**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.

**Valuation of land and buildings**

Valuations of land and buildings were undertaken by Westtek Consulting under the supervision of William J Graham, City Valuer, A.V.L.E (Val's) Qualified Valuer. The valuation of buildings was replacement cost less accumulated depreciation and was first applied as at 30 June 2018. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where building 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 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.

The date of the current valuation is detailed in the following table.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Land - Non specialised	-	178,455	-	June 2018
Land - Specialised	-	-	820,880	June 2018
Buildings - Specialised	-	-	200,375	June 2018
Total	-	178,455	1,027,255	

**Definition of Land and Buildings Levels 1, 2 and 3 - as per note 1(e) fair value measurement**

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

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

## Notes to the Financial Report for the Year Ended 30 June 2018

## Property, infrastructure, plant and equipment (continued)

**Valuation of infrastructure**

Valuation of infrastructure assets - Roads, Footpaths, Lanes, Kerb and Channel - was undertaken by Jim Vokolos, B. Eng (Civil), Qualified Engineer. The valuations are at replacement costs less accumulated depreciation and were first applied as at 30 June 2018.

The date of the current valuation is detailed in the following table.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Roads	-	-	314,419	June 2018
Bridges	-	-	2,595	June 2013
Footpaths, Lanes and Kerb and Channel	-	-	288,488	June 2018
Drainage	-	-	58,575	June 2015
Trees	-	-	7,318	June 2004
<b>Total</b>	-	-	<b>671,396</b>	

**Description of significant unobservable inputs into level 3 valuations**

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 15% and 30%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$600 and \$6,000 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$185 to \$25,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and are currently at 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.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 20 years to 120 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.

	2018	2017
	\$'000	\$'000
<b>5.3 Investments in associates, joint arrangements and subsidiaries</b>		
Council's carrying value (at cost) of investment in Regional Kitchens P/L, incorporating RFK P/L (Trading as Community Chef)	230	230
Municipal Association Purchasing Scheme (Procurement Australia)	5	5
<b>Total investments</b>	<b>235</b>	<b>235</b>



## Notes to the Financial Report for the Year Ended 30 June 2018

## Note 6 People and Relationships

## 6.1 Council and key management remuneration

## (a) Related Parties

## Parent entity

Yarra City Council is the parent entity

## Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in note 5.3.

## (b) Key Management Personnel

In the 2015/16 financial year this note was called Responsible Persons, and only required the CEO and Councillors to be included.

Accounting Standard AASB124 now requires the disclosure of related party relationships and transactions in all Councils. Key Management Personnel (KMP) are one type of related parties that Council is required to include in its note disclosure, and this note has changed to reflect this.

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors		
Cr Daniel Nguyen (Mayor)	27 November 2017 - 30 June 2018	
Cr Daniel Nguyen	1 July 2017 - 26 November 2017	
Cr Amanda Stone (Mayor)	1 July 2017 - 26 November 2017	
Cr Amanda Stone	27 November 2017 - 30 June 2018	
Cr Misha Coleman (Deputy Mayor)	27 November 2017 - 30 June 2018	
Cr Misha Coleman	1 July 2017 - 26 November 2017	
Cr Danae Bosler	1 July 2017 - 30 June 2018	
Cr Jackie Fristacky	1 July 2017 - 30 June 2018	
Cr Stephen Jolly	1 July 2017 - 30 June 2018	
Cr Mike McEvoy	1 July 2017 - 30 June 2018	
Cr Mi-Lin Chen Yi Mei	1 July 2017 - 30 June 2018	
Cr James Searle	1 July 2017 - 30 June 2018	

## Chief Executive Officer &amp; other Key Management Personnel

Chief Executive Officer	Vijaya Vaidyanath
Director Corporate Business & Finance	Andrew Day
Acting Director Community Wellbeing	Lucas Gosling
Acting Director City Works & Assets	Chris Leivers
Director Planning & Placemaking	Bruce Phillips
Assistant Director Planning and Placemaking	Jane Waldoek
Group Manager CEO's Office	Ivan Gilbert
Group Manager People Culture & Community	Fred Warner (01/07/2017-24/06/2018)
Director, Advocacy and Engagement	Jo Murdoch (01/07/2017-11/08/2017)
Director City Works & Assets	Guy Wilson-Browne (01/07/2017-30/09/2017)

	<b>2018</b>	<b>2017</b>
Total number of Councillors*	9	14
Chief Executive Officer and other Key Management Personnel	10	9
Total Key Management Personnel	<u>19</u>	<u>23</u>

\* Council elections were held in October 2016 resulting in 5 newly elected Councillors for 2016/17.

## (c) Remuneration of Key Management Personnel

	<b>2018</b>	<b>2017</b>
	<b>\$,000</b>	<b>\$,000</b>
Total remuneration* of key management personnel was as follows:		
Short-term benefits	2,595	2,727
Long-term benefits	410	449
Total	<u>3,005</u>	<u>3,176</u>

\* Short and long term benefits for KMP include any leave liability and fringe benefits tax.

## Notes to the Financial Report for the Year Ended 30 June 2018

## 6.1 Council and key management remuneration (continued)

The numbers of key management personnel whose total remuneration\*\* from Council and any related entities, fall within the following bands:

	2018 No	2017 No
\$1 - \$9,999	-	4
\$10,000 - \$19,999	-	5
\$20,000 - \$29,999	7	4
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	1	1
\$180,001 - \$189,999	-	1
\$190,000 - \$199,999	1	2
\$200,000 - \$209,999	3	1
\$230,000 - \$239,999	-	1
\$250,000 - \$259,999	1	1
\$260,000 - \$269,999	2	2
\$350,000 - \$359,999	1	1
	<u>17</u>	<u>23</u>

Key management personnel (KMP) include the current 9 councillors, the CEO and the Executive Management Team.

\*\* Total remuneration includes salary, superannuation and councillor reimbursement allowance but no leave liability.

## (d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who has management responsibilities and whose total annual remuneration exceeds \$147,000:

Income range:	2018 No.	2017 No.
\$147,000 - \$149,999	-	1
\$150,000 - \$159,999	4	1
\$160,000 - \$169,999	5	5
\$170,000 - \$179,999	6	5
\$180,000 - \$189,999	1	2
\$190,000 - \$199,999	-	-
\$240,000 - \$249,999	1	-
	<u>17</u>	<u>14</u>
	\$'000	\$'000

Total remuneration for the reporting year for Senior Officers included above, amounted to:

2,932 2,546

## 6.2 Related party disclosure

## (a) Transactions with related parties

During the period Council did not enter into transactions with related parties.

## (b) Outstanding balances with related parties

There were no balances outstanding at the end of the reporting period in relation to transactions with related parties.

## (c) Loans to/from related parties

There were no loans in existence at balance date that have been made, guaranteed or secured by the council to a related party.

## (d) Commitments to/from related parties

There were no commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party.

## Notes to the Financial Report for the Year Ended 30 June 2018

## Note 7 Managing uncertainties

## 7.1 Contingent liabilities and contingent assets

## (a) arising from Public Liability

As a local authority we manage parks, reserves, roads, and other land holdings and, as a result, receive potential claims arising from incidents which occur on land managed by Council. There are a number of outstanding claims against Council in this regard. Council carries \$800 million of public liability insurance and an excess of \$50,000 on this policy in 2017/18. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is LMI Insurance. There are no claims of which Council is aware which would fall outside the terms of Council's policy.

## (b) arising from Professional Indemnity

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permits and approvals, Council receives potential claims for damages arising from actions of Council or its officers. Council carries \$800 million of professional indemnity insurance and an excess of \$50,000 on this policy in 2017/18. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is LMI Insurance. There are no instances or claims of which Council is aware which would fall outside the terms of Council's policy.

## (c) arising from Legal Matters

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. This includes a legal matter involving the Metropolitan Fire and Emergency Services Board (MFESB) and Council concerning possible soil contamination issues at the Burnley Depot site.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies have been made in the final report

## 7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

*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 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.

## Notes to the Financial Report for the Year Ended 30 June 2018

## 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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only immaterial 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. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage 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 the 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 the Council's year end result.

## (c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our 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 in relation to rate debt which is secured by a charge over the rateable property. Council's other main debt category is Parking debt which does contain elements of risk so significant debt provision is provided when raising these debts which is intended to reduce the associated risk of non-collection.

There are no material financial assets which are individually determined to be impaired.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our 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 our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we 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 in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 4.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## (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 following movements are 'reasonably possible' over the next 12 months.

- A parallel shift of + 2% and -1% in market interest rates (AUD) from year-end rate.

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.

## Notes to the Financial Report for the Year Ended 30 June 2018

**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; and  
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 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. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuation is performed either by experienced council officers or independent experts.

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

**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.

## Notes to the Financial Report for the Year Ended 30 June 2018

## Note 8 Other matters

8.1 Reserves	Balance at beginning of Year	Increment (decrement)	Balance at end of Year	
(a) Asset revaluation reserves	\$'000	\$'000	\$'000	\$'000
<b>2018</b>				
Property				
Land	620,737	189,915	710,652	
Buildings	49,546	(8,715)	39,831	
Heritage buildings	2,860	-	2,860	
	<u>670,143</u>	<u>181,200</u>	<u>851,343</u>	
Infrastructure				
Road Substructure	119,478	37,480	156,958	
Road Seal	10,693	-	10,693	
Footpaths Substructure	40,701	13,615	54,316	
Footpaths Seal	28,770	-	28,770	
Drains	3,609	-	3,609	
Bridges	1,000	-	1,000	
Lane Substructure	16,236	(628)	15,608	
Lane Seal	45,636	-	45,636	
Kerb and channel	99,355	(2,497)	96,858	
Open space	-	27	27	
Trees	13	-	13	
Art, Heritage and Culture	44	-	44	
	<u>365,535</u>	<u>47,997</u>	<u>413,532</u>	
<b>Total Asset revaluation reserves</b>	<u>1,035,678</u>	<u>211,197</u>	<u>1,246,875</u>	
The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.				
<b>2017</b>				
Property				
Land	620,737	-	620,737	
Buildings	49,546	-	49,546	
Heritage buildings	2,860	-	2,860	
	<u>670,143</u>	<u>-</u>	<u>670,143</u>	
Infrastructure				
Road Substructure	119,478	-	119,478	
Road Seal	10,693	-	10,693	
Footpaths Substructure	40,701	-	40,701	
Footpaths Seal	28,770	-	28,770	
Drains	3,609	-	3,609	
Bridges	1,000	-	1,000	
Lane Substructure	16,236	-	16,236	
Lane Seal	45,636	-	45,636	
Kerb and channel	99,355	-	99,355	
Trees	13	-	13	
Art, Heritage and Culture	44	-	44	
	<u>365,491</u>	<u>44</u>	<u>365,535</u>	
<b>Total Asset revaluation reserves</b>	<u>1,035,634</u>	<u>44</u>	<u>1,035,678</u>	
<b>(b) Other reserves</b>				
	Balance at beginning of Year	Transfer to accumulated surplus	Transfer from accumulated surplus	Balance at end of Year
	\$'000	\$'000	\$'000	\$'000
<b>2018</b>				
Statutory Reserves				
Resort and recreation (a)	482	(1,771)	4,806	3,517
Parking (b)	79	-	-	79
<b>Total Statutory Reserves</b>	<u>561</u>	<u>(1,771)</u>	<u>4,806</u>	<u>3,596</u>
General Reserves				
General reserve (c)	20,100	-	-	20,100
<b>Total General Reserves</b>	<u>20,100</u>	<u>-</u>	<u>-</u>	<u>20,100</u>
<b>Total Other Reserves</b>	<u>20,661</u>	<u>(1,771)</u>	<u>4,806</u>	<u>23,696</u>
<b>2017</b>				
Statutory Reserves				
Resort and recreation (a)	-	(3,388)	3,870	482
Parking (b)	79	-	-	79
<b>Total Statutory Reserves</b>	<u>79</u>	<u>(3,388)</u>	<u>3,870</u>	<u>561</u>
General Reserves				
General reserve (c)	20,100	-	-	20,100
<b>Total General Reserves</b>	<u>20,100</u>	<u>-</u>	<u>-</u>	<u>20,100</u>
<b>Total Other reserves</b>	<u>20,179</u>	<u>(3,388)</u>	<u>3,870</u>	<u>20,661</u>

(a) Resort and Recreation reserve relates to contributions received as Public Open Space Leases pursuant to the provisions of Section 18 of the Subdivision Act 1988. The reserve will be used to fund eligible open space capital works projects. In 2017/18 the following projects and amounts were acquired from the Public Open Space Reserve:

Construction of a new local park - Charles St	\$724K
George Knott Reserve works	\$576K
Mern Creek Trail - Cousen Reserve Path	\$287K
Darling Gardens - Playground	\$184K
<b>Total</b>	<b>\$1,771K</b>

(b) Parking reserve relates to contributions received in lieu of the provision of parking spaces required for property developments. This reserve will be used in the provision of additional car parking spaces as required.

(c) General reserve relates to unrestricted Council expenditure for a range of possible capital works projects which may include open space projects as assessed with each annual budget process into the future. These are currently not cashed backed.

## Notes to the Financial Report for the Year Ended 30 June 2018

8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	2018	2017
	\$'000	\$'000
Surplus/(deficit) for the year	20,869	17,506
Depreciation	21,074	20,347
Finance costs	2,007	1,605
(Profit)/loss on disposal of non current assets (refer to Note 2.6)	(2,230)	(563)
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in receivables	(1,660)	(1,397)
(Increase)/decrease in other assets	(643)	1,072
Increase/(decrease) in payables	(868)	(7,614)
Increase/(decrease) in other liabilities	2,342	2,151
(Increase)/decrease in inventories	21	2
Increase/(decrease) in provisions	541	(121)
Net cash provided by/(used in) operating activities	41,453	32,988

## 8.3 Superannuation

Yarra City Council (the Council) makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are made or due.

**Accumulation**

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

**Defined Benefit**

Yarra City 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 pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Yarra City 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**

Yarra City Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund 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 information	3.5% pa
Price inflation (CPI)	2.5% pa.

Vision Super has advised that the VBI at 30 June 2018 was 106.0%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 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.

**Notes to the Financial Report for the Year Ended 30 June 2018****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 2016/2017). 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.

**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.



# Performance Statement

Council had prepared the following performance statement in accordance with the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014.

**Yarra City Council**

**Performance Statement**

For the year ended 30 June 2018

## Performance Statement

For the year ended 30 June 2018

### REFERENCES

Regulation R  
Better Practice BP

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#### R17(1) Description of municipality

The City of Yarra is an inner metropolitan municipality which is home to a diverse community of people. Yarra is one of Australia's smallest inner city municipalities at 19.5 square kilometres, and features lively arts and entertainment precincts, vibrant shopping and café strips, and numerous sports and recreational facilities.

Created in June 1994, the City of Yarra merged the former municipalities of: Collingwood; Richmond; Fitzroy; (including the annexed part of Carlton North); Northcote (Alphington & Fairfield: South of Heidelberg Road only).

Yarra has a population of 96,368 (at 30 June 2018) and a diverse community profile. Over the previous decade, the City's population had been growing at an average rate of 3.6%, almost double the rate of growth for Victoria. It is estimated that Yarra will continue to grow, with the population predicted to reach 110,512 by 2031.

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## Sustainable Capacity Indicators

For the year ended 30 June 2018

	Indicator/measure	Results				Material Variations
		2015	2016	2017	2018	
<b>R15(3)</b>	<b>Population</b>					
Sch3	Expenses per head of municipal population	\$1,786.32	\$1,804.81	\$1,787.22	\$1,770.11	Council's expenses increased by 4.5% in 2017/18 while the municipal population increased by 5.55%, resulting in expenses per head of population decreasing compared to the previous year. Council expense increases are remaining fairly static, whereas population is increasing each year.
<b>R16(1)</b>	[Total expenses / Municipal population]					
<b>R17(2)</b>	Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$9,765.52	\$9,461.04	\$9,376.85	\$9,355.26	The indicator is trending down due to consistent population increases over the 4 years greater than the increase in infrastructure spend.
	Population density per length of road [Municipal population / Kilometres of local roads]	275.94	283.92	292.07	308.41	Council's population continues to increase whereas the length of roads remain the same within the City.
	<b>Own-source revenue</b>					
	Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,656.50	\$1,683.11	\$1,735.51	\$1,780.74	Council continues to trend positively on this indicator.
	<b>Recurrent grants</b>					
	Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$128.25	\$110.72	\$146.45	\$123.35	Council received \$1m of its 2018/19 Grants Commission Allocation in 2017/18, but also received less funding for its Aged Care services due to the National Reforms on Aged Care.
	<b>Disadvantage</b>					
	Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	8.00	8.00	8.00	8.00	No change to this result. The trend remains steady.

**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.

## Service Performance Indicators

For the year ended 30 June 2018

		Results				
Service/indicator/measure		2015	2016	2017	2018	Material Variations
RI5(1)	<b>Aquatic facilities</b>					
RI6(1)	<b>Utilisation of aquatic facilities</b>					
RI7(2)	(Number of visits to aquatic facilities / Municipal population)	11.80	11.63	11.96	9.14	A number of pools were closed for maintenance and refurbishment works during 2017/18 reducing the availability to the public and impacting on the total number of visitations in 2017/18. Considering the slight drop in 2017/18 this still continues to be a strong result and reflects significantly higher than average utilisation compared to the all Council's average result in 2016/17.
	<b>Animal management</b>					
	<b>Health and safety</b>					
	<b>Animal management prosecutions</b>	4.00	5.00	11.00	13.00	Council has increased its patrol activity since 2016/17 compared to previous years including follow-up of alleged dog attacks where the owner could not originally be identified resulting in an increase in prosecutions.
	<b>Food safety</b>					
	<b>Health and safety</b>					
	<b>Critical and major non-compliance notifications</b>	99.00%	100.00%	100.00%	99.56%	The trend in follow-up of notifications remains steady against our target of 100%.
	(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					

Service/indicator/measure	Results				Material Variations
	2015	2016	2017	2018	
<b>Governance</b>					
<b>Satisfaction</b> Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	65.80	68.60	67.00	66.80	This continues to be a solid result within acceptable tolerances and is underpinned by Councils ongoing commitment to consultation and engagement. Result from the Annual Customer Satisfaction Survey.
<b>Home and community care</b>					
<b>Participation</b> Participation in HACCC service [Number of people that received a HACCC service / Municipal target population for HACCC services] x100	16%	13.44%	N/A	N/A	Reporting on HACCC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<b>Participation</b> Participation in HACCC service by CALD people [Number of CALD people who receive a HACCC service / Municipal target population in relation to CALD people for HACCC services] x100	13%	10.24%	N/A	N/A	Reporting on HACCC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<b>Libraries</b>					
<b>Participation</b> Active library members [Number of active library members / Municipal population] x100	18.94%	17.39%	17.82%	20.72%	In April 2017 Council opened its new Library and multipurpose community hub in Fitzroy (Bargoonga Nganjini) since opening overall library visitations have increased compared to previous years. The 2017/18 result reflects the community's steady utilisation of library services and is higher than the 2016/17 average for similar Councils.
<b>Maternal and child health</b>					
<b>Participation</b> Participation in the MCH service [Number of children who attend the MCH service at least once (in the	83%	79.82%	79.38%	80.41%	This continues to be a solid result within acceptable tolerances.

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
year) / Number of children enrolled in the MCH service] x100				
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> (Number of Aboriginal children who attend the MCH service at least once in the year) / Number of Aboriginal children enrolled in the MCH service] x100	74%	59.72%	63.41%	79.37%
				The trend shows increasing demand and participation by the Yarra Aboriginal and Torres Strait Islander population and participation rates in the Victorian Aboriginal Health Service.
<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	72.4%	73.30%	72.30%	72.20%
				Result from the Annual Customer Satisfaction Survey. This continues to be a solid result within acceptable tolerances. Council continues to achieve strong community satisfaction results for its local roads.



Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
<b>Statutory Planning</b> <b>Decision making</b> Council planning decisions upheld at VCAT [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	87%	78.69%	74.07%	77.45%
The number of Council decisions upheld by VCAT was higher when compared with the previous year, this variance up or down will continue until Council has embedded clear policy within the planning scheme to direct growth. This work continues to be undertaken but won't be fully incorporated into the planning scheme for another 12 to 18 months. A number of interim built form controls have already been implemented and should provide greater certainty in built form outcomes for some parts of the municipality.				
<b>Waste Collection</b> <b>Waste diversion</b> Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	37.00%	38.52%	37.36%	37.73%
The trend shows a consistent level of waste diversion from landfill, Council continues to promote environmental sustainability and the benefits of recycling. The increase in Multi Unit Developments within Yarra impacts on this number as recycling behaviour in these developments appears to be different to that of single dwellings.				
<b>Definitions</b> "Aboriginal child" means a child who is an Aboriginal person "Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006 "active library member" means a member of a library who has borrowed a book from the library "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English "class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act "class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act "Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth "critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious				

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threat to public health  
"food premises" has the same meaning as in the *Food Act 1984*  
"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth  
"HACC service" means home help, personal care or community respite provided under the HACC program  
"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*  
"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken  
"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age  
"population" means the resident population estimated by council  
"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth  
"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

## Financial Performance Indicators

For the year ended 30 June 2018

Dimension/ <i>indicator/measu</i> <i>re</i>	Results						Forecasts				Material Variations		
	2015	2016	2017	2018	2019	2020	2021	2022					
<b>RI5(2)</b> <b>Sch3</b>													
<b>RI6(1)</b>													
<b>RI6(2)</b>													
<b>RI7(2)</b>													
<b>RI7(3)</b>													
<b>Efficiency</b>													
<b>Revenue level</b>													
Average residential rate per residential property assessment	\$1,479.90	\$1,543.41	\$1,617.29	\$1,674.29	\$1,753.07	\$1,764.22	\$1,776.17	\$1,787.89					The 2017/18 average residential rates per residential property have increased from 2016/17 due to rates increasing in line with the rate cap, as well as supplementary rate revenue received. The trend reflects that this will continue.
Number of residential property assessments]													
<b>Expenditure level</b>													
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,153.61	\$3,128.06	\$3,088.70	\$3,196.76	\$3,310.82	\$3,299.24	\$3,301.68	\$3,305.05					Expenses per property assessment have increased due to the continued rising costs of delivering services to our community, and maintaining Council's significant infrastructure assets. Council anticipates the indicator to remain relatively stable in future years.

Dimension/indicator/measure	Results							Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022				
<b>Workforce turnover</b> <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.16%	15.64%	22.71%	16.05%	16.04%	16.04%	16.04%	16.04%	16.04%	16.04%	16.04%	There were less terminations and resignations in 2017/18 compared to 2016/17. Council expects the trend to remain stable.
<b>Liquidity</b> <b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	105.31%	102.99%	150.61%	196.87%	122.10%	131.39%	140.42%	136.74%	Council's cash holdings have increased due to better than expected revenue receipts, including the Grants Commission 2018/19 allocation received during 2017/18. Some of this cash is restricted, or committed for future use in 2018/19.			
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	0.00%	27.46%	63.57%	96.61%	47.60%	55.30%	62.51%	61.89%	Council's unrestricted cash has improved from 2016/17 to 2017/18 due to better than expected revenue receipts. Some of this cash is technically unrestricted, but it is also committed for future use in 2018/19. The future trend is for Council's unrestricted cash to slowly increase.			

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	83.69%	95.90%	98.77%	102.44%	103.55%	107.18%	106.53%	101.02%				Council's year on year result has improved due to the continued commitment to fund renewal works. The future trend is uneven, as Council continues to find the optimal balance of renewal priorities each year
[Asset renewal expenses / Asset depreciation] x100												
<b>Loans and borrowings</b>												
Loans and borrowings compared to rates	35.60%	33.19%	45.41%	42.80%	40.25%	37.83%	35.49%	31.07%				Council's year on year result has decreased and Council expects this trend to continue, as its debt profile decreases over time.
[Interest bearing loans and borrowings / Rate revenue] x100												
<b>Loans and borrowings</b>												
Loans and borrowings repayments compared to rates	1.57%	1.54%	1.49%	3.00%	2.86%	2.87%	30.69%	4.82%				Council's year on year result has increased as it borrowed an additional 13.5M during 2016/17. Council is required to repay a \$32.5m interest only loan in 2020/21
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100												

Dimension/indicator/measure	Results							Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022				
<b>Indebtedness</b> Non-current liabilities compared to own source revenue (Non-current liabilities / Own source revenue) x100	23.99%	22.99%	25.39%	26.41%	26.27%	24.82%	23.41%	19.13%	Council's year on year result has decreased and Council expects this trend to continue, as its debt profile decreases over time.			
<b>Operating position</b> <b>Adjusted underlying result</b> Adjusted underlying surplus (or deficit) (Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	2.11%	1.70%	6.31%	8.38%	2.92%	4.40%	5.22%	6.00%	Council's year on year result improved due to greater than budgeted revenue, and less than budgeted expenditure. Most of the additional revenue is restricted or committed for future use.			
<b>Stability</b> <b>Rates concentration</b> Rates compared to adjusted underlying revenue (Rate revenue / Adjusted underlying revenue) x100	57.84%	59.82%	58.17%	56.30%	59.52%	59.76%	60.14%	60.50%	Council's year on year result decreased slightly due to the 2018/19 Grants Commission funding being received early during 2017/18. The projected trend is a stable, slowly increasing result.			
<b>Rates effort</b> Rates compared to property values Rate revenue / Capital improved value of rateable properties in the municipality ] x100	4.53%	4.73%	0.20%	0.21%	0.18%	0.18%	0.19%	0.19%	The City of Yarra continues to experience significant property value growth.			

**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

LGV means Local Government Victoria

CIV means Capital Improved Value

NAV means Net Annual Value

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

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

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

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

## Other Information

For the year ended 30 June 2018

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BP

### 1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and the *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. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 28 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

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



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Ange Marshall  
**Principal Accounting Officer**  
**Dated:** 20 September 2018

In our opinion, the accompanying performance statement of the Yarra 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.



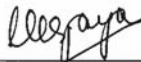
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Daniel Nguyen  
**Mayor**  
**Dated:** 20 September 2018



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Stephen Jolly  
**Councillor**  
**Dated:** 20 September 2018



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Vijaya Vaidyanath  
**Chief Executive Officer**  
**Dated:** 20 September 2018

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## Independent Auditor's Report

### To the Councillors of Yarra City Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Yarra City Council (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 Yarra City Council 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>

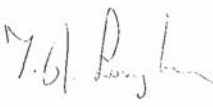
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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.

MELBOURNE  
21 September 2018

  
Tim Loughnan  
as delegate for the Auditor-General of Victoria

# Glossary

The following table defines key terms used in this report

Term	Definition
2017/18	A reference to the financial year beginning 1 July 2017 and ending 30 June 2018.
Advocacy	Publicly supporting or recommending programs or services on behalf of the community to other tiers of government or service providers for community benefit.
Annual Plan	A strategic document outlining the actions Council will undertake to implement its Council Plan during a specific financial year.
Annual Plan Action	A specific Annual Plan activity designed to facilitate the achievement of a Council Plan Strategic Objective.
Assets	Everything owned by or owed to Council such as roads, equipment and buildings. Assets are listed in the Financial Report.
Australian Accounting Standards	The accounting standards published by the Australian Accounting Standards Board.
Budget	A plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the Council Plan.
Councillors	Elected representatives of Council.
Council Plan	A major strategic document outlining Council's aims and initiatives for a four-year period.
Council Plan Initiative	A specific Council Plan activity designed to facilitate the achievement of a Strategic Objective.
Financial Statements	The financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports and statement of capital works, included in the Annual Report.

Term	Definition
Financial year	The period of 12 months ending on 30 June each year.
Freedom of Information Request	A request for Council to provide access to documents pursuant to the <i>Freedom of Information Act 1982</i> .
Governance	Governance relates to Council's purpose, objectives, role and functions as set out in the <i>Local Government Act 1989</i> .
Greenhouse gas emissions	Generated from a large number of processes and from a range of sources. Key sources of greenhouse gases includes energy sector, transport emissions, agricultural, land use change and forestry, industrial processes and waste.
Indicator	What will be measured to assess performance.
Local Law	The laws adopted by Council that prohibit, regulate and control activities, events, practices and behaviours within Yarra.
Master plan	A high level document outlining Council's plans for a key location within the municipality.
Measure	How an indicator will be measured and takes the form of a computation, typically including a numerator and denominator.
Minister	Refers to Local Government Minister.
Performance Statement	A statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the Annual Report.
Planning and Accountability Framework	The key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act.
Planning Scheme	Planning rules created by Council and endorsed by the state government to guide land use and development.
Regulations	The Local Government (Planning and Reporting) Regulations 2014.

Term	Definition
Risk management	A policy and process for identifying business risks and controlling the likelihood and/or impact of a risk event occurring.
Services	Assistance, support, advice and other actions undertaken by a council for the benefit of the local community.
Service outcome indicators	The prescribed service performance indicators to be included in the Performance Statement, which measure whether the stated service objective has been achieved.
Service performance indicators	A prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes.
Strategic Resource Plan	A plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the Council Plan.
Strategy	A plan of action intended to accomplish specific objectives.
Sustainable	Meet present day needs without compromising future generations' ability to meet their needs.
Sustainable capacity indicators	A prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management.
Values	Values are beliefs that underpin behaviours and processes. The values of an organisation guide its culture.
Victorian Civil and Administrative Tribunal (VCAT)	A body established by the state government to determine the outcome of disputes (e.g. planning appeals).
Vision	A description of the future we aim to achieve for Yarra – our city development and our community.
Ward	Defined electoral area to which a representative is elected as councillor.
Wellbeing	A general term to encompass health, happiness, welfare, security,

Term	Definition
	comfort, quality of life and a sense of belonging.

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## Acronyms

Term	Definition
AAS	Australian Accounting Standards
CALD	Culturally and Linguistically Diverse
CEO	Chief Executive Officer
DDA	<i>Disability Discrimination Act</i>
EFT	Equivalent full-time – one EFT is equivalent to one person working 38 hours per week
LGBTIQ	Lesbian, gay, bisexual, transgender, intersex, questioning
LGPRF	Local Government Performance Reporting Framework
LGV	Local Government Victoria
M	Million
MAV	Municipal Association of Victoria
MOU	Memorandum of Understanding
NDIS	National Disability Insurance Scheme
VAGO	Victorian Auditor-General's Office
VCAT	Victorian Civil Administrative Tribunal



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# Contact us

Visit one of our customer service locations

- Richmond Town Hall, 333 Bridge Road, Richmond
- Collingwood Town Hall, 140 Hoddle Street, Abbotsford
- Connie Benn Family and Children's Centre, 160 Brunswick Street, Fitzroy
- Bargoonga Nganjin – North Fitzroy Library, 182–186 St Georges Road, North Fitzroy

There are many ways to contact us

E     [info@yarracity.vic.gov.au](mailto:info@yarracity.vic.gov.au)  
T     9205 5555  
F     8417 6666  
P     PO Box 168 Richmond VIC 3121

For further reading follow Council's activities online

- [yarracity.vic.gov.au](http://yarracity.vic.gov.au)
- [twitter.com/YarraCouncil](https://twitter.com/YarraCouncil)
- [youtube/YarraCityCouncil](https://youtube.com/YarraCityCouncil)
- [facebook.com/YarraCityCouncil](https://facebook.com/YarraCityCouncil)
- [instagram.com/CityofYarra](https://instagram.com/CityofYarra)

If you do not have home access to the internet, you can visit Council's website via the computers at your local Yarra library.

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