

1 Annual Report 2016-17

Abstract

This report is presented for Council endorsement of the Annual Report for the 2016-17 financial year. As required by Section 134 of the *Local Government Act 1989* the Annual Report 2016-17 is considered at an open meeting of Council, in order to present the report to the community.

The report provides details on performance against the themes, strategic objectives and performance measures from the Council Plan 2013-17 and the Annual Plan 2016-17.

This report has been prepared from information provided by Managers and key staff across the organisation, as well as information collated through the June 2017 Quarterly Performance Report.

The required public notice has been provided advising the availability of the Annual Report 2016-17 and advertising details of the public meeting.

The Annual Report which includes Council's Best Value Report as presented complies with the provisions of the *Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014*. In addition, it fairly represents Council's operations, financial position and Council's performance in respect of the 2016-17 financial year.

Officers' recommendation

That Council resolve to consider the Annual Report for the 2016-17 financial year, included as Attachment 1, in accordance with S134 of the *Local Government Act 1989*.

**Responsible director: Carolyn McClean
Community Development**

1. Purpose

The purpose of this report is to present the Annual Report for the 2016-17 financial year at a Meeting of Council open to the Boroondara community as required by Section 134 of the *Local Government Act 1989*.

2. Policy implications and relevance to council plan

This report is consistent with the Council Plan 2017-21 and the Boroondara Public Health and Wellbeing Plan. In particular, the Council Plan theme of Responsible management and the strategic objective "Sound financial and risk management practices are carried out".

3. Background

At the conclusion of each financial year, Council prepares an Annual Report summarising financial and non-financial performance for the year. It is a summary of operational achievements and statutory information for the financial year. The report provides details on performance against the Council Plan 2013-17 and the Annual Plan 2016-17.

Development of the Annual Report is also a legislative requirement as stipulated under Section 131 of the *Local Government Act 1989*.

Under the Section 131 of the *Local Government Act 1989 and Local Government Planning and Reporting Regulations 2014*, councils are required to prepare an Annual Report in respect of each financial year consisting of three parts:

- Report of operations: Information about the operations of the Council including service performance indicator results, achievement of major initiatives and a governance and management checklist
- Performance statement: Audited results achieved against the prescribed performance indicators and measures
- Financial statements: Audited financial statements prepared in accordance with the Australian Accounting Standards.

Production of the Annual Report 2016-17 and submission of the report to the Minister for Local Government ensures compliance with this legislation.

The Annual Report includes Council's Best Value Report in compliance with Section 208G of the *Local Government Act 1989*.

4. Outline of key issues/options

The Annual Report provides the opportunity for the City of Boroondara to communicate to the community its achievements and challenges of the past financial year.

This Annual Report has been prepared from information provided by Managers and key areas across the organisation. Details on the achievements against the strategic indicators and major initiatives were collated through the June 2017 Quarterly Performance Report.

The Financial and Performance Statements have previously been presented to and considered by the Audit Committee, and endorsed by Council prior to lodgement with the Victorian Auditor-General. Council has received the report from the Auditor-General which has been included in the Annual Report.

The structure of the 'Our performance' section of the Annual Report is aligned with the Council Plan 2013-17 and the Annual Plan 2016-17. This section is divided into five key areas which are identified as themes in the Council Plan.

5. Consultation/communication

The *Local Government Act 1989* Section 131 and Section 134 stipulates that once the report has been submitted to the Minister by 30 September, Council is required to give public notice that the Annual Report has been prepared; can be inspected at the Council offices and advertise details of the public meeting to consider the Annual Report.

The following communication steps have been undertaken:

- 4 October – text version of report available on Boroondara website.
- 4 October – text version of report available at customer service centres and libraries.
- 9 October - Progress Leader article advertising the availability of the Annual Report, Audit Report and Annual Report meeting details.
- The October edition of the Boroondara Bulletin included details of the public meeting to consider the Annual Report 2016-17 on 23 October 2017.

Next steps

- The November edition of the Boroondara Bulletin will include a feature article that will summarise the major achievements as reported in the Annual Report 2016-17.
- The website version of the Annual Report will be available in early November.
- The Annual Report will be distributed through customer service centres and libraries.

6. Financial and resource implications

There are no resource implications as a result of this report.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

8. Social and environmental issues

There are no direct impacts resulting from this report.

9. Conclusion

The Annual Report fairly represents Council's operations, financial position and Council's performance in respect of the 2016-17 financial year. The information presented satisfies all legislative requirements.

Manager: Greg Hall, Chief Financial Officer

Report officer: Manoja Ratnayake, Corporate Reporting Team Leader, Finance and Corporate Planning

Attachment 1

Annual Report

2016–17



BOROONDARA
City of Harmony



The City of Boroondara is constituted under the *Local Government Act 1989* to provide leadership and good governance to the municipal district and the local community.

Council's roles include:

- taking into account the diverse needs of our community in decision-making
- providing leadership by establishing strategic objectives and monitoring achievements
- ensuring resources are managed in a responsible and accountable manner
- advocating the interests of our community to other communities and governments
- fostering community cohesion and encouraging active participation in civic life.

The City of Boroondara is committed to effective and sustainable forms of democratic and corporate governance to ensure Council and its administration meet community priorities. Our community has many opportunities to provide input into Council decisions, including community consultation programs, public forums and submissions to Special Committees of Council.

About this report

Purpose

The Annual Report 2016-17 details the performance of the City of Boroondara during the financial year.

Our vision is for a vibrant and inclusive community with an outstanding quality of life.

The Council Plan 2013-17 outlines themes and strategies to achieve this vision for the four-year Council term. The diagram below depicts the structure of the plan:





The Annual Plan 2016-17 defines actions that contribute to the successful delivery of the Council Plan during the financial year.

This Annual Report is divided into four parts:

1. Report of operations
2. Financial statements
3. Performance statement
4. Indexes

The Report of Operations contains information about our community, our councillors, our organisation, and most importantly, how we performed throughout the year. The section on our performance is divided into the five themes of our Council Plan 2016-17.

The financial statements and performance statement provide detailed information that fulfils Council's financial reporting requirements.

Indexes are included for ease of reference to the content of this report.

Symbols in this report

Directorate

The following symbols identify the directorate or executive management team that has responsibility for delivery of each commitment.



CEO's office



City Planning



Environment and Infrastructure



Communications and Customer Experience



Community Development



Corporate Services

Status

Council's progress against each commitment is illustrated by the following symbols:



Completed



Commenced

Outcome

The outcome of the progress against each strategic indicator is illustrated as a percentage depicted by the following symbol:



0 100 Percentage indicators

Report of Operations

For the year ended 30 June 2017



BOROONDARA
City of Harmony

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Introduction

The report of operations is our primary means of advising the Boroondara community about our operations and performance during the financial year.

Council snapshot

Our purpose

The City of Boroondara’s vision, mission and values state our long-term direction and purpose, describe how we achieve our goals and outline the set of principles and attitudes that underpin our service to the community.

Vision

A vibrant and inclusive community with an outstanding quality of life.

Mission

The City of Boroondara will provide services, facilities, support and advocacy to enable our community to further its sense of place and connection.

Values

| Our Values | How we deliver enhanced services to the community |
|-----------------------|---|
| Integrity | Acting honestly and ethically on all occasions Doing what we say we will do Ensuring that our service is characterised by openness and transparency |
| Collaboration | Working inclusively with others to identify and meet their needs Building and sustaining sound relationships Encouraging effective engagement and participation |
| Accountability | Taking full responsibility for our own decisions and actions Being professional, thorough and timely in our service delivery Seeking, providing and responding to feedback |
| Innovation | Demonstrating foresight and creativity in meeting the challenges of the future Nurturing an environment in which innovative thinking is sought, encouraged and valued Continuously looking for improvements in our service delivery |
| Respect | Treating all customers, stakeholders and colleagues with equality and consideration Caring about others and ensuring that they feel valued Listening, clarifying and responding appropriately when we communicate with others |

City profile

- The City of Boroondara includes the suburbs of Ashburton, Balwyn, Balwyn North, Camberwell, Canterbury, Deepdene, Hawthorn, Hawthorn East, Kew and Kew East, and parts of Glen Iris, Surrey Hills and Mont Albert.
- Boroondara has an estimated residential population of 176,732 people (as at 30 June 2016).
- 24% of the population is aged between 0 and 19 years, and 34% 50 years and over.
- 31% of Boroondara residents were born overseas.
- Residents were born in more than 145 countries and speak more than 120 languages.
- A quarter of Boroondara's employed residents work within the City of Boroondara and just under a quarter work in the City of Melbourne.
- The median household income in Boroondara was \$2,083 per week, compared to \$1,542 for Greater Melbourne.
- 14% of Boroondara households live on less than \$650 a week.

Fast facts

- 75 groups assisted by annual council community grants
- 2.3 million library items borrowed
- 71,579 tonnes of waste collected from kerbside bins
- 72,730 Indigenous trees, shrubs, grasses and groundcovers planted during the year
- 1,430 new planning applications received
- 6,649 graffiti removal requests completed
- 2.56 million visits to Boroondara's leisure and aquatic centres
- 729.5 kilometres of stormwater pipes maintained
- 158,152 phone calls and 63,211 online requests responded
- 76,030 rateable properties

Highlights of the year

A summary of our achievements divided into the five themes of our Council Plan:

Theme: Strong and engaged communities

Strategic objectives:

- Our community has a say in matters of interest to them in achieving Boroondara's vision.
- Community needs are identified and responses planned accordingly.
- Opportunities are provided to enable people in our community to be supported and involved.

Achievements:

- improved access to high quality early years services for all Boroondara children particularly those experiencing vulnerability or disadvantage, through projects such as Eastern Metro Region Working Together, Early Start Kindergarten and the Out of Home Care Reform
- completed public consultation for the development of the draft Boroondara Public Health and Wellbeing Plan 2017-21
- completed content in the autumn 2017 edition of the Destination Melbourne Online Visitor Guide
- established a database of physical activity opportunities for older adults
- increased library opening hours following a review through a consultation and analysis of the volume of library activities
- conducted information sessions for parents and established partnerships with organisations to promote the health and wellbeing of families and young people
- implemented the year three actions of the Creating an Age-Friendly Boroondara Strategy
- completed the development of a strategic marketing plan for Boroondara Arts programs and services.

Theme: Sustainable environment

Strategic objective:

- Our natural and urban environment is improved in a sustainable way.

Achievements:

- developed the Waste Minimisation and Recycling Strategy and the Tree Strategy
- created additional biodiversity sites at various locations including Hays Paddock, Koonung Creek Reserve and Willsmere Park
- adopted an updated Sustainable Buildings Policy setting out sustainability standards for council owned and managed buildings
- enhanced community understanding of key sustainability issues through delivery of Living For Our Future workshops and 2016 Sustainability Festival
- strengthened resilience of local biodiversity and built connections in the community through delivery of the Backyard Biodiversity Project.

Theme: Enhanced amenity

Strategic objective:

- The character of our neighbourhood is protected and improved.

Achievements:

- Council approved the new Tree Protection Local Law strengthening tree protection and enforcement provision
- commenced proactive monitoring of construction management plans for major building sites
- reviewed the Amenity Local Law to improve its clarity and the operational performance of the provisions for the greater benefit of the wider community
- Council adopted an update to the Boroondara Planning Scheme, enhancing the local planning policies as they relate to the protection of heritage places and neighbourhood character in the consideration of planning permit applications
- Council adopted ResCode variations to Neighbourhood Character Precinct 74 introducing enhanced build form, open space and landscaping requirements for all new development within the precinct
- Introduced heritage controls to 12 buildings within Scotch College, Hawthorn ensuring the historical identity of the school is preserved for future generations
- completed reviews of the Traffic Management Policy and the Parking Management Policy
- developed and implemented the Infringement Review Framework to offer effective guidance on process and decision making
- introduced a new service for erecting public notices for planning applications
- installed two painted murals at Hartwell and Burwood Village shopping centres to enhance the appearance and to prevent graffiti.

Theme: Quality facilities and assets

Strategic objective:

- The community's current and future needs for assets and facilities are proactively managed.

Achievements:

- revised Council's Road Management Plan detailing how roads and footpaths are inspected, maintained and repaired
- developed the updated Drainage and Building Asset Management Plans which set out future direction of improving and maintaining Council's assets
- commenced construction of the North East Community Hub and renewal and extension of the Balwyn Library
- completed construction of the North Balwyn Men's Shed
- developed the concept plan for the upgrade of the Balwyn Community Centre site
- renewed pavilions at the Hawthorn Bowls Club, Camberwell United Tennis Club and Camberwell Junction Tennis Club
- implemented improvements at Willsmere Village, Hartwell and South Camberwell Shopping Centres.

Theme: Responsible management

Strategic objectives:

- Decision-making in the delivery of high quality services by capable and professional people reflects transparent, accountable and fair practices.
- Sound financial and risk management practices are carried out.

Achievements:

- Implemented an Induction Program for the new Council, including workshops and training activities for the newly elected Councillors to familiarise them with their roles and responsibilities
- completed reviews of the Councillor Code of Conduct, Mayoral and Councillor Allowances, and Council's instruments of delegation, and the renewal of Council's Meeting Procedure Local Law
- deployed 48 eforms on the website allowing residents to submit forms and upload supporting documents 24/7 and to reduce manual handling
- adopted the 2017-21 Council Plan, 2017-18 Strategic Resource Plan and 2017-18 Rating Strategy
- re-developed the City of Boroondara website to deliver an improved online customer experience
- completed year two actions identified in the Occupational Health and Safety Strategy 2015-18
- prepared and presented the Strategic Internal Audit Plan to the Audit Committee in March 2017.

Challenges and future outlook

Challenges:

- Significant process changes were required to operational processes for the introduction of the Australian Government 'My Aged Care Reforms', to deliver the Commonwealth Home Support Program.
- The Balwyn Library was required to move to a temporary location at the Balwyn Leisure Centre in order to undertake the redevelopment. The temporary Balwyn Library has been well received by the community and the redeveloped library is due to open in 2018.
- Given the significant consultation regarding the Boroondara Community Plan, it was challenging to consider how best to incorporate the views of children and young people to ensure their views were considered.
- The evolving Australian retail environment, particularly with regard to the growth of the online retail sector continues to place significant pressure on Boroondara's shopping centres.
- Training in managing sensitive and challenging customer interactions was provided for all library staff members in order to upskill staff and build resilience. Practical implementation of this training will continue to facilitate a better customer experience.
- Retention and recruitment of school crossing supervisors is an ongoing challenge. The need to backfill school crossing supervisors from other areas of service continues with retirement of ageing workforce.
- The differences in outcomes sought at state and local level regarding the reform of planning policy and controls in Boroondara has created some uncertainty for stakeholders. Changes include Plan Melbourne Refresh, new VicSmart application categories and new heritage overlays.
- The continuing strength of the housing market is reflected in outcomes for the financial year, with the number of new and amended planning applications received being 10% above the long term average. The extent of building activity is the reason for the record numbers of enforcement matters referred to Statutory Planning during the year.
- With the population growth in the City, there is an increased pressure for quality public open spaces that meet a wide range of community needs. It has been an on-going challenge to creatively re-design spaces such as parks and streetscapes to meet these needs without compromising existing community values.
- Balancing system change and the need to maintain high level service performance standards with the delivery of quality customer experience has been challenging for all the staff across the Council.

The Future:

- review the core communication channels to ensure their effectiveness in communicating with our community ensuring value for money
- implement the relevant actions from the Boroondara Community Plan that respond to identified priorities from the extensive community consultation conducted
- provide better services and facilities to the community with the opening of the redeveloped Balwyn Library in 2018
- preparation for the further changes to the planning system with the implementation of Victorian Government Smart Planning Program
- respond to Victorian Government planning strategies or recommendations which are likely to have a direct influence on the Boroondara Planning Scheme
- complete the Municipal Wide Heritage Gap Study and implement the study by introducing heritage controls
- provide relevant and accessible information and advice to the business community to enhance the sustainability of the local economy and its influence on the liveability of Boroondara as a whole



- continue to support Council and the local community to improve the natural and urban environment in a sustainable way
- provide procurement and technical support to Phase 2 Boroondara Customer First Program (BC1) projects aligned with the Customer Experience Improvement Strategy (CEIS)
- transition into new corporate systems and continue the development of customer centric process improvement in all aspects of Council's operations
- respond to the challenges presented by the combination of CEIS and operational demands to ensure proactive leadership and cohesive management while maintaining resilience and responsiveness
- ensure greater efficiencies and customer experience while transforming towards a paperless office in Statutory Planning Department.

The year in review

A message from the Mayor
Message from the CEO
Financial summary
Operations summary



BOROONDARA
City of Harmony

A message from the Mayor



The City of Boroondara has been working tirelessly to make your interactions with us as convenient as possible for you. A priority for us over the past year has been our ongoing focus on delivering the best possible customer experience for our community. At the centre of this is our continued work on the Boroondara Customer First Program, which is transforming the way we work to meet changing community expectations in an increasingly digital world.

As part of this, we have completely rebuilt our website, in consultation with the community, to better meet your needs. Now you'll see a new user-friendly design, improved search and the new 'near me' feature showing community facilities in your area. Our new website is also easy to view and navigate on any device. We continue to invest in digital transformation to ensure your interactions with us are seamless and more efficient.

New eForms are now on our website, enabling customers to electronically report a bin problem, book a hard waste pick-up, update pet details or renew a business registration, to name a few. You'll progressively see more of these eForms introduced to help make your interactions with us more efficient and accessible.

In 2016-17 we continued to deliver strong financial management for our residents, but this has not been without its challenges. The Victorian Government introduced rate capping from 2016-17, based on the Consumer Price Index. Rate capping creates uncertainty around future rate revenue for Councils and is inconsistent with Councils' statutory obligation to develop long-term strategic plans. While we remain opposed to rate capping, our prudent management means we can accommodate rate capping without cutting services in the medium term. However, we believe that the policy will inevitably have impacts on services and infrastructure in the long term. Interestingly, the Victorian Government does not apply such a cap to itself.

Our high level of service provision to residents continued over the past year, including the ongoing management of a large number of community assets worth \$3.6 billion. This year, we invested more than \$47.5 million in renewed and new facilities and infrastructure, including \$2.7 million on our parks, open spaces and streetscapes and \$20.74 million on community buildings.

Development of major projects continued, including ongoing work on the \$17.2 million North East Community Hub in Balwyn North. Expected to open in mid 2018, the hub will feature a neighbourhood house, community meeting spaces, a library lounge, an integrated childcare centre, a maternal and child health centre, allied health and counselling services and the North Balwyn RSL.

Community consultation and preliminary planning has taken place in preparation for a \$7 million upgrade to the Balwyn Community Centre. This project is expected to start in mid-2018 and finish in 2019. The centre will better meet the needs of our growing population, providing more functional spaces to better support programs and services.

Balwyn Library is now fully operational at its temporary location at the former Balwyn Leisure Centre where it will remain until early 2018. Work is progressing on the \$8.9 million redevelopment of the permanent library, transforming it into a contemporary facility with appealing spaces to meet, read and study.

Pre-planning of the Kew Library renewal was also undertaken during 2016-17 with extensive consultation to be undertaken in 2017-18. Design and construction of the facility is scheduled for 2018-19 through to 2020-21.

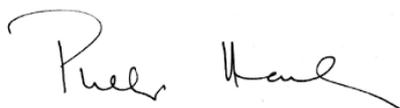
Beyond our focus on new projects, we continue to fund and offer a range of ongoing services to the community. Expenditure included:

- \$6.9 million on library services that provide a seven day a week service across the City – with over 1.1 million visits and over 2.3 million loans last year. Our public library collection is the second largest in Victoria – second only to that of the State Library.
- \$3.7 million on aged, disability and health services, such as immunisation, aged care and disability support for vulnerable members of our community and each year we deliver over 86,000 hours of in-home care for the elderly and people with a disability, and provide around 29,000 immunisations to infants and children across Boroondara.
- \$3.2 million on families and youth services—demand for these services remains high with around 1,500 births in Boroondara each year and over 4,000 young people accessing our youth services. We also lease 38 buildings at little or no cost to community organisations that provide long day care, occasional care and kindergarten services.

Two of our Leisure and Aquatic Facilities won recognition as part of Aquatic and Recreation Victoria's annual awards program: the Hawthorn Aquatic and Leisure Centre received the Health Club of the Year Award for the second year running and the Ashburton Pool and Recreation Centre was the winner of the Facility Management Award.

Our Council Plan 2017-21 will be significantly reviewed in the coming year, following the release of our 10-year Boroondara Community Plan. Over the past year, we have consulted extensively with our community, with an extraordinary response of over 11,800 contributions from residents. These insights are directly informing the development of the 10-year Boroondara Community Plan and our future policies, actions and budget priorities.

These fantastic achievements are founded on the solid support and input of our residents, local businesses, community groups and Council officers. I thank everyone who has helped shape these many achievements in 2016-17. As we enter a new Council term, I also sincerely thank all Councillors who served during the past four-year term for their wonderful contribution to this great City.



Cr Phillip Healey

Mayor

Message from the CEO



I am delighted to present Council's Annual Report for 2016–17 to detail our achievements and challenges for the year, and report on how we met our objectives and commitments in the Annual Plan and Budget 2016–17.

Council completed 95 per cent of its Annual Plan commitments. Our financial position remains sound with a net surplus of \$31.62 million. A surplus net result is an essential financial strategy that allows us to maintain and renew the \$3.6 billion net community assets under Council's management.

We maintain infrastructure assets at the expected levels, while continuing to deliver the services needed by the community. Council invested \$47.5 million in renewed and new, facilities and infrastructure during the 2016–17 year.

Throughout this report, and as outlined in the Mayor's message, you will see evidence of a number of service and infrastructure initiatives that have been completed to provide outstanding community facilities and opportunities for the community to meet, learn and recreate.

In the annual state-wide Local Government Community Satisfaction Survey, the City of Boroondara was yet again ranked as one of the top performing councils across the state and metropolitan area.

System changes coupled with the need to maintain high level services and the delivery of quality customer experiences has been both challenging and rewarding for all the staff across Council.

We have moved from using our website to provide information to residents, to using it to provide services and enable the community to interact with Council whenever it suits them. There are now 59 online forms available to the community to receive a service without the need to telephone, visit or write to Council.

The Boroondara Library Service has also successfully undertaken a major upgrade of its Spydus Library Management System. The upgrade to Spydus 10 supports Boroondara's customer-first approach and ensures up-to-date system functionality. Improvements include a web-based, user friendly catalogue search for library items, clearer customer notices and improved cash management.

Following community input, Council adopted a new five-year Economic Development and Tourism Strategy in August 2016. The strategy provides a blueprint for enhancing the vibrancy and sustainability of the local economy and its influence on the liveability of Boroondara as a whole. Council adopted the third action plan for the Our Low Carbon Future Strategy (OLCFS) in September 2016. It proposes a number of high priority actions over the next four years that will deliver environmental and financial benefits.

During the year, the first stage of the Glenferrie Water Management Plan was completed. This will greatly improve water security for the Glenferrie Recreation Precinct. As part of the Integrated Water Management Strategy implementation, the concept design for Macleay Park and functional design for Chandler Park were also completed in 2016-17. Over time, these and other strategic actions will contribute to ensuring a healthy, green and resilient city for current and future residents.

We continue to implement our Graffiti Management Strategy to improve overall amenity of Boroondara's public spaces. While we deal with graffiti on Council assets within 24 hours, influencing the actions of other public organisations to swiftly remove graffiti from their property is a focus of the strategy, along with identifying locations for and implementing community art projects.

We have also progressed the Municipal Wide Heritage Gap Study to identify and protect valued heritage places through the introduction of heritage controls. The study is underway with suburb assessments for Canterbury, Camberwell, Hawthorn and Kew completed in 2016-17.

Council's new Tree Protection Local Law was approved in November 2016. The new local law strengthens tree protection and enforcement provisions.

Advocacy continues to be a major focus and we worked with residents and community groups on several advocacy campaigns during the year, including Walmer Street Bridge, the plaza redevelopment in Abbotsford, the Markham Estate redevelopment in Ashburton and the Bills Street public housing redevelopment in Hawthorn.

While there were many achievements over the past year, there were also some challenges.

Looking ahead, the wonderful community input to our ten-year Boroondara Community Plan has provided us with great insights on community desires, and will directly inform our future policies, actions and budget priorities.

I would like to take this opportunity to thank Council staff for their commitment and efforts to deliver Council's diverse range of services, and particularly their involvement leading up to the launch our new website.

Thank you also to our community for your continued support and input for the many programs and strategies progressed over the past year.



Phillip Storer
CEO

Financial summary

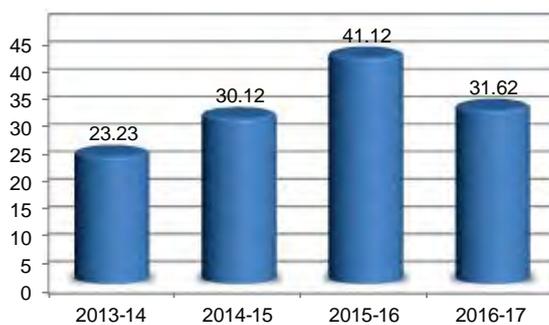
Council's financial position continues to remain sound. A summary of our performance is outlined below while detailed information is included within the Financial Statements and Performance Statement sections of this report.

Operating position

Council achieved a surplus of \$31.62 million in 2016-17. This surplus compares favourably to the original budget surplus of \$26.61 million. The favourable variance is primarily due to higher than budgeted monetary contributions of \$3.96 million (mainly open space), statutory fees and fines of \$2.31 million and early receipt of the 2017-18 Victoria Grants Commission grant allocation of \$2.26 million. In addition, there were savings in other expenditure of \$0.56 million and bad and doubtful debts of \$0.18 million, offset by a loss on disposal of property, infrastructure, plant and equipment of \$0.66 million.

The adjusted underlying surplus of Council – after removing non-recurrent capital grant income, monetary contributions and non-monetary asset contributions – is \$24.95 million. Sustaining a surplus underlying result is a necessary financial strategy in order to fund the renewal and new asset programs for the \$3.56 billion net community assets under our control.

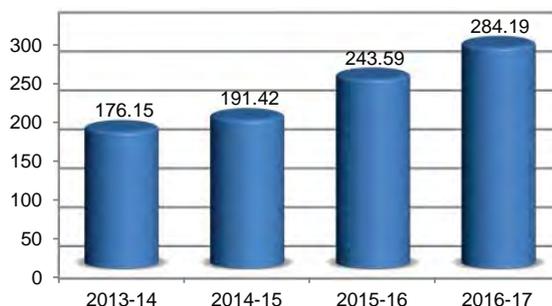
Net operating result (\$ million)



Liquidity

Cash has decreased by \$6.11 million from the previous year due to the movement in funds invested in term deposits greater than 90 days. The working capital ratio, which assesses Council's ability to meet current commitments, is calculated by measuring our current assets as a percentage of current liabilities. Our result of 284.19% indicates a satisfactory financial position. Council's working capital is increasing in order to be able to repay the remaining principal on a loan which is due in 2018-19.

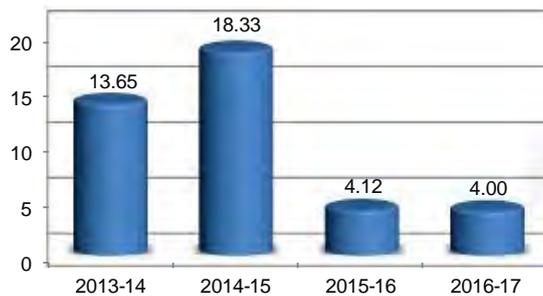
Working capital ratio %



Obligations

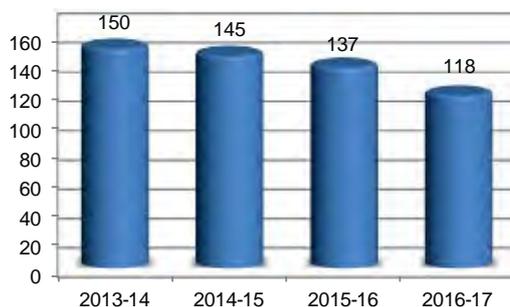
Council ensures it maintains infrastructure assets at expected levels while continuing to deliver the services needed by the community. We invested \$36.78 million including the renewal of buildings (\$13.39 million), roads (\$10.07 million) and drainage (\$4.48 million) during 2016-17. This was funded from capital grants of \$1.36 million and cash flow from operations of \$35.42 million. At the end of 2016-17, Council’s loans and borrowings repayment ratio – measured by comparing interest-bearing loans and borrowing repayments to rate revenue – was 4.00%.

Loans and borrowings repayment ratio %



Asset renewal ratio is measured by comparing asset renewal expenditure to depreciation and was 118% in 2016-17. In prior years this was higher due to major renewal projects at Hawthorn Aquatic and leisure Centre (HALC), Ashburton Pool and Recreation Centre (APARC) and Hawthorn Town Hall.

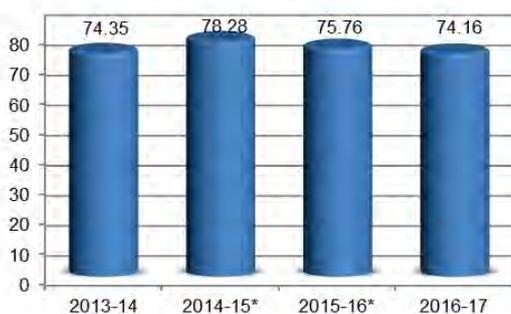
Asset renewal ratio %



Stability and efficiency

Council raises revenue from rates, user fees, fines, grants and contributions. Council’s rates concentration, which compares rate revenue to adjusted underlying revenue, was 74.16% for 2016-17. Council is very reliant on rates as a source of revenue because of statutory restrictions on many fees and charges and the declining level of payments from the Victorian Government to fund services, compared to the cost of providing these services. This resulted in an average rate per residential assessment of \$2,200, including waste charges.

Rates concentration ratio %



*The calculation method has been updated to ensure consistency.

Operations summary

Council delivers a broad range of services ranging from family and children's services, traffic regulation, open space, youth facilities, waste management and community building; to business development, planning for appropriate development and ensuring accountability of Council's budget. These services and community infrastructure support the wellbeing and prosperity of our community. More details about our services are in the Our Performance section on page 32.

Economic factors

The Australian economy is experiencing a period of low inflation, record low interest rates and low wage increases.

This has led to reduced investment income returns for Council's cash holdings while Council's fixed interest rate loans are still at pre downturn levels.

Because of rate capping introduced by the Victorian Government, the effect of the lower Consumer Price Index (CPI) has directly impacted Council's revenue and hence its future capacity to deliver services may be effected over time. This is compounded by the percentage increase in average weekly earnings across Australian economy being higher than CPI for all of the 2016-17 year. This means that Council's employment cost growth is higher than the increase in income it receives.

Demand for Council services by residents is also increasing markedly because of population growth and increased density in residential development. An associated issue is due to the disappearance of the traditional backyard across large areas of the municipality created by Victorian Government Planning rules for higher density the need for open space provided by Council is increasing. The cost of land in the municipality to acquire and convert to open space is prohibitive as are alternatives such as undergrounding of car parking facilities.

Traffic and Parking problems are also becoming more prevalent due to increased population.

In summary, Boroondara is facing external factors that affect residential amenity, at a time when Council's ability to finance significant projects to improve amenity has been significantly diminished by the Victorian Government.

Major projects

Balwyn Community Centre

The \$7 million project of upgrading the Balwyn Community Centre is expected to start in mid-2018 and finish in 2019.

The site will be upgraded in line with community feedback, so that the centre can meet the needs of our growing population. The buildings will contain additional and more functional spaces to better support programs and services; the heritage character of the old building will be maintained; and the street frontage will be improved to make the site more open and welcoming.

Balwyn Library

Balwyn Library is fully operational at its temporary location at the former Balwyn Leisure Centre, and work is progressing on the \$8.9 million redevelopment of the permanent site.

The Library will remain at 230 Balwyn Road, Balwyn North until 2018 while the permanent library on Whitehorse Road is transformed into a contemporary facility with appealing spaces to meet, read and study.

The temporary site has good parking, the same opening hours as the permanent site, up to 90 per cent of the collection available (including reservation pick up), Wi-Fi access and public computers.

Kew Library

Pre-planning of the Kew Library renewal was undertaken during 2016-17 with consultation to be undertaken in 2017-18. Design and construction of the facility is scheduled for 2018-19 through to 2020-21. A detailed service needs analysis is being undertaken to determine how the service needs can be delivered from this site.

North East Community Hub

The new \$17.2 million North East Community Hub offers a range of much-needed community services and programs in this part of Boroondara. The Australian Government has provided a \$3.2 million grant towards the project construction, through the National Stronger Regions Fund, and the North Balwyn Returned Services League (RSL) sub-branch has provided the land to Council on a long-term lease.

The facility is planned to open midway through 2018 and the hub will have a range of features including a neighbourhood house, community meeting spaces, a library lounge, an integrated childcare centre, a maternal and child health centre, allied health and counselling services and the North Balwyn RSL.

Major achievements

Digital noticeboard trial

A digital noticeboard, the first in Boroondara, was installed in the Greythorn area in consultation with the local Trader Association. Local community groups will be able to promote their activities and events on the new noticeboard. It will also provide a new channel for Council to inform the community about relevant Council initiatives and to involve the community in Council planning and decision making.

Boroondara Community Plan consultation

During the year, a community consultation program was undertaken with the Boroondara community to develop our 10-year Community Plan. Council received over 11,800 responses from the community, representing all age, gender, suburb and culturally diverse cohorts. The responses are being used to inform the development of the Boroondara Community Plan, which will include the Municipal Public Health and Wellbeing Plan 2017-21. The Community Plan will outline our vision and priorities for the future and will include what the community thinks is important for them.

Economic Development and Tourism Strategy

Following community input, Council adopted a new five year Economic Development and Tourism Strategy in August 2016. The strategy provides a blueprint for enhancing the vibrancy and sustainability of the local economy and its influence on the liveability of Boroondara as a whole. It addresses a range of challenges and opportunities determined through initial research, community consultation and analysis.

Library Management System upgrade

The Boroondara Library Service has successfully undertaken a major upgrade of its Spydus Library Management System. The upgrade to Spydus 10 supports Boroondara's customer-first (BC1) approach and ensures up to date system functionality. Improvements include a web-based, user friendly catalogue search for library items, clearer customer notices and improved cash management.

Boroondara Arts strategic marketing plan

A strategic marketing plan has been developed to support the Boroondara Arts programs and services. A key focus of the marketing plan was to further engage current and potential audiences to better understand their needs and desires. Appropriate event marketing campaigns and brand development are additional areas of focus of the marketing plan.

Towards a low carbon future

Council adopted the third action plan for the Our Low Carbon Future Strategy (OLCFS) in September 2016. The action plan reaffirms the OLCFS targets, principles and objectives, and summarises progress to date on implementation of the strategy. It proposes a number of high priority actions for implementation over the next four years that will deliver environmental and financial benefits. Most notable is an investment of \$2 million towards an Energy Performance Contract (EPC) to improve the energy efficiency of Council's largest buildings with a guaranteed financial return in the vicinity of \$200,000 per annum.

Glenferrie Water Management Plan

During the year, the first stage of Glenferrie Water Management Plan was completed. This will greatly improve water security for the Glenferrie Recreation Precinct.

Water is harvested from the Hawthorn main drain, treated within a formal-style rain garden that relates to the heritage of Grace Park, then stored in underground tanks. The water can be used to irrigate Grace Park and the Glenferrie Oval precinct. The water storage is also connected to a water truck refill point in Power Street which allows water to be transported to other Boroondara public spaces for irrigation. Any surplus treated water is returned to the broader river system via the main drain.

Sustainable water management

As part of the Integrated Water Management Strategy implementation, a concept design for Macleay Park and a functional design for Chandler Park were completed in 2016-17. Over time, these and other strategic actions will contribute towards ensuring a healthy, green and resilient City for current and future residents. Council developed the second action plan for the Strategy during the year.

Implementation of Council's Graffiti Management Strategy

Council continues to implement its Graffiti Management Strategy to improve overall amenity of Boroondara's public spaces. While we deal with graffiti on Council assets within 24 hours, influencing the actions of other public organisations to swiftly remove graffiti from their property is a focus of the strategy, along with identifying locations for and implementing community arts projects.

Information session for rooming house operators

In June 2017, Council facilitated an information session on Rooming Houses at the Hawthorn Arts Centre targeted to current registered Rooming House operators within Boroondara. The forum provided information about changes to legislative requirements to ensure all essential safety measures in buildings are maintained at all times for the safety of the occupants. Speakers from Metropolitan Fire Brigade and Department and Consumer Affairs Victoria also provided information to attendees.

Municipal Wide Heritage Gap Study

Council has commenced an assessment of all properties across the municipality to identify and protect valued heritage places of local significance through the introduction of heritage controls. The study is underway with suburb assessments for Canterbury, Camberwell, Hawthorn and Kew completed in 2016-17.

Preliminary community consultation for Canterbury and Camberwell has been undertaken whilst consultation on Hawthorn and Kew will occur in late 2017. The preliminary consultation period gives property owners the opportunity to submit feedback about suburb assessment prior to the formal statutory process of introducing the heritage controls.

School education program pilot

As part of Council's commitment to support its community through engagement and provision of information, a school education program on 'Using school crossings' and 'Interaction with unknown dogs' was developed and piloted at the Camberwell Primary School in December 2016. The program delivered with an engaging and participative approach complemented by respective animated videos. The program is an excellent opportunity to promote safety education within the community.

New Tree Protection Local Law

Council's new Tree Protection Local Law was approved and formally gazetted in November 2016. This followed a major review of the operation of the proceeding local law, public exhibition and consideration of submissions. The new local law strengthens tree protection and enforcement provisions.

Boroondara Leisure and Aquatic Facilities awards

Two of Boroondara's leisure and aquatic facilities won recognition as part of Aquatic and Recreation Victoria's annual awards program. The Hawthorn Aquatic and Leisure Centre (HALC) received the Health Club of the Year Award for the second year running. The Ashburton Pool and Recreation Centre (APARC) was the winner of the Facility Management Award.

Both of these awards recognise the excellent management of both facilities by the YMCA as well as the impact of recent facility redevelopment works at both HALC and APARC. The awards also recognise the wide range of facilities, programs and services on offer and the positive impact the centres have on the health and wellbeing of local residents.

New Boroondara website

In May 2017, Council launched its new website with information designed to meet accessibility standards and objectives developed in consultation with the Boroondara community. Some key features include; new mapping functionality 'near me' which assists the community to find Council assets and activities, while new planning and building guides make obtaining information on these processes easy for customers.

Deployment of 48 eforms on the website has improved data quality captured through validated fields in the forms ensuring correct data is entered. This has reduced some manual processes and the need to rescan forms into our systems. It also allows residents to submit forms and upload supporting documents at all times. The launch of the website saw the reduction in eight Council websites to one to enable ease of access and consolidation of information and services into one location.

Advocacy

Council continued to work with residents and community groups on several advocacy campaigns during the year, including the Walmer Bridge, the plaza redevelopment in Abbotsford, the Markham Estate redevelopment in Ashburton and the Bill Street public housing redevelopment in Hawthorn.

2016 Council Election

Council successfully prepared for and coordinated the conduct of the Council Election and the subsequent Councillor Induction process. Elected Councillors were sworn-into office on 2 November 2016 following the general elections on 22 October 2016. An Induction Program was rolled out following the Declaration of the Poll on 31 October 2016.

Council also ensured the relevant deadlines were met for reviews of the Councillor Code of Conduct, Mayoral and Councillor Allowances, and Council's instruments of delegation, and the renewal of Council's Meeting Procedure Local Law.

Organisational changes

There were no major organisational structural changes in 2016-17.

Our Council

City profile - Boroondara
Council offices
Our councillors
Council wards



BOROONDARA
City of Harmony

Our Council

City profile – Boroondara

The City of Boroondara includes the suburbs of Ashburton, Balwyn, Balwyn North, Camberwell, Canterbury, Deepdene, Hawthorn, Hawthorn East, Kew and Kew East, and parts of Glen Iris, Surrey Hills and Mont Albert.

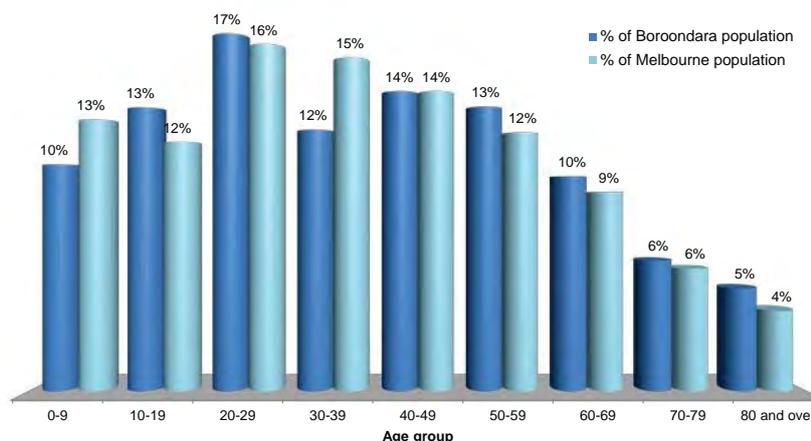
History

'Boroondara' comes from the Woiwurrung language and means 'where the ground is thickly shaded'. At the time of first European settlement there were around 38 tribal groups in the region. The Wurundjeri were one of the most important tribal groups.

After surveying the area in 1837, Robert Hoddle declared it the 'Parish of Boroondara'. The first local government body was the Boroondara District Road Board, formed in 1854, which encompassed the areas that were to become Hawthorn, Kew and Camberwell. With the amalgamation of these cities in June 1994, the City of Boroondara was created.

Population

Boroondara has an estimated residential population of 176,732 people (at 30 June 2016). Compared with Greater Melbourne, we have a smaller proportion of young children and people aged 30 to 39, but a larger proportion of 10 to 19 year olds and people over 50 years. Of all 79 Victorian local government areas, Boroondara has the fifth largest population of people aged 85 years and over. At the 2016 Census 3.8% of the population needed assistance with daily living tasks.



Where are we from?

Boroondara is culturally and linguistically diverse. The proportion of Boroondara residents who were born overseas increased from 25.5% in 2006 to 30.9% in 2016, when residents were born in more than 145 countries and spoke more than 120 languages.

At the 2016 Census, the majority of overseas born Boroondara residents had been born in a country where English is not a main language. Between 2006 and 2016 there was a large increase in the number of residents born in China and India in particular, and 57% of the Boroondara residents who first arrived in Australia to live during 2016 were born in one of these two countries.

Education hub

By area, Boroondara has one of the highest concentrations of schools of all Victorian local government areas, with 57 secondary, primary and special education schools, including 13 combined primary and secondary schools, as well as Swinburne University, Swinburne TAFE, a University of Melbourne campus and two Universities of the Third Age. The City also has 10 neighbourhood and community centres where residents can participate in programs focussing on health and wellbeing, languages, creative pursuits, the arts, cooking and technology.

Work and income

A quarter of Boroondara's employed residents work within the City of Boroondara and just under a quarter work in the City of Melbourne. Household income levels in Boroondara are higher than the Greater Melbourne average. At the 2016 Census, the median household income in Boroondara was \$2,083 per week, compared to \$1,542 for Greater Melbourne. Nonetheless, 14% of all Boroondara households are living on less than \$650 a week.

Where do we shop?

Boroondara has a strong retail/commercial sector. Boroondara has 53 shopping centres and strips, with the main shopping strips located at Camberwell Junction, Glenferrie Road, Hawthorn and Kew Junctions.

How do we live?

At the 2016 Census, Boroondara had 69,282 dwellings, ranging from separate houses (55% of all dwellings) to medium and high density dwellings, which are more commonly found in Hawthorn and Hawthorn East. Boroondara's housing market is one of the most expensive in Victoria. About 1.1% of Boroondara's housing is social housing (provided for non-profit purposes), which includes community-based and public housing.

Transport

The City has extensive train, tram and bus transport routes, but still has areas without easy access to public transport. Our sustainable transport pathways continue to expand, with over 57km of on-road bicycle lanes on arterial and local roads. The City also has 31km of shared paths across major trails, including the Gardiners Creek, Anniversary/Outer Circle, Main Yarra and Koonung trails.

Open spaces

Boroondara has retained its green and leafy streets, parks and gardens due to water-wise and sustainable practices. The City is rich in its biodiversity and the array of flora and fauna; it has about 600 hectares of open space. The majority of residents have access to public open space close to their home.

Like other municipalities, a challenge ahead will be to maintain the standard of our current environment, liveability and heritage amidst the impacts of climate change, water shortages, increased pollution, and increasing population densities and development.

For more information and statistics about the City of Boroondara, go to <https://www.boroondara.vic.gov.au/about-council/history-and-demographics>



A detailed map of the City and the ward boundaries is included on page 25.



Council offices

Camberwell office

8 Inglesby Road, Camberwell

Hawthorn Arts Centre

360 Burwood Road, Hawthorn

Kew Library

Corner Cotham Road and Civic Drive, Kew

Postal address

Private Bag 1
Camberwell VIC 3124

Website: www.boroondara.vic.gov.au

Telephone: 9278 4444

Email: boroondara@boroondara.vic.gov.au

Our councillors

The City of Boroondara's 10 Council wards are represented by councillors, each elected by members of the community for a four-year term of office. The number of councillors was decided in consideration of equity of representation, the communities of interest, voter numbers and accountability to the community.

Ten councillors are the elected representatives of all residents and ratepayers across the City. They are responsible for setting the strategic direction of the municipality, developing policy, identifying service standards and monitoring the performance of the organisation. On 22 October 2016, the Boroondara community elected this Council for a four year term.



Cr Phillip Healey (Mayor)

Studley Ward

First elected: November 2004

Mayor: 2006-07 and 2016-17

Mayor's office:

T 9278 4457

M 0437 374 773

E phillip.healey@boroondara.vic.gov.au



Cr Jim Parke

Bellevue Ward

First elected: October 2012

Mayor: 2015-16

T 9835 7840

E jim.parke@boroondara.vic.gov.au



Cr Felicity Sinfield

Cotham Ward

First elected: October 2016

T 9835 7841

M 0418 793 573

E felicity.sinfield@boroondara.vic.gov.au



Cr Coral Ross

Gardiner Ward

First elected: March 2002

Mayor: 2007-08, 2013-14 and 2014-15

T 9835 7842

M 0438 005 225

E coral.ross@boroondara.vic.gov.au



Cr Steve Hurd
Glenferrie Ward

First elected: October 2012

T 9835 7849

M 0417 708 182

E steve.hurd@boroondara.vic.gov.au



Cr Jack Wegman
Junction Ward

First elected: March 2002

Mayor: 2004-05, 2005-06, 2008-09, 2009-10 and 2012-13

T 9835 7843

E jack.wegman@boroondara.vic.gov.au



Cr Lisa Hollingsworth
Lynden Ward

First elected: October 2016

T 9835 7844

M 0417 908 485

E lisa.hollingsworth@boroondara.vic.gov.au



Cr Jane Addis
Maling Ward

First elected: October 2012

T 9835 7845

M 0409 267 902

E jane.addis@boroondara.vic.gov.au



Cr Cynthia Watson
Maranoa Ward

First elected: October 2016

T 9835 7846

M 0419 488 204

E cynthia.watson@boroondara.vic.gov.au



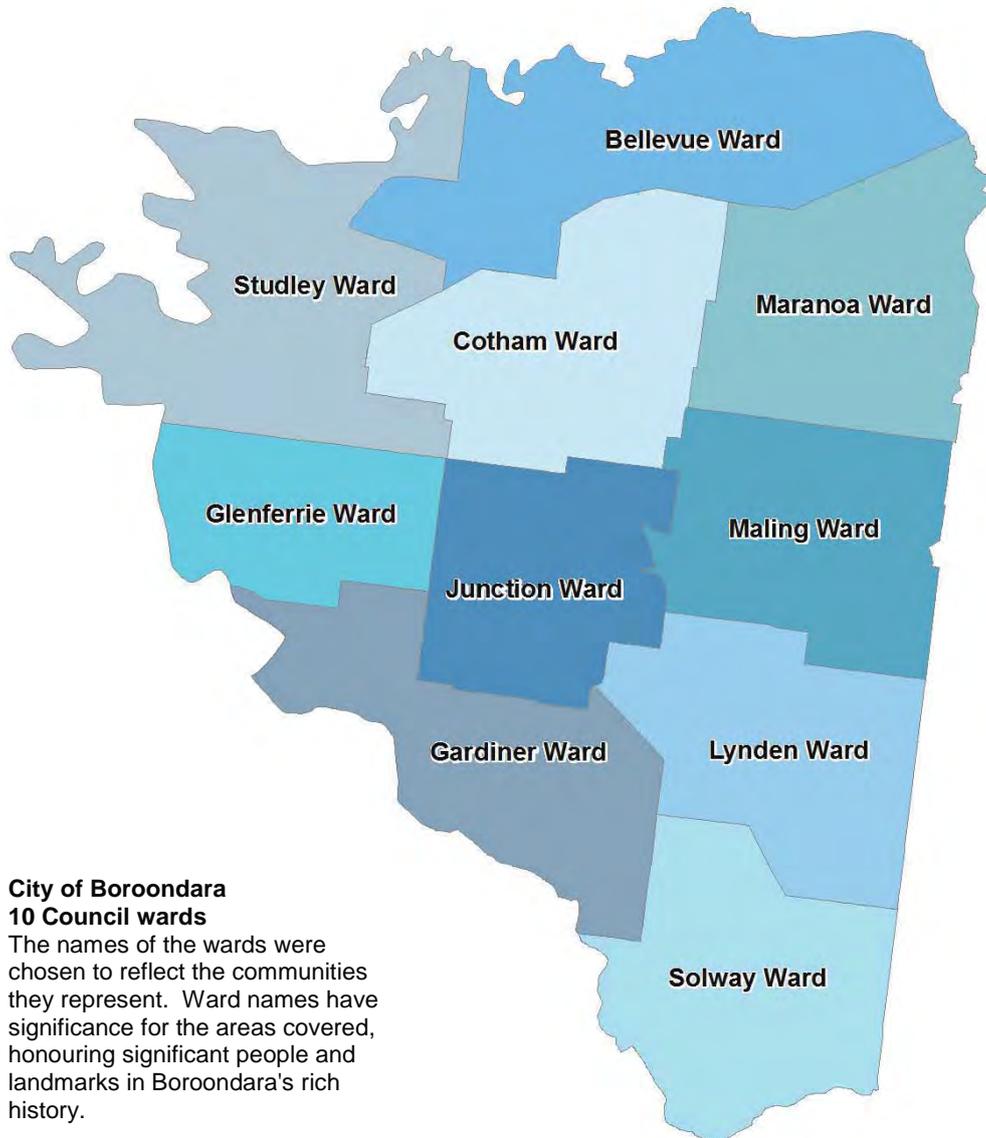
Cr Garry Thompson
Solway Ward

First elected: October 2016

T 9835 7847

M 0417 153 512

E garry.thompson@boroondara.vic.gov.au



**City of Boroondara
10 Council wards**

The names of the wards were chosen to reflect the communities they represent. Ward names have significance for the areas covered, honouring significant people and landmarks in Boroondara's rich history.

Our people

Organisational structure
Council staff
Equal Employment Opportunity Program
Other staff matters



BOROONDARA
City of Harmony

Our people

Organisational structure

Council is the governing body that appoints a Chief Executive Officer (CEO), who has responsibility for the day-to-day leadership of the organisation. The CEO, four directors and an executive manager form an Executive Leadership Team to lead the organisation:



Phillip Storer
Chief Executive Officer
 T 9278 4455

Senior officers reporting directly to the Chief Executive Officer:



John Luppino
Director City Planning
 T 9278 4800

Areas of responsibility:

- Building services
- Local laws
- Statutory planning
- Strategic planning



Carolyn McClean
Director Community Development
 T 9278 4600

Areas of responsibility:

- Arts and cultural services
- Community planning and development
- Family, youth and recreation
- Health, active ageing and disability services
- Library services



Marilyn Kearney
Director Corporate Services
T 9278 4300

Areas of responsibility:

- Commercial and property services
- Economic development
- Finance and corporate planning
- Information technology
- People, culture and development
- Corporate solicitor



Bruce Dobson
Director Environment and Infrastructure
T 9278 4500

Areas of responsibility:

- Asset management
- Environment and sustainable living
- Parks and infrastructure
- Projects and strategy
- Traffic and transport



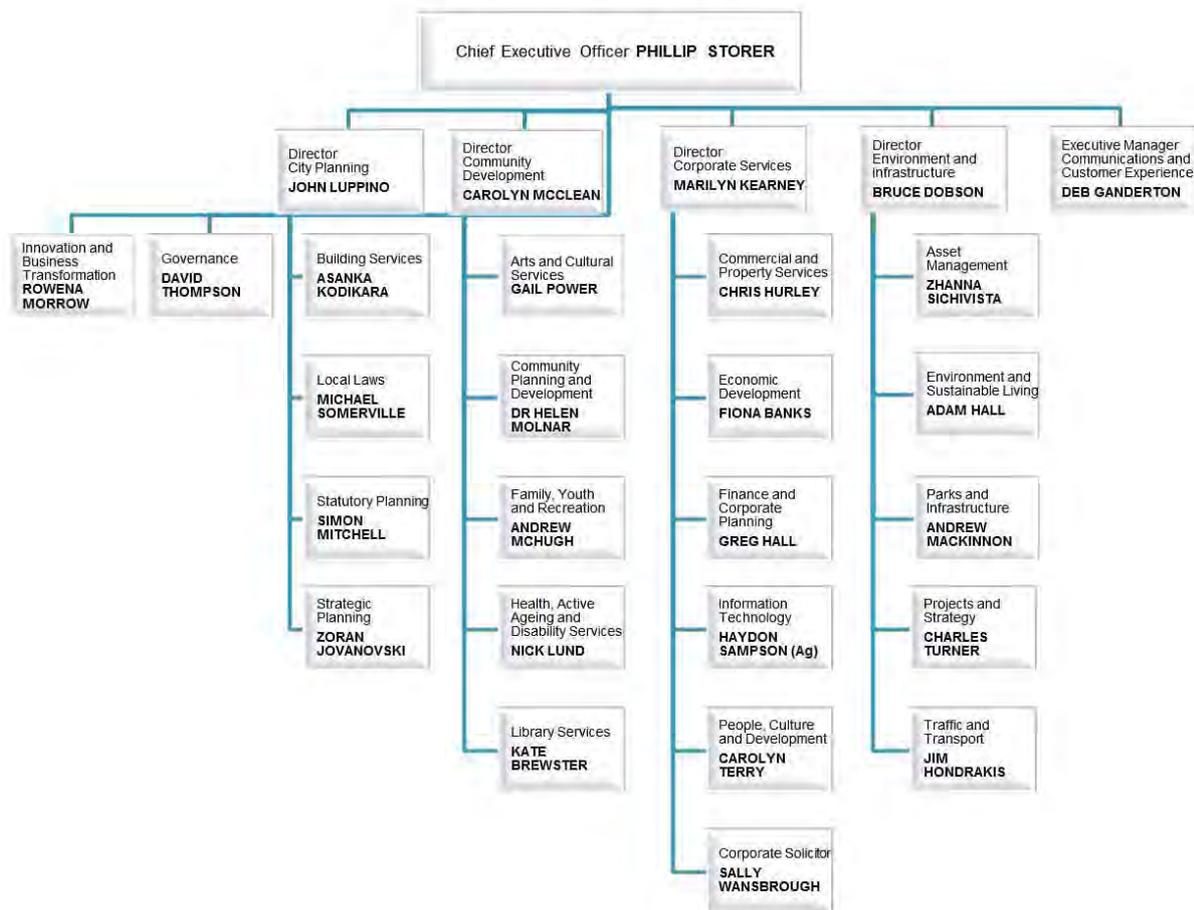
Deb Ganderton
Executive Manager Communications and Customer Experience
T 9278 4490

Areas of responsibility:

- Communications
- Customer service
- Engagement and research

The Senior Leadership Team (SLT) includes the Executive Leadership Team and all department managers. SLT has a broad skill set and gender, age, sector and geographical diversity, contributing to the strength of the administration.

The structure of SLT as at 30 June 2016:



Council staff

A summary of full time equivalent (FTE) Council staff by organisational structure, employment type and gender:

| Full time equivalent (FTE) | | | | | | |
|----------------------------|-----------------|------------------|--|--------------------------|-----------------------|--------------------------------------|
| Employment type/ gender | CEO's Office | City Planning | Communications and Customer Experience | Community Development | Corporate Services | Environment and Infrastructure |
| Permanent FT - F | 7.00 | 49.00 | 16.00 | 103.00 | 54.00 | 31.00 |
| Permanent FT - M | 4.00 | 49.00 | 6.00 | 23.00 | 37.00 | 159.00 |
| Permanent PT - F | 3.05 | 18.53 | 8.68 | 104.29 | 19.14 | 7.78 |
| Permanent PT - M | 0 | 13.39 | 0.80 | 14.91 | 3.80 | 3.01 |
| Casual - Female | 0.23 | 1.00 | 2.40 | 8.16 | 3.40 | 0.13 |
| Casual - Male | 0.18 | 1.89 | 0.76 | 2.69 | 0.98 | 0.01 |
| Total | 14.46 | 132.81 | 34.64 | 256.05 | 118.33 | 200.93 |

Legend: FT - Full time; PT - Part time; F - Female; M - Male.

A summary of full time equivalent (FTE) staff categorised by employment classification and gender:

| Employment classification | Female FTE | Male FTE | Total FTE |
|---------------------------|---------------|---------------|---------------|
| Band 1 | 9.76 | 7.99 | 17.75 |
| Band 2 | 2.62 | 3.99 | 6.61 |
| Band 3 | 50.23 | 33.41 | 83.64 |
| Band 4 | 120.44 | 31.84 | 152.28 |
| Band 5 | 72.99 | 28.14 | 101.13 |
| Band 6 | 63.86 | 39.31 | 103.18 |
| Band 7 | 18.93 | 23.25 | 42.18 |
| Band 8 | 11.00 | 2.84 | 13.84 |
| Band not applicable | 86.97 | 149.65 | 236.62 |
| Total | 436.80 | 320.42 | 757.22 |

Equal Employment Opportunity Program

Council has an Equal Employment Opportunity (EEO) Program designed to eliminate discrimination and promote equal opportunity.

Indicators that measure the effectiveness of the Program and the results for the year are:

- Indicator: Percentage of new employees receiving Equal Employment Opportunity in the Workplace Policy on commencement. Target: 100%. Result: 100%
- Indicator: Number of contact officers per number of council office locations
Target: 1:1. Result: Six locations, six contact officers.

Contact details of EEO contact officers are published on the intranet and staff noticeboards to ensure all staff can access support.

Other staff matters

Child safe standards

The City of Boroondara is committed to being a child safe organisation, with zero tolerance for child abuse. We, along with a range of organisations, are working towards compliance with the Victorian Child Safe Standards.

Council has developed a Statement of Commitment as follows:

- The organisation's commitment to the safety and well-being of children and, as such, is committed to creating and maintaining a child safe organisation.
- We have zero tolerance of child abuse and are committed to actively contributing to a child safe city where children are protected from abuse.
- Our commitment to the safety of children is based on our duty of care and responsibilities to children and always acting in the best interests of children.
- Our commitment will be enacted through the implementation and monitoring of the Child Safe Standards, as specified under the *Child Wellbeing and Safety Amendment (Child Safe Standards) Act 2015*.

We have developed clear reporting procedures for employees to follow when someone raises concerns about child safety, or reports abuse. We have also completed an internal audit on all positions across Council to ensure that position requirements for Working with Children Checks are consistent with our approach and commitment to Child Safety.

Leadership development

The Leading for Success coaching module was delivered across leadership levels. Based on the GROW coaching model, the program develops leaders' ability to tailor coaching to the individual, structure the coaching conversation, and coach across development, motivation, and performance situations.

The Prosci ADKAR Change Management Program was delivered across the Executive and Senior Leader cohort. The program is based on the ADKAR change approach, with learning applied to the strategic transformation and change projects implementing across council work groups.

Leadership events featured keynote presenters who are thought leaders in creating culture and leading in changing and uncertain times. These themes continue to be a focus for Leaders as Council continues on the customer first transformation journey.

Development to support the customer first transformation

To support the launch of Council's new website, staff from across the council participated in workshops to learn about the new customer centric website structure, service search and locator features, and approach to writing website content.

Health, safety and wellbeing

Council's Occupational Health and Safety (OHS) Strategic Plan 2015-18 sets out the direction for ensuring a proactive culture of actively identifying our safety hazards, managing risks, creating safe design and striving for injury prevention while delivering high-quality services to our community.

During year two of the Plan, Council's wellbeing program was integrated with the health and safety risk management program. As part of Council's Health and Wellbeing Program 2017, a calendar of monthly focus areas was developed to support employees in improving their health and wellbeing. Complementary health and wellbeing programs to assist employees develop skills that encourage healthy behaviours and provide activities that specifically support management of these risk factors include Council's PhysioAssist Program and Move More initiative.

The City of Boroondara was also announced as finalists for two 2016 WorkSafe Awards demonstrating excellence and innovation in return to work.

Our performance

Planning and accountability

Council Plan

How we are measured

Theme 1: Strong and engaged communities

Theme 2: Sustainable environment

Theme 3: Enhanced amenity

Theme 4: Quality facilities and assets

Theme 4: Responsible management



BOROONDARA
City of Harmony

Our performance

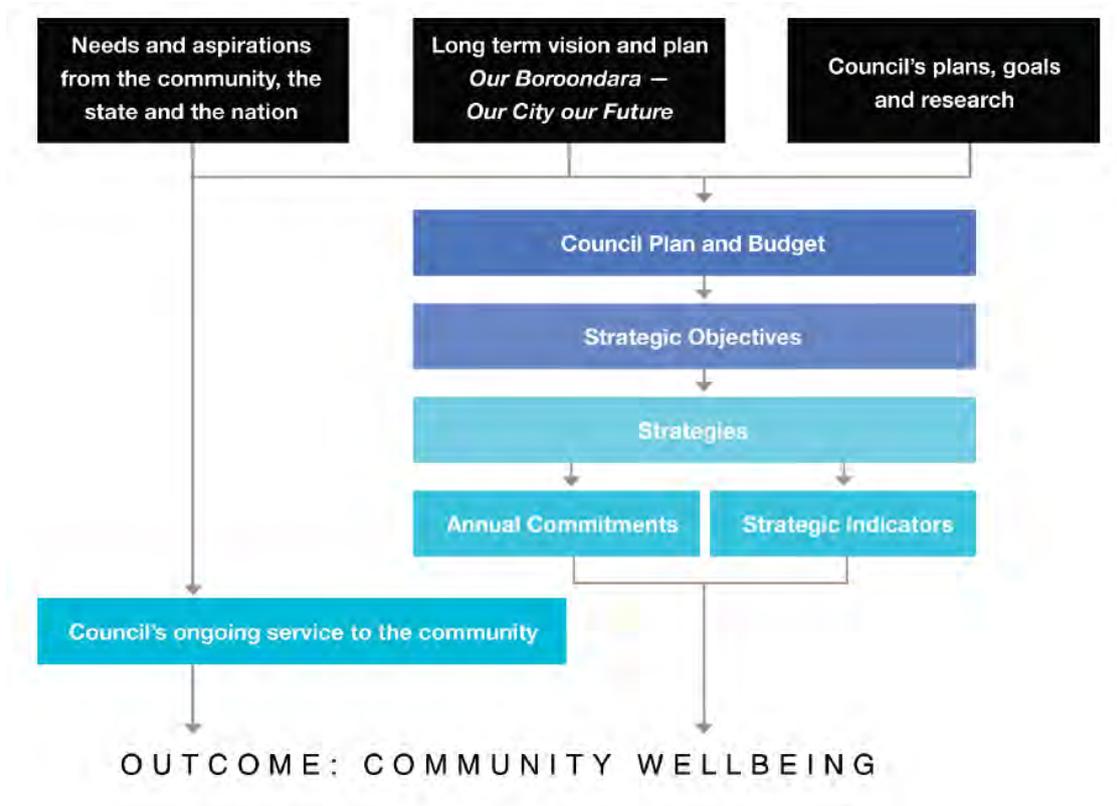
Planning and accountability

Council's short, medium and long term plans are influenced by community feedback, research and government policy.

The structure of Council's Planning framework is outlined in the diagram below, and highlights the relationship between the Council Plan, the annual Budget and service delivery.

Our ongoing monitoring and reporting of performance through monthly, quarterly, and annual reports ensures we are accountable, transparent and comply with legislation.

Our Integrated Planning Framework



Council Plan

Boroondara's Council Plan outlines our vision and strategic plan for the Council term. The plan commits to long-term planning in building capacity in many areas, continuing to revitalise our City, focusing on our community services and delivering infrastructure and asset renewal projects.

The Annual Plan 2016-17 outlines Council's commitments in support of the Strategic Objectives and other adopted strategies and plans.

The Council Plan 2013-17 outlines Themes which are informed by the '*Our Boroondara - Our City Our Future*' document as key focus areas for the four-year Council term and these Themes are supported by Council's Strategic Objectives. The Strategic Objectives describe how Council's vision and mission is achieved and are monitored by Strategic Indicators.

| Themes | Strategic Objectives |
|---------------------------------------|---|
| Strong and engaged communities | <ul style="list-style-type: none"> – Our community has a say in matters of interest to them in achieving Boroondara's vision. – Community needs are identified and responses planned accordingly. – Opportunities are provided to enable people in our community to be supported and involved. |
| Sustainable environment | <ul style="list-style-type: none"> – Our natural and urban environment is improved in a sustainable way. |
| Enhanced amenity | <ul style="list-style-type: none"> – The character of our neighbourhoods is protected and improved. |
| Quality facilities and assets | <ul style="list-style-type: none"> – The community's current and future needs for assets and facilities are proactively managed. |
| Responsible management | <ul style="list-style-type: none"> – Decision-making in the delivery of high quality services by capable and professional people reflects transparent, accountable and fair practices. – Sound financial and risk management practices are carried out. |

How we are measured

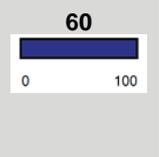
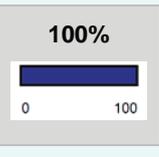
Our performance is reported against each theme in four ways:

1. Results of Strategic Indicators in the Council Plan.
2. Progress of major initiatives in the Budget.
3. Performance of services funded in the Budget.
4. Results of prescribed service performance indicators and measures.



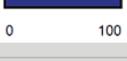
Theme 1: Strong and engaged communities

Results of Strategic Indicators in the Council Plan:

| Strategic Indicator | 2015-16 Result | 2016-17 Target | 2016-17 Result | 2017-18 Target |
|--|----------------|----------------|--|----------------|
| Strategic Objective | | | | |
| Our community has a say in matters of interest to them in achieving Boroondara’s vision. | | | | |
| Percentile ranking of community satisfaction with consultation and engagement measured through the annual Victorian Government Community Satisfaction Survey. | 63 | 64 | 60  | 63 |
| <i>The result of 60 is within the margin of error (+/- 4.4%) of the survey.</i> | | | | |
| Strategic Objective | | | | |
| Community needs are identified and responses planned accordingly. | | | | |
| Development of community focused Council policies, strategies and plans are informed by the assessment of community needs. | 100% | 100% | 100%  | NA |
| Strategic Objective | | | | |
| Opportunities are provided to enable people in our community to be supported and involved. | | | | |
| Number of members of the Boroondara Business Network. | 2,028 | 1,900 | 1,267  | 2,000 |
| <i>The Business Boroondara Network (BBN) was established in 1999 and for many years the subscriber number was linked to subscriptions to the online business directory. Over time modern Internet search engines, along with professional websites and social media have superseded the imperative for business to subscribe on this basis. Subscribers are now being sought via a new Business e-newsletter initiative.</i> | | | | |
| Percentage of users satisfied with training and support initiatives for local business. | 80% | 80% | 80%  | 80% |
| Number of young people attending Youth Services programs or services. | 3,512 | 3,500 | 4,285  | 3,500 |
| Proportions of infants born that receive primary immunisations. | 92% | 90% | 95%  | 90% |
| Participant satisfaction with Boroondara Maternal and Child Health service. | 95% | 95% | 98%  | NA |



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| Strategic Indicator | 2015-16 Result | 2016-17 Target | 2016-17 Result | 2017-18 Target |
|---|----------------|----------------|---|----------------|
| Proportion of registered premises that are inspected annually as required by the <i>Food Act 1984</i> and the <i>Public Health and Wellbeing Act 2008</i> . | 100% | 100% | 100%  | 100% |
| Percentage of clients satisfied with Home and Community Care (HACC) services. | 96% | 92% | 92%  | NA |
| Percentage satisfaction of hire facilities for events at the Kew Court House. | 90% | 92% | 93%  | NA |
| Percentage of Boroondara residents who are active borrowers. | 30% | 28% | 28%  | NA |
| Overall participation in library services (includes loans, returns, visits, program attendances, e-books and audio loans, enquiries, reservations, wi-fi and virtual visits). | 5,999,022 | 4,500,000 | 5,998,192  | 4,750,000 |
| Number of community events programmed by Arts and Culture. | 178 | 85 | 116  | 165 |

Progress of major initiatives in the Budget:

| Major Initiative | Responsible Directorate | Status |
|--|---|---|
| Improve Council's capacity to better meet community needs by engaging the community to help determine capital works priorities for unallocated funds for capital projects, through a participatory budget program. |  | Not required |
| <i>This initiative has been incorporated into the Boroondara Community Plan (BCP). Community priorities articulated through the BCP process will inform priority setting for capital projects.</i> | | |
| Plan for the health and wellbeing needs of the community by undertaking the public consultation for the development of the draft Boroondara Public Health and Wellbeing Plan 2017-21. |  |  |
| Address the changing needs of the community by implementing the agreed 2016-17 outcomes from the library services opening hours review. |  |  |

Performance of services funded in the Budget:

| Service category | Description | Net Cost Actual <u>Budget</u> Variance \$'000 |
|---|---|---|
| Communications and Customer Experience | <ul style="list-style-type: none"> • provides an in-house advisory service to improve the quality of customer service in all areas of Council • provides an in-house print and design service • provides an in-house writing, editing and digital media service • provides translation service and supports multilingual communications • enhances and protects the City of Boroondara's reputation • develops strategic integrated communication plans for key initiatives linked to the Council Plan • delivers advocacy campaigns in collaboration with the responsible Director, CEO and Councillors • undertakes a corporate research program to measure service satisfaction outcomes • offers, creates and maintains a broad range of engagement tools to facilitate the capture of external feedback, including e-kiosks, Boroondara Community Voice Panel and online survey tool. | <p style="text-align: right;">\$2,767</p> <p style="text-align: right;"><u>\$2,696</u></p> <p style="text-align: right;">\$71</p> |
| Library Services | <ul style="list-style-type: none"> • provides a large range of relevant, contemporary library collections and services: in libraries, online and via home library services • provides welcoming community spaces for individual and group study, reflection, activity and discovery • promotes, advocates for and supports literacy development, reader development, lifelong learning, creative and intellectual development • provides family, child and adult library programs and activities. | <p style="text-align: right;">\$6,860</p> <p style="text-align: right;"><u>\$6,756</u></p> <p style="text-align: right;">\$104</p> |

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| Service category | Description | Net Cost Actual <u>Budget</u> Variance \$'000 |
|---|--|---|
| Community Planning and Development | <ul style="list-style-type: none"> • aims to enhance the health, wellbeing and safety of residents • facilitates community connection, strengthens community capacity and responds to identified needs through the delivery of a range of programs, partnerships and networking opportunities • works actively within the community on key community development activities, including men's shed and major projects • provides support, advice and assistance to neighbourhood houses • develops policies, strategies and plans that address community priorities • monitors, forecasts and analyses community change and wellbeing • undertakes extensive community research on behalf of Council departments and the community • prepares Council submissions in response to Australian and Victorian government enquiries and advocates on social issues impacting on the community • manages the Boroondara Community Grants Program of annual and operational triennial grants and the registered rooming house subsidy • promotes, supports and assists the development of volunteering and civic participation through the Boroondara Volunteer Resource Centre. | <p style="text-align: right;">\$2,839</p> <p style="text-align: right;"><u>\$3,002</u></p> <p style="text-align: right;">(\$163)</p> |
| Family and Youth Services | <ul style="list-style-type: none"> • operates the Boroondara Maternal and Child Health, Kindergarten Central Enrolment Scheme, Parent Child Mother Goose Program and the Boroondara Youth Resource Centre • undertakes strategic planning and policy development to facilitate access to active participation opportunities for the Boroondara community • facilitates training and support for service providers and voluntary committees of management for early years and youth services • advocates on behalf of young people, children and their families • provides support and information, activities and programs to young people and their families • facilitates the development of integrated and coordinated service for children, young people and their families • supports the inclusion of children into 4 year old kindergarten and long day care services through the provision of the Preschool Field Officer program • facilitates long day care, occasional care and kindergarten services through the provision of 43 buildings leased to the community and volunteer committees of management • facilitates community support programs through the provision of annual funding in a deed of agreement with Camcare • supports young people's health and wellbeing through delivery of services at Council's Youth Resource Centre - 360. | <p style="text-align: right;">\$3,239</p> <p style="text-align: right;"><u>\$3,435</u></p> <p style="text-align: right;">(\$196)</p> |

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| Service category | Description | Net Cost Actual <u>Budget</u> Variance \$'000 |
|--|--|---|
| Health, Active Ageing and Disability Services | <ul style="list-style-type: none"> • coordinates public health services including immunisation and environmental health • provides home support services via the Active Service Model approach including home, personal and respite care, food services and property maintenance and assessment services • provides volunteer and community transport, and social support (including events and planned activity groups) • coordinates emergency management (recovery) across the municipality • manages Canterbury Memorial Home Units (23 independent living units) • undertakes strategy and community development with a focus on positive ageing and empowering people with disability. | <p style="text-align: right;">\$3,680 <u>\$4,531</u> (\$851)</p> |
| Arts and Cultural Services | <ul style="list-style-type: none"> • produces community arts programs, including participatory workshops, art exhibitions and performing arts events for the community • programs and manages Council's art facilities at the Town Hall Gallery, Kew Court House and Hawthorn Arts Centre • provides flexible spaces for community hire, whether meetings, community events, private bookings and conference facilities • provides funding support for community arts and culture groups. | <p style="text-align: right;">\$2,168 <u>\$2,109</u> (\$59)</p> |
| Economic Development | <ul style="list-style-type: none"> • strengthens the viability of local businesses, including strip shopping centres • manages the development and implementation of the Economic Development and Tourism Strategy for Council • facilitates the Boroondara Business Network, the Boroondara Farmers Market and the Hawthorn Craft Market and supports the marketing for the Camberwell Fresh Food Market and the Camberwell Sunday Market • supports new and established businesses, through training and mentor services • facilitates regular networking opportunities for the local business community • supports and promotes tourism opportunities across the municipality • delivers the citywide Christmas in Boroondara program. | <p style="text-align: right;">\$803 <u>\$800</u> \$3</p> |

Results of other service performance indicators and measures including explanation of material variation:

| Service/indicator/measure | Results | | | Material variations |
|---|---------|------|------|--|
| | 2015 | 2016 | 2017 | |
| Libraries | | | | |
| Utilisation Library collection usage (Number of library collection item loans / Number of library collection items) | 5 | 5 | 5 | |
| Resource standard Standard of library collection (Number of library collection items purchased in the last 5 years / Number of library collection items) | 48% | 52% | 49% | This figure includes purchase of ebooks, eaudio and emagazines. There has been a decrease in the number of library items in the collection due to the decreased purchasing power of the AUD in comparison to the USD as well as a concerted effort to reduce unpopular items in order to facilitate the move of the Balwyn library to its temporary location and as part of the review of the Hawthorn and Kew Library collections prior to future redevelopments. |
| Service cost Cost of library service (Direct cost of the library service / Number of visits) | \$7 | \$7 | \$7 | |
| Participation Active library members (Percentage of active library members / Municipal population) | 23% | 24% | 26% | This figure is based on library members who borrowed an item (print and digital), made a reservation and/or booked a PC. It does not take into account library members who may be utilising wifi (which is becoming increasingly popular) and using the library for study and recreation purposes. |
| Maternal and Child Health (MCH) | | | | |
| Satisfaction Participation in first MCH home visit (Number of first MCH home visits / Number of birth notifications received) | 104% | 104% | 100% | |

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| Service/indicator/measure | Results | | | Material variations |
|--|---------|------|-------------|--|
| | 2015 | 2016 | 2017 | |
| Service standard Infant enrolments in MCH service (Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received) | 100% | 97% | 102% | 2016 and 2017 figures based on the reports generated from the Child Development Information System (CDIS). |
| Service cost Cost of the MCH service (Cost of the MCH service / Hours worked by MCH nurses) | N/A | \$70 | \$71 | |
| Participation 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) | 83% | 80% | 79% | |
| Participation in MCH service by 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) | 87% | 75% | 100% | All identified aboriginal children attended for Key Age and Stages visit during the 2016-17 financial year. For the 2015-16 financial year some identified aboriginal children were not due for Key Age and Stage visits, due to the 18 month gap between the 2 year and 3.5 year Key Age and Stage visit. |
| Food safety | | | | |
| Timeliness Time taken to action food complaints (Number of days between receipt and first response action for all food complaints / Number of food complaints) | N/A | 1.7 | 1.6 | From 1 July 2016, this indicator is reported by calendar year. Previously this was reported by financial year. |
| Service standard 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 <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>) | 100% | 100% | 100% | The <i>Victorian Food Act 1984</i> requires that all registered premises are inspected annually prior to the renewal of registration, which is 30 December. As such, 100% of registered premises were inspected for the 2016 calendar year. |

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| Service/indicator/measure | Results | | | Material variations |
|---|---------|-------|--------------|--|
| | 2015 | 2016 | 2017 | |
| Service cost Cost of food safety service (Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act</i> 1984) | \$601 | \$403 | \$444 | |
| Health and safety Critical and major non-compliance outcome notifications (Number of critical non-compliance outcome notifications and major non- compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises) | 91% | 99% | 98% | From 1 July 2016, 'Critical and major non-compliance outcome notifications' is reported by calendar year. Previously this was reported by financial year. |
| Home and Community Care (HACC) | | | | |
| Timeliness Time taken to commence the HACC service (Number of days between the referral of a new client and commencement of HACC service / Number of new clients who have received a HACC service) | N/A | 13 | N/A | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Program (CHSP) programs. |
| Service standard Compliance with Community Care Common Standards (Number of Community Care Common Standards expected outcomes met / Number expected outcomes under the Community Care Common Standards) | 94% | 94% | N/A | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Program (CHSP) programs. |
| Service cost Cost of domestic care service (Number of people that received a HACC service / Municipal target population for HACC services) | N/A | \$55 | N/A | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Program (CHSP) programs. |

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| Service/indicator/measure | Results | | | Material variations |
|---|---------|------|------|---|
| | 2015 | 2016 | 2017 | |
| Cost of personal care service (Cost of the personal care service / Hours of personal care service delivered) | N/A | \$48 | N/A | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Program (CHSP) programs. |
| Cost of respite care service (Cost of the respite care service / Hours of respite care service delivered) | N/A | \$46 | N/A | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Program (CHSP) programs. |
| Participation Participation in HACC service (Number of people that received a HACC service / Municipal target population for HACC services) | 25% | 26% | N/A | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Program (CHSP) programs. |
| 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 HACC services) | 23% | 24% | N/A | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Program (CHSP) programs. |

Theme 2: Sustainable environment

Results of Strategic Indicators in the Council Plan:

| Strategic Indicator | 2015-16 Result | 2016-17 Target | 2016-17 Result | 2017-18 Target |
|---|----------------------------|-------------------------------------|---|-------------------------------------|
| Strategic Objective | | | | |
| Our natural and urban environment is improved in a sustainable way. | | | | |
| Tonnes of CO ₂ emissions from energy used in all Council owned and operated buildings, street lighting, Council fleet, taxi and air travel. <i>* Note: Information is reported with a one year lag.</i> | 23,397 tCO ₂ e* | Less than 23,300 tCO ₂ e | 22,625 tCO₂e  | Less than 22,900 tCO ₂ e |
| Waste diversion from landfill, calculated as the proportion of the overall kerbside waste stream that is recycled (includes paper, bottles and green waste) instead of being disposed to landfill. | 49% | 48% | 49%  | 48% |
| Customer Satisfaction Survey measures user satisfaction with a range of parks in Boroondara, benchmarked with 17 other councils. | 85% | 80% | 82%  | 80% |

Progress of major initiatives in the Budget:

| Major Initiatives | Responsible Directorate | Status |
|--|---|---|
| Continue to provide and further enhance effective and efficient waste services through developing the Waste Minimisation and Recycling Strategy. |  |  |
| Establish an Energy Performance Contract (EPC) to reduce greenhouse gas emissions from Council's large buildings through investment in cost effective low emissions technologies and energy efficiency upgrades/retrofits. |  |  |

Performance of services funded in the Budget:

| Service category | Description | Net Cost Actual <u>Budget</u> Variance \$'000 |
|--|---|---|
| Environment and Sustainable Living | <ul style="list-style-type: none"> helps the Boroondara community to live more sustainably in response to emerging environmental challenges (e.g. climate change, water shortage, biodiversity conservation) promotes sustainability within built and natural environments in Boroondara develops and implements policies and strategies that set direction in environmental management, public space improvements, conservation of natural resources and sustainable development builds the capacity of Council to integrate environmental and sustainability issues into our buildings and public space improvements, daily operations and decision-making processes. | \$966 <u>\$1,006</u> (\$40) |
| Waste and Recycling | <ul style="list-style-type: none"> manages waste services, including kerbside bin based waste, green and recycling collections and hard waste collection service operates the Boroondara Recycling and Waste Centre. | \$16,507 <u>\$17,491</u> (\$984) |
| Horticultural & Arbor Services and Formal Gardens | <ul style="list-style-type: none"> manages and maintains Boroondara's parks, gardens and biodiversity sites provides streetscape and landscape features including garden beds, traffic management devices and shopping precincts maintains a significant and highly valued urban forest of street and park trees. | \$11,128 <u>\$10,386</u> \$742 |
| Tree Protection | <ul style="list-style-type: none"> administers Council's Tree Protection Local Law and assesses applications for tree removal. | \$163 <u>\$103</u> \$60 |

Results of other service performance indicators and measures including explanation of material variation:

| Service/indicator/measure | Results | | | Material variations |
|--|---------|-------|--------------|---------------------|
| | 2015 | 2016 | 2017 | |
| Waste Collection | | | | |
| Satisfaction | | | | |
| Kerbside bin collection requests (Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x 1,000 | 187 | 180 | 168 | |
| Service standard | | | | |
| Kerbside collection bins missed (Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts) | 5 | 5 | 4 | |
| Service cost | | | | |
| Cost of kerbside garbage bin collection service (Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins) | \$116 | \$119 | \$120 | |
| Cost of kerbside recyclables bin collection service (Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins) | \$26 | \$34 | \$33 | |
| Waste diversion | | | | |
| 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) | 47% | 48% | 49% | |

Theme 3: Enhanced amenity

Results of Strategic Indicators in the Council Plan:

| Strategic Indicator | 2015-16 Result | 2016-17 Target | 2016-17 Result | 2017-18 Target |
|---|----------------|----------------|---|----------------|
| Strategic Objective | | | | |
| The character of our neighbourhood is protected and improved. | | | | |
| Percentage of building permits approved within 30 days. | 99% | 95% | 100%  | 99% |
| Percentage of planning applications processed within 60 days. | 81% | 75% | 79%  | 80% |
| Percentage of graffiti removed from Council owned assets within 48 hours of notification. | 98% | 95% | 99%  | 95% |

Progress of major initiatives in the Budget:

| Major Initiative | Responsible Directorate | Status |
|--|---|---|
| Protect the City's heritage by undertaking the 2016-17 actions of a City-wide heritage assessment of all areas not currently subject to a heritage overlay in the Boroondara Planning Scheme. |  |  |
| Enhance our laneways to become vibrant places that contribute to the amenity and public realm of the City's shopping centres by completing the 2016-17 planned works of the Camberwell Junction Laneway Pilot project. |  |  |

Performance of services funded in the Budget:

| Service category | Description | Net Cost Actual <u>Budget</u> Variance \$'000 |
|-------------------------------|--|---|
| Traffic and Transport | <ul style="list-style-type: none"> • develops, assesses and implements engineering solutions that address the amenity of residential and commercial areas • implements parking and traffic management strategies • assesses traffic and parking implications of planning permit and rezoning applications • assesses lane and parking bay occupation applications, street party applications and road closure applications • investigates black spot accident locations and develops remedial treatments • coordinates and implements sustainable transport initiatives including Car Share, green travel plans, Boroondara Active and Safe Schools and a variety of active transport programs • designs, consults and implements transport projects including on road bicycle lanes, shared paths, road safety initiatives, pedestrian and bicycle improvements, disability access and traffic treatments • advocates for improvements to public transport and sustainable transport initiatives • develops feasibility studies and grant applications to state and federal authorities for accident black spot locations and pedestrian and bicycle improvement projects • provides strategic transport planning advice and develops associated studies • assesses high and heavy vehicle route applications. | <p style="text-align: right;">\$653</p> <p style="text-align: right;"><u>\$938</u></p> <p style="text-align: right;">(\$285)</p> |
| Landscape Architecture | <ul style="list-style-type: none"> • provides landscape design and urban design services to promote use, function and enjoyment of outdoor spaces by the community. | <p style="text-align: right;">\$467</p> <p style="text-align: right;"><u>\$468</u></p> <p style="text-align: right;">(\$1)</p> |
| Strategic Planning | <ul style="list-style-type: none"> • advocates for and prepares land use policy and standards within the context of Victorian state policy • promotes sustainable design and development and heritage conservation • manages the Municipal Strategic Statement • develops policies and plans to guide land use and development. | <p style="text-align: right;">\$1,538</p> <p style="text-align: right;"><u>\$1,776</u></p> <p style="text-align: right;">(\$238)</p> |

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| Service category | Description | Net Cost Actual <u>Budget</u> Variance \$'000 |
|---------------------------|--|--|
| Building Services | <ul style="list-style-type: none"> assesses building permit applications, conducts mandatory inspections and issues occupancy permits/final certificates for buildings and structures encourages desirable building design outcomes for amenity protection and to maintain consistent streetscapes provides property hazard and building permit history information to designers, solicitors, private building surveyors and ratepayers conducts property safety inspections including fire safety audits on high risk buildings and pool and spa safety barrier compliance inspections to ensure a safer built environment administers and enforces the <i>Building Act 1993</i> and Regulations including investigation of illegal and dangerous buildings to ensure public and occupant safety. | <p>\$604</p> <p><u>\$630</u></p> <p>(\$26)</p> |
| Statutory Planning | <ul style="list-style-type: none"> processes and assesses planning applications in accordance with the <i>Planning and Environment Act 1987</i>, the Boroondara Planning Scheme and Council policies provides advice about development and land use proposals as well as providing information to assist the community in its understanding of these proposals investigates non-compliances with planning permits and the Boroondara Planning Scheme and takes appropriate enforcement action when necessary defends Council planning decisions at the Victorian Civil and Administrative Tribunal assesses applications to subdivide land or buildings under the <i>Subdivision Act 1988</i>. | <p>\$3,221</p> <p><u>\$4,361</u></p> <p>(\$1,140)</p> |
| Local Laws | <ul style="list-style-type: none"> delivers proactive patrol programs to maintain and promote safety and harmony within the community delivers administrative and field services in parking, amenity and animal management processes and issues permits relating to traders, tradespersons, disabled parking, residential parking, animal registrations, excess animals, commercial waste bins, street furniture and other uses of Council controlled land delivers educational programs in responsible pet ownership, road safety, amenity regulation and fire prevention develops, implements and reviews appropriate local laws to achieve a safe and liveable environment delivery of the School Crossing Supervision Program through the provision of supervision at school crossings and the overall management and administration of the program. | <p>(\$7,333)</p> <p><u>(\$5,788)</u></p> <p>(\$1,545)</p> |

Results of other service performance indicators and measures including explanation of material variation:

| Service/indicator/measure | Results | | | Material variations |
|--|---------|---------|----------------|--|
| | 2015 | 2016 | 2017 | |
| Statutory Planning | | | | |
| Timeliness Time taken to decide planning applications (The median number of days between receipt of a planning application and a decision on the application) | 86 | 78 | 89 | |
| Service standard Planning applications decided within required timeframes (Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made) | 69% | 70% | 64% | From 1 July 2016 this indicator has been updated to include VicSmart planning applications which should be assessed within 10 days. This has resulted in some variances year on year. |
| Service cost Cost of statutory planning service (Direct cost of the statutory planning service / Number of planning applications received) | \$3,388 | \$2,846 | \$3,238 | <i>There has been a substantial increase in VCAT hearings for complex applications that have required legal representation and the calling of expert evidence. This has impacted on the overall cost of the planning service.</i> |
| Decision making 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 council decisions in relation to planning applications) | 58% | 61% | 52% | This figure excludes amended plans negotiated by Council which were 28% of VCAT cases and hence does not demonstrate that successful approach. Of the figures reported the variance this year is 8.75% which is within the expected range of VCAT outcomes. Materiality threshold being +/- 10%. |

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| Service/indicator/measure | Results | | | Material variations |
|--|---------|------|------|--|
| | 2015 | 2016 | 2017 | |
| Animal management | | | | |
| Timeliness Time taken to action animal management requests (Number of days between receipt and first response action for all management related requests) | 3 | 4 | 4 | |
| Service standard Animals reclaimed (Number of animals reclaimed / Number of animals collected) | 71% | 43% | 64% | Animals collected by Councils officers and returned to the owners directly are included in the calculation in 2016-17. |
| Service cost Cost of animal management service (Direct cost of the animal management service / Number of registered animals) | \$53 | \$59 | \$62 | |
| Health and safety Animal management prosecutions (Number of successful animal management prosecutions) | 23 | 14 | 3 | Lower prosecutions reflect the higher compliance and effectiveness of the animal management service. |

Theme 4: Quality facilities and assets

Results of Strategic Indicators in the Council Plan:

| Strategic Indicator | 2015-16 Result | 2016-17 Target | 2016-17 Result | 2017-18 Target |
|---|----------------|----------------|---|----------------|
| Strategic Objective | | | | |
| The character of our neighbourhood is protected and improved. | | | | |
| Percentage completion of six monthly defect inspections on Council roads and footpaths in higher risk locations. | 100% | 99% | 100%  | 99% |
| Percentage of capital projects completed at the conclusion of the financial year (based on number of projects). | 96% | 90% | 97%  | 90% |
| Percentage of adopted capital projects completed at the conclusion of the financial year (based on the most recent amended budget). | 90% | 90% | 91%  | 90% |
| Number of proactive strip shopping centre maintenance inspections completed. | 157 | 150 | 232  | 155 |
| Percentage of users satisfied with the Boroondara leisure and aquatic centres. | 90% | 85% | 87%  | NA |

Progress of major initiatives in the Budget:

| Major Initiatives | Responsible Directorate | Status |
|--|---|---|
| Create a new public space for the community by starting construction of the North East Community Hub. |  |  |
| Ensure the local community has access to a contemporary library with attractive and appealing spaces to meet, read and study by starting construction for the renewal and extension of Balwyn Library. |  |  |
| Preserve, maintain and renew Boroondara's significant tree assets by completing the development of the Boroondara Tree Strategy. |  |  |

Performance of services funded in the Budget:

| Service category | Description | Net Cost Actual <u>Budget</u> Variance \$'000 |
|------------------------------|--|---|
| Asset Management | <ul style="list-style-type: none"> provides proactive inspections on Council assets to ensure service standards are maintained provides a corporate Asset Management system to support the ongoing management and renewal of the community's assets develops and updates the five-year renewal program for assets develops the financial forecast for assets for Council's long-term financial strategy promotes occupational health and safety on Council worksites manages permits relating to the asset protection local law and stormwater drainage implements the Street Lighting Policy implements strategies and engineering solutions for drainage issues, planning and subdivision permit referrals and development approvals. | \$3,002 <u>\$3,094</u> (\$92) |
| Projects and Strategy | <ul style="list-style-type: none"> develops, manages, reports and delivers the approved Environment and Infrastructure Capital Works and Building Renewal Programs ensuring best value for money provides project management and technical advice on Council's projects and infrastructure assets manages the capital works programs and reporting to successfully deliver projects on time and within budget investigates and develops strategic solutions for major stormwater issues, Council buildings and infrastructure assets encourages and develops innovative design into quality outcomes. | \$3,514 <u>\$3,664</u> (\$150) |
| Asset Maintenance | <ul style="list-style-type: none"> maintains the City's infrastructure including buildings, footpaths and roads, shopping centres, drains, street furniture and signs. | \$11,656 <u>\$10,829</u> \$827 |
| Leisure and Sport | <ul style="list-style-type: none"> operates the Kew Traffic School facilitates recreation and sport activities through the provision of 87 leased facilities to sporting clubs and committees of management facilitates training and support for service providers and voluntary committees of management for sporting activities provides support and information, activities and programs to sport and recreation clubs and organisations facilitates participation opportunities by the community in physical activity through the provision of facilities and contract management of the Boroondara Leisure and Aquatic Centres, the Boroondara Tennis Centre and Junction Skate and BMX Park advocates on behalf of the community to facilitate sport and recreation participation needs. | (\$1,724) <u>(\$1,877)</u> \$153 |

City of Boroondara Annual Report 2016-17

| Service category | Description | Net Cost Actual <u>Budget</u> Variance \$'000 |
|-------------------------------------|---|---|
| Sportsground and Park Assets | <ul style="list-style-type: none"> manages bookings, events and applications associated with Boroondara's parks, gardens, reserves, sportsgrounds and pavilions works with over 300 sports clubs, across 23 sports codes at over 100 sports facilities/grounds manages and maintains built assets including playgrounds, barbeques, drinking fountains, park furniture, bins, fences and signs manages and maintains the Freeway Golf Course. | \$2,654 \$2,814 (\$160) |

Results of other service performance indicators and measures including explanation of material variation:

| Service/indicator/measure | Results | | | Material variations |
|--|---------|------|-------------|---|
| | 2015 | 2016 | 2017 | |
| Roads | | | | |
| Satisfaction Sealed local road requests (Number of sealed local road requests / Kilometres of sealed local roads) x 100 | 55 | 70 | 92 | This is a reactive measure with some factors outside Council control such as weather, public authority works, water main failures, private development works. |
| Condition Sealed local roads below the intervention level (Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads) | 99% | 98% | 98% | |
| Service cost Cost of sealed local road reconstruction (Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed) | \$89 | \$85 | \$86 | |
| Cost of sealed local road resealing (Direct cost of sealed local road resealing / Square metres of sealed local roads resealed) | \$21 | \$16 | \$20 | |

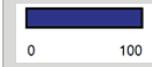
City of Boroondara Annual Report 2016-17

| Service/indicator/measure | Results | | | Material variations |
|--|---------|---------|----------------|--|
| | 2015 | 2016 | 2017 | |
| Satisfaction Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads) | 74 | 73 | 71 | |
| Aquatic facilities | | | | |
| Satisfaction User satisfaction with aquatic facilities. (Defined as the satisfaction of users with the aquatic facility) | 87% | 91% | 87% | |
| Service standard Health inspections of aquatic facilities (Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities) | 0.25 | 2 | 2 | |
| Reportable safety incidents at aquatic facilities (Total number of WorkSafe reportable aquatic facility safety incidents) | 3 | 2 | 5 | |
| Service cost Cost of indoor aquatic facilities (Direct cost of indoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities) | -\$0.57 | -\$0.81 | -\$1.01 | This is income and as such a higher number indicates more efficient service delivery. |
| Cost of indoor aquatic facilities (Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities) | N/A | N/A | N/A | Not applicable to Boroondara. As per the LGV definition, Boroondara has no outdoor aquatic facilities. |
| Utilisation Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population) | 15 | 13 | 14 | |



Theme 5: Responsible management

Results of Strategic Indicators in the Council Plan:

| Strategic Indicator | 2015-16 Result | 2016-17 Target | 2016-17 Result | 2017-18 Target |
|---|----------------|--|---|--|
| Strategic Objective | | | | |
| Decision-making in the delivery of high quality services by capable and professional people reflects transparent, accountable and fair behaviours. | | | | |
| Percentage of Freedom of Information requests responded to within prescribed timeframes. | 97% | 100% | 100%  | 100% |
| Percentage of electronic document management system action requests completed within service charter timeframes. | 93% | 92% | 94%  | NA |
| Average time callers wait before their call is answered. | 45 seconds | < 45 seconds | 42 seconds  | =< 45 seconds |
| WorkCover employer performance rating. | 1.19 | Less than 1 (better than industry average) | 0.79  | Less than 1 (better than industry average) |
| Strategic Objective | | | | |
| Sound financial and risk management practices are carried out. | | | | |
| Adjusted Working Capital Ratio - measures the ability to pay existing liabilities in the next 12 months. | 2.24 to 1 | > 1.20 to 1 | 2.56  | > 1.68 to 1 |
| Indebtedness - measures total borrowings as a percentage of rates and charges revenue.* | 32.83% | 29.68% | 29.43%  | NA |
| Renewal gap - comparison of the rate of spending on existing assets through renewing, restoring and replacing existing assets with depreciation.* | 1.53 | 1.31 | 1.16  | NA |
| <i>The 2016-17 Adopted Budget included a number of capital renewal projects that were deferred to 2017-18. Adjustments were made in the September Amended Budget.</i> | | | | |
| Percentage completion of Audit Committee annual plan. | 100% | 95% | 100%  | 95% |

* The calculations are in accordance with Local Government Planning and Reporting Regulations



Progress of major initiatives in the Budget:

| Major Initiatives | Responsible Directorate | Status |
|--|---|---|
| Conduct the 2016 Council Election including the development and implementation of the Councillor induction program to familiarise the newly elected Council with their roles and responsibilities, and the key issues, tasks and decisions before Council at the outset of their term. |  |  |
| Re-develop the City of Boroondara website with users to deliver an improved online experience that is easily navigable and customer focused. |  |  |

Performance of services funded in the Budget:

| Service category | Description | Net Cost Actual Budget Variance \$'000 |
|---|--|---|
| Councillors, Chief Executive Officer, Executive Management and support staff | This area includes the Mayor, Councillors, Chief Executive Officer and Executive Leadership team and associated support. | \$2,686 <u>\$2,558</u> \$128 |
| Governance | <ul style="list-style-type: none"> provides counsel to Council, Councillors, the Chief Executive Officer and the Executive Leadership Team develops and implements strategies and policies manages Freedom of Information, Information Privacy, protected disclosures and internal ombudsman functions maintains statutory registers, authorisations and delegations administers the conduct of Council elections provides administrative and secretarial support to the elected Councillors and Council committees provides stewarding and catering services to the Camberwell function rooms coordinates civic events and citizenship ceremonies. | \$1,758 <u>\$1,962</u> (\$204) |
| Innovation and Business Transformation | <ul style="list-style-type: none"> encourages thinking differently about how Council delivers services to the community more efficiently and effectively develops strategies and approaches to transform Council into a customer-centric organisation develops the new digital services platform to enable Council to significantly expand the services offered online, such as online payments and service requests implements the Process Improvement Program focusing on understanding, documenting and improving Council's processes focuses on promoting innovation and collaboration in our work through activities such as an online ideas portal, innovation challenges and other events. | \$1,082 <u>\$1,224</u> (\$142) |

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| Service category | Description | Net Cost Actual <u>Budget</u> Variance \$'000 |
|--|---|---|
| Finance and Corporate Planning | <ul style="list-style-type: none"> develops and delivers the annual planning cycle for the Council Plan and Budget provides financial operations services including accounts payable produces the annual Budget and Long Term Financial Strategy and manages Council's budgeting/forecasting and financial reporting systems provides payroll services manages Council's reporting system and conducts performance reporting, including the Quarterly Performance Report, Monthly Performance Report, and the Annual Report incorporating the Best Value Report provides external grant application support for significant project funding opportunities coordinates financial analysis and business cases for projects and provides advice on the pricing of services as well as National Competition Policy compliance provides financial accounting services coordinates external audit. | \$3,066 <u>\$2,949</u> \$117 |
| People, Culture and Development | <ul style="list-style-type: none"> delivers the functions of occupational health and safety, human resources and organisation development and learning provides specialist advice, service and policy development related to human resources and organisation development coordinates recruitment, industrial relations, remuneration, award/agreement interpretation and work evaluation facilitates and coordinates staff members' professional, leadership and cultural development programs and the Health and Wellbeing Program coordinates Council's employee performance management system. | \$2,806 <u>\$2,704</u> \$102 |
| Corporate Solicitor | <ul style="list-style-type: none"> monitors and reports on legislative changes and impacts for Council operations provides advice on legal and regulatory matters and ad hoc legal advice within the organisation delivers training programs to develop Council officers' knowledge of relevant legal issues. | \$181 <u>\$207</u> (\$26) |
| Customer service | <ul style="list-style-type: none"> delivers phone, online, reception and cashiering customer services; introducing digital services via webchat and social media. | \$1,950 <u>\$1,691</u> \$259 |

City of Boroondara Annual Report 2016-17

| Service category | Description | Net Cost Actual <u>Budget</u> Variance \$'000 |
|---|---|--|
| Commercial and Property Services | <ul style="list-style-type: none"> • coordinates Audit Committee • manages procurement and conduct of all public tenders • manages rates and property services, including Council databases and communication of the rate payment options available to residents • administers the purchasing system and purchasing card systems including training • coordinates fleet management • coordinates the Building and Property Working Group • handles the administration and leasing of Council's property holdings including the Camberwell Fresh Food Market • manages all acquisitions and disposals of land for Council • manages the discontinuance and sales of the right of way's throughout Boroondara • manages internal audit services to Council • manages enterprise business risk for the organisation including Council's Crisis Management Plan and department Business Continuity Plans • manages public liability, professional indemnity, motor vehicle and property claims. | <p>\$2,542</p> <p><u>\$3,494</u></p> <p>(\$952)</p> |
| Information Technology | <ul style="list-style-type: none"> • coordinates improvement to service delivery to the community and within Council through the use of technology • ensures effectiveness and reliability of computing and communication systems • manages Council's corporate information and archival services. | <p>\$9,168</p> <p><u>\$8,586</u></p> <p>\$582</p> |

Results of other service performance indicators and measures including explanation of material variation:

| Service/indicator/measure | Result | | | Material variations |
|--|----------|----------|-----------------|---|
| | 2015 | 2016 | 2017 | |
| Governance | | | | |
| <p>Transparency Council decisions made at meetings 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 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)</p> | 7% | 7% | 3% | Fewer matters were required to be discussed at closed meetings. |
| <p>Consultation and engagement Satisfaction with community consultation and engagement (Community satisfaction rating out of 100 with how council has performed on community consultation and engagement)</p> | 62 | 63 | 60 | |
| <p>Attendance Councillor attendance at council meetings (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 at the last council general election)</p> | 96% | 95% | 99% | A councillor is counted as having attended an ordinary or special council meeting where a councillor is late to a meeting or on an approved leave of absence. 2014-15 and 2015-16 figures have been updated to ensure consistency. |
| <p>Service cost Cost of governance (Direct cost of the governance service / Number of councillors elected at the last council general election)</p> | \$50,949 | \$51,755 | \$53,607 | |
| <p>Satisfaction Satisfaction with council decisions (Community satisfaction rating out of 100 with the performance of council in making decisions in the interest of the community)</p> | 62 | 61 | 60 | |

Corporate Governance

Governance
Governance and management checklist
Statutory information



BOROONDARA
City of Harmony

Corporate Governance

Governance

Council provides leadership and good governance to the municipal district and the local community.

Council's roles include:

- taking into account the diverse needs of our community in decision-making
- providing leadership by establishing strategic objectives and monitoring achievements
- ensuring resources are managed in a responsible and accountable manner
- advocating the interests of our community to other communities and governments
- fostering community cohesion and encouraging active participation in civic life.

We have strong relationships with other tiers of government, neighbouring councils and organisations such as electricity and water distributors.

Formal decision-making processes are conducted through Council meetings and Special Committees. Council delegates the majority of its decision-making to staff, in accordance with adopted Council policies.

Council meetings

Council meetings are open to the public and usually held on the fourth Monday of each month. Members of the community are welcome to attend and observe these meetings, and submit a question to the Council. In 2016-17, Council held 12 ordinary Council meetings and five Special Council meetings.

Councillor attendance at Council meetings and Special Council meetings during 2016-17:

| Councillors | Special Council Meeting | Council Meeting | Total |
|---|-------------------------|-----------------|-------|
| Councillors re-elected in November 2016¹ | | | |
| Cr Phillip Healey (Mayor) | 5 | 12 | 17 |
| Cr Jane Addis ² | 5 | 12 | 17 |
| Cr Jim Parke | 5 | 12 | 17 |
| Cr Steve Hurd ³ | 5 | 12 | 17 |
| Cr Coral Ross | 5 | 12 | 17 |
| Cr Jack Wegman ⁴ | 5 | 12 | 17 |
| New Councillors elected in November 2016⁵ | | | |
| Cr Lisa Hollingsworth | 4 | 8 | 12 |
| Cr Cynthia Watson | 4 | 8 | 12 |
| Cr Garry Thompson | 4 | 8 | 12 |
| Cr Felicity Sinfield ⁶ | 4 | 8 | 12 |

¹ Attendance for returning Councillors relate to the period 01 July 2016 to 30 June 2017.

² Cr Addis received a leave of absence for one Ordinary meeting on 22 May 2017.

³ Cr Hurd received a leave of absence for one Special Council meeting on 13 February 2017.

⁴ Cr Wegman received leave of absence for two Ordinary meetings on 27 February 2017 and 22 May 2017.

⁵ Attendance for newly elected Councillors relate to the period 2 November 2016 to 30 June 2017.

⁶ Cr Sinfield received a leave of absence for one Ordinary meeting on 22 May 2017.

| Councillors | Special Council Meeting | Council Meeting | Total |
|---------------------------------------|-------------------------|-----------------|-------|
| Former Councillors¹ | | | |
| Cr Heinz Kreutz | 1 | 3 | 4 |
| Cr Philip Mallis | 1 | 4 | 5 |
| Cr Kevin Chow ² | 1 | 4 | 5 |
| Cr Judith Voce | 1 | 4 | 5 |

Note: Consistent with LGPRF reporting, a councillor is counted as having attended an ordinary or special council meeting where a councillor is on an approved leave of absence.

Former Councillors

We would like to take this opportunity to acknowledge those Councillors who formed the Council of the City of Boroondara for the first four months of the year under review. The following Councillors served until the election in October 2016.

| | |
|--|--|
| Cr Kevin Chow Solway Ward, including parts of Ashburton and Glen Iris | First elected: November 2008 |
| Cr Heinz Kreutz Lynden Ward, including parts of Camberwell, Glen Iris and Canterbury | First elected: March 2002 Mayor: 2011-12 |
| Cr Philip Mallis Maranoa Ward, including parts of Balwyn, Balwyn North and Mont Albert | First elected: October 2012 |
| Cr Judith Voce Cotham Ward, including parts of Kew, Kew East, Deepdene, parts of Balwyn and Balwyn North | First elected: March 1999 Re-elected: October 2012 Mayor: March 2003 - March 2004, March 2004 - November 2004 |

Special committees

Special committees established by Council and their purpose:

| Special Committee | Councillors | Purpose |
|---|----------------|--|
| Urban Planning Special Committee | 10 | To consider matters in relation to land use and development in Boroondara |
| Services Special Committee | 10 | To consider matters that relate to the provision of services to the community of Boroondara |
| Management Performance Review Committee | 4 ³ | To consider functions and powers in relation to the management of the Chief Executive Officer's Contract of Employment |

¹ Attendance for former Councillors relate to the period 01 July 2016 to 22 October 2016.

² Cr Chow received a leave of absence for one Ordinary meeting on 22 August 2016.

³ At the Special Council Meeting on 7 November 2016, Council resolved to appoint four Councillors to the Management Performance Review Committee. Previously, there were three Councillors on this Committee.

Code of Conduct

The Local Government Act 1989 (the Act) requires Council to review its Councillor Code of Conduct within the period of 4 months at a special meeting solely for that purpose. The revised Councillor Code of Conduct 2017 was adopted at a Special Council Meeting on 13 February 2017 in accordance with the requirements of the Act.

Council's Code of Conduct 2017:

- sets out the standards of conduct expected of elected representatives
- endeavours to foster good working relations between councillors, the community and the Council administration to enable councillors to work constructively together in the best interests of the local community
- mandates councillor conduct designed to build public confidence in the integrity of local government.

Conflict of interest

Council requires conflicts of interest to be disclosed by councillors, members of special committees, Council officers and contractors. A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest.

While the procedures for making disclosures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interest in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty.

During 2016-17, 12 conflicts of interest were declared at Council and Special Committee meetings.

Councillor allowances

Councillors are entitled to receive an allowance while performing their duties. The Mayor is also entitled to receive an allowance.

The State Government sets the upper and lower limits of all allowances paid to councillors and mayors. Councils are divided into three categories based on the income and population of each Council. Boroondara is recognised as a category three council.

Allowances paid to each Councillor during the year:

| Councillors | Allowance \$ |
|--|--------------|
| Councillors re-elected in November 2016 ¹ | |
| Cr Phillip Healey (Mayor) ² | 77,332 |
| Cr Jane Addis | 31,176 |
| Cr Jim Parke ³ | 52,459 |
| Cr Steve Hurd | 31,176 |
| Cr Coral Ross | 31,176 |
| Cr Jack Wegman | 31,176 |
| New Councillors elected in November 2016 ⁴ | |
| Cr Lisa Hollingsworth | 21,476 |
| Cr Cynthia Watson | 21,476 |
| Cr Garry Thompson | 21,476 |
| Cr Felicity Sinfield | 21,476 |
| Former Councillors ⁵ | |
| Cr Heinz Kreutz | 9,700 |
| Cr Philip Mallis | 9,700 |
| Cr Kevin Chow | 9,700 |
| Cr Judith Voce | 9,700 |

At the Ordinary Council meeting on 24 June 2013, Council resolved to fix the allowances for the 2013-14 to 2016-17 financial years at \$26,843 per annum for Councillors and \$85,741 per annum for the Mayor, plus the equivalent of the superannuation guarantee contribution (9.5%). The Minister for Local Government approved annual adjustments of 2.5% to take effect from 24 December 2013, 1 December 2014, 1 December 2015 and 1 December 2016.

¹ Expenses for returning Councillors relate to the period 01 July 2016 to 30 June 2017.

² Councillor Phillip Healey - Mayor from 07 November 2016 to present. Cr Healey was paid the councillor allowance, pro-rata from 2 to 6 November, and paid the mayoral allowance, pro-rata from 7 November 2016, being the date of the mayoral election.

³ Councillor Jim Parke - Mayor up to 22 October 2016.

⁴ Expenses for newly elected Councillors relate to the period 2 November 2016 to 30 June 2017.

⁵ Expenses for former Councillors relate to the period 01 July 2016 to 22 October 2016.

Councillor expenses

Councillors are reimbursed for expenses incurred while performing their duties.

Expenses for 2016-17 year are set out below:

| Councillors | Travel \$ | Car Mileage \$ | Child Care \$ | Information & Communication \$ | Conference & Training \$ | Other expenses \$ | Total \$ |
|--|--------------|----------------------|---------------------|--------------------------------------|--------------------------------|-------------------------|---------------|
| Councillors re-elected in November 2016 ¹ | | | | | | | |
| Cr Phillip Healey ² (Mayor) | 248 | 5,972 | 0 | 1,421 | 68 | 375 | 8,084 |
| Cr Jane Addis | 366 | 0 | 0 | 1,235 | 0 | 0 | 1,601 |
| Cr Jim Parke ³ | 1,066 | 8,105 | 0 | 1,301 | 387 | 20 | 10,879 |
| Cr Steve Hurd | 321 | 0 | 0 | 1,474 | 0 | 4,605 | 6,400 |
| Cr Coral Ross | 1,042 | 0 | 0 | 1,530 | 895 | 1,123 | 4,590 |
| Cr Jack Wegman | 0 | 0 | 0 | 1,450 | 0 | 0 | 1,450 |
| New Councillors elected in November 2016 ⁴ | | | | | | | |
| Cr Lisa Hollingsworth | 131 | 0 | 0 | 508 | 587 | 0 | 1,226 |
| Cr Cynthia Watson | 364 | 0 | 0 | 421 | 909 | 0 | 1,694 |
| Cr Garry Thompson | 0 | 0 | 0 | 500 | 50 | 0 | 550 |
| Cr Felicity Sinfield | 0 | 0 | 0 | 500 | 0 | 210 | 710 |
| Former Councillors ⁵ | | | | | | | |
| Cr Heinz Kreutz | 38 | 0 | 0 | 1,162 | 0 | 216 | 1,416 |
| Cr Philip Mallis | 403 | 0 | 0 | 751 | 0 | 0 | 1,154 |
| Cr Kevin Chow | 38 | 0 | 0 | 740 | 0 | 0 | 778 |
| Cr Judith Voce | 626 | 0 | 0 | 788 | 0 | 318 | 1,732 |

Other expenses

Other expenses include levies and charges, memberships and general administration.

Fleet charges and fuel

The Councillor Support and Resources Policy provides that a fully maintained vehicle shall be available to the Mayor and relevant fleet and fuel expenses are attributed to the Mayor of the day. Total fleet charges and fuel costs for Councillor Jim Parke is \$8,105 and Mayor Phillip Healey is \$5,972.

¹ Expenses for returning Councillors relate to the period 01 July 2016 to 30 June 2017.

² Councillor Phillip Healey - Mayor from 07 November 2016 to present.

³ Councillor Jim Parke - Mayor from 09 November 2015 to 22 October 2016.

⁴ Expenses for newly elected Councillors relate to the period 02 November 2016 to 30 June 2017.

⁵ Expenses for former Councillors relate to the period 01 July 2016 to 22 October 2016.

Management

Council has implemented statutory and better practice items to strengthen its management framework. Strong governance and management frameworks lead to better decision making by Council. The Act requires Council to undertake an assessment against a governance and management checklist. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework:

Audit Committee

The Audit Committee oversees and monitors the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.

Memberships during 2016-17:

| Independent members | |
|---------------------|-------------------------------|
| Mr Alex Klos | November 2014 – current |
| Mr Andrew Dix | May 2015 – current |
| Ms Claire Filson | May 2015 – current |
| Councillor members | |
| Cr Phillip Healey | November 2014 – Current |
| Cr Jim Parke | November 2016 – Current |
| Cr Judith Voce | November 2012 – October 2016 |
| Cr Coral Ross | November 2015 – November 2016 |
| Cr Jack Wegman | November 2016 – Current |

The Committee has three independent members and three councillors. Independent members are Mr Andrew Dix (Chair), Mr Alex Close and Ms Claire Filson. Independent members are appointed for a three year term, with a maximum of two terms. The chair is elected from the independent members.

The Audit Committee meets four times a year. The internal auditors, Chief Executive Officer, Director Corporate Services and Manager Commercial and Property Services attend all Audit Committee meetings. Other management representatives attend as required to present reports. The external auditors attend in May and August each year to present the audit plan and independent audit report. Recommendations from each Audit Committee meeting are subsequently reported to, and considered by, Council.

Internal audit

Council's internal audit provides independent and objective assurance that appropriate processes and controls are in place across Council. Crowe Horwath is the company appointed as Council's Internal Auditor. A risk based three-year Strategic Internal Audit Plan (SIAP) is prepared which considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit Committee annually.

The Internal Auditor attends each Audit Committee meeting to report on the status of the internal audit plan, provide an update on the implementation of audit recommendations and to present findings of completed reviews. The responsible director and manager for each area reviewed are required to attend the Audit Committee meeting to respond to questions in relation to the review.

All audit issues identified in internal audit reports are risk rated. Recommendations are assigned to the responsible manager and tracked in Council's performance management system. Managers provide status updates quarterly which are reviewed by the Internal Auditor and reported to the

Executive Leadership Team and the Audit Committee. The Audit Committee monitors all recommendations until completion.

Quality assurance is measured through client satisfaction surveys for each review, the annual Audit Committee self-assessment, completion of the internal audit plan and benchmarking against other internal audit functions.

The following internal audit reviews were commissioned as part of the internal audit plan for 2016-17:

- Long Term Financial Sustainability Review
- Road Management Plan Compliance Review
- Strategic Internal Audit Plan 2017-20
- Human Resource Practices
- Sportsground Maintenance
- Crisis Management and Business Continuity Planning
- Animal Management
- Maternal and Child Health
- Arts Facilities
- Tree Management.

External audit

Council is audited externally by the Victorian Auditor General's Office (VAGO). VAGO may appoint a representative to conduct the annual external audit. For 2015-16, the annual external audit of Council's Financial and Standard Statements, and Performance Statement was conducted by RMS Bird Cameron, the VAGO representative.

Risk management

Council has a Risk Management Framework and Policy in line with current best practice in the management of business enterprise risks and current AS/NZS ISO 31000:2009 guidelines.

The Risk Management Framework and Policy addresses:

- risk management culture and branding
- communication and training
- best practice in risk management
- responsibilities of and to internal and external stakeholders
- risk registers and risk management software development
- the Council planning cycle, budget cycle and annual audit cycle
- a performance measurement system to determine the effectiveness of the framework.

Governance and management checklist

Results of Council's assessment against the prescribed governance and management checklist:

| Governance and Management Items | Assessment | Outcome |
|--|---|--|
| 1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest) | Policy Date of operation of current policy | YES 10/12/2015 |
| 2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community) | Guidelines Date of operation of current guidelines | YES 10/12/2015 |
| 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 Date of adoption | YES 26/06/2017 |
| 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 Date of adoption | YES 26/06/2017 |
| 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 Date of operation of current plans Asset Management Plan for Buildings Asset Management Plan for Drainage Road Management Plan 2003 Asset Management Plan for Open Space Asset Management Plan Part A - General Asset Management Plan Part B - Roads | YES March 2007 February 2017 February 2003 June 2016 February 2016 February 2016 |
| 6 Rating strategy (strategy setting out the rating structure of council to levy rates and charges) | Strategy Date of operation of current strategy | YES 26/06/2017 |
| 7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations) | Policy Date of operation of current policy | YES 26/10/2015 |

City of Boroondara Annual Report 2016-17

| Governance and Management Items | Assessment | Outcome |
|--|--|---|
| 8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud) | Policy Date of operation of current policy | YES 22/06/2015 |
| 9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery) | Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation | YES 04/04/2017 |
| 10 Procurement policy (policy under section 186A the Act 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 Act Date of approval | YES 02/06/2017 |
| 11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster) | Plan Date of operation of current plan Building Services Commercial and Property Services Communications and Engagement Family, Youth and Recreation Payroll Governance Health, Active Ageing and Disability Services Information Technology Infrastructure Services Local Laws Parks and Gardens People, Culture and Development Statutory Planning | YES 15/09/2015 23/05/2016 28/01/2016 14/04/2016 2/06/2016 30/07/2014 19/12/2014 12/12/2014 1/06/2016 9/06/2016 12/02/2016 4/05/2016 19/12/2014 |
| 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 Date of operation of current plan | YES 6/12/2016 |
| 13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations) | Framework Date of operation of current framework | YES 27/07/2015 |

City of Boroondara Annual Report 2016-17

| Governance and Management Items | Assessment | Outcome |
|---|---|---|
| 14 Audit committee (Advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical and regulatory requirements) | Established in accordance with section 139 of the Act Date of establishment | YES 25/07/2011 |
| 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 Date of engagement of current provider | YES 01/10/2012 |
| 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 Date of operation of current framework | YES 23/06/2015 |
| 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) | Report Date of operation of current report | Yes 27/02/2017 |
| 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 Date statements presented | YES 22/08/2016 28/11/2016 27/02/2017 22/05/2017 |
| 19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies) | Reports Date of reports | YES 23/11/2016 29/03/2017 17/05/2017 |
| 20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including the performance indicators referred to in section 131 of the Act) | Reports Date of reports | YES 22/08/2016 28/11/2016 27/02/2017 22/05/2017 |
| 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 and performance statements) | Considered at a meeting of Council in accordance with section 134 of the Act Date of consideration | YES 10/10/2016 |
| 22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution process to be followed by all councillors) | Reviewed in accordance with section 76C of the Act Date reviewed | YES 13/02/2017 |



City of Boroondara Annual Report 2016-17

| Governance and Management Items | Assessment | Outcome |
|--|---|--|
| <p>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)</p> | <p>Reviewed in accordance with section 98(6) of the Act</p> <p>Date reviewed</p> <p>Council to CEO</p> <p>Council to Staff</p> <p>Council to Committees</p> | <p>YES</p> <p>27/02/2017</p> <p>27/02/2017</p> <p>27/02/2017</p> |
| <p>24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)</p> | <p>Meeting procedures local law made in accordance with section 91(1) of the Act</p> <p>Date local law made</p> | <p>YES</p> <p>27/03/2017</p> |

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

Cr Phillip Healey
 Mayor
 Dated:

Phillip Storer
 Chief Executive Officer
 Dated:

Statutory information

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

The following documents are available for inspection as required by the Act and Regulation 12 of the *Local Government (General) Regulations 2015*:

Available for inspection at Council offices

- the certified voters' roll for a Council election – for the period beginning on the certification date and ending 30 days after election day under section 24B of the Act
Note: The certified voters' roll for the 22 October 2016 General Election was available for public inspection from 17 September 2016 until 21 November 2016.
- if Council reappoints the Chief Executive Officer without first advertising the position, details of the proposed total remuneration under the new contract available under section 94 of the Act
Note: Following Mr Phillip Storer's reappointment as Council's Chief Executive Officer on 26 October 2015, details of his proposed total remuneration were available for inspection between 27 October 2015 and 9 November 2015.
- information about any proposed special rate, special charge or combination of both under section 163 of the Act
Note: Any proposed declaration also requires a minimum 28 days of public notice. Proposals are available for inspection during the public notice period. See public notices or contact Council's Economic Development Department for information about existing or proposed Special Rate Schemes.
- copies of any quality or cost standards which have been adopted by Council under section 208F of the Act.
- register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6) of the Act (Reg 12)
- document containing details of all leases involving land which were entered into by the Council as lessor (Reg 12)
- register maintained under section 224(1A) of the Act of authorised officers appointed under that section (Reg 12)
- list of donations and grants made by the Council within the previous 12 months. (Reg 12)
- details of overseas or interstate travel undertaken in an official capacity by councillors or Council staff in the previous 12 months (Reg 12)
- public agendas and minutes of ordinary and special Council meetings and minutes of special committee meetings held in the previous 12 months (Reg 12).

Available from Council's website

- Council's election period policy (section 93B)
- copies of election campaign donation returns (section 62A)
- Council's policy in relation to the reimbursement of expenses for councillors and members of Council committees (section 75B)
- Councillor Code of Conduct (section 76C)
- copies of Boroondara's Local Laws (section 120)
Note: Any proposed local law also requires a minimum 28 days public notice and is available for inspection during the public notice period (section 119). See public notices or contact Council for information about any proposed local laws.
- the Council Plan (section 125)
Note: The proposed Council Plan also requires a minimum 28 days of public notice and is available for inspection during the public notice period. See public notices or contact Council for information about any proposed Council Plan.

- Strategic Resource Plan (section 126)
Note: The Strategic Resource Plan is summarised in the Council Plan, and incorporated into Council's Budget.
- the Council Budget or revised budget (section 130)
Note: The proposed Budget also requires a minimum 28 days of public notice and is available for inspection during the public notice period. See public notices or contact Council for information about any proposed budget.
- the Annual Report and the associated Auditors Report on the Financial Statements (section 131)
Note: Includes Council report on Best Value Principles compliance (section 208G).
- information about any declared differential rates (section 161)
Note: Council does not have any declared differential rates. More information is available in Council's Rating Strategy 2014-17, adopted by Council on 17 November 2014.
- Council's Procurement Policy (section 186A)
- copies of the Preliminary and Final Reports from the last Electoral Representation Review (s219F).

Best Value

Compliance with the *Local Government Act 1989* requires Council to report to the community on its achievements in relation to the Best Value Principles at least once a year. Council's Best Value principles demonstrate commitment to continuous improvement and the pursuit of service excellence.

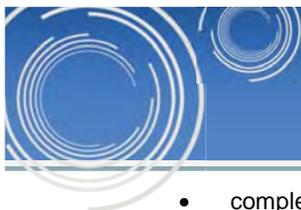
Council incorporates Best Value Principles through regular business planning and performance monitoring processes.

Continuous improvement

Our commitment to continuous improvement and innovation is supported by our Boroondara Customer First Program. The program focusses on three areas: people, projects and process improvement. The people stream involves a culture change program, involving staff in new ways of working. The project stream involves improving document and records systems, customer relationship systems and online services, and developing a customer engagement strategy and a new Business Classification Scheme. The process improvement stream examines work processes with a view to improving them.

During the year the most significant continuous improvement activities included:

- developed and delivered 48 online forms, with over 17,000 uses by customers
- engaged over 60 Managers and Staff to develop an information management strategy aimed at supporting Boroondara through the BC1 program and establishing information management capabilities including data governance and data quality
- reviewed the Summer Fire Prevention Program with a focus on re-defining roles, process to achieve better integration of administrative and field officer functions and higher output levels within a shorter program timeframe
- Statutory Planning continued progress in transforming to a paperless office, which resulted in reports being checked and approved electronically
- significant improvements were made to the volunteer referral service provided by the Boroondara Volunteer Resource Centre (BVRC), including a shift to a paperless system, the creation of a new phone-based volunteer discussion service and improvements to online descriptions of volunteer opportunities
- started the use of Trybooking to book for school holiday activities, FreeZa events, youth forum and other programs, making it easier for users across Boroondara
- trained Library officers to provide better customer experience. Book shelving: Various book shelving models were trialled at different library branches. The results and staff feedback were reviewed with the preferred model rolled out across all five branches, resulting in more efficient use of staff time through the implementation of more streamlined and effective shelving practices
- developed and implemented a suite of 'on-demand' workshops, delivering training workshops within the business premises with a small group of local traders



- completed the self-management of GIS data project, enabling speedy updates of spatial asset data (daily, instead of waiting for several months for a database refresh)
- completed a collaborative review and redrafting of Council's draft Sustainable Buildings Policy to develop sustainability standards for planning, delivery and operation of Council owned and managed buildings
- as a result of customer feedback, Health Services implemented online renewals and online payments. Processes reviewed through the Process Improvement Program were implemented to improve customers experience
- Council's Rates Notices allow ratepayers to register to receive their future notices electronically, and the website now allows ratepayers to make payments directly via website rather than being re-directed to the PostBillPay website
- completed a successful trial of electronic tablets for site works in the Arbor team to streamline works and improve management of Council's tree assets
- reviewed and improved the process of referrals from Road Management Plan inspections to the Road maintenance team.

Consultation

All departments are required to undertake internal and external consultation. Our Community Engagement Policy 2015 ensures we communicate openly and actively respond to community concerns. Meaningful community engagement is essential for Council to represent the community, to know what the community wants when making decisions, and provide high standards of leadership.

Engagement and consultation programs included:

- More than 11,800 community members participated in community consultation to inform the development of the Boroondara Community Plan. The results will inform the development of Council's key strategic document - a 10-year community plan, as well as other plans, strategies and budgets.
- Launched a new web presence reflecting the users approach to Council. The launch was a result of a co-design process undertaken with the community regarding their expectations from the website.
- As part of the development of the 2017-21 Domestic Animal Management Plan (DAMP), consultation was undertaken with the Australian Veterinary Association, local veterinary practices and the RSPCA to understand their concerns and issues that may be addressed in the new DAMP.
- Council sought feedback on the draft 'City of Boroondara Municipal-Wide Heritage Gap Study: Canterbury'. Council officers will review the feedback received and prepare a report for consideration by the Urban Planning Special Committee.
- Consulted with schools in Boroondara to ascertain the types and level of support required and identify any service gaps
- Business Associations of Kew Junction and Glenferrie Road shopping centres and property owners and occupiers provided feedback on the process to re-establish a special rate and charge scheme to support the shopping centres.
- Consulted the local community to test the level of interest in using leased VicRoads land on Earl Street Kew as a space for a new community garden. The response confirmed sufficient interest to proceed with the design of a community garden in 2017-18 and construction in 2018-19.
- Completed an information session on Rooming Houses. The session provided information to the operators about changes to legislative requirements and safety information to ensure all essential safety measures in buildings are maintained at all times.
- Participates in Municipal Emergency Management meetings which are attended by other public authorities and stakeholders to discuss recent incidents and how to deal with future emergencies should they occur in Boroondara.
- Consulted the community on the development of the draft Tree Strategy and draft Waste Minimisation and Recycling Strategy.

Benchmarking

Benchmarking is the practice of measuring Boroondara's performance and practices in key areas and comparing them with other similar organisations to find ways of achieving better results. Comparison

could be with other local governments or private sector organisations. Benchmarking our services often reveals performance gaps that need to be closed, helps find the best practices in a particular area and ultimately helps Council to become more accountable to the community.

Benchmarking activities included:

- Review of neighbouring Councils barking dog processes to gain an insight into existing approaches and their effectiveness
- as part of the review of Council's Amenity Local Law, benchmarked with other metropolitan councils to understand current issues
- benchmarked against other municipalities in regards to new residential zones, planning scheme review and ResCode variations
- ensured that the Boroondara Kindergarten Central Enrolment Scheme application fee is in line with services offered by other local governments
- compared various providers to inform the review of the Library Services Technology Strategy, to determine the best hardware to meet the needs of the Boroondara Library Service
- gathered information from other metropolitan Melbourne Councils regarding how they support their Business workshop delivery to inform Council's approach to the planning and delivery of its suite of services offered to local businesses
- research was undertaken on the approaches by other councils regarding the management of groundwater being discharged from private property to help develop Council policy on the management of groundwater in new development
- as part of the Playground Replacement Program, benchmarked several new nature-based play spaces in other municipalities to understand contemporary playground best practice and the quality of built outcomes
- identified collaborative tendering opportunities for road resealing services through regular participation at Eastern Metro Procurement Network forums.

Contracts

During the year council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

Carers recognition

Council has taken all practicable measures to comply with its responsibilities described in the *Carers Recognition Act 2012* by:

- promoting the principles of the Act to people (and families) in a caring relationship
- informing staff of the requirements of the Act at staff meetings
- defining the carer role and relationship to all staff including Home Support Staff
- undertaking necessary changes to the Assessment and Care Planning process to include the carer
- reviewing all necessary policies and practice instructions to include the recognition of the carer and the care relationship.
- where required, collecting individual information about the carers to meet their own needs
- ensuring that intake and information about services is delivered in a timely manner, taking carer stress and fatigue into account, when looking at priority of access to services
- involving carers in all review processes with the clients, as well as seeking their specific feedback through Council surveys.

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, Council has prepared an Access and Inclusion Plan 2013-17 and implemented following actions during 2016-17:

- promoted joint project proposals between disability and community organisations working in the arts, sport and environment areas for applications to the Community Development Grants program



- continued to work with the National Disability Employment Service and through Councils' recruitment process to increase employment opportunities for people with a disability at the City of Boroondara
- advocated for accessible public transport options and infrastructure through the Victorian Department of Transport
- continued to provide accessible sport and recreation opportunities for people with a disability through upgrades to sport and recreation facilities and familiarisation tours
- incorporated the principles of accessible design and active living when designing pedestrian access plans for activity centres and neighbourhoods
- advocated for the needs of people with a disability in Boroondara by implementing actions in the Metro Access Community Building Plan to support economic participation, safe travel and mobility programs and facilitate capacity building for the transition to the NDIS
- provided training opportunities for staff on accessibility in the built environment
- developed Councils' website in accordance with the Web Accessibility Content Accessibility Guidelines (WACG) version 2.0.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, Council prepares a Domestic Animal Management Plan every four years. The Domestic Animal Management Plan 2012-16 was adopted by Council in June 2013. All actions have now been completed.

Food Act Ministerial Directions

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

Freedom of Information

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982* and in summary as follows:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email. Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

More information regarding Freedom of Information can be found at www.foi.vic.gov.au and on the City of Boroondara website.

Protected Disclosure Procedures

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are available on Council's website.

During the 2016-17, there was one disclosure under Section 13 notified by Council to the Independent Broad-based Anti-corruption Commission (IBAC).

Road Management Act Ministerial direction

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

Charter of Human Rights and Responsibilities commitment

The Victorian Charter of *Human Rights and Responsibilities Act 2006* is a law that protects the human rights of all people in Victoria. The Charter requires all public authorities and their employees to act compatibly with human rights in the delivery of services and when making decisions.

The City of Boroondara recognises and respects that everyone has the same human rights entitlement to allow them to participate in, and contribute to, society and our community. We recognise that all persons have equal rights in the provision of, and access to, Council services and facilities. We also recognise that, at times, such rights may be limited, insofar as to strike a balance between individual rights and the protection of public interest.

The Charter complements other laws such as Equal Opportunity legislation and protects basic rights such as freedom of speech, freedom from forced work and freedom from degrading treatment which previously had no legal protection. The Charter lists 20 rights that help all people to live with freedom, respect, equality and dignity.

Council has developed a Human Rights Compatibility Assessment Tool to assist staff reviewing decisions or policies. It specifies that Council must observe the rights set out in the Charter when making decisions, creating local laws, setting policies or providing services. The assessment tool is designed to help staff undertake a thorough and methodical assessment of any proposed policy, plan, procedure or decision and to identify whether it has an impact on any of the rights protected in the Charter.

During 2016-17, one Charter of Human Rights-related complaint was made to Council.

Information on privacy commitment and complaints received

Council is committed to protecting the personal privacy of residents and ratepayers. Council will only collect, use or disclose personal information where it is necessary to perform Council functions or where authorised or required by law. Council has an Information Privacy Policy that is available on Council's website.

During 2016-17, five complaints were made regarding breaches of customer privacy. These matters were resolved without the involvement of the Commissioner for Privacy and Data Protection.

Legislation impacting council

Council has responsibilities under a wide range of Victorian and Commonwealth legislation. Some of the key Acts and Regulations that affect Council are:

- *Building Act 1993*
- *Domestic Animals Act 1994*
- *Environment Protection Act 1970*
- *Equal Opportunity Act 2010*
- *Food Act 1984*
- *Freedom of Information Act 1982*
- *Information Privacy Act 2000*
- *Infringements Act 2006*
- *Land Acquisition and Compensation Act 1986*
- *Local Government Act 1989*
- *Local Government Amendment (Improved Governance) Act 2015*
- *Occupational Health and Safety Act 2004*
- *Planning and Environment Act 1987*
- *Protected Disclosure Act 2012*
- *Public Health and Wellbeing Act 2008*
- *Road Management Act 2004*
- *Road Safety Act 1986*
- *Sentencing Act 1991*
- *Subdivision Act 1988*
- *Valuation of Land Act 1960.*



Local Laws

Council's Local Laws are listed below. More information can be found on Council's website.

- Amenity Local Law (incorporating amendments gazetted in September 2011, May 2012 and September 2012)
- Protection of Council Assets and Control of Building Sites Local Law 2011
- Smoke Free Areas Local Law 2012
- Street Numbering Local Law (incorporating amendments gazetted in September 2011)
- Tree Protection Local Law 2016 (adopted 22 August 2016 and gazetted in November 2016)
- Meeting Procedure Local Law 2017 (adopted 27 March 2017 and gazetted in April 2017).

National Competition Policy

The City of Boroondara has undertaken a review under the National Competition Policy guidelines. This policy covers compliance with trade practices, local laws and competitive neutrality.



BOROONDARA
City of Harmony

Financials

For the year ended 30 June 2017



BOROONDARA
City of Harmony

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City of Boroondara

Comprehensive Income Statement

For the year ended 30 June 2017

| | Note | 2017 \$'000 | 2016 \$'000 |
|--|------|------------------|------------------|
| Income | | | |
| Rates and charges | 3 | 166,712 | 161,428 |
| Statutory fees and fines | 4 | 15,397 | 13,476 |
| User fees | 5 | 14,329 | 13,055 |
| Grants - operating | 6 | 16,861 | 12,158 |
| Grants - capital | 6 | 1,360 | 4,290 |
| Contributions - monetary | 7 | 6,224 | 7,554 |
| Contributions - non-monetary assets | 7 | 12 | 423 |
| Other income | 9 | 8,732 | 9,645 |
| Share of net profits of associates and joint ventures | 16 | - | 525 |
| Total income | | <u>229,627</u> | <u>222,553</u> |
| Expenses | | | |
| Employee costs | 10 | (83,555) | (77,856) |
| Materials and services | 11 | (64,205) | (54,400) |
| Bad and doubtful debts | 12 | (935) | (866) |
| Depreciation and amortisation | 13 | (31,833) | (30,547) |
| Borrowing costs | 14 | (2,535) | (2,719) |
| Other expenses | 15 | (10,642) | (10,564) |
| Net loss on disposal of property, infrastructure, plant and equipment | 8 | (3,657) | (4,481) |
| Share of net (losses) of associates and joint ventures | 16 | (643) | - |
| Total expenses | | <u>(198,005)</u> | <u>(181,432)</u> |
| Surplus for the year | | <u>31,622</u> | <u>41,121</u> |
| Other comprehensive income | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | |
| Net asset revaluation increments | 22 | 244,682 | 566,583 |
| Total comprehensive result | | <u>276,304</u> | <u>607,704</u> |

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

City of Boroondara

Balance Sheet

As at 30 June 2017

| | Note | 2017 \$'000 | 2016 \$'000 |
|--|-------|------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 17 | 32,104 | 38,211 |
| Trade and other receivables | 19 | 12,807 | 11,167 |
| Other financial assets | 18 | 82,500 | 56,500 |
| Inventories | 20 | 33 | 34 |
| Other assets | 21 | 1,835 | 1,293 |
| Total current assets | | <u>129,279</u> | <u>107,205</u> |
| Non-current assets | | | |
| Trade and other receivables | 19 | 12 | 27 |
| Other financial assets | 18 | 4 | 4 |
| Property, infrastructure, plant and equipment | 22 | 3,554,927 | 3,303,521 |
| Investment property | 23 | 9,260 | 8,713 |
| Intangible assets | 24 | 723 | 739 |
| Total non-current assets | | <u>3,564,926</u> | <u>3,313,004</u> |
| Total assets | | <u>3,694,205</u> | <u>3,420,209</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 25 | 21,618 | 21,484 |
| Trust funds and deposits | 26 | 3,323 | 3,204 |
| Provisions | 27 | 16,314 | 15,274 |
| Interest-bearing loans and borrowings | 28 | 4,235 | 4,049 |
| Total current liabilities | | <u>45,490</u> | <u>44,011</u> |
| Non-current liabilities | | | |
| Provisions | 27 | 1,791 | 1,986 |
| Provision for investments in associates and joint ventures | 16 | 1,382 | 739 |
| Interest-bearing loans and borrowings | 28 | 44,713 | 48,948 |
| Total non-current liabilities | | <u>47,886</u> | <u>51,673</u> |
| Total liabilities | | <u>93,376</u> | <u>95,684</u> |
| Net assets | | <u>3,600,829</u> | <u>3,324,525</u> |
| Equity | | | |
| Accumulated surplus | | 872,531 | 844,634 |
| Reserves | 29(c) | 2,728,298 | 2,479,891 |
| Total equity | | <u>3,600,829</u> | <u>3,324,525</u> |

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

City of Boroondara

Statement of Changes in Equity

For the year ended 30 June 2017

| | Note | Accumulated | | Revaluation | Other |
|---|-------|------------------|----------------|------------------|---------------|
| | | Total | Surplus | Reserve | Reserves |
| 2017 | | 2017 | 2017 | 2017 | 2017 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at beginning of the financial year | | 3,324,525 | 844,634 | 2,471,232 | 8,659 |
| Surplus for the year | | 31,622 | 31,622 | - | - |
| Net asset revaluation increment | 29(a) | 244,682 | - | 244,682 | - |
| Transfers to other reserves | 29(b) | - | (3,753) | - | 3,753 |
| Transfers from other reserves | 29(b) | - | 29 | (29) | - |
| Balance at end of the financial year | | 3,600,829 | 872,531 | 2,715,885 | 12,412 |

| | Note | Accumulated | | Revaluation | Other |
|---|-------|------------------|----------------|------------------|--------------|
| | | Total | Surplus | Reserve | Reserves |
| 2016 | | 2016 | 2016 | 2016 | 2016 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at beginning of the financial year | | 2,716,821 | 803,493 | 1,908,058 | 5,270 |
| Surplus for the year | | 41,121 | 41,121 | - | - |
| Net asset revaluation increment | 29(a) | 566,583 | - | 566,583 | - |
| Transfers to other reserves | 29(b) | - | (3,540) | - | 3,540 |
| Transfers from other reserves | 29(b) | - | 3,560 | (3,409) | (151) |
| Balance at end of the financial year | | 3,324,525 | 844,634 | 2,471,232 | 8,659 |

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

City of Boroondara

Statement of Cash Flows

For the year ended 30 June 2017

| | Note | 2017 Inflows/ (Outflows) \$'000 | 2016 Inflows/ (Outflows) \$'000 |
|---|------|--|--|
| Cash flows from operating activities | | | |
| Rates and charges | | 165,828 | 160,566 |
| Statutory fees and fines | | 13,978 | 12,343 |
| User charges | | 15,003 | 13,911 |
| Grants- operating | | 17,231 | 12,525 |
| Grants- capital | | 1,360 | 4,290 |
| Contributions monetary | | 6,449 | 7,831 |
| Interest received | | 2,406 | 2,903 |
| Trust funds and deposits taken | | 19,815 | 20,428 |
| Other receipts | | 6,197 | 7,123 |
| Net GST refund | | 10,305 | 9,908 |
| Employee costs | | (82,691) | (77,527) |
| Materials and services | | (70,100) | (63,333) |
| Trust funds and deposits repaid | | (19,696) | (20,262) |
| Other payments | | (11,703) | (11,406) |
| Net cash provided by operating activities | 30 | 74,383 | 79,300 |
| Cash flows from investing activities | | | |
| Payments for property, infrastructure, plant and equipment | 22 | (47,927) | (55,249) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 22 | - |
| Payments for investments | | (82,500) | (56,500) |
| Proceeds from sale of investments | | 56,500 | 66,500 |
| Payments of loans and advances | | 15 | 50 |
| Net cash used in investing activities | | (73,890) | (45,199) |
| Cash flows from financing activities | | | |
| Finance costs | | (2,551) | (2,735) |
| Repayments of borrowings | | (4,049) | (3,864) |
| Net cash provided by financing activities | | (6,600) | (6,599) |
| Net increase/(decrease) in cash and cash equivalents | | (6,107) | 27,502 |
| Cash and cash equivalents at the beginning of the financial year | | 38,211 | 10,709 |
| Cash and cash equivalents at the end of the financial year | | 32,104 | 38,211 |
| Financing arrangements | 31 | | |
| Restrictions on cash assets | 17 | | |

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

City of Boroondara

Statement of Capital Works

For the year ended 30 June 2017

| | 2017 \$'000 | 2016 \$'000 |
|--|----------------|----------------|
| Property | | |
| Land | - | 151 |
| Land improvements | 2 | 1,793 |
| Total land | 2 | 1,944 |
| Buildings | 20,145 | 23,003 |
| Building improvements | 596 | 1,771 |
| Total buildings | 20,741 | 24,774 |
| Total property | 20,743 | 26,718 |
| | | |
| Plant and equipment | | |
| Plant, machinery and equipment | 1,238 | 1,239 |
| Fixtures, fittings and furniture | 260 | 252 |
| Computers and telecommunications | 1,664 | 2,399 |
| Library books | 984 | 1,062 |
| Total plant and equipment | 4,146 | 4,952 |
| | | |
| Infrastructure | | |
| Roads | 10,267 | 9,699 |
| Bridges | 72 | - |
| Footpaths and cycleways | 2,117 | 1,966 |
| Drainage | 4,477 | 4,143 |
| Recreational, leisure and community facilities | 1,805 | 1,680 |
| Parks, open space and streetscapes | 2,742 | 4,119 |
| Off street car parks | 1,159 | 386 |
| Total infrastructure | 22,639 | 21,992 |
| | | |
| Total capital works expenditure | 47,528 | 53,663 |
| | | |
| Represented by: | | |
| New asset expenditure | 8,770 | 8,924 |
| Asset renewal expenditure | 36,782 | 41,912 |
| Asset expansion expenditure | 820 | 1,193 |
| Asset upgrade expenditure | 1,156 | 1,634 |
| Total capital works expenditure | 47,528 | 53,663 |

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

Notes to the Financial Report

Introduction

The City of Boroondara 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 8 Inglesby Road, Camberwell.

Statement of compliance

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

Note 1 Significant accounting policies

(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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1 (m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (n))
- the determination of employee provisions (refer to Note 1 (t))

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

(b) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

Notes to the Financial Report

Note 1 Significant accounting policies (cont.)

(c) Principles of consolidation

Council had no Entities consolidated at reporting date.

(d) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

(e) Accounting for investments in associates and joint arrangements

Associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

(i) Joint operations

Council recognises its direct right to its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings.

(ii) Joint ventures

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

AASB 11 Joint Arrangements requires the classification of joint arrangements into joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangement. Depending on the classification, the accounting treatment for the two types of joint arrangements will be different.

Council has reviewed its existing contractual arrangements with Regional Landfill Clayton South Joint Venture (Clayton Landfill) to ensure they are aligned with the new classifications under AASB 11. It has concluded that the existing joint arrangement is a joint operation. Instead of accounting for assets, liabilities, revenues and expenses relating to Council's interest in Clayton Landfill, Council continues to account for Clayton Landfill under the equity method on the basis that Clayton Landfill operating results, assets and liabilities are not material individually or in aggregate. Details of the joint operation are set out in Note 16.

Council interest in joint operations are accounted for using the equity method. Under this method, the interest is initially recognised in the balance sheet at cost and adjusted thereafter to recognise Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the Comprehensive Income Statement.

Notes to the Financial Report

Note 1 Significant accounting policies (cont.)

(f) Revenue recognition

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Rates and charges

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

Statutory fees and fines

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Dividends

Dividend revenue is recognised when the Council's right to receive payment is established.

Other income

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

Notes to the Financial Report

Note 1 Significant accounting policies (cont.)

(g) Fair value measurement

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.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(i) Trade and other receivables

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(j) Other financial assets

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(k) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.

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.

Notes to the Financial Report

Note 1 Significant accounting policies (cont.)

(l) Non-current assets classified as held for sale

A non-current asset classified as held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

(m) Recognition and measurement of property, plant and equipment, infrastructure, intangibles

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits detailed in Note 1 (n) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the 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 on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 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.

Notes to the Financial Report

Note 1 Significant accounting policies (cont.)

(m)

Recognition and measurement of property, plant and equipment, infrastructure, intangibles (cont.)

Land under roads

Council recognises land under roads it controls on a cost basis.

(n) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to 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.

| <i>Asset recognition thresholds and depreciation periods</i> | Depreciation period Years | Threshold limit \$'000 |
|--|--------------------------------------|-----------------------------------|
| Property | | |
| Land | N/A | - |
| Buildings | | |
| Buildings | 2-55 | 2 |
| Plant and Equipment | | |
| Plant, machinery and equipment | 5-30 | 0.5 |
| - Arts and heritage | 100 | 0.5 |
| Fixtures, fittings and furniture | 10 | 1 |
| Computers and telecommunications | 3-5 | 1 |
| Library books | 6 | - |
| Infrastructure | | |
| Road pavements and seals * | 30-100 | 7 |
| Road substructure | 100-150 | 7 |
| Road kerb, channel and minor culverts | 75 | 7 |
| Bridges deck | 50-130 | 7 |
| Bridges substructure | 50-130 | 7 |
| Footpaths and cycle ways | 20-85 | 7 |
| Drainage | 20-100 | 7 |
| Recreational, leisure and community facilities | 15-80 | 1 |
| Parks, open space and streetscapes | 15-100 | 1 |
| Off street car parks | 30-100 | 7 |
| Intangible assets | | |
| Intangible assets | 3 | 1 |

*Revised depreciation period in 2015-16, previously 20-100 for Road pavement and seals.

Notes to the Financial Report

Note 1 Significant accounting policies (cont.)

(o) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(p) Investment property

Investment property, comprising fresh food market stalls and a commercial shop is held to generate long-term rental yields. All tenant leases are on an arms length basis. Investment property is measured at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Investment property is depreciated on a straight-line basis as per the useful lives disclosed in Note 1(n). Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement on a straight line basis over the lease term. AASB 140 paragraph 53 states that if an entity determines that the fair value of an investment property is not reliably determinable on a continuing basis, the entity shall measure that investment property using the cost model in AASB 116.

(q) 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 to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(r) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 26).

(s) Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether 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.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

Notes to the Financial Report

Note 1 Significant accounting policies (cont.)

(t) Employee costs and benefits

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as non-current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Current liability - unconditional LSL is disclosed as a current liability even when the Council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

(u) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Council had no finance leases at reporting date.

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. Council does not have any leasehold improvements at reporting date.

Notes to the Financial Report

Note 1 Significant accounting policies (cont.)

(v) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(w) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed in Note 35 Contingent Liabilities and Contingent Assets.

(x) Contingent assets and contingent liabilities and commitments

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

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

(y) Pending accounting standards

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

Revenue from contracts with customers (AASB 15) (applies 2018-19)

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.

Income for Not-for-Profit Entities (AASB 1058) (applies 2019-20)

This standard simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with *AASB 15 Revenue from Contracts with Customers*. This will supersede the majority of income recognition requirements relating to public sector NFP entities, previously in *AASB 1004 Contributions*. The requirements of this Standard more closely reflect the economic reality of NFP entity transactions that are not contracts with customers. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an

Leases (AASB 16) (applies 2019-20)

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

Council has a significant number of operating leases that will be impacted as a result of this change. Currently Council is working on implementation of the standard in 2019-20.

(z) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statements may not equate due to rounding.

Notes to the Financial Report

Note 2 - Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of greater than 10 percent or \$1,000,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 27 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan 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*.

a) Income and Expenditure

| | | Budget | Actual | Variance | Variance |
|-----------------|---|----------------|----------------|---------------|------------|
| | | 2017 | 2017 | 2017 | 2017 |
| Ref | | \$'000 | \$'000 | \$'000 | % |
| Income | | | | | |
| | Rates and charges | 166,223 | 166,712 | 489 | 0.3 |
| 1 | Statutory fees and fines | 13,086 | 15,397 | 2,311 | 15.0 |
| | User fees | 14,435 | 14,329 | (106) | (0.7) |
| 2 | Grants - recurrent operating | 13,803 | 16,861 | 3,058 | 18.1 |
| 3 | Grants - recurrent capital | 1,315 | 920 | (395) | (42.9) |
| 4 | Grants - non recurrent capital | 230 | 440 | 210 | 47.7 |
| 5 | Contributions - monetary | 2,260 | 6,224 | 3,964 | 63.7 |
| 6 | Contributions - non monetary | - | 12 | 12 | 100.0 |
| 7 | Other income | 7,353 | 8,732 | 1,379 | 15.8 |
| | Total income | 218,705 | 229,627 | 10,922 | 4.8 |
| Expenses | | | | | |
| 8 | Employee costs | 82,265 | 83,555 | 1,290 | 1.5 |
| 9 | Materials and services | 59,592 | 64,205 | 4,613 | 7.2 |
| 10 | Bad and doubtful debts | 1,119 | 935 | (184) | (19.7) |
| | Depreciation and amortisation | 32,391 | 31,833 | (558) | (1.8) |
| | Borrowing costs | 2,534 | 2,535 | 1 | 0.0 |
| | Other expenses | 11,198 | 10,642 | (556) | (5.2) |
| 11 | Net loss on disposal of property, infrastructure, plant and equipment | 3,000 | 3,657 | 657 | 18.0 |
| 12 | Share of net losses of associates and joint ventures | - | 643 | 643 | 100.0 |
| | Total expenses | 192,099 | 198,005 | 5,906 | 3.0 |
| | Surplus for the year | 26,606 | 31,622 | 5,016 | |

Notes to the Financial Report

Note 2 - Budget comparison (cont.)

(i) Explanation of material variations

| Variance Ref | Item | Explanation |
|--------------|---|--|
| 1 | Statutory fees and fines | Statutory fees and fines are higher than budget due to an increased number of infringements issued of \$1.27 million and a \$998,000 increase in town planning fees due to the State Government statutory set fee increase which took effect in October 2016. |
| 2 | Grants - recurrent operating | Variance is due to the early receipt of the 2017-18 Victoria Grants Commission grant allocation of \$2.26 million (50%) in 2016-17. Additional funding of \$67,000 was received for Immunisations and Maternal and Child Health funding of \$99,000. |
| 3 | Grants - recurrent capital | Grants - recurrent capital variance is due to a revised payment schedule received for the Roads to Recovery Programme from the Department of Infrastructure and Regional Development in May 2017 reporting that the budgeted allocation of \$395,000 in 2016-17 will now be expected in 2017-18. |
| 4 | Grants - non recurrent capital | Grants - non recurrent capital variance is due to funding of \$275,000 received for Chandler Park Wetlands implementation |
| 5 | Contributions - monetary | Developer open space contributions are difficult to predict as they are based upon building activity reaching completion. The 2016-17 contributions were higher than expected due to an increase in the number of multi dwelling developments and hence higher contributions were received. The annual budget is based on the historical level of income received over the prior five year period. |
| 6 | Contributions - non monetary | Non monetary contributions are difficult to predict from one year to the next. The 2016-17 non-monetary contributions relate to footpaths. |
| 7 | Other income | Other income is above budget due to an increased number of term deposits, resulting in higher interest on investments of \$682,000. Right of Way sales was \$478,000 above budget and traffic road closures income was \$155,000 above budget due to increased development activity. |
| 8 | Employee costs | Employee costs are higher than budget due to limited tenure positions required for Boroondara Customer First and other projects planned and endorsed by Council as part of the amended budget review. |
| 9 | Materials and services | Materials and services is above budget due to an increase in the write off of capital works expenditure of \$2.2 million, footpaths and reinstatements - concrete and asphalt of \$672,000 and specialised services relating to the Digital Transformation project including web site expenditure. |
| 10 | Bad and doubtful debts | Bad and doubtful debts is lower than budget due to improved collection processes for parking fines. |
| 11 | Net loss on disposal of property, infrastructure, plant and equipment | The variance of \$657,000 above budget is primarily due to 50% derecognition of Gardiners Creek Trail Pedestrian and Bicycle bridge due to shared ownership with a neighbouring council. |
| 12 | Share of net losses of associates and joint ventures | The timing of budget information received for the landfill does not allow for its inclusion in Councils budget document. |

Notes to the Financial Report

Note 2 - Budget comparison (cont.)

b) Capital works

| Ref | Budget | Actual | Variance | Variance |
|--|---------------|---------------|-----------------|----------|
| | 2017 | 2017 | 2017 | 2017 |
| | \$'000 | \$'000 | \$'000 | % |
| Property | | | | |
| | 208 | 2 | (206) | (99.0) |
| Total land | 208 | 2 | (206) | |
| Buildings | 29,992 | 20,145 | (9,847) | (32.8) |
| Building improvements | 715 | 596 | (119) | (16.6) |
| Total buildings | 30,707 | 20,741 | (9,966) | (32.5) |
| Total property | 30,915 | 20,743 | (10,172) | (32.9) |
| Plant and equipment | | | | |
| Plant, machinery and equipment | 1,409 | 1,238 | (171) | (12.1) |
| Fixtures, fittings and furniture | 163 | 260 | 97 | 59.5 |
| Computers and telecommunications | 2,379 | 1,664 | (715) | (30.1) |
| Library books | 1,080 | 984 | (96) | (8.9) |
| Total Plant and equipment | 5,031 | 4,146 | (885) | (17.6) |
| Infrastructure | | | | |
| Roads | 10,007 | 10,267 | 260 | 2.6 |
| Bridges | 56 | 72 | 16 | 28.6 |
| Footpaths and cycleways | 1,885 | 2,117 | 232 | 12.3 |
| Drainage | 4,646 | 4,477 | (169) | (3.6) |
| Recreational, leisure and community facilities | 1,861 | 1,805 | (56) | (3.0) |
| Parks, open space and streetscapes | 4,053 | 2,742 | (1,311) | (32.3) |
| Off street car parks | 1,291 | 1,159 | (132) | (10.2) |
| Total infrastructure | 23,799 | 22,639 | (1,160) | (4.9) |
| Total capital works expenditure | 59,745 | 47,528 | (12,217) | (20.4) |
| Represented by: | | | | |
| New asset expenditure | 14,336 | 8,770 | (5,566) | (38.8) |
| Asset renewal expenditure | 42,540 | 36,782 | (5,758) | (13.5) |
| Asset expansion expenditure | 1,092 | 820 | (272) | (24.9) |
| Asset upgrade expenditure | 1,777 | 1,156 | (621) | (34.9) |
| Total capital works expenditure | 59,745 | 47,528 | (12,217) | (20.4) |

Notes to the Financial Report

Note 2 - Budget comparison (cont.)

(i) Explanation of material variations

| Variance Item Ref | Explanation |
|--------------------------------------|---|
| 1 Land improvements | The proposed expenditure identified in the Budget was determined to be of an operating nature and was expensed. |
| 2 Buildings | Buildings variance is primarily due to a delay in delivering significant projects including Camberwell Community House-Fairholm Grove redevelopment, Camberwell Hockey Pavilion, Balwyn Tennis and former Park Bowls Club Pavilion, Balwyn Library redevelopment and 605-609 Glenferrie Road Community Facility. Some of these projects are expected to be completed in 2017-18 while others are multi year projects. The construction phase of these projects required extensive consultation with user groups to finalise the scope of the works before tenders are called. |
| 3 Building improvements | Building improvements is lower than budget due to the multi year Low Carbon Strategy Implementation - facility upgrades expenditure being lower than anticipated. |
| 4 Plant, machinery and equipment | Plant, machinery and equipment is lower than budget due to the Kew Junction Parking Guidance System (KJPGS) project being carried forward to 2017-18. |
| 5 Fixtures, fittings and furniture | Fixtures, fittings and furniture are higher than budget due to additional office furniture requirements and the purchase of a digital noticeboard at Greythorn Shopping Centre and Kiosk display at North Balwyn Shopping strip. |
| 6 Computers and telecommunications | Computers and telecommunications is lower than budget due to delays in delivering significant projects including Field Workforce Enablement & Data Collecting Hardware License and Miscellaneous General Equipment and Licensing. Both projects are expected to be completed in 2017-18. |
| 7 Bridges | Bridges is higher than budget due to capital design expenditure for the Walmer St Bridge. |
| 8 Footpaths and cycleways | Capital expenditure relating to footpaths and cycleways was above budget due to a carry forward from 2015-16 in relation to the project Bicycle & Pedestrian Trails - Implementation of Safety Audit. |
| 9 Parks, open space and streetscapes | Parks, open spaces and streetscapes variance is primarily due to a delay in delivering projects including Evergreen Reserve - Expansion and Enhancement and Grace Park irrigation system using recycled water. Both projects are expected to be completed in 2017-18. |
| 10 Off street car parks | Off street car park works were under budget due to the completion of Burke Avenue Car Park Improvements being carried forward to 2017-18. |
| 11 New asset expenditure | Expenditure was lower than budget due to works not completed in the 2016-17 financial year. A planned deferral of capital works as part of Council's amended budget was made and as a result, \$3.19 million has been transferred to the 2017-18 financial year as a forward commitment. These projects include Field Workforce Enablement & Data Collecting Hardware License, Miscellaneous General Equipment and Licensing, Grace Park irrigation system using recycled water, Kew Junction Parking Guidance System (KJPGS) and Balwyn Library Redevelopment. |
| 12 Asset renewal expenditure | Expenditure was lower than budget due to works not completed in the 2016-17 financial year. A planned deferral of capital works as part of Council's amended budget was made and as a result, \$2.67 million has been transferred to the 2017-18 financial year as a forward commitment. These projects include Balwyn Library Redevelopment, Camberwell Hockey Pavilion and 605-609 Glenferrie Road Community Facility. |
| 13 Asset expansion expenditure | Expenditure was lower than budget due to works not completed in the 2016-17 financial year. A planned deferral of capital works as part of Council's amended budget was made and as a result, \$191,000 has been transferred to the 2017-18 financial year as a forward commitment. These projects include Evergreen Reserve - Expansion and Enhancement and North East Precinct. |
| 14 Asset upgrade expenditure | Expenditure was lower than budget due to works not completed in the 2016-17 financial year. A planned deferral of capital works as part of Council's amended budget was made and as a result, \$400,000 has been transferred to the 2017-18 financial year as a forward commitment. These projects include Low Carbon Strategy Implementation - facility upgrades and Burke Avenue Car Park Improvements. |

City of Boroondara

Notes to the Financial Report

| | 2017 \$'000 | 2016 \$'000 |
|--|-----------------------|-----------------------|
| Note 3 - Rates and charges | | |
| Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all improvements. The valuation base used to calculate general rates for 2016-17 was \$106.76 billion (2015-16: \$82.54 billion). The 2016-17 rate in the CIV dollar was 0.001354 (2015-16: 0.001688). | | |
| General rates | 141,905 | 136,767 |
| Cultural and recreational | 50 | 54 |
| Supplementary rates and rate adjustments | 1,204 | 1,617 |
| Waste management charge | 21,793 | 21,737 |
| Special rates and charges | 1,380 | 1,253 |
| Interest on rates and charges | 380 | 332 |
| Total rates and charges | <u>166,712</u> | <u>161,760</u> |

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016 and the valuation will be first applied in the rating year commencing 1 July 2016.

Note 4 - Statutory fees and fines

| | | |
|---------------------------------------|----------------------|----------------------|
| Infringements and costs | 10,586 | 9,819 |
| Court recoveries | 1,073 | 851 |
| Town planning fees | 2,518 | 1,608 |
| Land information certificates | 186 | 196 |
| Permits | 1,034 | 1,002 |
| Total statutory fees and fines | <u>15,397</u> | <u>13,476</u> |

Note 5 - User fees

| | | |
|--------------------------------------|----------------------|----------------------|
| Aged and health services | 2,131 | 2,101 |
| Building services | 1,038 | 1,094 |
| Road occupancy, traffic and drainage | 687 | 805 |
| Child care/children's program | 228 | 254 |
| Parking | 1,961 | 1,954 |
| Leisure centre and recreation | 4,320 | 3,338 |
| Registrations and other permits | 1,153 | 1,027 |
| Waste management services | 1,376 | 1,349 |
| Other fees and charges | 1,435 | 1,133 |
| Total user fees | <u>14,329</u> | <u>13,055</u> |

City of Boroondara

Notes to the Financial Report

| | 2017 \$'000 | 2016 \$'000 |
|--|----------------|----------------|
| Note 6 - Grants | | |
| Grants were received in respect of the following : | | |
| Summary of grants | | |
| Commonwealth funded grants | 12,201 | 3,645 |
| State funded grants | 6,020 | 12,803 |
| Total | 18,221 | 16,448 |
| Operating Grants | | |
| Recurrent - Commonwealth Government | | |
| Victoria Grants Commission | 6,630 | 2,167 |
| Aged care | 4,327 | - |
| Maternal and child health | - | 192 |
| Volunteer services | 68 | 148 |
| Senior citizen centres | 184 | - |
| Recurrent - State Government | | |
| Aged care | 2,104 | 6,202 |
| Family and children | 235 | 229 |
| School crossing supervisors | 523 | 435 |
| Libraries | 1,055 | 1,031 |
| Maternal and child health | 1,073 | 911 |
| Senior citizen centres | 13 | 183 |
| Community safety | 276 | 269 |
| Volunteer services | 84 | - |
| Total recurrent operating grants | 16,572 | 11,767 |
| Non-recurrent - Commonwealth Government | | |
| Environmental planning | 24 | - |
| Other | 18 | - |
| Non-recurrent - State Government | | |
| Community health | 30 | 25 |
| Community safety | 69 | 28 |
| Family and children | 3 | 43 |
| Environmental planning | 47 | 172 |
| Libraries | 28 | - |
| Sports and recreation | 40 | - |
| Other | 30 | 124 |
| Total non-recurrent operating grants | 289 | 391 |
| Total operating grants | 16,861 | 12,158 |
| Capital Grants | | |
| Recurrent - Commonwealth Government | | |
| Roads to recovery | 920 | 1,139 |
| Total recurrent capital grants | 920 | 1,139 |

City of Boroondara

Notes to the Financial Report

| | 2017 \$'000 | 2016 \$'000 |
|---|----------------|----------------|
| Note 6 - Grants (cont.) | | |
| <i>Non-recurrent - Commonwealth Government</i> | | |
| Environment planning | 30 | - |
| <i>Non-recurrent - State Government</i> | | |
| Buildings | - | 1,892 |
| Plant, machinery and equipment | 35 | 80 |
| Environment planning | 275 | 956 |
| Bridges | - | 15 |
| Community safety | 10 | 138 |
| Sport and recreation | 90 | 45 |
| Libraries | - | 25 |
| Total non-recurrent capital grants | 440 | 3,151 |
| Total capital grants | 1,360 | 4,290 |
| | | |
| Unspent grants received on condition that they be spent in a specific manner | | |
| Balance at start of year | 123 | 525 |
| Received during the financial year and remained unspent at balance date | 410 | 123 |
| Received in prior years and spent during the financial year | (123) | (525) |
| Balance at year end of unspent grants | 410 | 123 |
| | | |
| Note 7 - Contributions | | |
| Monetary | 6,224 | 7,554 |
| Non-monetary | 12 | 423 |
| Total contributions | 6,236 | 7,977 |
| | | |
| <i>Contributions of non-monetary asset were received in relation to the following asset classes</i> | | |
| Infrastructure | 12 | - |
| Other - Art and heritage | - | 423 |
| Total non-monetary contributions | 12 | 423 |
| | | |
| Note 8 - Net loss on disposal of property, infrastructure, plant and equipment | | |
| Proceeds of sale | 22 | - |
| Written down value of assets sold, replaced and disposed | (3,679) | (4,481) |
| Total net loss on disposal of property, infrastructure, plant and equipment | (3,657) | (4,481) |

City of Boroondara

Notes to the Financial Report

| | 2017 | 2016 |
|------------------------------|---------------------|---------------------|
| | \$'000 | \$'000 |
| Note 9 - Other income | | |
| Interest | 2,752 | 2,442 |
| Investment property rental | 164 | 162 |
| Other rental income | 2,395 | 2,494 |
| Reimbursements | 1,338 | 2,336 |
| Right-of-way sales | 767 | 376 |
| Traffic and drainage | 955 | 1,088 |
| Other income | 361 | 415 |
| Total other income | <u>8,732</u> | <u>9,313</u> |

Note 10 (a) Employee Costs

| | | |
|-------------------------------------|----------------------|----------------------|
| Wages and salaries | 63,540 | 60,060 |
| WorkCover | 1,073 | 719 |
| Casual staff | 5,060 | 3,815 |
| Annual leave and long service leave | 6,419 | 6,127 |
| Superannuation | 6,401 | 5,885 |
| Fringe benefits tax | 528 | 554 |
| Other | 534 | 696 |
| Total employee costs | <u>83,555</u> | <u>77,856</u> |

Note 10 (b) Superannuation

Superannuation

Council made contributions to the following funds:

Defined benefit fund

| | | |
|--|-------------------|-------------------|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 547 | 600 |
| | <u>547</u> | <u>600</u> |

| | | |
|---|---|---|
| Employer contributions payable at reporting date. | - | - |
|---|---|---|

Accumulation funds

| | | |
|--|---------------------|---------------------|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 3,831 | 3,594 |
| Employer contributions - other funds | 2,046 | 1,633 |
| | <u>5,877</u> | <u>5,227</u> |

| | | |
|---|----|----|
| Employer contributions payable at reporting date. | 99 | 58 |
|---|----|----|

Refer to Note 34 for further information relating to Council's superannuation obligations.

City of Boroondara

Notes to the Financial Report

| | 2017 \$'000 | 2016 \$'000 |
|--|----------------|----------------|
| Note 11 - Materials and services | | |
| Contract payments and trade services | 32,995 | 26,163 |
| Building maintenance | 3,834 | 3,421 |
| General maintenance | 3,043 | 2,037 |
| Plant and equipment maintenance | 2,063 | 1,926 |
| Utilities | 3,650 | 4,002 |
| Consultants | 7,380 | 5,604 |
| Office and administration | 4,691 | 4,918 |
| Financial and legal | 1,773 | 1,901 |
| Information technology | 3,251 | 2,336 |
| Insurance | 1,388 | 1,924 |
| Other | 137 | 168 |
| Total materials and services | 64,205 | 54,400 |
| Note 12 - Bad and doubtful debts | | |
| Parking fine and local laws debtors | 879 | 808 |
| Other debtors | 56 | 58 |
| Total bad and doubtful debts | 935 | 866 |
| Note 13 - Depreciation and amortisation | | |
| Property | 11,600 | 10,988 |
| Plant and equipment | 3,918 | 4,226 |
| Infrastructure | 15,584 | 14,809 |
| Investment property | 177 | 144 |
| Total depreciation | 31,279 | 30,167 |
| Intangible assets | 554 | 380 |
| Total depreciation and amortisation | 31,833 | 30,547 |

Refer to Note 22, 23 and 24 for a more detailed breakdown of depreciation and amortisation charges

City of Boroondara

Notes to the Financial Report

| | 2017 \$'000 | 2016 \$'000 |
|---|----------------|----------------|
| Note 14 - Borrowing costs | | |
| Interest on borrowings | 2,535 | 2,719 |
| Total borrowing costs | 2,535 | 2,719 |
| Note 15 - Other expenses | | |
| Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals | 69 | 75 |
| Auditors' remuneration - internal | 166 | 109 |
| Councillors' allowances | 379 | 382 |
| Operating lease rentals | 4,706 | 4,765 |
| Community grants and contributions | 2,531 | 2,550 |
| Training and professional development | 1,119 | 978 |
| Special rate scheme expenditure | 1,381 | 1,254 |
| Impairment losses | - | 172 |
| Other expenditure | 291 | 279 |
| Total other expenses | 10,642 | 10,564 |
| Note 16 - Provision for investments in associates and joint ventures | | |
| Background | | |
| <p>The City of Boroondara has entered into a joint venture arrangement called South Eastern Regional Landfill, which has developed a refuse tip for a number of municipalities. The Council has a 35.22% interest in the assets, liabilities, revenues and expenses of the joint venture. The remaining joint venture partners include City of Glen Eira, City of Monash, City of Whitehorse and City of Stonnington.</p> | | |
| Council's share of accumulated surplus(deficit) | | |
| Council's share of accumulated surplus(deficit) at start of year | (2,379) | (2,904) |
| Reported surplus/(deficit) for year | (643) | 525 |
| Council's share of accumulated deficit at end of year | (3,022) | (2,379) |
| Movement in carrying value of specific investment | | |
| Carrying value of investment at start of year | (739) | (1,264) |
| Share of surplus/(deficit) for year | (643) | 525 |
| Carrying value of investment at end of year | (1,382) | (739) |
| Council's share of expenditure commitments | | |
| Commitments | 95 | 30 |
| | 95 | 30 |

City of Boroondara

Notes to the Financial Report

| | 2017 | 2016 |
|--|--------|--------|
| | \$'000 | \$'000 |

Note 16 - Provision for investments in associates and joint ventures (cont.)

The landfill closed on the 29 January 2016. At balance date the landfill itself retains sufficient liquidity to fund the post closure capital works and the post closure After Care expenses for the medium term. It is however likely that Council funds will be required to be expended in support of the entity in the longer term.

Note 17 - Cash and cash equivalents

| | | |
|---------------|---------------|---------------|
| Cash on hand | 9 | 9 |
| Cash at bank | 8,260 | 5,924 |
| Term deposits | 23,834 | 32,278 |
| | <u>32,104</u> | <u>38,211</u> |

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

| | | |
|---|---------------|---------------|
| - Trust funds and deposits (Note 26) | 3,323 | 3,204 |
| Total restricted funds | <u>3,323</u> | <u>3,204</u> |
| Total unrestricted cash and cash equivalents | <u>28,781</u> | <u>35,008</u> |

Intended allocations

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

| | | |
|---|---------------|---------------|
| - Cash held to fund carried forward capital works | 6,058 | 6,110 |
| - Cash held to fund carried forward priority projects | 3,236 | 1,507 |
| - Reserves | 12,412 | 8,659 |
| Total funds subject to intended allocations | <u>21,706</u> | <u>16,276</u> |

Refer also to Note 18 for details of other financial assets held by Council and Note 29 (b) for Reserves.

City of Boroondara

Notes to the Financial Report

| | 2017 \$'000 | 2016 \$'000 |
|---|----------------------|----------------------|
| Note 18 - Other financial assets | | |
| Current assets | | |
| Term Deposits | 82,500 | 56,500 |
| Non current assets | | |
| Unlisted shares - at cost | 4 | 4 |
| Total other financial assets | <u>82,504</u> | <u>56,504</u> |

The unlisted shares are held with Procurement Australia Limited.

Note 19 - Trade and other receivables

| | | |
|--|----------------------|----------------------|
| Current | | |
| Rates debtors | 4,777 | 4,231 |
| Parking infringement debtors | 6,150 | 5,619 |
| Provision for doubtful debts - parking infringements | (1,228) | (1,177) |
| Loans and advances to community organisations | 33 | 33 |
| Other debtors | 1,619 | 1,128 |
| Provision for doubtful debts - other debtors | (67) | (71) |
| Net GST receivable | 1,523 | 1,404 |
| | <u>12,807</u> | <u>11,167</u> |
| Non-current | | |
| Loans and advances to community organisations | 12 | 27 |
| | <u>12</u> | <u>27</u> |
| Total trade and other receivables | <u>12,819</u> | <u>11,194</u> |

a) Ageing of receivables

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

| | | |
|-----------------------------------|---------------------|---------------------|
| Current (not yet due) | 1,078 | 593 |
| Past due by up to 30 days | 263 | 301 |
| Past due between 31 and 180 days | 127 | 98 |
| Past due between 181 and 365 days | 51 | 50 |
| Past due by more than 1 year | 145 | 146 |
| Total trade and other receivables | <u>1,664</u> | <u>1,188</u> |

b) Movement in provisions for doubtful debts

| | | |
|---|---------------------|---------------------|
| Balance at the beginning of the year | 1,247 | 1,214 |
| New provisions recognised during the year | 922 | 866 |
| Amounts already provided for and written off as uncollectible | (874) | (833) |
| Balance at end of year | <u>1,295</u> | <u>1,247</u> |

c) Ageing of individually impaired receivables

At balance date there were no other debtors representing financial assets that were impaired (2015-16 Nil).

City of Boroondara

Notes to the Financial Report

| | 2017 \$'000 | 2016 \$'000 |
|-------------------------------|----------------|----------------|
| Note 20 - Inventories | | |
| Inventories for distribution | 17 | 17 |
| Inventories held for sale | 16 | 17 |
| Total inventories | <u>33</u> | <u>34</u> |
| Note 21 - Other assets | | |
| Prepayments | 1,835 | 1,293 |
| Total other assets | <u>1,835</u> | <u>1,293</u> |

Notes to the Financial Report

Note 22 - Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

| | At Fair Value 30 June 2016 | Acquisitions | Revaluations | Depreciation | Disposal | Transfers | At Fair Value 30 June 2017 |
|---------------------|-------------------------------|---------------|----------------|-----------------|----------------|-----------------|-------------------------------|
| Land | 2,466,245 | - | 244,682 | | | | 2,710,927 |
| Buildings | 264,722 | | | (11,600) | - | 12,156 | 265,278 |
| Plant and Equipment | 17,369 | | | (3,919) | (646) | 4,041 | 16,845 |
| Infrastructure | 530,492 | | | (15,583) | (2,899) | 23,348 | 535,357 |
| Work in progress | 24,693 | 47,528 | | | (4,773) | (40,927) | 26,521 |
| Total | 3,303,521 | 47,528 | 244,682 | (31,102) | (8,318) | (1,383)* | 3,554,927 |

Summary of Work in Progress

| | Opening WIP | Additions | Transfers | Write Offs | Closing WIP |
|---------------------|---------------|---------------|-----------------|----------------|---------------|
| Buildings | 15,263 | 20,744 | (19,836) | (1,512) | 14,659 |
| Plant and Equipment | 2,432 | 4,145 | (4,276) | (528) | 1,773 |
| Infrastructure | 6,999 | 22,639 | (16,815) | (2,734) | 10,089 |
| Total | 24,693 | 47,528 | (40,927) | (4,773) | 26,521 |

* The \$1.383M is additions for Investment Property and Intangibles shown in Note 23 and Note 24 respectively

Notes to the Financial Report

Note 22 - Property, infrastructure, plant and equipment (cont.)

LAND AND BUILDINGS

| | Land - specialised \$'000 | Land - non specialised \$'000 | Total Land \$'000 | Buildings - non specialised \$'000 | Total Buildings \$'000 | Work in Progress \$'000 | TOTAL PROPERTY \$'000 |
|--|------------------------------|----------------------------------|----------------------|---------------------------------------|---------------------------|----------------------------|--------------------------|
| At fair value 1 July 2016 | 2,145,775 | 320,469 | 2,466,244 | 410,472 | 410,472 | 15,263 | 2,891,980 |
| Accumulated depreciation at 1 July 2016 | - | - | - | (145,750) | (145,750) | - | (145,750) |
| | 2,145,775 | 320,469 | 2,466,244 | 264,722 | 264,722 | 15,263 | 2,746,230 |
| Movements in fair value | | | | | | | |
| Acquisition of assets at fair value | - | - | - | 12,156 | 12,156 | - | 12,156 |
| Revaluation increments/decrements | 212,892 | 31,791 | 244,682 | - | - | - | 244,682 |
| Fair value of assets disposed | - | - | - | (230) | (230) | - | (230) |
| Transfers in (out) | - | - | - | - | - | (604) | (604) |
| | 212,892 | 31,791 | 244,682 | 11,926 | 11,926 | - 604 | 256,004 |
| Movements in accumulated depreciation | | | | | | | |
| Depreciation and amortisation | - | - | - | (11,600) | (11,600) | - | (11,600) |
| Accumulated depreciation of disposals | - | - | - | 230 | 230 | - | 230 |
| | - | - | - | (11,370) | (11,370) | - | (11,370) |
| At fair value 30 June 2017 | 2,358,667 | 352,260 | 2,710,927 | 422,398 | 422,398 | 14,659 | 3,147,984 |
| Accumulated depreciation at 30 June 2017 | - | - | - | (157,120) | (157,120) | - | (157,120) |
| | 2,358,667 | 352,260 | 2,710,927 | 265,278 | 265,278 | 14,659 | 2,990,864 |

City of Boroondara

Notes to the Financial Report

Note 22 - Property, infrastructure, plant and equipment (cont.)

PLANT AND EQUIPMENT

| | Plant, machinery and equipment \$'000 | Fixtures fittings and furniture \$'000 | Computers and telecommunication \$'000 | Library books \$'000 | Work in Progress \$'000 | TOTAL PLANT AND EQUIPMENT \$'000 |
|--|---|--|--|-------------------------|----------------------------|--|
| At fair value 1 July 2016 | 29,667 | 7,735 | 5,170 | 4,645 | 2,432 | 49,649 |
| Accumulated depreciation at 1 July 2016 | (17,951) | (4,807) | (3,958) | (3,133) | - | (29,849) |
| | 11,715 | 2,928 | 1,213 | 1,512 | 2,432 | 19,800 |
| Movements in fair value | | | | | | |
| Acquisition of assets at fair value | 1,778 | 283 | 994 | 986 | - | 4,041 |
| Fair value of assets disposed | (230) | (10) | (36) | (1,910) | - | (2,186) |
| Transfers in (out) | - | - | - | - | (659) | (659) |
| | 1,548 | 272 | 958 | (923) | (659) | 1,196 |
| Movements in accumulated depreciation | | | | | | |
| Depreciation and amortisation | (2,112) | (473) | (713) | (620) | - | (3,919) |
| Accumulated depreciation of disposals | 224 | 4 | 25 | 1,288 | - | 1,540 |
| | (1,888) | (470) | (688) | 668 | | (2,378) |
| At fair value 30 June 2017 | 31,215 | 8,008 | 6,128 | 3,722 | 1,773 | 50,845 |
| Accumulated depreciation at 30 June 2017 | (19,839) | (5,277) | (4,646) | (2,465) | - | (32,227) |
| | 11,375 | 2,731 | 1,482 | 1,257 | 1,773 | 18,618 |

Notes to the Financial Report

Note 22 - Property, infrastructure, plant and equipment (cont.)

INFRASTRUCTURE

| | Roads | Bridges | Footpaths and cycleways | Drainage | Recreational, leisure and Community | Parks open spaces and streetscapes | Off street car parks | Work in Progress | Total Infrastructure |
|--|----------------|--------------|-------------------------|----------------|-------------------------------------|------------------------------------|----------------------|------------------|----------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value 1 July 2016 | 580,564 | 13,820 | 148,297 | 192,675 | 45,467 | 37,810 | 34,784 | 6,999 | 1,060,415 |
| Accumulated depreciation at 1 July 2016 | (319,526) | (7,894) | (80,589) | (79,696) | (13,429) | (9,942) | (11,848) | - | (522,924) |
| | 261,038 | 5,926 | 67,707 | 112,979 | 32,037 | 27,868 | 22,936 | 6,999 | 537,490 |
| Movements in fair value | | | | | | | | | |
| Acquisition of assets at fair value | 10,790 | - | 2,014 | 5,843 | 1,526 | 2,489 | 686 | - | 23,348 |
| Fair value of assets disposed | (4,220) | (745) | (234) | (26) | - | (80) | - | - | (5,305) |
| Transfers in (out) | - | - | - | - | - | - | - | 3,090 | 3,090 |
| | 6,569 | 745 | 1,780 | 5,817 | 1,526 | 2,409 | 686 | 3,090 | 21,133 |
| Movements in accumulated depreciation | | | | | | | | | |
| Depreciation and amortisation | (7,402) | (143) | (1,803) | (2,350) | (1,969) | (1,308) | (607) | - | (15,583) |
| Revaluation increments/decrements | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation of disposals | 2,216 | - | 156 | 24 | - | 9 | - | - | 2,405 |
| | (5,186) | (143) | (1,647) | (2,326) | (1,969) | (1,300) | (607) | - | (13,178) |
| At fair value 30 June 2017 | 587,133 | 13,075 | 150,077 | 198,492 | 46,992 | 40,219 | 35,470 | 10,089 | 1,081,548 |
| Accumulated depreciation at 30 June 2017 | (324,712) | (8,037) | (82,237) | (82,023) | (15,398) | (11,241) | (12,456) | - | (536,103) |
| | 262,421 | 5,038 | 67,841 | 116,470 | 31,594 | 28,978 | 23,016 | 10,089 | 545,445 |

Total property, infrastructure, plant and equipment

3,554,927

Notes to the Financial Report

Note 22 - Property, infrastructure, plant and equipment (cont.)

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Matheson Stephen Valuations Property Consultants. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on 9.92% provided by Matheson Stephen Valuations Property Consultants. A full revaluation assessment of these assets will be conducted in 2017-18.

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

| | Level 1 | Level 2 | Level 3 | DoV |
|-------------------------|---------|----------------|------------------|--------|
| Land | | 352,260 | | Jan-17 |
| Specialised land | | | 2,358,666 | Jan-17 |
| Buildings | | | 265,279 | Jan-16 |
| Total | | 352,260 | 2,623,945 | |

Valuation of infrastructure

Valuation of infrastructure assets has been determined by Zhanna Sichivitsa, Manager Asset Management, Bachelor of Landscape Architecture, Ph.D Environmental Horticulture.

The date of the current valuation is detailed in the following table. No index based revaluation was conducted in the current year, this valuation was based on 2015-16, a full revaluation of these assets will be conducted in 2017-18.

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 2017 are as follows:

| | Level 1 | Level 2 | Level 3 | DoV |
|---|---------|---------|----------------|--------|
| Roads | | | 262,421 | Jun-16 |
| Bridges | | | 5,037 | Jun-16 |
| Footpaths and cycleways | | | 67,841 | Jun-16 |
| Drainage | | | 116,470 | Jun-16 |
| Recreational, leisure and community facilities | | | 31,594 | Jun-16 |
| Parks, open space and streetscapes | | | 28,978 | Jun-16 |
| Off Street Car Parks | | | 23,016 | Jun-16 |
| Total | | | 535,357 | |

Refer to note 1 (g) for definitions.

Notes to the Financial Report

Note 22 - Property, infrastructure, plant and equipment (cont.)

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 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$32 and \$9,519 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. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 25 years to 55 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 5 years to 150 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.

| | 2017 \$'000 | 2016 \$'000 |
|---|------------------|------------------|
| Reconciliation of specialised land | | |
| Land under roads | 2,054 | 1,869 |
| Parks and reserves | 1,025,780 | 933,206 |
| Sports Grounds | 842,289 | 741,345 |
| Other | 488,544 | 469,356 |
| Total specialised land | 2,358,667 | 2,145,776 |

City of Boroondara

Notes to the Financial Report

| | 2017 \$'000 | 2016 \$'000 |
|--|----------------|----------------|
| Note 23 - Investment property | | |
| Gross carrying amount | | |
| Balance at beginning of financial year | 9,621 | 9,955 |
| Additions | 857 | 1,210 |
| Transfer out | - | (1,544) |
| Disposals | (160) | - |
| Balance at end of financial year | <u>10,318</u> | <u>9,621</u> |
| Accumulated amortisation and impairment | | |
| Balance at beginning of the year | (908) | (764) |
| Depreciation expense | (150) | (144) |
| Balance at end of financial year | <u>(1,058)</u> | <u>(908)</u> |
| Net book value | <u>9,260</u> | <u>8,713</u> |

Investment property is carried at cost and is depreciated on a straight line basis.

Note 24 - Intangible assets

| | | |
|--|----------------|------------|
| Software | 723 | 739 |
| Total intangible assets | <u>723</u> | <u>739</u> |
| Software | | |
| Gross carrying amount | | |
| Balance at 1 July 2015 | 1,977 | |
| Additions from internal developments | 776 | |
| Balance at 1 July 2016 | <u>2,753</u> | |
| Additions from internal developments | 527 | |
| Balance at 30 June 2017 | <u>3,280</u> | |
| Accumulated amortisation and impairment | | |
| Balance at 1 July 2015 | (1,633) | |
| Amortisation expense | (380) | |
| Balance at 1 July 2016 | <u>(2,013)</u> | |
| Amortisation expense | (544) | |
| Balance at 30 June 2017 | <u>(2,557)</u> | |
| Net book value at 30 June 2016 | <u>739</u> | |
| Net book value at 30 June 2017 | <u>723</u> | |

City of Boroondara

Notes to the Financial Report

Note 25 - Trade and other payables

| | 2017 \$'000 | 2016 \$'000 |
|--------------------------|----------------|----------------|
| Trade and other payables | 18,202 | 17,944 |
| Accrued expenses | 3,354 | 3,437 |
| Prepaid income | 62 | 103 |
| | <u>21,618</u> | <u>21,484</u> |

Note 26 - Trust funds and deposits

| | | | |
|---|-------|--------------|--------------|
| Refundable deposits | 26(a) | 2,704 | 2,609 |
| Fire services levy | 26(b) | 409 | 404 |
| Refundable contract deposits and retention monies | 26(c) | 7 | 22 |
| Balwyn Rotary Sunday Market trust funds | 26(d) | 134 | 100 |
| Sportsgrounds trust funds | 26(e) | 69 | 69 |
| | | <u>3,323</u> | <u>3,204</u> |

Purpose and restrictions of trust funds and deposits

| Ref. | Purpose: | Nature of any restrictions: |
|-------|---|--|
| 26(a) | 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. |
| 26(b) | Fire Services 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. |
| 26(c) | 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. |
| 26(d) | Trust funds held on behalf of the operation of the Balwyn Rotary Sunday Market. | Profits and losses are transferred each month when they exceed \$5,000. |
| 26(e) | Trust funds collected from cessation of sportsground committees. | Expenditure is restricted to the relevant sportsground. |

City of Boroondara

Notes to the Financial Report

Note 27 - Provisions

| | Annual leave | Long service leave | Other | Total |
|---|-----------------|--------------------------|---------------|---------------|
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| 2017 | | | | |
| Balance at beginning of the financial year | 4,941 | 12,012 | 307 | 17,260 |
| Additional provisions | 5,986 | 2,598 | 1,599 | 10,183 |
| Amounts used | (5,633) | (2,286) | (1,610) | (9,529) |
| Increase in the discounted amount arising because of time and the effect of any change in the discount rate | | 191 | - | 191 |
| Balance at the end of the financial year | 5,294 | 12,515 | 296 | 18,105 |
| 2016 | | | | |
| Balance at beginning of the financial year | 4,856 | 11,824 | 290 | 16,970 |
| Additional provisions | 5,660 | 2,598 | 1,562 | 9,820 |
| Amounts used | (5,659) | (2,560) | (1,545) | (9,764) |
| Increase in the discounted amount arising because of time and the effect of any change in the discount rate | 84 | 150 | - | 234 |
| Balance at the end of the financial year | 4,941 | 12,012 | 307 | 17,260 |
| Employee benefits | | | | |
| | | | 2017 | 2016 |
| | | | \$'000 | \$'000 |
| Current provisions expected to be settled within 12 months | | | | |
| Annual leave | | | 4,158 | 3,916 |
| Long service leave | | | 9,428 | 8,467 |
| Other | | | 296 | 307 |
| | | | 13,882 | 12,690 |
| Current provisions expected to be settled after 12 months | | | | |
| Annual leave | | | 1,135 | 1,025 |
| Long service leave | | | 1,297 | 1,559 |
| | | | 2,432 | 2,584 |
| Total current provisions | | | 16,314 | 15,274 |
| Non-current | | | | |
| Long service leave | | | 1,791 | 1,986 |
| Total non-current provisions | | | 1,791 | 1,986 |
| Aggregate carrying amount of employee provisions: | | | | |
| Current | | | 16,314 | 15,274 |
| Non-current | | | 1,791 | 1,986 |
| Total aggregate carrying amount of employee provisions | | | 18,105 | 17,260 |
| (b) Other | | | | |
| Provision for rostered days off | | | | |
| Current | | | 296 | 307 |
| | | | 296 | 307 |

City of Boroondara

Notes to the Financial Report

| | 2017 \$'000 | 2016 \$'000 |
|--|----------------------|----------------------|
| Note 28 - Interest-bearing loans and borrowings | | |
| Current | | |
| Borrowings - secured | <u>4,235</u> | <u>4,049</u> |
| Non-current | | |
| Borrowings - secured | <u>44,713</u> | <u>48,948</u> |
| Total | <u>48,948</u> | <u>52,997</u> |

Borrowings are secured over the General Rates of Council as per section 148 of the *Local Government Act 1989*.

a) The maturity profile for Council's borrowings is:

| | | |
|---|----------------------|----------------------|
| Not later than one year | 4,235 | 4,049 |
| Later than one year and not later than five years | 23,174 | 25,735 |
| Later than five years | <u>21,539</u> | <u>23,213</u> |
| | <u>48,948</u> | <u>52,997</u> |

City of Boroondara

Notes to the Financial Report

Note 29 - Reserves

| | Balance at beginning of reporting period | Increment (decrement) | Reversal of previous revaluations for assets disposed | Share of increment (decrement) on revaluation by an associate | Balance at end of reporting period |
|--|---|--------------------------|---|--|--|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Asset revaluation reserves | | | | | |
| 2017 | | | | | |
| Property | | | | | |
| Land | 2,150,667 | 244,682 | - | - | 2,395,350 |
| Buildings and other structures | 52,561 | - | (29) | - | 52,533 |
| | 2,203,228 | 244,682 | (29) | - | 2,447,882 |
| Infrastructure | | | | | |
| Roads | 175,025 | - | - | - | 175,025 |
| Bridges | 3,846 | - | - | - | 3,846 |
| Footpaths and cycleways | 43,242 | - | - | - | 43,242 |
| Drainage | 34,030 | - | - | - | 34,030 |
| Carparks and access roads | 11,861 | - | - | - | 11,861 |
| | 268,004 | - | - | - | 268,004 |
| Sub-total property and infrastructure | 2,471,232 | 244,682 | (29) | - | 2,715,886 |
| Total asset revaluation reserves | 2,471,232 | 244,682 | (29) | - | 2,715,886 |
| 2016 | | | | | |
| Property | | | | | |
| Land | 1,610,712 | 538,918 | 1,037 | - | 2,150,667 |
| Buildings and other structures | 42,510 | 11,147 | (1,096) | - | 52,561 |
| | 1,653,222 | 550,065 | (59) | - | 2,203,228 |
| Infrastructure | | | | | |
| Roads | 156,080 | 18,945 | - | - | 175,025 |
| Bridges | 4,119 | (273) | - | - | 3,846 |
| Footpaths and cycleways | 44,143 | 7 | (908) | - | 43,242 |
| Drainage | 38,431 | (4,677) | 276 | - | 34,030 |
| Carparks and access roads | 9,345 | 2,516 | - | - | 11,861 |
| | 252,118 | 16,518 | (632) | - | 268,004 |
| Sub-total property and infrastructure | 1,905,340 | 566,583 | (691) | - | 2,471,232 |
| Investments in associates | | | | | |
| Clayton Landfill | 2,718 | - | - | (2,718) | - |
| | 2,718 | - | - | (2,718) | - |
| Total asset revaluation reserves | 1,908,058 | 566,583 | (691) | (2,718) | 2,471,232 |

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

City of Borroondara

Notes to the Financial Report

Note 29 - Reserves (cont.)

| | Balance at beginning of reporting period | Transfer from accumulated surplus | Transfer to accumulated surplus | Balance at end of reporting period |
|-------------------------------------|---|---|---------------------------------------|--|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (b) Other reserves | | | | |
| 2017 | | | | |
| Drainage contributions reserve | 283 | - | - | 283 |
| Strategic acquisition fund | 434 | - | - | 434 |
| Defined Benefit future call up fund | 3,000 | 1,000 | - | 4,000 |
| Open space development fund | 4,942 | 2,753 | - | 7,695 |
| Total other reserves | 8,659 | 3,753 | - | 12,412 |
| 2016 | | | | |
| Drainage contributions reserve | 233 | 50 | - | 283 |
| Strategic acquisition fund | 434 | - | - | 434 |
| Defined Benefit future call up fund | 2,000 | 1,000 | - | 3,000 |
| Open space development fund | 2,603 | 2,490 | (151) | 4,942 |
| Total other reserves | 5,270 | 3,540 | (151) | 8,659 |

The drainage contributions reserve represents non refundable contributions that are sought from developers to upgrade drainage as a result of development in the municipality.

The strategic acquisition fund will be available for the purpose of acquiring new strategic assets where they are required for the provision of community services or for additional public open space.

The open space development Fund allows for the acquisition of land within the municipality for conversion to public open space as it becomes available.

The Defined Benefit future call up fund has been created for use should a shortfall in the defined benefit superannuation fund be called by the Local Government Defined Benefit Superannuation Fund trustee.

| | 2017 \$'000 | 2016 \$'000 |
|-------------------------------------|------------------|------------------|
| (c) Total reserves | | |
| Asset revaluation reserves | 2,715,886 | 2,471,232 |
| Drainage contribution reserve | 283 | 283 |
| Strategic acquisition fund | 434 | 434 |
| Defined Benefit future call up fund | 4,000 | 3,000 |
| Open space development fund | 7,695 | 4,942 |
| Total reserves | 2,728,298 | 2,479,891 |

City of Boroondara

Notes to the Financial Report

| | | 2017 \$'000 | 2016 \$'000 |
|--|-------------|----------------|----------------|
| Note 30 - Reconciliation of cash flows from operating activities to surplus | | | |
| | Note | | |
| Surplus for the period | | 31,622 | 41,121 |
| Depreciation/amortisation | 13 | 31,833 | 30,547 |
| (Profit) /loss on disposal of property, infrastructure, plant and equipment | 8 | 3,657 | 4,481 |
| Share of joint venture (profits) / losses net of distributions | 16 | 643 | (525) |
| Impairment losses & reversals of impairment losses | | - | 172 |
| Works in progress not capitalised (expensed) | | 4,773 | 3,219 |
| Contributions of non-monetary assets | 7 | (12) | (423) |
| Finance costs | | 2,535 | 2,719 |
| Change in assets and liabilities: | | | |
| (Increase)/decrease in trade and other receivables | | (1,640) | (910) |
| Increase in prepayments | | (542) | (234) |
| (Increase)/decrease in inventories | | 1 | (11) |
| Increase/(decrease) in trust funds and deposits | | 119 | 166 |
| Increase/(decrease) in trade and other payables | | 547 | (1,370) |
| Increase in other liabilities | | (41) | 9 |
| Increase in provisions | | 888 | 339 |
| Net cash provided by operating activities | | <u>74,383</u> | <u>79,300</u> |

Note 31 - Financing arrangements

Council does not have a bank overdraft facility.

| | | |
|------------------------|---------------|---------------|
| Credit card facilities | 300 | 300 |
| Borrowing facilities | 48,948 | 52,997 |
| Total facilities | <u>49,248</u> | <u>53,297</u> |
| Used facilities | <u>49,063</u> | <u>53,127</u> |
| Unused facilities | <u>185</u> | <u>170</u> |

City of Boroondara

Notes to the Financial Report

Note 32 - Commitments

| | Not later than 1 year \$'000 GST Incl. | Later than 1 year and not later than 2 years \$'000 GST Incl. | Later than 2 years and not later than 5 years \$'000 GST Incl. | Later than 5 years \$'000 GST Incl. | Total \$'000 GST Incl. |
|---|---|---|--|--|------------------------------|
| The Council has entered into the following commitments: | | | | | |
| 30 June 2017 | | | | | |
| <i>Operating</i> | | | | | |
| Recycling | 2,053 | 2,053 | 6,165 | 686 | 10,957 |
| Garbage collection | 1,136 | 446 | 652 | 70 | 2,304 |
| Open space management | 14,081 | 8,891 | 11,296 | 485 | 34,752 |
| Consultancies | 3,078 | 1,922 | 2,712 | - | 7,713 |
| Home care services | 140 | 140 | 6 | - | 286 |
| Cleaning contracts for council buildings | 1,245 | 1,212 | 1,614 | - | 4,071 |
| Information systems and technology | 6,891 | 5,359 | 1,009 | 6,491 | 19,751 |
| Other | 644 | 537 | 529 | - | 1,710 |
| Total operating commitments | 29,268 | 20,560 | 23,983 | 7,733 | 81,544 |
| <i>Capital</i> | | | | | |
| Buildings | 17,129 | 7,184 | 1,036 | 257 | 25,607 |
| Roads | 1,661 | 536 | 1,009 | 7 | 3,213 |
| Drainage | 1,987 | 951 | 789 | - | 3,727 |
| Other | 2,067 | 554 | - | - | 2,621 |
| Total capital commitments | 22,844 | 9,225 | 2,835 | 264 | 35,169 |
| Total commitments after 30 June 2017 | 52,113 | 29,785 | 26,818 | 7,997 | 116,713 |

City of Borroondara

Notes to the Financial Report

Note 32 - Commitments (cont.)

| | Not later than 1 year \$'000 GST Incl. | Later than 1 year and not later than 2 years \$'000 GST Incl. | Later than 2 years and not later than 5 years \$'000 GST Incl. | Later than 5 years \$'000 GST Incl. | Total \$'000 GST Incl. |
|---|---|---|--|--|------------------------------|
| 30 June 2016 | | | | | |
| <i>Operating</i> | | | | | |
| Recycling | 2,053 | 2,053 | 6,165 | 2,739 | 13,010 |
| Garbage collection | 1,866 | 1,136 | 1,054 | 114 | 4,170 |
| Open space management | 8,785 | 8,398 | 8,822 | 1,007 | 27,012 |
| Consultancies | 4,049 | 2,533 | 3,282 | - | 9,864 |
| Home care services | 22 | 22 | 28 | - | 72 |
| Cleaning contracts for council buildings | 1,305 | 809 | 2,423 | - | 4,537 |
| Information systems and technology | 2,042 | 1,038 | 279 | - | 3,358 |
| Other | 1,382 | 333 | 860 | - | 2,575 |
| Total operating commitments | 21,504 | 16,321 | 22,912 | 3,861 | 64,598 |
| <i>Capital</i> | | | | | |
| Buildings | 2,559 | 396 | 827 | 362 | 4,144 |
| Roads | 6,920 | 1,581 | 1,223 | - | 9,724 |
| Drainage | 4,023 | 1,693 | 1,512 | - | 7,228 |
| Other | 1,208 | 905 | 353 | - | 2,466 |
| Total capital commitments | 14,709 | 4,576 | 3,916 | 362 | 23,563 |
| Total commitments after 30 June 2016 | 36,213 | 20,897 | 26,828 | 4,223 | 88,160 |

Note 33 - Operating leases

| | 2017 \$'000 | 2016 \$'000 |
|--|----------------|----------------|
| <i>(a) Operating lease commitments</i> | | |
| At the reporting date, the Council had the following obligations under operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities): | | |
| Not later than one year | 3,227 | 3,440 |
| Later than one year and not later than five years | 4,268 | 4,435 |
| Later than five years | 313 | 554 |
| | 7,808 | 8,429 |

(b) Operating lease receivables

Council leases out various offices, buildings and sporting facilities under operating leases expiring within one to seventy-five years. The leases have varying terms. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals receivable under operating leases are as follows:

| | | |
|---|--------------|--------------|
| Not later than one year | 1,093 | 1,634 |
| Later than one year and not later than five years | 1,985 | 2,887 |
| Later than five years | 3,323 | 3,552 |
| | 6,401 | 8,073 |

Notes to the Financial Report

Note 34 - Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.0% pa
Salary information 4.25% pa
Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim 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

Note 34 - Superannuation (cont.)

Employer contributions

Regular contributions

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

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2016 Interim actuarial investigation surplus amounts

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

A VBI surplus of \$40.3 million; and

A total service liability surplus of \$156 million.

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

2017 Full triennial actuarial investigation

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

Future superannuation contributions

In addition to the disclosed contributions, City of Boroondara has paid unfunded liability payments to Vision Super totalling \$0 (2015-16 \$0). There were *no* contributions outstanding and *no* loans issued from or to the above schemes as at 30 June 2017. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$550,000.

Notes to the Financial Report

Note 35 - Contingent liabilities and contingent assets

Contingent liabilities

- (a) Council is a party to an agreement signed under Section 173 of the Planning and Environmental Act in relation to proposed developments in Station Street Camberwell. This agreement was signed on 5 March 1996 pursuant to Planning Permit BOR/9941 and originally imposed certain planning conditions upon the owners of the land, including a limit on future floor area. The agreement also provided that Council would undertake the demolition, removal and relocation of the Public Transport Corporation substation and equipment situated in the Council car park to the west of the subject site and to construct car parking on this land. In the 2013-14 financial year, the Victorian Civil and Administrative Tribunal (VCAT) ruled that the originally proposed developments can proceed. There have been several previous VCAT and Supreme Court proceedings (to which Council was a party) in relation to the developments in Station Street Camberwell and the Section 173 Agreement. All previous VCAT and Supreme Court Cases have been finalised, however, Council will likely be liable for costs associated with these proceedings. As of 30 June 2017, the nature timing and quantum of costs associated with these proceedings have not been reliably determined. The nature, timing and costs associated with honouring the terms of the Section 173 Agreement have also not been reliably determined.
- (b) Council is presently involved in a number of confidential legal matters, which are being conducted through Council's solicitors. The estimated potential financial effect of these matters is unknown at reporting date. The estimate of the financial liability at reporting date representing Council's maximum exposure under its public liability insurance policy for trips and falls on road reserves and footpaths total \$290,000 (2015-16 \$144,512). This amount is contingent on the outcome of the resolution of these claims.

Guarantees for loans to other entities

During the previous four financial years, Council has resolved to act as a guarantor on loan facilities to various sporting clubs. The purpose of the loan funds was to assist with the cost of resurfacing of tennis courts and hockey subsurface to 'drought proof' the clubs. As at 30 June 2017, Council's maximum potential exposure is as follows:

| <u>Community organisation</u> | Amount outstanding 30-Jun-17 | Year loan commenced |
|-------------------------------|------------------------------------|------------------------|
| Burwood Tennis Club | \$ 28,444 | 2007-08 |
| | <u>\$ 28,444</u> | |

As at 30 June 2017, the above sporting club has not defaulted on the required loan repayments and therefore no allowance for this contingency is required in the financial report.

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Contingent assets

As of 30 June 2017, there are no potential contingent assets.

Notes to the Financial Report

Note 36 - Financial instruments

(a) Objectives and policies

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council's 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 insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. 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. 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 all financial assets included in our balance sheet. To help manage this risk:

- We may require collateral where appropriate.
- We only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Notes to the Financial Report

Note 36 - Financial instruments (cont.)

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 35.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or 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 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 35, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 28.

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

e) Fair value

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.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 2.52%.

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

Note 37 - Related party disclosures

(i) **Related parties**

Parent entity
City of Boroondara is the parent entity.

Subsidiaries and Associates
Interests in subsidiaries and associates are detailed in note 16.

(ii) **Key management personnel**

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

| | |
|--------------------------------|--|
| Councillors | Councillor Phillip Healey (Mayor from 8 Nov 2016 to current) Councillor Jim Parke (Mayor from 10 Nov 2015 to 7 Nov 2016) Councillor Coral Ross (1 July 2016 to current) Councillor Steve Hurd (1 July 2016 to current) Councillor Jack Wegman (1 July 2016 to current) Councillor Jane Addis (1 July 2016 to current) Councillor Lisa Hollingsworth (31 October 2016 to current) Councillor Cynthia Watson (31 October 2016 to current) Councillor Felicity Sinfield (31 October 2016 to current) Councillor Garry Thompson (31 October 2016 to current) Councillor Heinz Kreutz (1 July 2016 to 30 October 2016) Councillor Judith Voce (1 July 2016 to 30 October 2016) Councillor Kevin Chow (1 July 2016 to 30 October 2016) Councillor Philip Mallis (1 July 2016 to 30 October 2016) |
| Other KMPs | Director Environment and Infrastructure - Bruce Dobson Director Corporate Services - Marilyn Kearney Director Community Development - Carolyn McClean Director City Planning - John Luppino Executive Manager Communications and Customer Experience - Deb Ganderton |
| Chief Executive Officer | Phillip Storer |

| | |
|---|-------------|
| | 2017 |
| | No. |
| Total Number of Councillors | 14 |
| Chief Executive Officer and other Key Management Personnel | <u>6</u> |
| Total Key Management Personnel | <u>20</u> |

(iii) **Remuneration of key management personnel**

| | |
|--|---------------------|
| Total remuneration of key management personnel was as follows *: | |
| Short-term benefits | 2,138 |
| Post-employment benefits | 162 |
| Long-term benefits | <u>43</u> |
| Total | <u>2,343</u> |

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

| | |
|-----------------------|------------------|
| \$1 - \$9,999 | 4 |
| \$20,000 - \$29,999 | 4 |
| \$30,000 - \$39,999 | 4 |
| \$50,000 - \$59,999 | 1 |
| \$70,000 - \$79,999 | 1 |
| \$260,000 - \$269,999 | 1 |
| \$310,000 - \$319,999 | 4 |
| \$430,000 - \$439,999 | <u>1</u> |
| | <u>20</u> |

*No comparatives have been reported due to calculations based on AASB 124 and AASB 119.

(iv) **Transactions with related parties**

During the period Council entered into the following transactions with related parties.

(a) *Municipal Association Victoria*

Councillor Coral Ross Mayor was Vice President (Metropolitan) on the Municipal Association Victoria (MAV) Board until March 2017. For the year ended 30 June 2017, Council paid MAV \$99,677 (excluding GST) for a membership subscription, insurance and other professional services.

(v) **Outstanding balances with related parties**

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

(vi) **Loans to/from related parties**

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

(vii) **Commitments to/from related parties**

There were no aggregate amount of 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

Note 38 - Senior officer remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- has management responsibilities and reports directly to the Chief Executive; or
- whose total annual remuneration exceeds \$142,000

The number of Senior Officers are shown below in their relevant income bands:

| Income range: | 2017 No. | 2016 No. |
|---|-------------------------------|-------------------------------|
| < \$141,999 | - | 1 |
| \$142,000 - \$149,999 | 6 | 7 |
| \$150,000 - \$159,999 | 7 | 5 |
| \$160,000 - \$169,999 | 7 | 5 |
| \$170,000 - \$179,999 | 3 | - |
| \$180,000 - \$189,999 | 3 | 5 |
| \$190,000 - \$199,999 | 5 | 2 |
| \$200,000 - \$209,999 | 1 | 3 |
| \$210,000 - \$219,999 | 5 | 2 |
| \$220,000 - \$229,999 | 4 | 4 |
| \$230,000 - \$239,999 | 2 | 1 |
| | <u>43</u> | <u>35</u> |
| Total remuneration for the reporting year for Senior Officers included above, amounted to: | <u>\$'000</u> <u>7,843</u> | <u>\$'000</u> <u>6,235</u> |

Note 39 - Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Certification of the Financial Statements

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



Greg Hall, CPA
Principal Accounting Officer

Date: 01/09/2017
Camberwell

In our opinion the accompanying financial statements present fairly the financial transactions of the City of Boroondara for the year ended 30 June 2017 and the financial position of the Council as at that date.

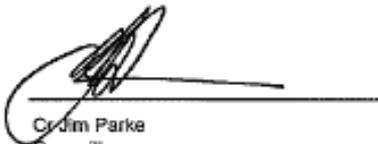
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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



Cr Phillip Healey
Mayor

Date: 01/09/2017
Camberwell



Cr Jim Parke
Councillor

Date: 01/09/2017
Camberwell



Phillip Storer
Chief Executive Officer

Date: 01/09/2017
Camberwell



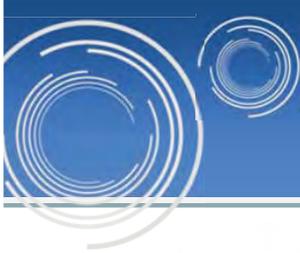
Auditor General's Report on the Financial Statements



Independent Auditor's Report

To the Councillors of Boroondara City Council

| | |
|---|--|
| Opinion | <p>I have audited the financial report of Boroondara City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including a summary of significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and 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> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Councillors' responsibilities for the financial report | <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, 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
7 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria



BOROONDARA
City of Harmony

Performance Statement

For the year ended 30 June 2017



BOROONDARA
City of Harmony

Performance Statement

For the year ended 30 June 2017

Description of municipality

The City of Boroondara (the Council) is located in the inner eastern suburbs of Melbourne, between 5 and 10 kilometers east of the Melbourne Central Business District and covers an area of 60 square kilometres. The Council includes the suburbs of Ashburton, Balwyn, Balwyn North, Camberwell, Canterbury, Deepdene, Hawthorn, Hawthorn East, Kew and Kew East, and parts of Glen Iris, Surrey Hills and Mont Albert.

Boroondara has an estimated residential population of **176,732 people (at 30 June 2016)**. Compared with greater Melbourne, we have a smaller proportion of young children and people aged 30 to 39, but a larger proportion of 10 to 19 year olds and people over 50 years. Of all 79 Victorian local government areas, Boroondara has the fifth largest population of people aged 85 years and over. At the 2016 Census 3.8% of the population needed assistance with daily living tasks.

Boroondara is culturally and linguistically diverse. The proportion of Boroondara residents who were born overseas increased from 25.5% in 2006 to 30.9% in 2016. Residents were born in more than 145 countries and spoke more than 120 languages.

By area, Boroondara has one of the highest concentrations of schools of all Victorian local government areas, with 57 secondary, primary and special education schools, including 13 combined primary and secondary schools, as well as Swinburne University, Swinburne TAFE, a University of Melbourne campus and two Universities of the Third Age. The City also has 10 neighbourhood and community centres where residents can participate in programs focussing on health and wellbeing, languages, creative pursuits, the arts, cooking and technology.

Sustainable Capacity Indicators

For the year ended 30 June 2017

| Indicator/measure | Results | | | Material Variations |
|--|------------|------------|------------|--|
| | 2014-15 | 2015-16 | 2016-17 | |
| Own-source revenue <i>Own-source revenue per head of municipal population</i> (Own-source revenue/Municipal population) | \$1,019.62 | \$1,133.54 | \$1,160.91 | |
| Recurrent grants <i>Recurrent grants per head of municipal population</i> (Recurrent grants/Municipal population) | \$94.71 | \$73.84 | \$98.97 | Council received 50% of its 2015-16 Victorian Grants Commission (VGC) \$2.2 million in advance in 2014-15 and the 2016-17 result includes early receipt of the 2017-18 allocation (50% or \$2.26 million). |
| Population <i>Expenses per head of municipal population</i> (Total expenses/Municipal population) | \$984.87 | \$1,038.02 | \$1,120.37 | |
| Infrastructure per head of municipal population (Value of infrastructure/Municipal population) | \$4,608.90 | \$4,790.26 | \$4,775.59 | |
| Population density per length of road (Municipal population/Kilometres of local roads) | 296.58 | 311.04 | 314.50 | |
| Disadvantage <i>Relative Socio-Economic disadvantage</i> (Index of Relative Socio-Economic Disadvantage by decile) | 10 | 10 | 10 | |

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 in paragraphs (a) and (b)
 "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 2017

| Indicator/measure | Results | | | Material Variations |
|---|---------|---------|---------|--|
| | 2014-15 | 2015-16 | 2016-17 | |
| Governance Satisfaction <i>Satisfaction with council decisions</i> (Community satisfaction rating out of 100 with the performance of council in making decisions in the interest of the community) | 62 | 61 | 60 | |
| Statutory Planning Decision making <i>Planning decisions upheld at VCAT</i> (Number of VCAT decisions that did not set aside council's decision in relation to a planning application/Number of VCAT decisions in relation to planning applications) | 58% | 61% | 52% | This figure excludes amended plans negotiated by Council which were 28% of VCAT cases and hence does not demonstrate that successful approach. Of the figures reported the variance this year is 8.75% which is within the expected range of VCAT outcomes. Materiality threshold being +/- 10%. |
| Roads Satisfaction <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) | 74 | 73 | 71 | |
| Libraries Participation <i>Active library members</i> (Number of active library members/municipal population)x100 | 23% | 24% | 26% | |
| Waste collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> (Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins) x 100 | 47% | 48% | 49% | |
| Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities/Municipal population) | 15 | 13 | 14 | |
| Animal management Health and safety <i>Animal management prosecutions</i> (Number of successful animal management prosecutions) | 23 | 14 | 3 | In 2016-17, fewer animal management incidents were required to be prosecuted at the Magistrates Courts. This reflects the higher compliance and effectiveness of the animal management service. |
| Food safety Health and safety <i>Critical and major outcome non-compliance notifications</i> (Number of critical non-compliance outcome notifications and major outcome non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises) x 100 | 91% | 99% | 99% | |

Service Performance Indicators

For the year ended 30 June 2017

| Indicator/measure | Results | | | Material Variations |
|--|---------|---------|---------|---|
| | 2014-15 | 2015-16 | 2016-17 | |
| Home and community care | | | | |
| Participation <i>Participation in HACC service</i> (Number of people that received a HACC service/Municipal target population for HACC services) x 100 | 25% | 26% | N/A | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| Participation <i>Participation in HACC service by CALD people</i> (Number of CALD people who receive a HACC service/Municipal target population in relation to CALD people for HACC services) | 23% | 24% | N/A | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| Maternal and child health | | | | |
| Participation <i>Participation in the MCH service</i> (Number of children who attend the MCH service at least once in the year/Number of children who enrolled in the MCH service) x 100 | 83% | 80% | 79% | 2015-16 figure is based on the report generated from the Child Development Information System (CDIS) on 27 October 2016. |
| Participation <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) x 100 | 87% | 75% | 100% | All identified aboriginal children attended for Key Age and Stages visit during the 2016-17 Financial year. For the 2015-16 Financial year some identified aboriginal children were not due for Key Age and Stage visits, due to the 18 month gap between the 2 year and 3.5 year Key Age and Stage visit. 2015-16 figure is based on the report generated from the Child Development Information System (CDIS) on 27 October 2016. |

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act

"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 authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as 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 council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorised 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 2017

| Dimension/Indicator/measure | Results | | | Forecasts | | | | Material Variations |
|--|---------|--------|--------|-----------|--------|--------|--------|--|
| | 2014-15 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> (Adjusted underlying surplus (deficit)/Adjusted underlying revenue) x 100 | 11.7% | 14.2% | 11.2% | 8.8% | 13.4% | 12.9% | 13.1% | The decrease from 2015-16 relates to the introduction of the Fair Go Rates system by the State Government in 2016-17 which has set a cap on rate increases. The 2016-17 year includes early receipt of 2017-18 allocation (50% or \$2.26 million) of the VGC grant. The 2018-19 movement is due to the planned conclusion of expenditure on Council's Customer First strategy and associated technology systems upgrade, and a full year payment of VGC grant funding. |
| Liquidity Working capital <i>Current assets compared to current liabilities</i> (Current assets/Current liabilities) x 100 | 191.4% | 243.6% | 284.2% | 193.2% | 174.3% | 174.9% | 177.3% | The 2016-17 capital works program included multi-year projects that were adjusted and carried forward to 2017-18. This has resulted in a higher current asset position in 2016-17. |
| Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> (Unrestricted cash/Current liabilities) x 100 | 0.9% | 53.5% | 31.5% | 151.2% | 117.1% | 117.1% | 119.1% | The reduction in unrestricted cash is due to higher levels of funding held in investments with a term of greater than 90 days maturity in order to maximise interest income. The increase in 2017-18 demonstrates Council's ability to repay \$17.0 million debt scheduled for 2018-19. For 2017-18 onwards, Council does not forecast the level of funds held in greater than 90 day maturity term deposits. Hence prior years actual are not comparable with forecast years. |
| Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> (Interest bearing loans and borrowings/Rate revenue) x 100 | 37.7% | 33.1% | 29.6% | 26.3% | 15.0% | 13.8% | 12.5% | The reduction in 2016-17 shows the planned repayment of principal on Council's existing borrowings. Reduction in 2017-18 is due to the movement of a loan to current liabilities in preparation for full payment in 2018-19. |
| Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> (Interest and principal repayments on interest bearing loans and borrowings/Rate revenue) x 100 | 18.3% | 4.1% | 4.0% | 3.9% | 11.5% | 1.6% | 1.6% | A 20 year loan was refinanced in 2014-15 and will be repaid in full in 2018-19. |
| Indebtedness <i>Non-current liabilities compared to own source revenue</i> (Non-current liabilities/Own source revenue) x 100 | 32.0% | 26.1% | 23.3% | 14.3% | 13.3% | 12.2% | 11.1% | The reduction in 2016-17 shows the planned repayment of principal on Council's existing borrowings. Reduction in 2017-18 is due to the movement of a loan to current liabilities in preparation for full payment in 2018-19. |
| Asset renewal <i>Asset renewal compared to depreciation</i> (Asset renewal expense/Asset depreciation) x 100 | 144.8% | 137.2% | 117.6% | 138.0% | 150.6% | 142.0% | 121.4% | Asset renewal includes expenditure for multi-year projects which were adjusted in the 2016-17 September Amended Budget and carried forward to the 2017-18 year. |

Financial Performance Indicators

For the year ended 30 June 2017

| Dimension/Indicator/measure | Results | | | Forecasts | | | | Material Variations |
|---|---------|---------|---------|-----------|---------|---------|---------|---|
| | 2014-15 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Stability | | | | | | | | |
| Rates concentration <i>Rates compared to adjusted underlying revenue</i> (Rate revenue/Adjusted underlying revenue) x 100 | 78.3% | 75.8% | 74.2% | 77.4% | 77.6% | 77.8% | 77.7% | |
| Rates effort <i>Rates compared to property values</i> (Rate revenue/Capital improved value of rateable properties in the municipality) x 100 | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% | |
| Efficiency | | | | | | | | |
| Expenditure level <i>Expenses per property assessment</i> (Total expenses/Number of property assessments) | \$2,300 | \$2,422 | \$2,601 | \$2,614 | \$2,527 | \$2,591 | \$2,645 | The increase in 2016-17 reflects additional resources and investment in Council's Boroondara Customer Experience and Digital Programs as well as materials and services costs. The calculation method has been updated for the 2015-16 financial year to ensure consistency with 2014-15. |
| Revenue level <i>Average residential rate per residential property assessment</i> (Residential rate revenue/Number of residential property assessments) | \$1,769 | \$2,153 | \$2,200 | \$2,244 | \$2,291 | \$2,339 | \$2,393 | |
| Workforce turnover <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) x 100 | 8.4% | 12.6% | 12.1% | 10.0% | 10.0% | 10.0% | 10.0% | The variance is partially attributable to changes in operating models arising from service review as well as normal variances in departures. Forecast based on long term averages. |

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 in paragraphs (a) and (b)

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

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

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

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

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

"population" means the resident population estimated by council

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

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

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

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

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



Certification of the Performance Statement

Certification of Performance Statement

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

Greg Hall, CPA
Principal Accounting Officer

Date: 01/09/2017
Camberwell

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

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

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

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

Cr Phillip Healey
Mayor

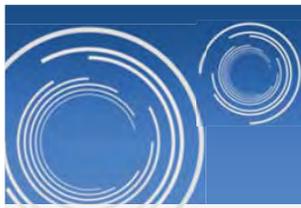
Date: 01/09/2017
Camberwell

Cr Jim Parke
Councillor

Date: 01/09/2017
Camberwell

Phillip Storer
Chief Executive Officer

Date: 01/09/2017
Camberwell



Auditor General’s Report on the Performance Statement

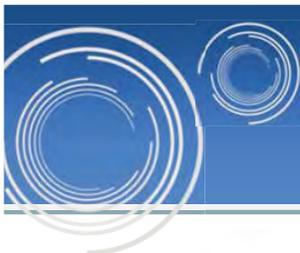


Independent Auditor’s Report

To the Councillors of Boroondara City Council

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

Level 31 / 35 Collins Street, Melbourne Vic 3000
 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au



Auditor's responsibilities for the audit of the performance statement

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

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

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

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

MELBOURNE
7 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria

Glossary

| Glossary of terms | |
|--------------------------------|--|
| Accrual accounting | System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid. |
| Accumulated surplus | The value of all net assets accumulated over time. |
| Act | Refers to the <i>Local Government Act 1989</i> . |
| Advocacy | Proactively trying to influence a decision to be made through support and recommendation, for such things as causes, programs and policies. |
| Annual report | A report of the Council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement. |
| Appropriateness | Indicators or measures that provide users with sufficient information to assess the extent to which an entity has achieved a pre-determined target, goal or outcome. |
| Asset management | Proactively manage the ongoing maintenance and development of Council's assets and facilities to meet the community's current and future needs. |
| Assets | Future economic benefits controlled by Council as a result of past transactions or other past events. |
| Balance sheet | A quantitative summary of Council's financial position at 30 June, including assets, liabilities and net equity. |
| Biodiversity | The variety of all life forms including animals, plants, micro-organisms and the ecosystems which they are a part of. |
| 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. |
| Capital works | The expansion, renewal, upgrade and establishment of Council's assets. |
| Cash flow statement | Shows the expected net cash inflows and outflows in the form of reconciliation between opening and closing balances of total cash and investments for a year. |
| Comprehensive Income Statement | A financial statement highlighting the accounting surplus or deficit of Council. It provides an indication of whether the Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation and amortisation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrements) reversals and share of other comprehensive income of associates and joint ventures accounted for by the equity method to arrive at a 'comprehensive result'. The comprehensive result equates to the moment in net assets or total equity from the prior year. |

Glossary of terms

| | |
|----------------------------------|---|
| Council Plan | This document sets out the medium term goals and objectives for the next four years as part of the overall strategic planning framework and strategic resource plan and is prepared under section 125 of the <i>Local Government Act 1989</i> . |
| Current assets | Assets where Council expects to receive the future economic benefit within the next twelve months unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. |
| Current liabilities | Liabilities where Council expects to fulfil its obligation within the next twelve months unless the Council does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date. |
| Depreciation and amortisation | An expense which recognises the value of a fixed asset as it is used up over time. |
| Equity | The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets. |
| Expense | An outgoing payment made by Council. |
| Financial performance indicators | A prescribed set of indicators and measures that assess the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability and efficiency. |
| 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 a statement of capital works and included in the annual report. |
| Financial year | The period of 12 months ending on 30 June each year. |
| Governance | Policies and protocols associated with both the functions of Council and of Council officers to ensure Council is open, transparent, inclusive and accountable to the community. |
| Grants – non-recurrent income | Grant income received for a 'one off' specific purpose, generally for a particular project. |
| Grants – recurrent income | Grant income received on a regular basis (i.e. quarterly, annually) and granted to Council by another entity for specific or general purposes. |
| Indicator | What will be measured to assess performance. |
| Infrastructure | Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services. |
| Infringement Court | Refers to Penalty Enforcement by Registration of Infringement Notice. A system established under Schedule 7 of the <i>Magistrates Court Act 1989 (Vic)</i> to deal with unpaid fines. |

Glossary of terms

| | |
|--|--|
| Initiatives | Actions that are one-off in nature and/or lead to improvements in service. |
| Innovation | Process of working out new ways of doing things or doing something better than before. |
| Liabilities | Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events. |
| Major initiative | Significant initiatives that will directly contribute to the achievement of the Council Plan during the current year and have a major focus in the budget. |
| Measure | How an indicator will be measured and takes the form of a computation, typically including a numerator and denominator. |
| Minister | The Minister for Local Government. |
| Net assets | The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity. |
| Non-current assets | Assets where the future economic benefit is not expected to be received within the next twelve months or where the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. |
| Non-current liabilities | Liabilities where the obligation is not expected to be fulfilled within the next twelve months or where Council has a right to defer settlement of the liability for at least twelve months after reporting date. |
| 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. |
| Property, infrastructure, plant and equipment assets | Often referred to as Fixed Assets. This is the largest component of Council's asset base or worth. This represents the value of all land, buildings, roads, footpaths, drains, bridges, vehicles, plant and equipment and so on, which are recorded on Council's asset register. |
| Regulations | The Local Government (Planning and Reporting) Regulations 2014 |
| Relevance | Indicators or measures that have a logical and consistent relationship to an entity's objectives and are linked to the outcomes to be achieved. |
| Report of operations | A report containing a description of the operations of the council during the financial year and included in the Annual Report. |
| Revenue | Revenue is the amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers. |
| Right-of-way | Former laneway no longer required for access to surrounding properties. |

Glossary of terms

| | |
|---------------------------------|---|
| Risk management | A logical and systematic method of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable organisations to achieve objectives and maximise business opportunities. Risk management is as much about identifying opportunities as avoiding or mitigating losses. |
| Services | Assistance, support, advice and other action 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. |
| Statement of changes in equity | Summarises the movement in equity accounts during the year. |
| Strategic objectives | The outcomes a council is seeking to achieve over the next four years and included in the Council Plan. |
| 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. It is also referred to as a long term financial plan. |
| Strategies | High level actions directed at achieving the strategic objectives in the Council Plan. |
| Surplus (deficit) | Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method. |
| Sustainability | Meeting 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 |
| Ward | Subdivision of the Council area into sections with an elected Councillor to represent the different sections. |

Abbreviations

| | | | |
|-----------------------|--|-------------------------|--|
| AAS | Australian Accounting Standards | IBAC | Independent Broad-based Anti-Corruption Commission |
| AASB | Australian Accounting Standards Board | KJPGS | Kew Junction Parking Guidance System |
| APARC | Ashburton Pool and Recreation Centre | km | kilometre |
| AUD | Australian Dollar | LTFS | Long Term Financial Strategy |
| BBN | Business Boroondara Network | LGPRF | Local Government Performance Reporting Framework |
| BC1 | Boroondara Customer First | LGV | Local Government Victoria |
| BCP | Boroondara Community Plan | LSL | Liability for Long Service Leave |
| BVRC | Boroondara Volunteer Resource Centre | MAV | Municipal Association of Victoria |
| CALD | Culturally and Linguistically Diverse | MCH | Maternal and Child Health |
| CEIS | Customer Experience Improvement Strategy | NDIS | National Disability Insurance Scheme |
| CEO | Chief Executive Officer | OHS | Occupational Health and Safety |
| CHSP | Commonwealth Home Support Programme | RSL | Returned and Services League Australia |
| CIV | Capital Improved Value | RSPCA | Royal Society for the Prevention of Cruelty to Animals |
| CO₂ | Carbon Dioxide | SEIFA | Socio-Economic Indexes for Areas |
| CPA | Certified Practising Accountant | SIAP | Strategic Internal Audit plan |
| CPI | Consumer Price Index | SLT | Senior Leadership Team |
| DAMP | Domestic Animal Management Plan | tCO₂e | Tonnes of Carbon Dioxide equivalent |
| EEO | Equal Employment Opportunity | TAFE | Technical and Further Education |
| EPC | Energy Performance Contract | USD | United States Dollar |
| FTE | Full Time Equivalent | VCAT | Victorian Civil and Administrative Tribunal |
| GST | Goods and Services Tax | VAGO | Victorian Auditor- General's Office |
| GIS | Geographic Information System | VBI | Vested Benefit Index |
| HACC | Home and Community Care | WACG | Web Accessibility Content Accessibility Guidelines |
| HALC | Hawthorn Aquatic and Leisure Centre | | |

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Customer Service Centres
Camberwell office
8 Inglesby Road, Camberwell

Hawthorn Arts Centre
360 Burwood Road, Hawthorn

Kew Library
Corner Cotham Road and Civic Drive Kew

Copies

For a copy of the City of Boroondara 2016-17 Annual Report, please call Customer Service on 9278 4444 or visit www.boroondara.vic.gov.au

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Please write to:
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Acknowledgments

Council would like to thank all those who contributed to the development of the 2016-17 Annual Report.

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Mandarin

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Cantonese

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Greek

Αν θέλετε τη μετάφραση κάποιου τμήματος αυτού του εγγράφου παρακαλούμε καλέστε την δωρεάν υπηρεσία διερμηνείας στο 8692 2943.

Italian

Se desiderate che vi venga tradotta una parte di questo documento, siete pregati di chiamare gratis il servizio telefonico di interpretariato del Comune al 8692 2944.

Vietnamese

Nếu quý vị muốn một phần nào đó của tài liệu này được biên dịch, xin hãy gọi đến dịch vụ thông dịch miễn phí của Hội đồng ở số 8692 2946.