



BOROONDARA  
*City of Harmony*

# City of Boroondara Annual Report 2013-14





# Welcome to the Annual Report 2013-14

## Purpose

The City of Boroondara's vision is to have a vibrant and inclusive community with an outstanding quality of life. Council's objectives and actions to achieve our vision and further improve services and facilities are described in our Council Plan 2013-17, Annual Plan 2013-14, the associated Budget 2013-14 and reported upon in this document. Under the *Local Government Act 1989*, Council is required to prepare an Annual Report that includes performance of its objectives.

Council is committed to transparent reporting and accountability to the community and the Annual Report 2013-14 is the primary means of informing the Boroondara community of Council's performance during this financial year against its objectives.

The scope of this report incorporates all operational activities of the City of Boroondara. The Annual Report also integrates information on Council's sustainability performance for 2013-14 and includes key issues and challenges facing the City and its community. Further information may be found on page 18 Sustainability Overview.

In an effort to reduce the impact on the environment, Council continues not to print the Annual Report document. The full Annual Report is available on Council's website [www.boroondara.vic.gov.au](http://www.boroondara.vic.gov.au) or by request. To provide feedback on this Annual Report, please contact the Finance and Corporate Planning Department on 9278 4341 or email [boroondara@boroondara.vic.gov.au](mailto:boroondara@boroondara.vic.gov.au).

## Reporting framework

The Council Plan 2013-17 outlines the strategies to achieve the objectives for the four-year Council term. The Annual Plan 2013-14 documents the actions to be taken for the 2013-14 year that contribute to the successful delivery of the Council Plan 2013-17. The framework below illustrates how this is achieved. Additional information on Boroondara's planning and reporting framework is found on page 54.

This Annual Report documents the delivery of Council's five Themes supported by eight Strategic Objectives. Each Strategic Objective includes of a number of Strategies which contain one-year Commitments, describing the actions to be taken by Council's departments to deliver the Council Plan 2013-17.

Achievement of Strategic Objectives is measured and monitored by performance measures including Key Strategic Activities that form Council's externally audited Performance Statement and Strategic Indicators.

Additionally, within this report are the departmental Strategies that are listed in the Council Plan 2013-17.

Full year results and further detailed information can be found from page 58.





## Sustainability reporting framework

Council elects to provide a comprehensive sustainability report, drawing on the Global Reporting Initiative (GRI) Reporting Framework. The GRI is an independent institution that promotes economic, environmental and social sustainability. GRI works towards achieving a sustainable global economy by providing organisational reporting guidelines. These guidelines are designed to ensure GRI based reports:

- provide a balanced and reasonable picture of their economic, environmental, social and governance performance
- facilitate comparability, benchmarking and assessment of performance
- address issues of concern to stakeholders.

Sustainability planning and reporting continue to be integrated into the Council Plan, departmental Business Planning and the Annual Report. Performance measures for economic, environmental, social and governance outcomes are monitored and reported throughout the year. Additional information on our management approach to sustainability is found on page 33.

The GRI index lists the location within the Annual Report that the indicators and disclosures are reported. Refer to page 242 for more information.

To provide feedback or for further information on our sustainability reporting, please contact the Finance and Corporate Planning Department on 9278 4341 or email [boroondara@boroondara.vic.gov.au](mailto:boroondara@boroondara.vic.gov.au). Comments are valued and assist Council to further enhance this important reporting process.



## How to read our Annual Report

This report is divided into three main sections: an overview of Council and the organisation, the highlights of our performance and the 2013-14 audited financial statements. The performance section is divided into five Themes supported by eight Strategic Objectives each of which includes a number of Strategies. Each Theme includes information on achievements, challenges, looking ahead and statistics, as well as performance against the commitments and strategic indicators identified in the Council Plan 2013-17 and Annual Plan 2013-14. Council's sustainability report is integrated throughout the Annual Report.

### At a glance

#### Directorate

Delivery of the Council Plan 2013-17, including the 2013-14 Annual Plan, is integrated across the organisation. 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 Engagement



Community Development



Corporate Services

#### Status

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



Completed



Deferred

#### Outcome

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



0

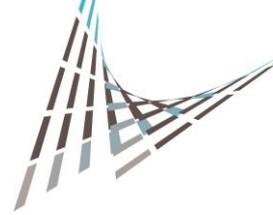
100

Percentage indicators

### Council Plan 2013-17 and Annual Plan 2013-14

This Annual Report relates to actions identified in the Council Plan 2013-17 and Annual Plan 2013-14.





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## 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
<b>Integrity</b>	Acting honestly and ethically on all occasions Doing what we say we will do Ensuring that our service is characterised by openness and transparency
<b>Collaboration</b>	Working inclusively with others to identify and meet their needs Building and sustaining sound relationships Encouraging effective engagement and participation
<b>Accountability</b>	Taking full responsibility for our own decisions and actions Being professional, thorough and timely in our service delivery Seeking, providing and responding to feedback
<b>Innovation</b>	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
<b>Respect</b>	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

This Annual Report demonstrates progress for delivering Council's strategic direction to achieve our vision of making Boroondara 'A vibrant and inclusive community with an outstanding quality of life'.

Council strives to achieve this vision through the following Themes:

#### Themes

Strong and engaged communities

Sustainable environment

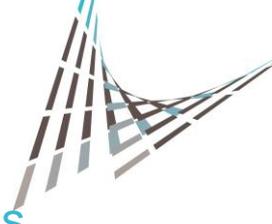
Enhanced amenity

Quality facilities and assets

Responsible management

The delivery of our mission to provide services, facilities, support and advocacy through the Themes, supported by Strategic Objectives, are measured by set of performance measures including Key Strategic Activities and Strategic Indicators. Refer to page 6 for more information. Council provides over 150 services to the community. Refer to 2013-14 highlights for each Theme.

Council also has a wide range of responsibilities under Victorian and Australian legislation. Refer to page 133 for further information.



## 2013-14 highlights - Strong and engaged communities

Pages 58 to 70

### 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 involved and supported.
- 

### Achievements

- Opening of the new Boroondara Youth Resource Centre.
- Increased participation in 2 and 3.5 year old Maternal and Child Health checks.
- Accreditation of Community Care Common Standards on Council's Home and Community Care services.
- Development of the Active Services Model resource kit for service providers to assist training volunteers.
- Opening of the Hawthorn Arts Centre and the Town Hall Gallery.
- Adoption of the Boroondara Health and Wellbeing Plan 2013-17.
- Development of the 'All about Boroondara - social statistics portal'.
- Facilitation of a collaborative marketing plan for Boroondara's Neighbourhood houses.
- Adoption of a City-wide Christmas in Boroondara Strategy.

### Challenges

- Extensive consultation with stakeholders and the consideration of diverse grant criteria during the development of the Boroondara Community Strengthening Grants Policy 2013.
- Pressure on Boroondara's shopping centres from the evolving Australian retail environment.
- Reduction in Victorian Government funding for public libraries.

### Looking ahead

- Implement Digital Plan 2014-17 priority actions.
- Develop a Cultural Diversity Plan for Council consideration.
- Develop a stand-alone website for Boroondara Library Service.
- Continue to respond to changes in legislation relating to food safety, environment protection, tobacco, and public health and wellbeing.
- Promote local businesses to maximise retail spending in local shopping centres.
- Develop a Children and Young Peoples Strategy.
- Implement year one actions of the Positive Ageing Strategy 2014-19.



## 2013-14 highlights - Sustainable environment

Pages 71 to 78

### Strategic objectives

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

### Achievements

- Adoption of the Integrated Water Management Strategy 2014-24.
- Implementation of the booked hard waste collection service.
- Adoption of the Boroondara Open Space Strategy.
- Completion of the streetlight change over project.
- Adoption of the Balwyn Park Concept Masterplan.

### Challenges

- Understand climate change impacts and plan for future trends.
- Development of a reporting system to establish and build data as part of the implementation of the Biodiversity Asset Management Plan.

### Looking ahead

- Review the Sustainable Buildings Policy and Guidelines.
- Commence implementation of the Integrated Water Management Strategy.
- Continue to implement open space masterplans.
- Commence revegetation of future biodiversity zones as outlined in the Biodiversity Asset Management Plan.
- Develop a new management plan for Maranoa Gardens.



## 2013-14 highlights - Enhanced amenity

Pages 79 to 87

### Strategic objective

- The character of our neighbourhood is protected and improved.
- 

### Achievements

- Development of the Camberwell Junction discussion paper.
- Creation of the guidelines for construction management plans to assist builders and developers.
- Development of the Animal Welfare Emergency Management Plan.
- Adoption of the Camberwell Junction Access Plan and Parking Study.
- Installation of eight closed circuit television (CCTV) surveillance cameras in the Glenferrie entertainment precinct.
- Adoption of the Amendment C108 to the Boroondara Planning Scheme.

### Challenges

- Increased number of planning applications lodged in the lead up to changes to the Boroondara Planning Scheme.
- Negative amenity impacts due to increased clothing bins.
- Response to increased Local Law service requests.
- Introduction of Plan Melbourne and changes to the State Planning Policy Framework.

### Looking ahead

- Implement an electronic building lodgement application system.
- Explore online payment options for all Local Laws related transactions.
- Ensure statutory time frames are achieved with the introduction of the fast track planning assessment process.
- Advocate to the Victorian Government in relation to road development activities.
- Review the Commercial Street Furniture Guidelines.



## 2013-14 highlights - Quality facilities and assets

Pages 88 to 95

### Strategic objective

- Assets and facilities are proactively managed to meet the community's current and future needs.
- 

### Achievements

- Opening of the Hawthorn Aquatic and Leisure Centre.
- Consultation for the new Sport and Recreation Strategy.
- Opening of the Ashburton Library and Community Centre.
- Development of draft concept plans for the consolidation of the Boroondara Sports Complex and Balwyn Leisure Centre.
- Upgrade of the Beckett Park playground.

### Challenges

- Delays to capital works due to unforeseen circumstances.
- Installation delays of the bicycle bridge over Gardiners Creek as a result of lengthy negotiations with key stakeholders.

### Looking ahead

- Develop the Graffiti Strategy and implementation plan.
- Introduce Flood Map for areas outside of the Melbourne Water Special Building Overlay.
- Commence construction of the Craig Family Centre Early Years facility.
- Complete the Ashburton Pool and Recreation Centre Renewal Project.
- Develop a City-wide Laneways Strategy.



# 2013-14 highlights - Responsible management

Pages 96 to 106

## Strategic objectives

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

## Achievements

- Replacement of desktop PCs and laptops throughout the organisation.
- Delivery of 10 half day Occupational Health and Safety Management System Leaders workshops.
- Upgrading Council systems including the health management system and Conquest asset management system.
- Completion of the Leadership Development Program with 18 employees participating.
- Introduction of a free interpreting service, as well as a suite of print and online translated information.

## Challenges

- Increased demand in Freedom of Information requests.
- Performance of Council's Electronic Document and Records Management System.
- Integration of the new Local Government Reporting Framework into Council's existing corporate reporting framework.

## Looking ahead

- Deliver Occupational Health and Safety risk reduction workshops.
- Develop a Customer Experience Improvement Strategy.
- Manage the increasing resource demands for the processing of Freedom of Information requests.
- Develop business continuity plans for all critical tier level departments.
- Enable online payment options for wider range of Council services.



## A message from the Mayor

This Annual Report marks the second year of the current Council's term which commenced in October 2012. The 2013-14 year has been a period of significant achievement on behalf of the residents of Boroondara.

### Highlights of 2013-14

Among the achievements this year has been the considerable progress on major infrastructure projects. The newly refurbished Ashburton Library and Community Centre opened to the public during 2013-14. The facility offers new spaces and state-of-the-art equipment to the community. Similarly the full redevelopment of the Hawthorn Aquatic and Leisure Centre was also completed during the year. A high level of accessibility has been a point of focus of the new \$27 million facility. After 18 months of renovations we opened the Hawthorn Arts Centre and the Town Hall Gallery in October last year. This redevelopment has become a significant arts and cultural precinct for our community.

Council spent \$42.9 million on replacement of assets and a further \$13.9 million on new and upgraded infrastructure. This included a total of \$17.2 million for essential community infrastructure such as roads, drains and footpaths.

### Communication and consultation

Throughout the year, Council has undertaken extensive community consultation through a range of communication channels including the Boroondara Community Voice Panel. The Panel allows community members with an interest in Boroondara's future, to lend their voice in an online environment, providing Council with feedback through surveys and discussion forums. The 1,232 member panel discussed 12 issues during the year including the Age-friendly Boroondara Strategy, proposed residential zones, Sport and Recreation Strategy, and the Camberwell Junction laneways project. In addition, 27 other community consultations were undertaken on a range of topics including new capital projects, new strategies and policies and development proposals to ensure community's views are considered and Council and staff are able to make more informed decisions.

### Strong communities

We continue to identify community needs and plan to support communities. Council adopted the Boroondara Public Health and Wellbeing Plan 2013-17 which demonstrates Council's commitment to the wellbeing of all community members.

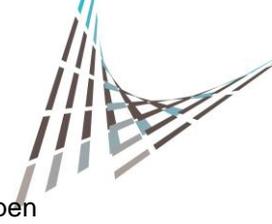
The new Boroondara Youth Resource Centre was officially opened at the Hawthorn Arts Centre, co-located with Headspace, Australia's National Youth Mental Foundation. The new Centre provides a range of flexible spaces for young people to enjoy and participate in a range of exciting activities.

### Sustainable Boroondara

Council received a number of awards throughout the year. On behalf of Council, I was privileged to accept the prestigious United Nations Association of Australia Local Government award for our investment in biodiversity in our suburbs. Council won the Local Government - Best Specific Environmental Initiative category award for its progress on the first year actions of the Urban Biodiversity Strategy 2013-23.

The final stage of the Streetlight Change over Program has been substantially completed, upgrading 6,300 residential streetlights to new energy efficient lights. The new streetlights will not only provide savings in Council's energy costs, but also reduce our carbon footprint by over 1,750 tonnes per year.

In May 2014 Council adopted the Integrated Water Management Strategy 2014-24. The strategy sets the guiding principles and actions for improving water cycle management across the City over the next decade.



Our commitment to sustainability has been enhanced by the development of the Boroondara Open Space Strategy (BOSS). This strategy provides an overarching framework to manage Boroondara's public open space network to 2026. The strategy addresses maintaining biodiversity, managing climate change and protecting cultural heritage, as well as the identification of future open space requirements.

## Appropriate planning across the City

A significant milestone was reached when the Minister for Planning approved Amendment C190 to the Boroondara Planning Scheme. This introduced the Victorian Government's new residential zones which replace the previous Residential 1 and 2 Zones in Boroondara. There are now mandatory height limits in most Boroondara residential zones. However, Council is disappointed the Minister has not approved the proposed minimum lot size, site coverage, setbacks and open space requirements.

In December 2013, Council provided a submission to the Victorian Government Metropolitan Planning Strategy, Plan Melbourne, in response to the directions and initiatives outlined in the strategy.

## Council's vision

Our vision is to lead and support the community in making Boroondara a vibrant and inclusive community with an outstanding quality of life. We value the contribution and support provided by many in the community. I would like to thank my fellow Councillors, members of community groups and Council officers who have all contributed to achieving great outcomes for our City.



**Cr Coral Ross**  
Mayor



## A message from the CEO

On behalf of City of Boroondara it is a great pleasure to present Council's Annual Report for the year 2013-14. This Annual Report documents the achievements of Council in fulfilling the objectives and commitments stated in the Annual Plan 2013-14 and the Budget 2013-14.



### Organisational change

During 2013-14 there were two changes to the Executive Management Group. In November 2013, Bruce Dobson formerly Director Corporate Services was appointed Director of Environment and Infrastructure, and Marilyn Kearney was appointed Director Corporate Services in April 2014.

### Council Plan performance

The adopted Council Plan 2013-17 guided the development of the Annual Plan 2013-14 which documented 53 commitments to be delivered during the year. Of these I am very pleased that 52 or 98% were completed in full. This is the highest level of achievement ever by Council officers and represents strong evidence of the organisation's focus on delivery for the community.

### Community satisfaction

In early 2014, 600 Boroondara residents took part in the Victorian Government's survey which provides information about community needs and perspectives. The survey results indicated that community members rate Council performance highly. Council's Overall Performance Index Score increased by two points from last year; at 74, continuing its upward trend from 2012 and is better than the state-wide and inner metropolitan averages. In comparison to the inner metropolitan council group, the City of Boroondara performed better in most service areas. Council also significantly improved its performance on waste management; up four points to a rating of 80.

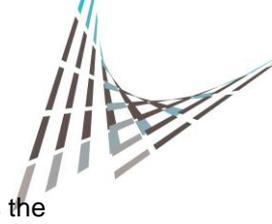
### Financial performance

Council's financial position remains strong, and demonstrates the careful management of almost \$2.69 billion of community assets under Council's stewardship. A surplus of \$23.23 million was achieved which was \$2.44 million better than the \$20.79 million budgeted. This favourable result reflects the higher than expected income from grants and contributions, and savings in employee and financing costs.

Council's budgeting and financial planning processes, Long Term Financial Strategy, guiding principles and robust performance monitoring throughout the year have all played a crucial role in this achievement. Sustaining a surplus operating result is critical for the financial strategy that provides the capacity for the renewal of community assets for long term community benefit. Council continues to hold an appropriate level of cash to ensure that liquidity remains strong and above forecast levels, as well as maintaining financial ratios to satisfactory levels.

### Overview of the year

Our commitment to the Boroondara community is evident from our significant achievements throughout the year. We delivered a \$56.81 million Capital Works Program which included a number of major projects to benefit the community. The newly refurbished Ashburton Library and Community Centre features expanded spaces for individual study, group activity and a range of spaces to accommodate planned activities and events. The Hawthorn Aquatic and Leisure Centre opened to the public in April 2014. The new facility provides users with enhanced leisure and recreational opportunities to meet a variety of health, recreation and leisure needs. Similarly, the upgrade of the Hawthorn Arts Centre was also opened during the year. The facility, designed specifically for the performing and visual arts and to accommodate local and national exhibitions, community workshops,



theatre performances and events, has been well received by the community and will develop as the arts and cultural heart of Boroondara.

Following significant community consultation, Council adopted the Boroondara Public Health and Wellbeing Plan 2013-17 which outlines the health, wellbeing and safety needs in Boroondara and identifies a four-year strategic framework to address these issues within the community.

The 2013-14 year also posed some challenges for the Boroondara community. The evolving Australian retail environment continued to place significant pressure on Boroondara's shopping centres, particularly with regard to the growth of the online retail sector.

The number of planning applications received by Council significantly increased during 2013-14, primarily due to Amendment C190 to the Boroondara Planning Scheme. This amendment introduces new residential zones across the City and many applicants sought to secure transitional rights by lodging applications prior to a decision being made on the amendment.

Looking ahead, we will continue to apply changes to Council services recognising social, environmental and economic pressures, developments in government policy, legislation and funding arrangements. To ensure Council information and services meet community expectations, Council will undertake a range of initiatives including the development of the Customer Experience Improvement Project and introduction of a new Customer Relationship Management system.

Council delivers over 150 different services to the community each year. While there is always room for improvement, I would like to thank the staff for their commitment to providing high quality services and delivering Council's vision and Council Plan.



**Phillip Storer**  
Chief Executive Officer



## Financial report overview

The Council Plan 2013-17 commits to long-term planning in building capacity in many areas, continuing to revitalise our City, focusing on our community services and tangible infrastructure and asset renewal projects. To this end, Council has a robust and integrated process in place for long-term financial planning, annual budgeting and performance monitoring.

The Major Projects Program for 2013-14 included the following:

- major redevelopment at the Hawthorn Town Hall Arts Precinct and Hawthorn Aquatic and Leisure Centre
- upgrade of the Ashburton Library and Community Centre
- major renewal of the Ashburton Pool and Recreation Centre
- redevelopment of the Boroondara Sports Complex.

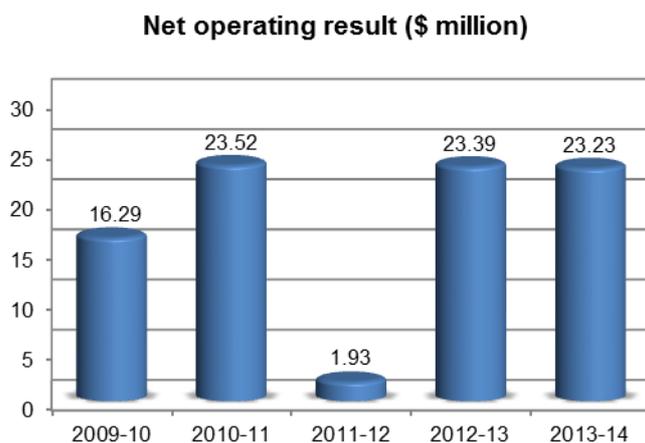
### In brief

The following information relates to the Financial Statements contained in the Annual Financial Report:

- \$23.23 million surplus, which includes \$2.10 million loss from associates and joint ventures
- \$193.86 million revenue with 74.34% coming from rates and charges
- \$170.63 million expenditure with 40.93% attributable to labour services and 30.49% for materials and services
- \$2.69 billion net assets, comprising community facilities and infrastructure
- \$54.91 million holdings of cash, \$3.87 million less than last year
- \$58.71 million loans and borrowings, \$4.96 million more than last year.

### Net result

Sustaining a surplus operating result is a critical financial strategy to provide capacity for renewal of \$2.69 billion of community assets under Council's control. Council's surplus of \$23.23 million is slightly below last year's result of \$23.39 million.



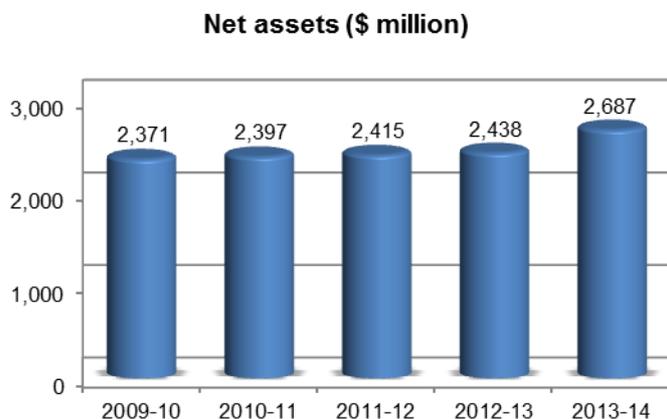
*Note: 2011-12 result was due to the recognition of the unexpected \$14.33 million call up of unfunded superannuation.*

Council's Strategic Resource Plan (SRP) projects that surpluses will continue to grow over the next four years to \$36.83 million in 2017-18, providing a sustainable level of funding for the refurbishment and replacement of community assets. Council will rely heavily on operating surpluses to fund the forecast capital works expenditure program which averages \$61.84 million per annum over the life of the SRP. This expenditure is required to maintain adequate investment in asset renewal.



## Financial strength

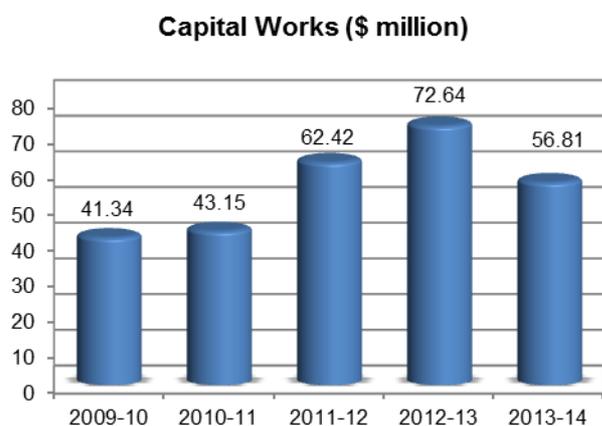
The Balance Sheet represents the overall financial worth of Council. In 2013–14 the net assets of Council increased by \$0.25 billion to \$2.69 billion. This movement is due to the revaluation of property, infrastructure, plant and equipment of \$0.23 billion during the year, primarily in property.



## Capital works

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. Rates increased by 4.70% in 2013–14, to provide for growth in asset renewal funds combined with operational expenditure.

As per the Standard Statement of Capital Works, in 2013–14 capital works expenditure totalled \$56.81 million across the City. This includes a total of \$42.88 million (75.48%) on renewal works, \$7.30 million (12.84%) on new works and \$6.63 million (11.68%) on upgrade works. The majority, \$32.14 million (56.56%) of the capital works were undertaken on Council's land and buildings.



*Note: Higher result in 2012-13 was due to the timing of Major Projects including the Hawthorn Arts Centre which was completed in August 2013.*



## Cash flow

Cash has decreased by \$3.87 million from prior year, primarily due to \$22.88 million decrease in net cash provided by financing activities offset by \$14.74 million increase in net cash flows used in investing activities, primarily capital expenditure. During the 2013-14 year, Council borrowed 14.30 million on a short term basis to fund its required contribution to the vision super defined benefit shortfall. At 30 June 2014, Council restructured this loan by repaying \$7.77 million from cash and investment reserves and refinancing \$6.53 million to be repaid over 4 years.

Council continues to hold an appropriate level of cash to ensure that liquidity remains strong and above forecast levels.



## Future planning

Council has many current and future demands on funding. Our commitment to sustainable budgeting, long term planning and the targeted resource allocation continues. The Council Plan 2013-17 articulates the vision for this Council. Achievement of these objectives is supported by the Strategic Resource Plan which includes Council's Long Term Financial Strategy.

The Long Term Financial Strategy expresses the strategic objectives and strategies of the Council Plan in financial terms. This strategy projects Council's financial commitments for the next 10 years and enables Council to identify and analyse trends of significance and provide for sound financial planning and decision-making.

Importantly, Council's financial performance is sound and the community's assets continue to be well managed. Adequate cash reserves are held and satisfactory financial ratios are maintained. Reflecting careful management, the operating result for the year was better than budgeted. Our financial accounts were audited and have been issued an unqualified audit opinion by the Victorian Auditor-General. Refer to page 148 for the full Financial Report including Auditor-General Reports.

**Marilyn Kearney**  
Director Corporate Services

**Chris Hurley, Chartered Accountant**  
Manager Financial Services and Principal Accounting Officer



## Sustainability overview

The City of Boroondara's commitment to invest in the community's future along a pathway to economic, environmental and social sustainability is described in our Council Plan 2013-17.

The Council Plan was created amidst a number of external challenges, including economic and environmental challenges and increasing needs to support a changing and diverse population. The Budget 2012-13 and the Annual Plan 2013-14, which describes commitments in support of Council's service to the community, ensure that we are preparing for a sustainable future.

Sustainability reporting has been integrated as part of the Council's Annual Report since 2008. It is Council's aim to embed sustainable development principles into the organisational culture, operations and services. Council uses Global Reporting Initiative (GRI) G3.1 Guidelines as the framework for sustainability reporting. A strategic materiality assessment was undertaken in July 2013 to identify material or significant topics and resulting indicators which will be reported in the Annual Report.

The Council Plan identifies five themes as key focus areas for Council service throughout the current Council term. They are Strong and engaged communities, Sustainable environment, Enhanced amenity, Quality facilities and assets and Responsible management

The following diagram illustrates how Council's themes are related and support economic, environmental and social aspects of the GRI Sustainability Reporting Framework.



The following sections identify key economic, environmental and social sustainability impacts, risks and opportunities for the City of Boroondara.



## Economic sustainability

### Working capital indicator

An important measure of financial sustainability is working capital which is an organisation's capacity to fund its short-term liabilities. This indicator is measured by comparing current assets (cash and receivables) to current liabilities (payables and short-term provisions). If this indicator measures less than 1.0 (i.e. if current assets are lower than current liabilities) then it may indicate financial difficulty. The Auditor-General Victoria considers this a key indicator in assessing a Council's overall financial sustainability.

Cash is the largest component of Council's current assets and therefore a key determinant in the working capital calculation. Council had a positive working capital ratio of 1.76 as at June 2014. Having a working capital ratio under 1.0 would automatically result in the Auditor-General Victoria giving Boroondara a 'high' risk rating in its sustainability report to Victorian Parliament regardless of other financial measures.

### Funding from other levels of government

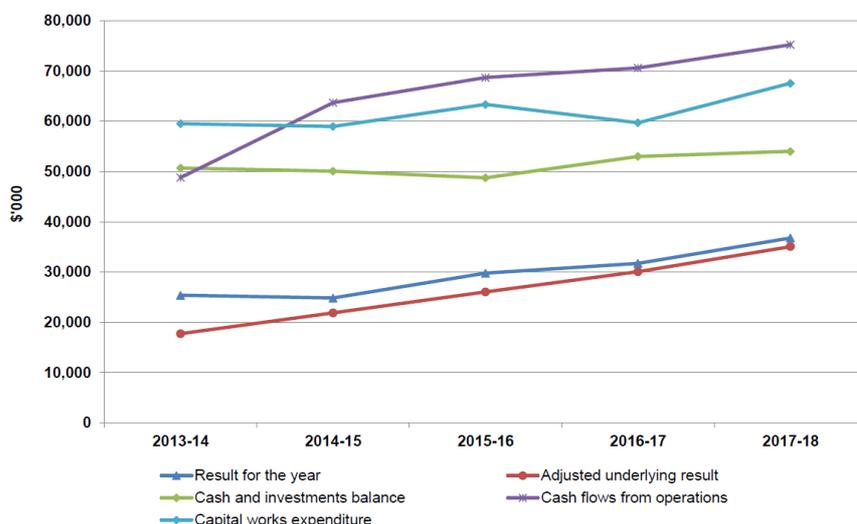
Grant income is not keeping pace with Council's expenditure levels required to deliver services to the community such as Home and Community and Care. As a result there is an increasing financial demand on Council and its ratepayers, i.e. a cost shift to local government from Victorian and Australian governments.

### Long Term Financial Strategy

Council prepares the Annual Budget and Strategic Resource Plan in line with statutory requirements and within a financial sustainability framework for consideration by Council by 30 June each year. A key component of the Strategic Resource Plan is the Long Term Financial Strategy. Council has prepared a Long Term Financial Strategy for the 10-year period 2013–14 to 2022–23 as part of Council's ongoing financial planning to assist in adopting a Budget within a longer term framework.

The following graph shows the general financial indicators for the next four years of the Strategic Resource Plan.

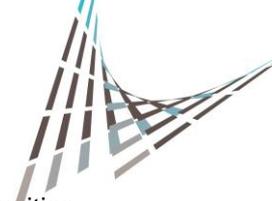
**General financial indicators over the four year period**



### Local business

Although the local market continues to expand with growth in population and household spending, our small businesses are under constant pressure from a competitive retail environment, particularly with regard to the growth of the online retail sector.

The City of Boroondara has a number of strategies in place aimed at enhancing the economic performance of the City, particularly through the Economic Development Strategy 2009–16.



The Economic Development Strategy provides a plan which responds to challenges and opportunities at the local level. It assists Council in dealing with local issues and with those pressures arising beyond the City boundaries.

## Environment sustainability

Local government is the frontline in dealing with the social, economic and environmental impacts from climate change. In the short-term Boroondara does not appear to be highly vulnerable to climate change; however we are susceptible to heatwaves, droughts, floods and storms. It is important that Council and the local community recognise the risk climate change poses to our assets, services and people and adequately plans to address these risks both now and in the future.

Council has introduced a range of strategies to reduce its impact on the environment, including the Environment Policy, Integrated Water Management Plan, Biodiversity Strategy, Biodiversity Corridors Plan, Waste Minimisation and Recycling Strategy, Stormwater Environment Management Plan and the Integrated Transport Strategy.

### Our Low Carbon Future Strategy

Our Low Carbon Future Strategy - City of Boroondara Strategy 2009 sets the direction for Council's climate change mitigation response to 2020. The strategy sets Council the target to reduce its corporate greenhouse gas emissions by 30-40% below 2007-08 levels by 2020. The strategy also aims to see community emissions abatement of at least 50,000 tonnes CO<sub>2</sub>-e by 2020 through support for community programs and projects.

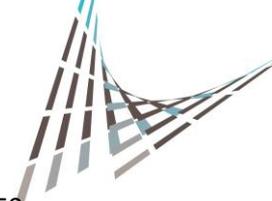
Boroondara consumes energy for Council's corporate activities and waste collection, libraries and sporting facilities.

### Council's energy use by its source:

Emissions Source	2010-11	2011-12	2012-13 (latest inventory)
Natural gas (Megajoules)	54,898,459	53,598,018	51,082,058
Petrol (litres)	187,906	182,587	138,385
Diesel (litres)	275,296	229,912	238,594
Biodiesel (litres)	438,627	569,981	544,199
E10 petrol (litres)	4,190	735	217
LPG (litres)	128,651	116,833	121,037
<b>Total (Megajoules)</b>	<b>81,179,077</b>	<b>81,539,237</b>	<b>77,559,831</b>

### Breakdown of energy use by source:

Emissions Source	2010-11	2011-12 (latest inventory)	2012-13 (latest inventory)
Buildings (kWh)	8,935,224	8,742,666	8,476,803
Street lighting (kWh)	5,855,239	5,595,218	5,311,143
<b>Total</b>	<b>14,790,463</b>	<b>14,337,884</b>	<b>13,787,946</b>



The following table indicates greenhouse gas emissions from its operations. A reduction of 1,259 tonnes CO<sub>2</sub> equivalent was achieved in 2012-13 compared with the previous year.

**Council greenhouse gas emissions by source:**

Source	CO <sub>2</sub> -e (tonnes)				% change from baseline
	2007-08 (baseline year)	2010-11	2011-12	2012-13 (latest inventory)	
Buildings: electricity	12,242	10,990	10,384	9,913	-19%
Streetlighting: electricity	7,424	7,202	6,658	6,214	-16%
Buildings: gas	2,839	2,816	2,751	2,652	-7%
Vehicles : fuel	2,217	2,318	2,462	2,333	5%
Other Scope 3 emissions*	1,787	2,467	2,551	2447	37%
Refrigeration leakage (estimate only)	297	297	297	297	0%
Air travel	26	39	19	7	-73%
Taxi	5	3	3	2	-60%
<b>Total</b>	<b>26,837</b>	<b>26,132</b>	<b>25,125</b>	<b>23,866</b>	<b>-11%</b>

\* Refers to the emissions associated with the extraction, production, transportation, distribution, line losses, and transmission of purchased electricity and natural gas.

**Biodiversity**

Redevelopment and construction, environmental weeds, herbicides and lack of regeneration are all issues that lead to incremental loss of remnant indigenous vegetation. Maintaining biodiversity values and protecting remnant vegetation while accommodating metropolitan growth, presents a special challenge for private land owners and public land managers, including Council.

Council’s new Urban Biodiversity Strategy 2013-23 guides work to restore and extend natural areas and protect local indigenous flora and fauna for future generations.

A key target in the strategy is to increase the area of land actively managed for biodiversity from 36 hectares in 2013 to 45 hectares by 2023. Council will also focus on improving the condition of native vegetation at biodiversity sites and building our network of biodiversity corridors. These steps will reduce the risk of smaller populations of indigenous plants and animals becoming locally extinct and increase ecosystem resilience to climate change.

**Water**

Integrated water management is crucial to the services and programs provided to communities through local government and contributes to a range of activities and services that provide for health and wellbeing. Maintaining the current population and any future increase of population requires long-term planning and innovative responses.

Council’s Integrated Water Management Strategy 2014-24 considers Boroondara’s unique urban context together with the risks posed by climate change, and focuses on the role Council can play in effectively managing water resources for the ongoing liveability, amenity and resilience of our built and natural environments, and the health and wellbeing of our community.

The strategy sets targets for Council operations, and aspirations for the community. Council targets have been set for reducing use of drinking (potable) water, increasing stormwater harvesting for irrigation, and reducing pollutants contaminating our stormwater and flowing into our waterways. These targets will help Council use our precious water resources more efficiently, reduce the impact of our operations on the environment and set an example for the community to move Boroondara to become a more water sensitive city.



## Social sustainability

### Local community

Boroondara has an estimated residential population of 170,553 people (as at 30 June 2013) and is one of the most populous local governments in Victoria. Within Boroondara, 24% of the population are aged between 0 and 19 years, and 33% are aged 50 years and over. We have the second largest population of people aged 85 years and over, with 3.7% of the population needing assistance with daily living tasks. These demographics pose challenges in planning for housing, health care, transport and social services. Council has various initiatives and policies to address these challenges including:

- home care services
- Integrated Transport Strategy
- Access and Inclusion Plan 2013-17
- Recognising Indigenous Culture and Heritage Policy
- Cultural Diversity Plan
- Social Housing Policy and Action Plan.

### Human resources

The City of Boroondara strives to be an employer of choice within the City. Work life balance and flexible working practices are encouraged to promote healthy lifestyles and retain valued employees. To this end, Council employs 338 part-time and 129 casual staff as well as 540 full-time staff.

Recruitment, retention and development of staff are essential for the organisation to provide quality outcomes to our community. In a competitive labour market, Council recruits staff with internal and external advertisement of positions as deemed necessary. In an effort to minimise staff turnover, exit surveys provide insight into the reasons staff leave Council. In 2013-14, Council retained 91 per cent of its workforce.

Council provides a supportive and people-focussed safety culture where accountability is integrated and embedded into the work practices. Training is conducted throughout the year to educate Managers, Team Leaders and Coordinators on the Occupational Health and Safety Management System (OHSMS) and matters specific to their workplaces. OHSMS training also forms part of the wider Induction Program for new staff. During 2013-14, 42 separate training programs were conducted with 242 staff and 145 manager and supervisor attendances.



## Boroondara's major projects

During 2013-14 the major projects program included the following:

### **Ashburton Library and Community Centre**

On 21 November 2013 the Ashburton Library was opened to the public. The new Library is 230 square metres larger than the previous space, offering new spaces and start-of-the-art equipment, which includes:

- check-in and check-out facilities
- private and group study space
- a large and flexible meeting room
- dedicated IT space
- modern staff accommodation.

The original Darryl Jackson designed façade has been retained and the existing playground incorporated into the new design.

The co-location of the Ashburton Library and Community Centre encourages the community to take advantage of the facilities and programs offered by the community centre as well as visit the library at the same time.

The new facilities at the Ashburton Community Centre include a demonstration kitchen, multi-purpose activity rooms with televisions and IT equipment and casual indoor and outdoor spaces. Along with the new facilities a new program for 2014 has been launched with a variety of events, workshops, courses and programs available.

### **Hawthorn Aquatic and Leisure Centre**

Hawthorn Aquatic and Leisure Centre (HALC) was officially opened to the public on 30 April 2014 and a Community Open Day was held on Saturday 31 May 2014. The Open Day was a chance for the public to use the centre's state-of-the-art facilities for free, with live entertainment and food and drinks also on offer.

As part of the redevelopment the new HALC boasts the following features:

- 50-metre outdoor heated pool
- 20-metre indoor warm water pool
- 780 square metre gym
- multipurpose fitness rooms for a range of programs
- health suites
- café
- childcare facilities.

A high level of accessibility has been a point of focus for the redevelopment, with inclusion of all-ability change rooms, an entry ramp, aquatic wheelchairs and a room with entry hoists as part of the redevelopment.

HALC also provides an extensive range of programs which include cycle, body pump, yoga, pilates and dance classes. As part of this program HALC offers specialised health and fitness professionals to provide customised personal training programs, nutrition advice and therapeutic services. The HALC redevelopment total cost was \$27 million.

### **Hawthorn Town Hall Arts Precinct**

After 18 months of renovations the Hawthorn Arts Centre was officially opened to the public on 1 October 2013. The launch event was held over a weekend in November 2013, with many events and entertainment for the community on offer.

The Hawthorn Arts Centre redevelopment offers the following facilities and services:

- expansion of the Town Hall Gallery to three exhibition spaces and a Community Project Wall
- rooms available for meetings, workshops and functions
- community arts space for workshops and activities



- performance/rehearsal space seating
- artist studios
- Main Hall and Chandelier Room for performances and events
- Second Empire Café, Events Bar and in-house catering
- Council customer service desk
- Town Hall Gallery Emporium
- Youth Services Resource Centre and Headspace.

The Hawthorn Arts Centre has become an arts and cultural centre for the community, providing the community, artists and performers a place to come to in Boroondara. The project was estimated to cost \$17.9 million and came in slightly below at \$17.2 million.

### **Boroondara Sports Complex**

The Boroondara Sports Complex (BSC) project is about consolidating the BSC with the Balwyn Leisure Centre to create a quality facility that will continue to provide all current recreational programs that are highly valued by the community.

Between June 2013 and November 2013 a significant program of communication and engagement was conducted, to inform the local community about the project and receive feedback on the concept plans for the facility and immediate surrounds. The engagement process included user group meetings, information sessions, an open house, project bulletins and surveys. Feedback from the community was positive overall and has helped to refine the concept plans.

The project is expected to start construction between late 2014 and early 2015 and the project is expected to be completed by mid-2016. The total estimated cost of the project is \$11.7 million.

### **Ashburton Pool and Recreation Centre**

A comprehensive feasibility study of the Ashburton Pool and Recreation Centre (APARC) project was completed in 2013. From this study a design was developed for the major renewal works, the main features of this design include:

- expanded gymnasium
- improved program room space
- new dry program change rooms and renewed wet change rooms and amenities
- renewed car parking, plant and equipment
- improved landscaping.

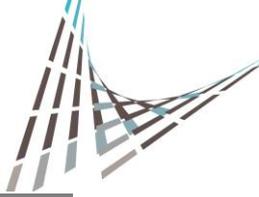
On 12 June 2014 Council awarded the tenders for construction and the expected construction period is from July 2014 to April 2015. The total estimated cost of the project is \$12.4 million of which \$3.0 million is being contributed by the Victorian Government through the Better Pools Funding Program.



## Important events in the City

During the year, Council held many varied events. Some highlights have been detailed below:

	Event
July 2013	Volunteer Expo Citizenship Ceremony
August 2013	Boroondara Early Years Conference Environmental Youth Forum Maranoa Gardens Festival Wiser Driver Course
September 2013	Business Super Networking Workshop Kindergarten Cluster Management Expo Boroondara Interfaith Network Forum Wiser Walker Wiser Traveller Course
October 2013	Ride to Work Day Community Breakfast Centenarian Lunch Boroondara Business Security Forum Civic Reception for Rotary Clubs of Boroondara Official Opening of the Hawthorn Arts Centre Children's Week Activities
November 2013	Civic Reception to announce the Mayor to the Community Annual Boroondara Film Festival Boroondara Literary Awards White Ribbon Day Event
December 2013	Ashburton Pool and Recreation Centre 20 Year Anniversary Celebration Summertime Cinema Summer Music Series
January 2014	Cyclewise Course Presentation of the Citizen and Young Citizen of the Year Award
February 2014	Sustainable Living Festival Official Opening of the HA Smith Reserve Beginners Skate and BMX Playground Walk and Talk Heritage Tour Parent and Educator Forums



	Event
March 2014	Try Walking Event Kew Traffic School Open Day 'Everyone Belongs' Harmony Day Event Volunteer Expo
April 2014	Wiser Driver Course National Youth Week Official Opening of the Hawthorn and Aquatic Leisure Centre
May 2014	Wiser Walker Wiser Traveller Course Community and Business Networking Event Reconciliation at the Billabong Event Boroondara Battle of the Bands
June 2014	Urban Design Awards Citizenship Ceremony



## Boroondara – the 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.

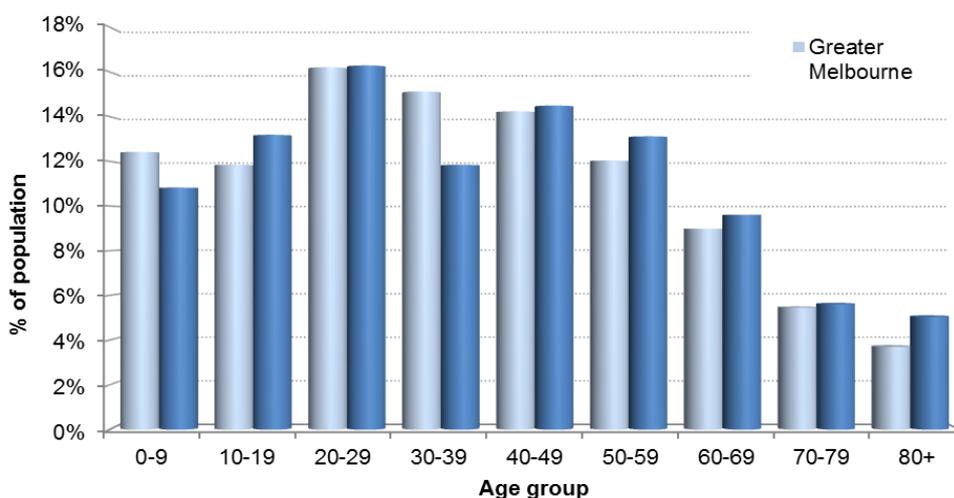
### History

This area is the traditional lands of the people of the Eastern Kulin Language Group. After surveying the area in 1837, Robert Hoddle declared it the 'Parish of Boroondara' and because the area was densely wooded, he took the word from the Woiwurrung language, translating it as 'where the ground is thickly shaded'.

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 170,553 people (as at 30 June 2013) and is one of the most populous local governments in Victoria. Compared with metropolitan Melbourne overall, we have a lower proportion of children and 30 to 39 year olds, but a larger proportion of people aged over 50 years. Within Boroondara, 24% of the population are aged between 0 and 19 years, and 33% are aged 50 years and over. We have the second largest population of people aged 85 years and over, with 3.7% of the population needing assistance with daily living tasks.



### Where do we come from?

While 68% of Boroondara residents were born in Australia, we are becoming more culturally and linguistically diverse. Residents were born in more than 150 countries and speak more than 120 languages. At the last Census, over a quarter of the population was born overseas, with the majority coming from a country where English is not a main language. Between 2006 and 2011 there was a large increase in the number of residents born in China and India, and in 2013-14, 61% of migrant settlers to Boroondara had been born in either China or India.

### 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 complete a short course or obtain certified or pre-accredited training in a variety of subjects.



## Where do we work?

A quarter of Boroondara's employed residents work within the City of Boroondara and just under a quarter work in the City of Melbourne. Income levels for individuals and households are higher than the metropolitan Melbourne average and 45% of Boroondara households have an income in the top 25% for Victoria. However, 15% of all Boroondara households are living on less than \$600 a week.

## Where do we shop?

Boroondara has a strong retail/commercial sector with the main shopping strips located at Camberwell Junction, Kew Junction and Hawthorn's Glenferrie Road. In total there are 50 strip shopping centres.

## How do we live?

At the 2011 Census, there were 65,164 dwellings in Boroondara, ranging from separate houses (62% of all dwellings) to medium and high density dwellings, which are more commonly found in Hawthorn and Hawthorn East. Housing affordability has become a major issue with lower income earners facing rising rents. Likewise, average first-home buyers experience difficulties in affording a home in the City's housing market, one of the most expensive in Victoria. Approximately 1.3% of Boroondara's housing is social housing (provided for non-profit purposes), which includes community-based and public housing.

Boroondara has an estimated residential population of 170,553 people.  
(as at 30 June 2013)

Boroondara has one of the highest concentrations of schools of all Victorian local government areas.

While 68% of residents were born in Australia, Boroondara is becoming more culturally and linguistically diverse.

## Transport

Even though the City has extensive train, tram and bus transport routes, there are still areas within the City that do not have easy access to public transport and are reliant on private vehicles. Our sustainable transport pathways continue to expand, with over 57km of on-road cycling paths located on both arterial and local roads. The City also has 34km of shared paths across major trails, including the Gardiners Creek, Anniversary, Main Yarra and Koonung trails.

## Our 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 approximately 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 see <http://www.boroondara.vic.gov.au/our-city/research-statistics/social-profile> and <http://profile.id.com.au/Default.aspx?id=108>

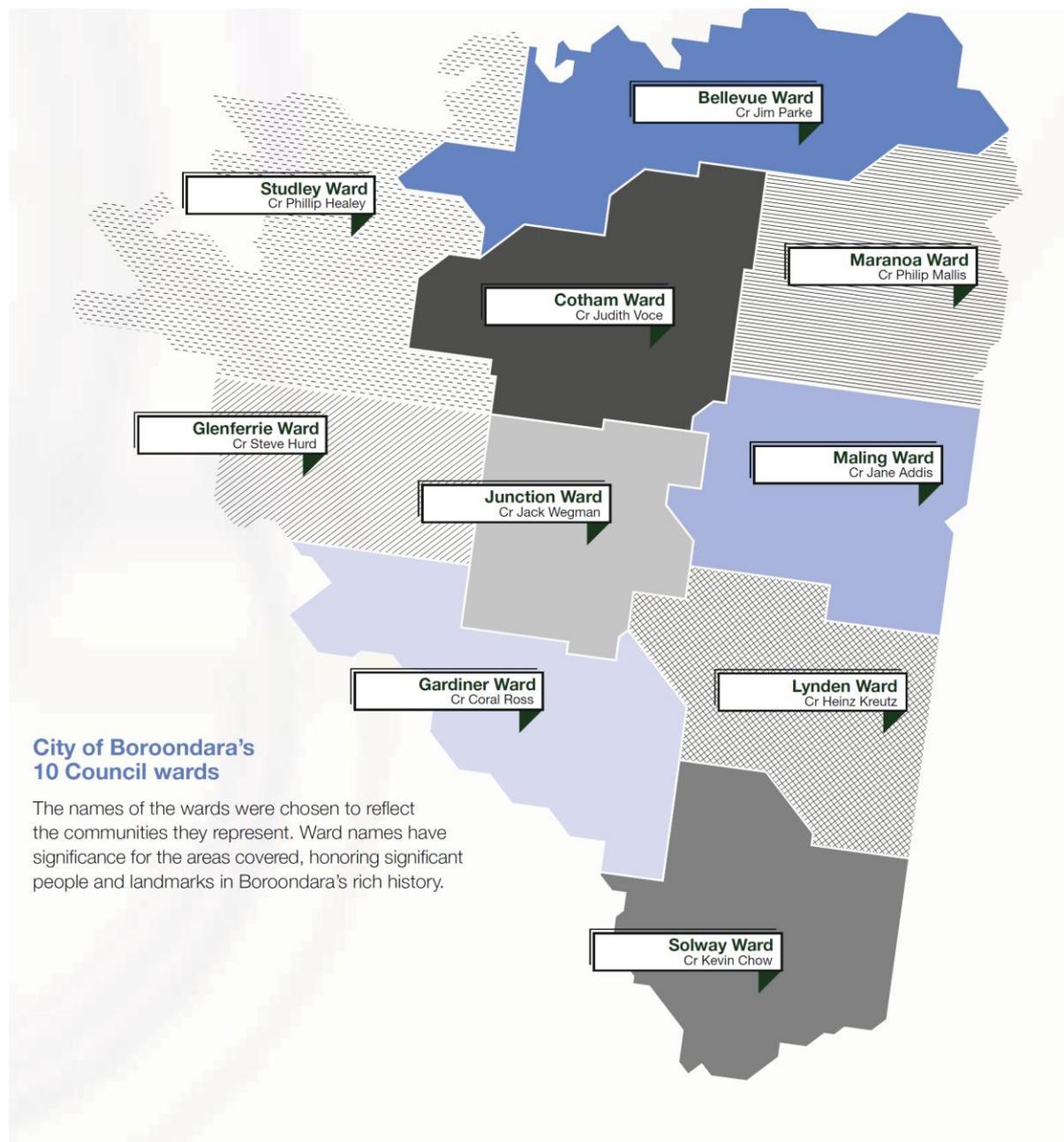


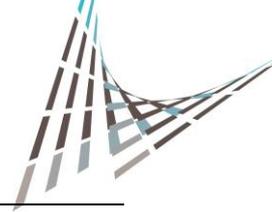
A detailed map of the City and the ward boundaries is included on the following page.



## Our Councillors

Council is responsible for the stewardship and corporate governance of the organisation. In October 2012 the Boroondara community elected this Council for a four-year-term. The municipality is divided into 10 wards, represented by one Councillor in each ward. The 10 Councillors are the elected representatives of all residents and ratepayers across the City. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. Refer to page 126 for more information on Councillor assignments.





### Cr Coral Ross

*BA (Hons), FAICD*

**Gardiner Ward, including parts of Hawthorn, Hawthorn East, Camberwell and Glen Iris**

**Mayor's office:** 9278 4457

**T** 9835 7842

**M** 0438 005 225

**E** [coral.ross@boroondara.vic.gov.au](mailto:coral.ross@boroondara.vic.gov.au)

**First elected:** March 2002

**Mayor:** Mayor 2007-08 and 2013-14

Cr Ross has lived in Hawthorn East for the past 24 years. She is married with two sons. A professional journalist, for nearly 11 years Cr Ross was the Australian correspondent for an English newspaper and also worked as a freelance journalist for several Melbourne newspapers. She is on the Board of the Municipal Association of Victoria, President of the Australian Local Government Women's Association (Vic), Vice-President of the National ALGWA Board and a Fellow of the Australian Institute of Company Directors.



### Cr Jim Parke

*LLB, LLM, MJuris, GradDipAppCorpGov, ASA, FAICD, FAIM, FCIS, FGIA, MACE, MPIA, Barrister and Solicitor*

**Bellevue Ward, including most of Kew East and part of Balwyn North**

**T** 9835 7840

**M** 0419 333 333

**E** [jim.parke@boroondara.vic.gov.au](mailto:jim.parke@boroondara.vic.gov.au)

**First elected:** October 2012

Cr Parke resides in Balwyn North within Bellevue Ward. He is a lawyer by profession with over 20 years' experience. He is managing director of a national legal practice with Melbourne offices in Glen Iris, Hawthorn, St Kilda Road and Ringwood. Currently, he is completing the professional level of the CPA Australia program and a Graduate Diploma of Management at Swinburne University of Technology.

Cr Parke is the only Australian ever to hold the office of President of Crime Stoppers International. He has also served as Chairman of Crime Stoppers Australia, President of the Victims of Crime Association of Queensland and Deputy Chairman of Volunteering Australia.



### Cr Judith Voce

*BA (Hons), Dip.Computer Programming, Dip.IPSA(Aust), MAICD*

**Cotham Ward, including parts of Kew, Kew East, Deepdene, parts of Balwyn and Balwyn North**

**T** 9835 7841

**M** 0409 887 097

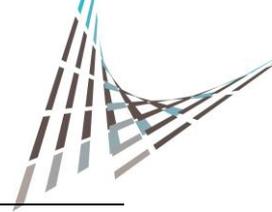
**E** [judith.voce@boroondara.vic.gov.au](mailto:judith.voce@boroondara.vic.gov.au)

**First elected:** March 1999

**Re-elected:** October 2012

**Mayor:** March 2003 - March 2004, March 2004 - November 2004

Cr Voce spent her first 18 years growing up in Auburn, and has lived in Kew East for the past 31 years. She is married with two adult daughters and a granddaughter. In conjunction with her business career, Cr Voce has held many community positions. She is currently Chair of the Boroondara General Cemetery Trust, MAV Arts and Culture Committee Member, a Victorian Councillor Conduct Panel Member, Honorary Life Member of Villa Alba Museum Inc., Honorary Member of the Rotary Club of Kew and a Member of the Australian Institute of Company Directors.



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### Cr Steve Hurd

*LLB, BA*

**Glenferrie Ward, representing Hawthorn and Hawthorn West**

**T** 9835 7849  
**M** 0417 708 182  
**E** [steve.hurd@boroondara.vic.gov.au](mailto:steve.hurd@boroondara.vic.gov.au)

**First elected:** October 2012

Cr Hurd has lived in Hawthorn for approximately nine years. He holds a Law Degree and a Bachelor of Arts from Monash University. Cr Hurd has won numerous awards for his work in the community and media.



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### Cr Jack Wegman

*BA, Grad Dip App Psychology*

**Junction Ward, including parts of Hawthorn East, Camberwell and Canterbury**

**T** 9813 4749  
**M** 0438 011 665  
**E** [jack.wegman@boroondara.vic.gov.au](mailto:jack.wegman@boroondara.vic.gov.au)

**First elected:** March 2002

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

Cr Wegman has lived in Boroondara for 30 years, the last 20 in Camberwell. He is married with five sons, one still at university. He is a member of the Market Research Society of Australia, the Australian Psychological Society of Australia, the Institute of Company Directors and the Camberwell Grammar School Foundation Board.



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### Cr Heinz Kreutz

*PhD in Linguistics, Dip Ed*

**Lynden Ward, including parts of Camberwell, Glen Iris and Canterbury**

**T** 9835 7844  
**M** 0438 006 656  
**E** [heinz.kreutz@boroondara.vic.gov.au](mailto:heinz.kreutz@boroondara.vic.gov.au)

**First elected:** March 2002

**Mayor:** 2011-12

Cr Kreutz has been a resident of Camberwell since the mid-1990s. He has worked as a senior lecturer in languages and linguistics at Monash University since 1991 and has been involved at senior faculty and university level in planning, administration and governance. Cr. Kreutz is also Chairman of the Melbourne Metropolitan Waste Management Board and in February 2011 was elected Vice President of the Victorian Local Governance Association.



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### Cr Jane Addis

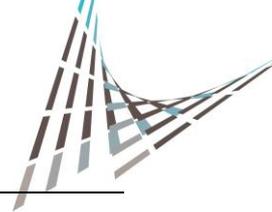
*BBSci, GradDipEdCouns, GradDipHealthEd, MEdPsych, DrPH*

**Maling Ward, including parts of Canterbury, Surrey Hills and Balwyn**

**T** 9835 7845  
**M** 0409 267 902  
**E** [jane.addis@boroondara.vic.gov.au](mailto:jane.addis@boroondara.vic.gov.au)

**First elected:** October 2012

Cr Addis has lived in the Maling Ward for the past 37 years; she lives with her husband and large dog. Cr Addis works in her private practice as a psychologist and helps manage a family medical practice. She has qualifications in psychology and health education, and is a member of the Australian Psychological Society.



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### **Cr Philip Mallis**

*BA, MAICD*

**Maranoa Ward, including parts of  
Balwyn, Balwyn North and Mont  
Albert**

**T** 9835 7846  
**M** 0418 564 410  
**E** [philip.mallis@boroondara.vic.gov.au](mailto:philip.mallis@boroondara.vic.gov.au)

**First elected:** October 2012

Cr Mallis has been a resident of Balwyn North for over 14 years. He is currently completing a Masters of Public Policy and Management, and works for Tennis Australia. He is the president of the Melbourne International Relations Society, and a member of the Australian Institute of Company Directors and the Planning Institute of Australia.



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### **Cr Kevin Chow**

*MBBS (Hons), FRACP, FAICD*

**Solway Ward, including parts of  
Ashburton and Glen Iris**

**T** 9835 7847  
**M** 0427 544 328  
**E** [kevin.chow@boroondara.vic.gov.au](mailto:kevin.chow@boroondara.vic.gov.au)

**First elected:** November 2008

Cr Chow has lived in Solway Ward for over 16 years. He is currently working as a kidney specialist at the Royal Melbourne Hospital.



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### **Cr Phillip Healey**

*MAICD, MAIPM, Electronic Mechanic  
Industrial*

**Studley Ward, including parts of  
Kew and Kew East**

**T** 9852 7967  
**M** 0437 374 773  
**E** [phillip.healey@boroondara.vic.gov.au](mailto:phillip.healey@boroondara.vic.gov.au)

**First elected:** November 2004

**Mayor:** 2006–07

Cr Healey lives in the heart of Studley Ward with his wife and two adult children. He is a Business Development Manager with an Australian owned, Victorian based, IT firm specialising in custom developed software, working for many clients in the areas of government, health, Fast Moving Consumer Goods (FMCG), entertainment, retail and hospitality on a national and international basis.

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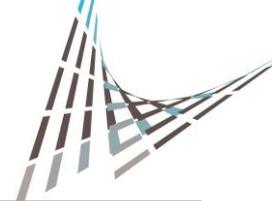
## Our management approach to sustainability

This section covers our management approach to key aspects of sustainability. It outlines the goals and policies that guide the City of Boroondara's sustainability approach and how our performance is managed and monitored. Refer to Global Reporting Initiative (GRI) index on page 242 for more information.

Sustainability planning and monitoring continue to be integrated into the Council Plan. The Council Plan's five themes and eight strategic objectives cover a range of economic, environmental and social elements of sustainability. The diagram on page 18 illustrates the link between Council's themes and economic, environmental and social goals.

The following table outlines how our themes, strategic objectives, goals and performance meet the requirements of the GRI G3.1 Reporting Guidelines Disclosure of Management Approach.

<b>Strong and engaged communities - Goals and performance: refer pages 58 - 70</b>
<i>Our community has a say in matters of interest to them in achieving Boroondara's vision.</i>
<p><b>Policy</b></p> <p>The Community Engagement Policy 2010 outlines how Council will fulfil its commitment to creating genuine and transparent opportunities for active community participation in decision-forming processes in order to meet current and future needs of the Boroondara community.</p>
<p><b>Organisational responsibility</b></p> <p>Council offers a range of communications and engagement opportunities to meet differing and emerging community needs.</p> <p>The Executive Manager Communications and Engagement is responsible for community engagement.</p>
<p><b>Training and awareness</b></p> <p>The Boroondara Community Voice Panel is an online panel of community members. During 2013-14 panel membership increased to 1,232 and members responded to 12 topics of interest.</p>
<i>Community needs are identified and responses planned accordingly.</i>
<p><b>Policy</b></p> <p>To monitor and plan for the community's changing needs, the City of Boroondara has a range of policies, strategies and plans including:</p> <ul style="list-style-type: none"> <li>• Community Strengthening Grants Policy</li> <li>• Social Housing Policy</li> <li>• Access and Inclusion Plan</li> <li>• Cultural Diversity Plan.</li> </ul>
<p><b>Organisational responsibility</b></p> <p>Council continues to plan for the community's changing needs, aspirations and opportunities in order to contribute to community life.</p> <p>The Director Community Development is responsible for planning for community needs.</p>
<p><b>Training and awareness</b></p> <p>Council uses media and its service networks to inform communities with available opportunities and support.</p>



*Opportunities are provided to enable people in our community to be supported and involved.*

**Policy**

The Economic Development Strategy 2009-16 provides an appropriate basis to respond to challenges and opportunities at the local level. It is designed to assist Council and other parties in dealing with local issues and with those pressures coming from the wider environment, beyond the City boundaries.

City of Boroondara has various policies, strategies and plans to ensure people in our community are supported and involved including:

- Boroondara Health and Wellbeing Plan
- Responsible Gambling Policy
- Recognising Indigenous Culture and Heritage Policy.

**Organisational responsibility**

Council delivers support to local businesses and the community through a number of initiatives.

The Director City Planning and Director Community Development share responsibilities for supporting businesses and the community.

**Training and awareness**

Council supports businesses through training and networking opportunities and through the provision of relevant information supporting the further development of local businesses.

During 2013-14 the Economic Development Department held 30 training sessions with 1,028 participants attending.

Council also provided training and awareness activities to staff and various community groups. Twenty-four family services training sessions were conducted for both staff and families during the year.

*Sustainable environment - Goals and performance: refer pages 71 - 78*

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

**Policy**

Council recognises its responsibilities as a custodian of the environment, and works in partnership with the community, commerce, industry and other stakeholders to promote environmental sustainability within the City. Council's Environment Policy guides the integration of economic, social and environmental objectives into all planning and policy-making.

Key areas of the policy include:

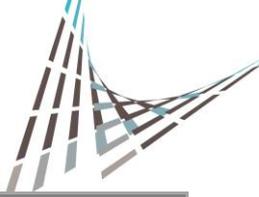
- resource conservation
- land and catchment management
- biodiversity
- urban environment.

Council adopted the Boroondara Open Space Strategy in December 2013. This strategy provides an overarching framework to manage Boroondara's public open space network to 2026.

The Council-adopted Integrated Water Management Strategy sets the strategic direction and implementation approach for improving water cycle management across the City.

The Our Low Carbon Future Strategy – City of Boroondara Strategy 2009 sets the direction for Council's climate change mitigation response to 2020.

Our Low Carbon Future Action Plan Update 2012–16 summarises the outcome of the strategy's three-year review, and outlines an updated action plan for implementation over the next four years.



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

**Organisational responsibility**

Council promotes sustainability through sound environment practices. Various environment initiatives and commitments are identified in the 2013-14 Annual Plan and Budget.

The Director Environment and Infrastructure is responsible for the environment initiatives in the City.

**Training and awareness**

Awareness, promotion and compliance with environmental activities for all employees are conducted via various forums.

Two Living for our Future workshops were also held with 59 families attending.

*Enhanced amenity - Goals and performance: refer pages 79 - 87*

*The character of our neighbourhoods is protected and improved.*

**Policy**

Council develops strategies and policies to ensure the conservation and enhancement of Boroondara’s high quality urban environment, including our neighbourhood character, amenity and liveability.

These include:

- Activity Centre Strategy
- Balwyn Structure Plan
- Glenferrie Structure Plan
- Camberwell Junction Structure Plan
- Neighbourhood Character Study.

**Organisational responsibility**

The Strategic Planning Department is responsible for the planning strategies that guide future developments in Boroondara. Strategic Planning also maintains and updates the Boroondara Planning Scheme in order to encourage appropriate planning outcomes throughout the City.

The Director City Planning ensures that City’s amenities are enhanced for current and future generations.

**Training and awareness**

In 2013–14, the Boroondara Community Voice Panel considered topics relating to enhanced amenity such as new residential zones and the Boroondara Road Safety Strategy. This provided stakeholders an opportunity to voice their opinions and contribute to the decision-making process.

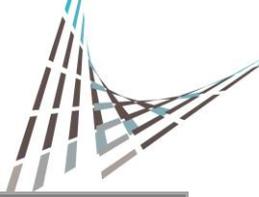
*Quality facilities and assets - Goals and performance: refer pages 88 - 95*

*The community’s current and future needs for assets and facilities are proactively managed.*

**Policy**

In October 2011 the Asset Management Policy was developed to define the key principles that underpin the asset management practices of the City of Boroondara.

The scope of this policy applies to Council and to all Council officers involved with the management of physical assets. These assets include roads, footpaths, street furniture, buildings, bridges, drainage, playgrounds, parks and sports facilities.



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

**Organisational responsibility**

Council is responsible for proactively managing the ongoing maintenance and development of Council's assets to meet our community's current and future needs.

The Director Environment and Infrastructure ensures proactive management of quality facilities and assets.

**Training and awareness**

Council's Asset Management Department is responsible for documenting the required levels of service, in consultation with service managers and the community, to deliver to the agreed risk and cost standards.

**Responsible management - Goals and performance: refer pages 96 - 106**

*Decision-making in the delivery of high quality services by capable and professional people reflects transparent, accountable and fair behaviours.*

**Policy**

Effective corporate governance ensures that Council and the administration act in the best interests of the community.

Many of the Council and Chief Executive Officer's decision-making powers are formally delegated to officers and committees and these delegations are reviewed annually. Decisions made under delegation are required to be exercised in accordance with Council directions, policies and protocols. Council has a number of key guiding policies to promote effective governance, including the Councillor Support and Resource Policy and Information Privacy Policy.

Council's Cash Handling Policy provides guidance to Council officers for the acceptance and handling of monies, recording of transactions and the issuing of receipts that occur across all areas of Council.

To promote an effective and comprehensive work environment, Council has a number of policies including:

- Code of Conduct
- Equal Opportunity
- Flexible working arrangements
- Parental leave
- Health and Wellbeing Program
- Employee Assistance Program.

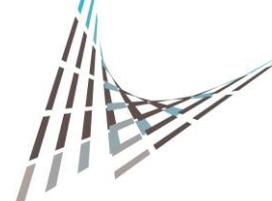
**Organisational responsibility**

Council has a broad range of statutory responsibilities under the *Local Government Act 1989* and other Victorian Government legislations. Officers work within this legislative framework to ensure that Council meets its statutory obligations. A statutory compliance process is endorsed by Council's Audit Committee to ensure that all staff understands their responsibilities. Refer to page 110 for more information on Council's Audit Committee.

The Director Corporate Services and Executive Manager Communications and Engagement share the responsibility of delivering high quality services, while the CEO oversees Council's corporate governance function.

**Training and awareness**

All Council officers are responsible for compliance with policies, procedures, applicable laws and regulations. Staff training provides up to date knowledge on statutory obligations and relevant legislative changes. Statutory registers are maintained and regular audits conducted to ensure compliance is met.



*Sound financial and risk management practices are carried out.*

### **Policy**

Council's Equal Opportunity Policy 2010 reflects its desire to provide a workplace free of discrimination on the basis of respect and value for others. The Equal Opportunity Policy applies to all employees including contractors and temporary agency staff working at Council.

Council's Contracts and Tendering Probity Policy provides guidance to officers in carrying out their duties pertaining to contracts and tendering in a transparent and fair manner. This ensures officers practice good governance in dealing with current or potential suppliers and contractors. This policy applies to all publicly advertised or high-risk tenders or quotations conducted by Council.

The revised Pricing Policy was adopted by Council on 28 November 2011. This policy provides guidance to the organisation in setting all fees and charges as published in the annual Budget document.

The *Local Government Act 1989* requires Councils to prepare, approve and comply with a Procurement Policy encompassing the principles, processes and procedures applied to all purchases of goods, services and works by Council. Council adopted the revised Procurement Policy in June 2014.

Council has sound processes in place to monitor and review financial performance. Monthly, quarterly and annual reports are provided to the Executive Management Group and Council for review and discussion.

### **Organisational responsibility**

City of Boroondara ensures that sound financial and risk management practices are carried out by managing resources responsibly.

The Director Corporate Services is accountable for financial and risk management functions.

### **Training and awareness**

Ongoing learning and development opportunities for staff are integral to the ethos at Boroondara. Council provides opportunities that include the mentor program, study assistance and corporate learning programs in support of the development and effectiveness of staff.

All employees have an annual performance review as part of the Performance Review and Enhancement Program which incorporates both review of performance against work objectives, as well as the identification of future personal and professional development objectives.

During 2013-14:

- 44 Occupational Health and Safety training sessions were completed with 387 attendances
- 10 corporate learning courses were conducted with 114 officers attending
- 580 hours of staff Health and Wellbeing Program activities were provided.



## Our Boroondara - Our City Our Future

In 2008 Council adopted Our Boroondara – Our City Our Future, which is the community's vision for our City towards 2028. The development of Our Boroondara involved extensive consultations with over 1,800 people of all ages, backgrounds and life stages.

This consultation sought our community's views about four main topics.

- What the community values now.
- What they would like to see in 20 years.
- What challenges need to be addressed over the next 20 years.
- What role the community, Council and other levels of government can play to achieve this shared vision for the City.

The Boroondara community identified two long term issues – community connectedness and sustainability. These and other issues are addressed through four major vision themes:

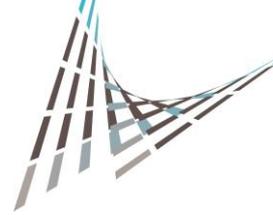
**Vision theme 1:** Community wellbeing

**Vision theme 2:** Managing a sustainable environment

**Vision theme 3:** Planning a well designed and sustainable city

**Vision theme 4:** Connecting our city

To track our progress, it is important to measure the community outcomes that are required to sustain this robust municipality. Community Wellbeing Indicators are used by Council for this purpose.



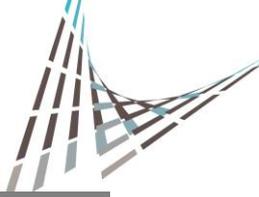
## Community wellbeing

Community Wellbeing Indicators focus on broad community outcomes and reflect the diversity of factors that are required to sustain a robust community. They measure long-term changes within the community.

Community wellbeing relies upon the local community and all levels of governments working collaboratively, and therefore it is acknowledged that Council is not the only contributor to progress on these indicators. However, Community Wellbeing Indicators are a useful tool for long-term planning.

Council's Community Wellbeing Indicators have been reviewed and a revised set of 40 Community Wellbeing Indicators were adopted in 2013. The 12 primary indicators for which data is available are shown below.

Community Wellbeing Indicator	Year of latest available data	Latest available result
<b>Community wellbeing</b>		
<b>The sense of community within Boroondara is the essence of what makes our City a great place.</b>		
Adult residents who report that their health is excellent or very good	2011	56.7%
Average subjective wellbeing for adult residents (completely dissatisfied = 0; completely satisfied = 100)	2011	79.7%
Adult residents who feel they have the opportunity to have a say on important issues	2014	63.0%
Adult residents who feel safe: a) alone at home at night b) alone at home in the day c) walking alone in the local area at night d) walking alone in the local area in the day	2011	a) 98.6% b) 99.9% c) 84.6% d) 99.5%
Average satisfaction with feeling part of the community for adult residents (completely dissatisfied = 0; completely satisfied = 100)	2011	72.1%
Adult residents who can get help from friends, family or neighbours when needed	2008	90.2%
Adult residents who agree that it is a good thing for a society to be made up of people from different cultures	2011	62.8%
<b>Managing a sustainable environment</b>		
<b>By working together and changing practices in our natural and built environments, we can help create a City and future that is sustainable.</b>		
Energy consumption of residential buildings: a) electricity (megawatts/hour per household) b) gas (gigajoules per customer)	2007	a) 6.2 b) 61.7
Waste to landfill: a) Non-recyclable garbage generated (kg per household) b) Non-organic recyclable waste generated by households (kg per household) c) Recyclables and green organics collected that were recycled (% of all collected)	2011	a) 562 b) 354 c) 53%



Community Wellbeing Indicator	Year of latest available data	Latest available result
<b>Planning a well designed and sustainable City</b>		
<b>Boroondara must be developed in a sustainable way - not only for the benefit of our environment but to preserve and enhance the existing character of the city.</b>		
Adult residents who are satisfied with the appearance of public areas	2014	81.0%
<b>Connecting our City</b>		
<b>If we are to create a truly vibrant and inclusive City for our future, then we must ensure it is a connected City with safe, accessible and sustainable transport solutions.</b>		
Adult residents who experienced transport limitations in the last 12 months	2011	17.9%
Adult residents who are satisfied with the standard of local roads and footpaths	2014	74.0%

*Data sources: 2011-12 Victorian Population Health Survey; Victorian Government Department of Sustainability and Environment 2007; Sustainability Victoria 2010-11 and 2014 Department of Transport, Planning and Local Infrastructure Community Satisfaction Survey.*

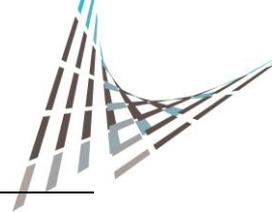


## The organisation

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day to day management of operations in accordance with the strategic directions of the Council Plan. Four Directors and an Executive Manager together with the CEO form the Executive Management Group (EMG) and lead the organisation.

EMG meets on a weekly basis to oversee and manage the operations of Council and once a month to specifically discuss strategic and policy issues. Members of EMG attend all Council meetings and provide information and advice enabling Council to make informed decisions on strategic and policy issues. This executive team is supported by departmental managers and staff who have responsibility for implementing the policies and directions set by the Council. A summary of the various services each directorate is responsible for is included on page 44.

	<p><b>Chief Executive Officer – Phillip Storer</b> T 9278 4455</p> <p><i>Associate Diploma in Applied Science (Town Planning)</i> <i>Completing Post Graduate Diploma in Local Government Law</i></p> <p><b>Member Institute of Public Administration Australia</b> <b>Member Australian Institute of Company Directors</b> <b>Fellow Local Government Professionals</b></p> <p>Appointed Chief Executive Officer in February 2012. Previously appointed Director Planning and Economic Development in September 1999, began at Boroondara as Director Infrastructure in 1995. Over 33 years of experience in local government and 34 years experience in urban planning.</p>
	<p><b>Director Corporate Services - Marilyn Kearney</b> T 9278 4300</p> <p><i>Graduate Diploma Public Policy and Management</i> <i>Graduate Diploma Local Government Law</i></p> <p><b>Fellow Local Government Professionals</b> <b>Member Australian Institute of Company Directors</b> <b>Member Institute of Public Administration Australia</b></p> <p>Appointed Director Corporate Services in April 2014. Over 27 years experience in local government across the broad spectrum of Corporate Services including finance, information technology, business development and corporate planning, organisation development, property, valuations and human resource management.</p>
	<p><b>Director Environment and Infrastructure – Bruce Dobson</b> T 9278 4500</p> <p><i>B Com, CA</i></p> <p><b>Member Institute of Chartered Accountants in Australia</b> <b>Member Local Government Professionals</b></p> <p>Appointed Director Environment and Infrastructure in November 2013, began at Boroondara as Director Corporate Services in December 2010. Over 11 years experience in local government.</p>



	<p><b>Director Community Development - Carolyn McClean</b> T 9278 4600</p> <p><i>Bachelor of Arts, Graduate Diploma of Career Development Masters of Social Science</i></p> <p><b>Member Local Government Professionals</b></p> <p>Appointed Director Community Development in July 2012. Over 17 years experience in local government within Community Development and Services.</p>
	<p><b>Director City Planning - John Luppino</b> T 9278 4800</p> <p><i>Bachelor of Applied Science Planning Graduate Diploma in Property</i></p> <p><b>Member Planning Institute Australia Member Victorian Planning Environmental Law Association Member Local Government Professionals</b></p> <p>Appointed Director City Planning in July 2012. Over 28 years experience in the planning and property fields, across six different local government organisations and the private sector.</p>
	<p><b>Executive Manager Communications and Engagement – Deb Ganderton</b> T 9278 4490</p> <p><i>Master of Arts (Professional Communication) Master of Management (Strategic Foresight)</i></p> <p><b>Fellow Local Government Professionals Member International Association for Public Participation (IAP2) Member International Association for Business Communicators (IABC) Member Institute of Company Directors (MAICD) Chair, Government Communications Australia Independent Chair, Western Melbourne Tourism</b></p> <p>Appointed Executive Manager Communications and Engagement in July 2008. Over 17 years experience in local government with a total of 31 years experience in public relations in senior roles in both public and private sectors.</p>

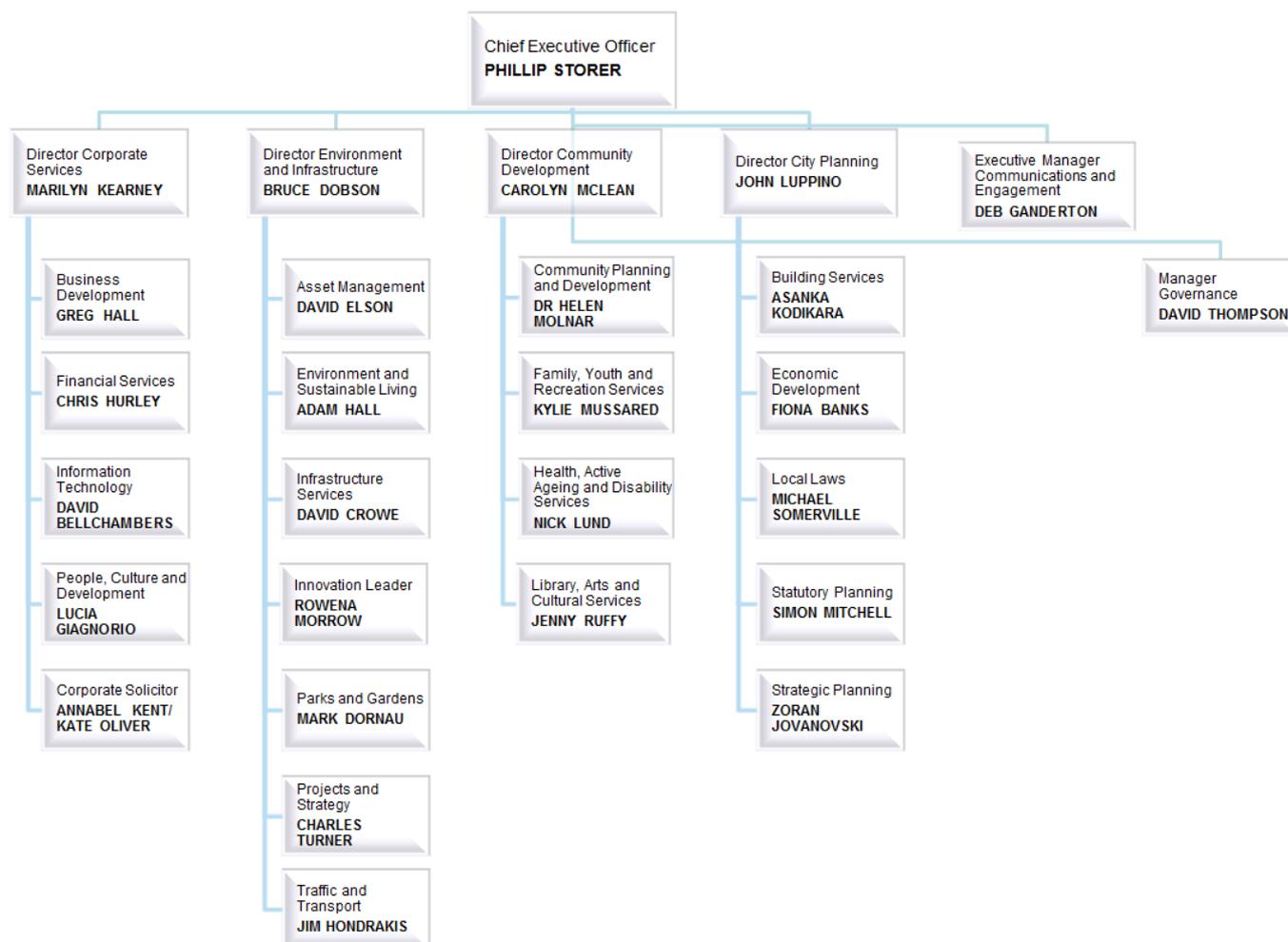


## The organisation structure

The Senior Management Group (SMG) includes Executive Management Group (EMG) and all department managers. SMG is characterised by a broad and diverse skill set. The group includes gender, age, sector and geographical diversity, all contributing to the strength of the administration underpinning the directions of Council. The following organisation chart details the structure of SMG as at 30 June 2014. There are 22 department managers and other key areas of focus.

During 2013-14 there were a couple of changes to the EMG team. In November 2013, Bruce Dobson the Director Corporate Services was appointed Director of Environment and Infrastructure after the passing of David Powell in August 2013. Bruce Dobson and Greg Hall acted in the roles of Director of Environment and Infrastructure and Director of Corporate Services between August 2013 and April 2014 respectively. Marilyn Kearney was appointed the Director Corporate Services in April 2014.

There were a number departmental name changes throughout the year - Family, Youth and Leisure Services changed to Family, Youth and Recreation Services; Health, Ageing and Disability Services changed to Health, Active Ageing and Disability Services; Asset Planning changed to Asset Management and Engineering and Traffic changed to Traffic and Transport.

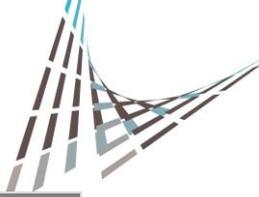




City of Boroondara is responsible for more than 150 services, from family and children's services, traffic regulation, open space, youth facilities, waste management and community building; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget.

The table outlines the services provided by each directorate.

Areas of responsibility include:
<b>CEO's Office</b> <ul style="list-style-type: none"><li>• Corporate governance</li><li>• Councillor support</li><li>• Council and Committee meetings</li><li>• Citizenship ceremonies and civic events</li><li>• Freedom of Information, Information Privacy, Whistleblowers Protection and internal Ombudsman</li><li>• Council election administration</li></ul>
<b>Corporate Services</b> <ul style="list-style-type: none"><li>• Corporate planning and reporting</li><li>• Internal audit</li><li>• Continuous improvement</li><li>• Accounts payable and receivable, financial accounting, and payroll services</li><li>• Audit Committee and external audit</li><li>• Procurement and public tenders</li><li>• Fleet management</li><li>• Revenue and property services</li><li>• Human resources</li><li>• Occupational health and safety and risk management</li><li>• Corporate and workplace learning</li><li>• Information technology - computing and communications systems</li><li>• Budgeting and management accounting</li><li>• Information management and archival services</li><li>• Corporate solicitor</li></ul>
<b>Environment and Infrastructure</b> <ul style="list-style-type: none"><li>• Transport and parking management</li><li>• Traffic and drainage</li><li>• Asset planning and works</li><li>• Street and parks trees maintenance</li><li>• Landscape design and construction works of outdoor spaces</li><li>• Environmental planning</li><li>• Path and road maintenance</li><li>• Waste services, including kerbside bin based waste, green and recycling collections and hard waste collection service</li><li>• Facilities maintenance</li><li>• Boroondara Recycling and Waste Centre operations</li><li>• Managing park assets</li><li>• Parks, gardens and sportsgrounds management and maintenance</li><li>• Management of Freeway Golf Course</li><li>• Horticultural services</li><li>• Management of Capital Works Program</li><li>• City's infrastructure maintenance</li><li>• Promotion of sustainability living</li><li>• Arboricultural services</li><li>• Sustainable transport</li><li>• Innovation</li></ul>



Areas of responsibility include:

**Community Development**

- Early years services
- Youth services
- Maternal and Child Health and Kindergarten Central Enrolment
- Occasional care services
- Council's leisure and aquatic centres and Boroondara Tennis Centre management
- Sport services
- Ageing and disability services
- Community care services such as home care, social support, respite and health promotion activities
- Health services
- Immunisation Program
- Cultural services and programs
- Library services and programs
- Community planning
- Community development grants program
- Social planning
- Neighbourhood House operational support
- Volunteering
- Hawthorn Arts Centre, Kew Court House and Kew Traffic School management

**City Planning**

- Statutory building services and enforcement
- Assessing building permit applications
- Building surveying
- Statutory siting/technical liaison
- Boroondara local business development
- Boroondara Business Network and Boroondara Farmers Market facilitation
- Development and implementation of appropriate local laws to achieve a safe environment
- Animal and parking management
- School crossing supervision
- Planning appeals and advice
- Statutory planning
- Planning applications processing and providing advice
- Tree controls
- Sub-divisions
- Policies and plans to guide land use and development
- Sustainable design and development and heritage conservation
- Strategic planning
- Major projects coordination

**Communications and Engagement**

- Customer service, cashiering and incoming calls
- Public relations and communications
- Online communications
- Community consultation, engagement and research



## Volunteers

The City of Boroondara greatly values the many volunteers who work in our community. Whether working in Council programs or in one of the many organisations or groups that utilises volunteers, Council would like to recognise the services and support that volunteers provide to our community.

Volunteering is a critical component of our communities and many services, programs and individuals benefit from the support of volunteers. Volunteering is a reciprocal relationship – the community and individuals benefit from the efforts of volunteers, while volunteers themselves experience the satisfaction of giving, enjoy increased community involvement, learn new skills, build confidence and gain experience.

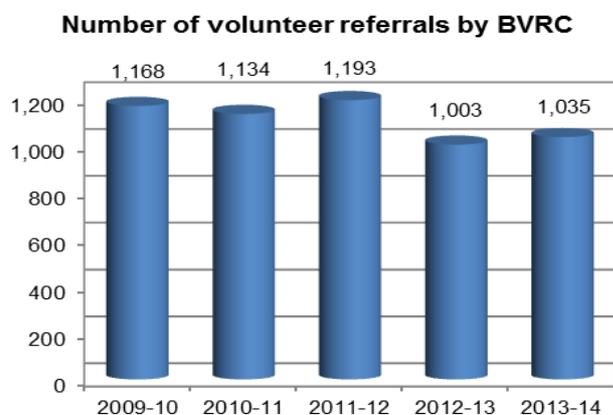
There are many ways that people can volunteer and options in the community range from a formal referral in a not-for-profit organisation, including Council, to informal support provided by individuals to their community, such as babysitting a neighbour's child or assisting an older neighbour to do their shopping.

Within Council, over 500 volunteers work in a range of programs including:

- Meals on Wheels
- Home Library Service
- Volunteer Transport Program
- Computer Savvy Seniors
- Advisory Committees
- Eisteddfod
- Town Hall Gallery.

## Boroondara Volunteer Resource Centre (BVRC)

The BVRC encourages active participation in the life of the community by promoting, supporting and resourcing volunteering within the City of Boroondara and surrounding areas. The BVRC works alongside numerous parties such as volunteers, not-for-profit organisations, Victorian and Australian governments, students, corporate groups and the community in general. The BVRC's activities are broad and include volunteer referrals to both Council programs and community organisations, training for volunteers and managers of volunteers, promotion of volunteering and agency support. The BVRC currently delivers its services to over 250 community organisations to support them in their work. During 2013-14, the BVRC directly referred 1,035 volunteers to Council programs and community organisations and engaged with over 2,900 prospective volunteers by way of presentations or presence at community festivals, expos and fairs.



*Note: The number of interviews conducted by the BVRC was reduced in 2012-13 due to the impact of the major relocation of the Centre to its new Camberwell offices. Notwithstanding this, the BVRC continued to achieve its annual targets.*



## Volunteer of the Year

Camberwell resident Bruce Nation was named as the Volunteer of the Year at this year's Australia Day Citizenship Ceremony. Since 2010, Bruce has coordinated the World Vision Kids Hope AUS program at Glen Iris Primary School, which helps disadvantaged children who require additional support with education, self-confidence and wellbeing.

Bruce initiated the program in conjunction with the Glen Iris Road Uniting Church, and now leads and manages the team of mentors. As well as coordinating the program, Bruce has been an exceptional mentor to the student with whom he works, often going above and beyond the call of duty.

## National Volunteer Week

National Volunteer Week turned 25 years this year and is the largest celebration of volunteers and volunteerism in Australia. This year's themes are "Imagine the possibilities" and "Celebrate the power of volunteers"; they capture the diversity of volunteers and volunteer roles that are available in the community.

## International Volunteer Day

International Volunteer Day is recognised and celebrated in many ways around the world on 5 December. In 2013, Council celebrated International Volunteer Day and took the opportunity to extend its appreciation to the dedicated volunteers in our community.

## Celebrating Meals on Wheels Program

In August 2013, Council hosted its annual lunch to celebrate National Meals on Wheels Day. The occasion provided an opportunity to recognise thousands of volunteers who contribute their time each week to deliver meals in their communities.

## Boroondara Volunteer Expo

The annual volunteer expo provides a forum to find out more about the diverse volunteer opportunities in Boroondara and beyond. Due to the renovations being undertaken at the Hawthorn Arts Centre, the BVRC held two volunteer expos in this financial year. The eighth Boroondara Volunteer Expo was held in July 2013 at The Atrium, Swinburne University, and the ninth Boroondara Volunteer expo was held in March 2014 at the Hawthorn Arts Centre.

## Volunteers and the Active Service Model Project

In conjunction with Health, Active Ageing and Disability Services, the BVRC developed a toolkit to assist Home and Community Care funded organisations with embedding an active service approach in their volunteer programs. The formal launch of this toolkit was held at City of Boroondara in October 2013.



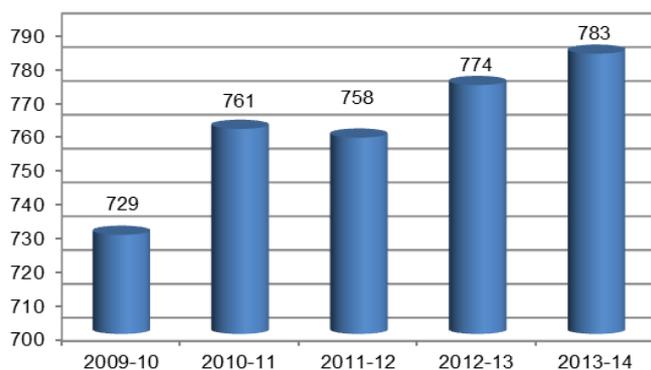
## Employee profile

### At the City of Boroondara – it's YOUR working life

The City of Boroondara delivers over 150 different services to a community of over 170,000 residents. Successful delivery of these services relies on employing talented people from a diverse range of career disciplines and levels. The City of Boroondara offers excellent working conditions and believes in providing an environment for staff to thrive, both in the work they do and in how they learn and develop as people and professionals. Employees have access to a range of opportunities to support them in achieving their goals.

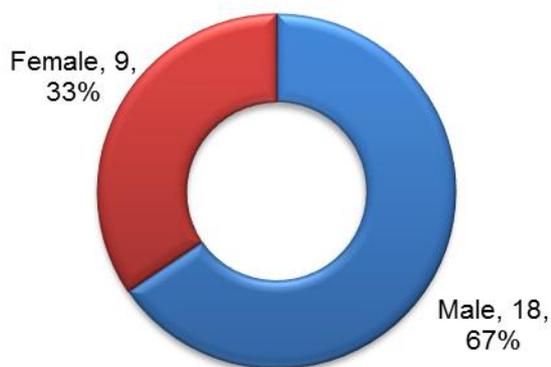
### Staff profile

**Equivalent full-time positions**

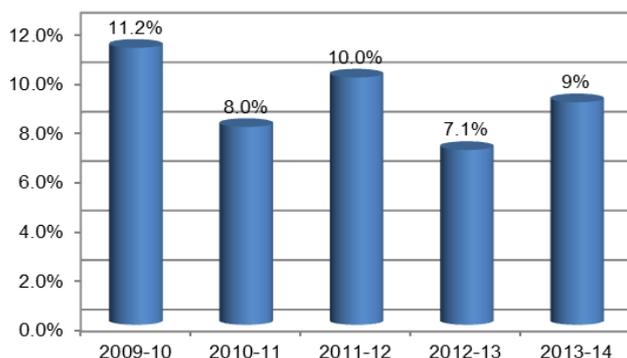


*Note: 783 equivalent full-time staff positions, including 15.5 school crossing supervisors.*

**Senior Management Group by gender**

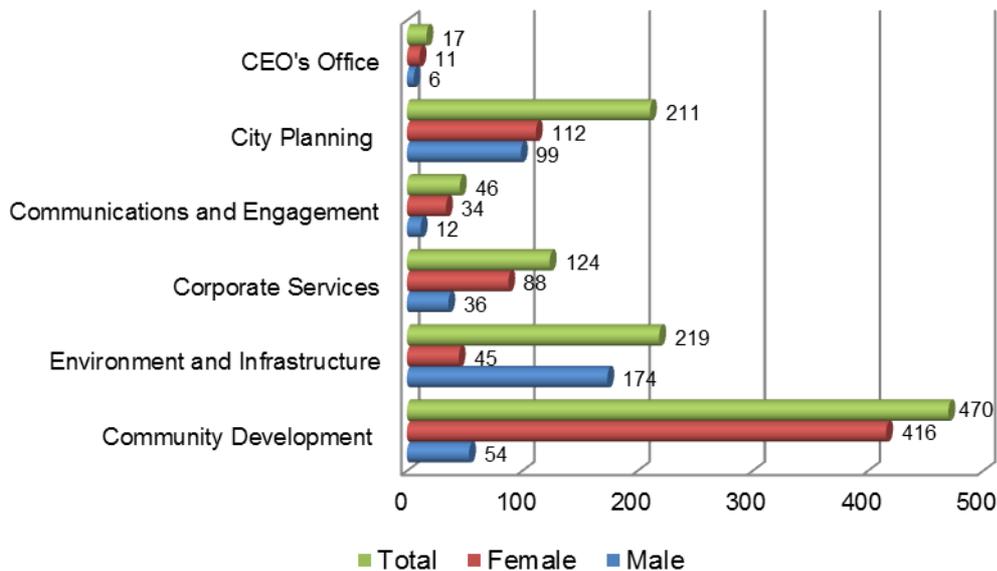


**Staff turnover**



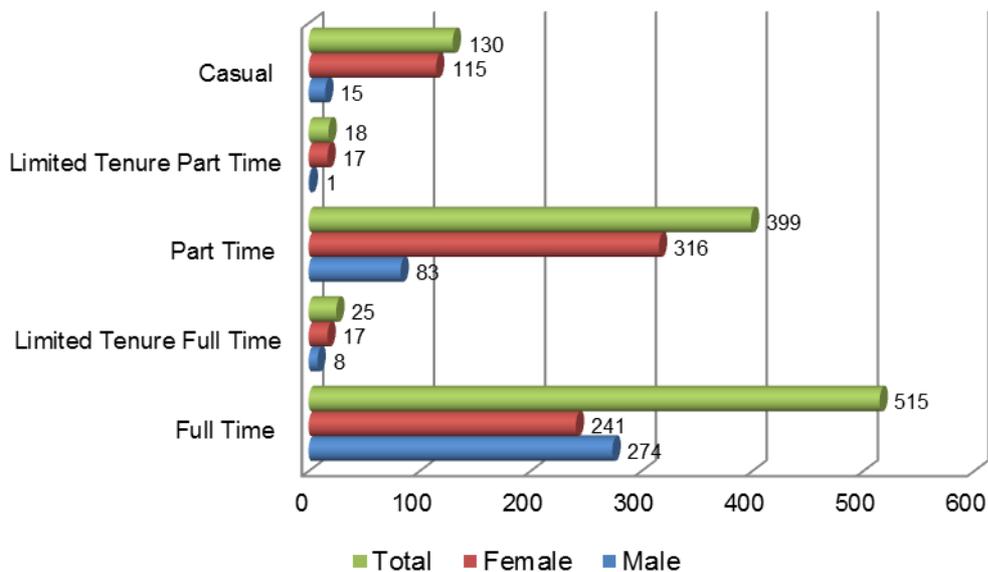


### Staff by directorate (Number of employees)



Note: 1,087 employees including 80 school crossing supervisors.

### Staff by employment type (Number of employees)



Note: 1,087 employees including 80 school crossing supervisors.



## Employee Engagement Survey

In recognition that input from staff is vital, Council conducted an employee engagement survey, to obtain feedback from employees, on a range of important work issues related to working at Council.

Delivered to all City of Boroondara employees, the It's YOUR Working Life survey was specifically designed to provide staff feedback about the key drivers of wellbeing, engagement and performance. Staff actively engaged in the survey with a participation rate of 74.4%.

Over 100 employee engagement workshops were held throughout Council to review and discuss survey results and the feedback was used to develop improvement plans to pick up opportunities for improvement.

Additionally, the Senior Management Group (SMG) participated in a 360 Degree Feedback Program with the objectives of providing the senior leaders with feedback and information about their current approach to leadership; increase awareness of how co-workers perceive and experience their leadership style and support managers to implement their development to enhance the organisation's leadership capability. The program is linked to the People Strategy goal of sustaining innovation by developing leaders who are flexible and adaptable to changing environments, and who encourage staff to generate and implement improvement opportunities.

## Leadership development

This year, 18 employees completed the inaugural Leadership Development Program. The program was specifically designed to accelerate the leadership development of individuals and to build leadership capacity for Council.

Participants undertook action-learning based projects to help them change the way they think and behave, in order to achieve different or new outcomes and presented an opportunity for staff to fine-tune their leadership skills.

The program was a talent development initiative emanating from the People Strategy. A further 17 staff members have recently commenced a second round of the Leadership Development Program.

## Health and wellbeing

Life Balance is Council's health and wellbeing program, offering staff a range of activities to get fit, stay in shape and enjoy life.

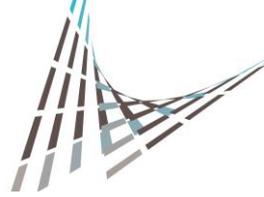
In 2013-14, as part of the Life Balance program, a health and wellbeing calendar was designed to promote physical and mental health and wellbeing initiatives in the workplace and provide opportunities for staff to participate in health and fitness activities.

The Life Balance program included the following events throughout the year:

- Smoothie campaign
- Healthy cooking demonstrations
- Pilates and Yoga
- Weight Watchers
- Massage and reflexology
- Women's and men's health seminars
- Skin checks
- Nutritionist consultations
- Mental health awareness and seminars
- Gym membership benefits
- Superannuation and private health cover consultations.

## Learning and development

Council places a large emphasis on the importance of continual learning and development and aims to assist employees develop and maintain their professional qualifications and skills with scholarships, study assistance and corporate learning programs.



### **Corporate Learning Programs**

Staff were invited to actively participate in learning and development programs to ensure they reach their full potential through the acquisition of broader job enriching skills and increased competencies. As part of the Council's corporate learning program, ten courses were conducted during the year attracting 114 participants.

### **Study assistance**

Over 50 employees participated in the study assistance program, designed to assist employees to undertake study during the year. The program is available to support staff education and aims to make study more affordable and convenient by offering reimbursement of course fees or provision of study leave.

### **Swinburne-Boroondara Scholarship**

The Swinburne-Boroondara Scholarship program demonstrates Council's commitment to developing employees to lead and manage effectively and develop skills of staff to deliver best practice local government to our community. The program is designed to support employees in the development of their professional skills and knowledge by gaining a formal post-graduate qualification with Swinburne University.

The scholarship offers staff the opportunity to attain a Master of Business Administration, or a Master of Strategic Foresight, with scholarship recipients having 60% of their course fees paid by Swinburne and the City of Boroondara. Five employees have been awarded the Scholarship this year, and are currently studying within the Swinburne-Boroondara Scholarship Program.



## Awards and recognition

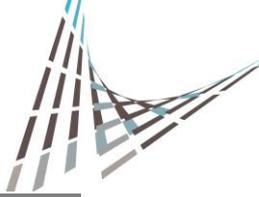
Council employs staff with a diverse range of skills in order to provide the large variety of services required by the Boroondara community. Boroondara continues to develop a culture that recognises, encourages and celebrates excellence in the workplace. To this end, a Reward and Recognition Program Policy provides the framework for the internal recognition of success. One component of this policy is the BoroonStar Awards program. This program is designed to enhance relationships throughout the organisation by encouraging cooperation and working towards common goals. It also seeks to encourage and develop learning by stimulating risk taking and trying new initiatives.

During the year, 100 BoroonStar awards were presented to staff throughout the organisation. In addition, service awards were provided to staff recognising their years of service. During 2013-14, two staff members received 35 year of service award, four staff members received 30 year of service award, 22 staff received 25 year service awards, seven staff members received 20 year service awards, 19 staff received 15 year service awards and 34 staff received 10 year service awards.

Council is honoured with the recognition it received for the Boroondara Tennis Centre being a finalist for the Most Outstanding Tennis Club by Tennis Australia Newcombe Annual Medal Awards. In the Keep Australia Beautiful Victoria Sustainable Cities award the City of Boroondara was a highly commended finalist for two awards. Those awards were the Community Action and Leadership Award which was for our Living for our Future project and the Protection of the Environment Award which was for Integrating and Celebrating Habitat and Wildlife within our City.

### **Awards received during 2013-14 have been detailed below by Council department:**

Directorate/Department	Award	Association
Business Development	Gold Award for the Annual Report 2012-13	Australasian Reporting Awards
Business Development/ Financial Services	Annual Report Awards for: Best Sustainability Report Best Performance Report Best Overall Report - High Resource Council	Municipal Association of Victoria
Environment and Sustainable Living	Finalist for Sustainable Cities in the following categories: Community Action and Leadership; and Protection of the Environment	Keep Australia Beautiful
Family, Youth and Leisure Services	Boroondara Tennis Centre finalist for Most Outstanding Tennis Club 2013	Tennis Australia Newcombe Annual Medal Awards
Local Laws	Max Jennings awarded an Outstanding Service to Local Government Compliance Services 2014	Victorian Council Compliance Services Workshop
Parks and Gardens/ Environment and Sustainable Living	Best Specific Environmental Initiative from the World Environment Day Award 2014	United Nations Association of Australia Victoria Division



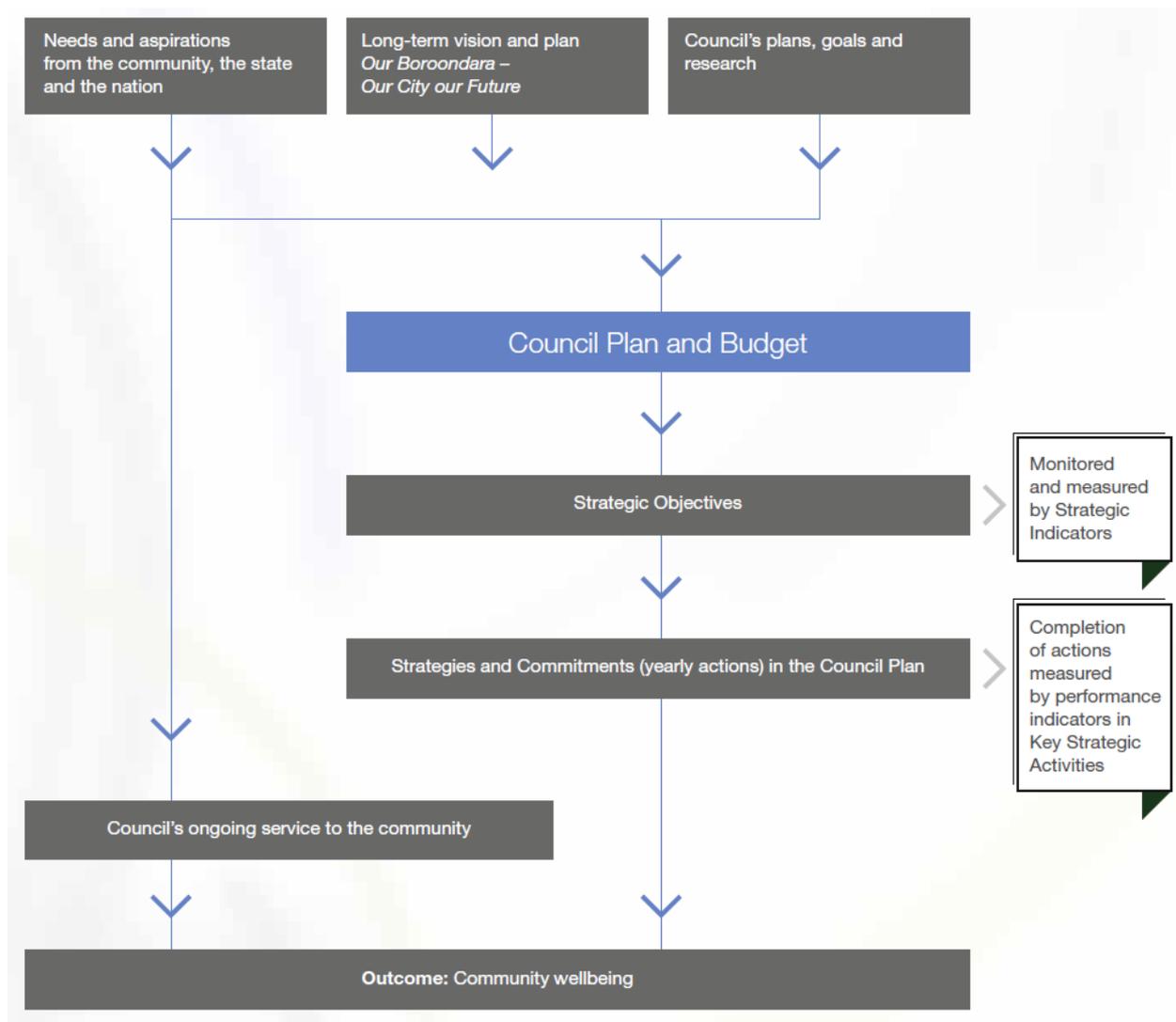
Directorate/Department	Award	Association
Parks and Gardens	Simon Wilson won Apprentice of the Year	Northern Metropolitan Institute of Technology (NMIT)
Projects and Strategy	Special Commendation in the IPWEA 2014 Excellence Awards for the Hawthorn Arts Centre Precinct Project.	Institute of Public Works Engineering Australia



## Corporate Planning Framework

Our Integrated Planning and Monitoring Framework ensures that strategies and financial resources are aligned in order to deliver Boroondara’s Council Plan. Built into our Corporate Planning Framework to ensure Council represents the range of plans for the best outcomes for our City are community’s priorities, policies, grants and legislative changes. Our Integrated Planning and Monitoring Framework summarises this process and the place of the Council Plan and Budget.

### Our Integrated Planning and Monitoring Framework



#### Community needs and aspirations

Council’s long and short term vision has been influenced by community feedback on their aspirations, priorities and needs. Many social, economic and environmental changes will continue to influence these priorities for the future of our community.

#### Our Boroondara – Our City Our Future

In 2008 Council adopted *Our Boroondara – Our City Our Future*, which is the community's vision for our City towards 2028. The development of *Our Boroondara* involved extensive consultation with over 1,800 people of all ages, backgrounds and life stages. Refer to page 38 for more information.



### **Council's plans, goals and research**

The economic conditions, asset renewal, community infrastructure and the environment are key factors in Council's planning process.

In preparing a Council Plan our community is surveyed about our services delivery, asset management and infrastructure provision. Surveys are conducted regularly to ensure that changing needs are understood and plans put into place to ensure that we budget for long-term needs.

### **Council Plan**

Boroondara's Council Plan 2013-17 outlines its 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 tangible infrastructure and asset renewal projects.

The Annual Plan 2013-14 outlines Council's strategies and commitments in support of Council's service to the community for the 2013-14 financial year.

### **Budget**

The Council Budget documents the financial and non-financial resources required by Council to implement the Themes and related Strategic Objectives identified in the Council Plan.

The Long Term Financial Strategy assists Council to make financial decisions such as adopting a budget within a long term framework. It takes the Themes, Strategic Objectives and Strategies as specified in the Council Plan and expresses them in financial terms.

Surveys and consultations are conducted regularly to ensure that changing needs are understood and plans put into place to ensure that we budget for long-term needs.

### **Themes**

The Council Plan 2013-17 outlines five Themes as key focus areas for the four-year Council term:

- Strong and engaged communities
- Sustainable environment
- Enhanced amenity
- Quality facilities and assets
- Responsible management.

### **Strategic Objectives**

The Themes are supported by eight Strategic Objectives. These Strategic Objectives describe how Council's vision and mission is achieved and are monitored by Strategic Indicators.

### **Strategies and Commitments**

Each Strategic Objective includes a number of Strategies which contain a number of one-year commitments, describing actions to be taken by Council departments to deliver the Council Plan 2013-17.

Successful achievement of these actions is measured and monitored by performance measures in a set of Key Strategic Activities associated with each Strategy.

### **Council's ongoing service to the community**

The City of Boroondara's culture of improvement and innovation ensures that future strategies, plans and policies are reviewed and updated. Our culture includes foresight thinking which ensures that we identify future global and local issues to achieve our vision of 'a vibrant and inclusive community with an outstanding quality of life'.

### **Community Wellbeing Indicators**

Our progress for achieving community outcomes is measured by a set of community wellbeing indicators. These indicators also identify community issues that will inform future planning and provide direction for the Council Plan. Refer to page 39 for further information.



### **Monitoring approach**

Achievement of the Council Plan 2013-17 and the Annual Plan 2013-14 were tracked throughout the year. Council's Quarterly Performance Report details progress on commitments, Strategic Indicators and performance measures relating to Key Strategic Activities. This Annual Report documents the status of Commitments and Strategic Indicators for the year. The results of measures relating to Key Strategic Activities form Council's externally audited Performance Statement. Refer to page 228 for further detail.



## Strategic planning themes

The adopted Council Plan 2013-17 outlines the way we hope to achieve our goals for the four-year Council term. The Council Plans has five Themes which outline key focus areas; each Theme is supported by Strategic Objectives and each Strategic Objective includes various Strategies for action.

### Themes

### Strategic objectives



Strong and engaged communities

- 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

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



Enhanced amenity

- The character of our neighbourhoods is protected and improved.



Quality facilities and assets

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



Responsible management

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

## Strong and engaged communities

**Operating expenditure \$34.24 million**

**Equivalent full time positions 299.53**

### Strategic Objective

Our community has a say in matters of interest to them in achieving Boroondara's vision.

#### **Strategy 1 Communication and engagement**

We will develop and offer a range of communication and engagement opportunities to meet differing and emerging community needs.

### Strategic Objective

Community needs are identified and responses planned accordingly.

#### **Strategy 2 Community inclusion**

We will monitor and plan for the community's changing needs, aspirations and opportunities to contribute to community life.

### Strategic Objective

Opportunities are provided to enable people in our community to be supported and involved.

#### **Strategy 3 Local business**

We will facilitate a positive business and community spirit by welcoming appropriate business investment and supporting existing commerce and local shopping centres.

#### **Strategy 4 Families and young people**

We will plan, lead and facilitate high quality services to meet the needs of children, young people and their families.

#### **Strategy 5 Health and ageing**

We will plan, facilitate and implement programs (where appropriate) to enhance the health, wellbeing and independence of Boroondara's community members, particularly older people and those with disabilities.

#### **Strategy 6 Library Services**

We will continually evaluate our services and respond effectively to diverse and changing needs for knowledge and information.

#### **Strategy 7 Arts and culture**

We will provide services, programs and facilities for the community to participate in a broad range of arts and cultural activities.

## Achievements

### Parent and Educator Forums

Council facilitated a number of forums for early year professionals and parents of young children during 2013-14, attracting in excess of 200 participants. The forums included topics such as kindergarten and school readiness, toilet training, supporting children's sleep and guiding children's behaviour. Positive feedback was received from parents and educators who attended the forums.

### Increased participation in the Maternal and Child Health Service

Council's Maternal and Child Health Service delivers a free, universally accessible service for all families with children aged from birth to school age, including a schedule of ten Key Age and Stage Consultations. Participation rates for both the 2 year and 3.5 year check increased during 2013-14, from 79% to 82% and 74% to 81% respectively. The increased participation rates highlight the value of the maternal and child health service to families with young children in Boroondara.

### Active Service Model Toolkit

Council developed a resource kit for service providers to assist train volunteers to implement the Active Service Model (ASM). The toolkit was designed to support volunteers in taking an active service approach with people in the Home and Community Care (HACC) group. The Resource Kit includes a guide and a set of 12 volunteer handouts providing general information and practical ideas for HACC volunteers.

### Boroondara Public Health and Wellbeing Plan 2013-17

On 28 October 2013, Council adopted the Boroondara Health and Wellbeing Plan 2013-17. The plan outlines the main health, wellbeing and safety concerns in Boroondara and includes a four-year strategic framework to address these issues. Extensive consultation and research resulted in the development of a plan seeking to address social isolation, affordability (housing, services, food), mental health, drug and alcohol abuse and community safety. The plan demonstrates Council's commitment to the wellbeing of all community members and, while it is a Council document, a range of community organisations, health professionals and local residents have informed the plan and will undertake a range of actions.

### Opening of Hawthorn Arts Centre

After 18 months of redevelopment, the Hawthorn Town Hall was officially opened as the Hawthorn Arts Centre on 24 October 2013. The new Hawthorn Arts Centre is an exceptional arts and cultural space designed specifically for the performing and visual arts and to accommodate local and national exhibitions, community workshops, theatre performances and events. The newly refurbished Arts Centre includes a contemporary arts centre, gallery and meeting place for the community. The Hawthorn Arts Centre has welcomed in excess of 10,000 people since opening.

### Town Hall Gallery

The Town Hall Gallery welcomed 5,000 visitors during 2013-14. Exhibitions at the gallery have included works by local, national and international artists, accompanied by an extensive program of events. The Gallery's Community Project Wall has been a highlight, staging seven community based exhibitions and providing opportunities for emerging artists to exhibit in a high quality gallery space. Quest has provided a generous sponsorship of the Community Project Wall.

### All about Boroondara - social statistics portal

The 'All about Boroondara - social statistics portal' is a research and statistics information portal developed to provide people access to comprehensive demographic data about the Boroondara community. Council collected data, research and information from a wide variety of sources to produce the online resource with links to user-friendly information on a range of demographic variables. A system to ensure the portal contains regular updated information will be implemented.

### Christmas in Boroondara Strategy

On 9 September 2013, Council adopted a City-wide Christmas in Boroondara Strategy. The strategy recommends a suite of initiatives, over a three year period, in Boroondara's shopping centres and civic spaces as part of a Christmas in Boroondara program. Implementation of the program commenced in December 2013 with the installation of 328 'Christmas pole trees' being installed in 16 shopping centres.

### Reconciliation at the Billabong

To celebrate Reconciliation Week 2014 Council, in partnership with the Wurundjeri Council and the Boroondara Interfaith Network, held a 'Celebration of Reconciliation at the Billabong' event on 30 May 2014. The billabong gathering attracted over 100 participants and included a Wurundjeri Smoking Ceremony, a cultural talk, a native plant giveaway and a barbecue.

### Community Care Common Standards Accreditation

In December 2013, an independent audit commissioned by the Department of Health and Ageing, was undertaken on Council's Home and Community Care services to obtain accreditation against the Community Care Common Standards. Council achieved accreditation.

### Support for Neighbourhood Houses

Council facilitated a collaborative marketing plan for Boroondara's Neighbourhood houses, to assist in raising awareness of their services and courses, and to increase visitations to centres. Two marketing and communications workshops were held to build personnel capacity and discuss the promotion and publicity of neighbourhood houses. Boroondara's local neighbourhood houses provide social events, childcare, training and courses for people of all ages and backgrounds in the local community.

### Boroondara Life website

Council developed a new website called [www.boroondaralife.com.au](http://www.boroondaralife.com.au) to profile the City's array of cultural, commercial and tourism offerings. As part of a three-month pilot program, the interactive website celebrates our City's dynamic urban culture and profiles Boroondara's most popular shopping strips, cafes, parks and gardens, schools and local history. Launched in May 2014, Boroondara Life was partly funded by a \$19,200 Streetlife Grant from the Victorian Government.

### Camberwell Market celebrates milestone

The iconic Camberwell Fresh Food Market turned 85 this year. The milestone was celebrated with the launch of an anniversary booklet and a family market day in late March 2014. During its 85 years, the market has weathered the Depression and a devastating fire in the 1990s. The market provides delicious produce from a range of butchers, fishmongers, florists, fruiterers, deli owners and cafes.

## Challenges

### The Boroondara Community Strengthening Grants Policy 2013

The development of the Boroondara Community Strengthening Grants Policy 2013 was a major undertaking for Council during 2013-14. The integration of various Council funding arrangements to unify objectives and create a streamlined grant management process required extensive consultation with key stakeholders and the consideration of diverse grant criteria. The formation of the overarching policy incorporates a consistent approach to strategically align grants to community needs.

### Competitive retail environment

The evolving Australian retail environment continues to place significant pressure on Boroondara's shopping centres, particularly with regard to the growth of the online retail sector. The City's shopping centres are under increasing pressure to identify and capitalise on their niche within the consumer market, in order for the individual businesses and centres to remain viable. This retail environment will continue to place pressure on Council to deliver services that support Boroondara's shopping centres.

### Control of electronic gaming machines

Since the proliferation of electronic gaming machines (EGMs) in the early 1990s, Council has become increasingly aware of the community's concern about the detrimental impact that EGMs can have on some members of the community. Council's role as advocate, partner, community educator and researcher, combined with regular legislative changes presents many challenges in relation to EGM gambling. In December 2013, Council adopted the Boroondara Responsible Gambling Policy 2013-18 with the goal of reducing the negative impacts of gambling and in particular, EGM gambling.

### Victorian's Public Library System

Council's response to the Ministerial Advisory Council's review of Victoria's public libraries sought a commitment from the Victorian Government to return to an equitable funding partnership with local government to support public libraries. Victorian Government funding has diminished over the past three decades from a 50:50 partnership to 81.9% funded by Boroondara and 18.1% funded by the Victorian Government. Council continues to advocate for a sustainable funding profile to continue the high quality public library service.

## Looking ahead

- Implement Digital Plan 2014-17 priority actions.
- Develop a Cultural Diversity Plan for Council consideration.
- Implement a city-wide safer driver and pedestrian awareness project.
- Plan for population growth, the increasing ageing community, and the growth in linguistically and culturally diverse residents.
- Deliver the immunisation program to approximately 6,000 additional students to cater for the new immunisation schedule of the Boostrix (Pertussis, Diphtheria and Tetanus) vaccine.
- Develop a stand-alone website for Boroodara Library Service to facilitate enhanced community access.
- Continue to respond to changes in legislations relating to food safety, environment protection, tobacco, and public health and wellbeing.
- Deliver streetscape improvements works at Burwood Village and Mount Street Shopping Centre, and commence design for the Harp Village Shopping Centre.
- Maximise retail spending in local shopping centres by promoting and educating local businesses of the existing tourism and visitor market opportunities.
- Develop a Children and Young Peoples Strategy 2015-20 to facilitate a coordinated service system.
- Implement year one actions of the Metro Access Community Building Plan 2014-19 and Positive Ageing Strategy 2014-19.

### Boroondara Youth Resource Centre

The new Boroondara Youth Resource Centre (BYRC), co-located with headspace, Australia's National Youth Mental Health Foundation, officially opened at the Hawthorn Arts Centre on 16 April 2014. The new centre provides a range of flexible spaces for young people to enjoy and participate in a range of exciting activities.

The City of Boroondara is a consortium member of the Australian Government funded headspace and operates the Youth Resource Centre. The co-location of headspace and the BYRC offers a modern space for a range of important services and resources for young people.

The BYRC offers support to youth and their families and provides information on health and wellbeing and programs and activities for youth.

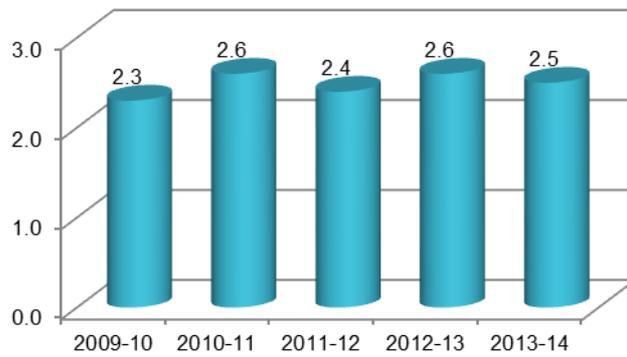
## Interesting facts

	2010-11	2011-12	2012-13	2013-14
Boroondara Community Voice Panel members	N/A	N/A	881	1,232
Volunteer referrals conducted by the Boroondara Volunteer Resource Centre	1,134	1,193	1,003	1,035
Attendance at the Kew Traffic School	6,119	7,034	5,179	6,028
Long day care places in Boroondara	1,635	1,728	1,744	1,727
Meals on wheels provided	37,040	36,739	32,396	29,140
<i>Note: Number of delivered meals continues to drop with increasing client choices of meals, affordability and access to meals at local supermarkets. Additionally, Active Service Model promotes clients to be more independent, including meal preparation, thus further lowering demand for delivered meals.</i>				
Library items borrowed	2.61 million	2.58 million	2.48 million	2.45 million
Active library members	43,207	42,909	42,712	43,566
Boroondara Farmers Market attendances	20,599	25,695	22,646	23,778
Hours of community and volunteer transport provided	10,455	8,128	8,313	8,397
Infant immunisation rate	93%	93%	92%	92%

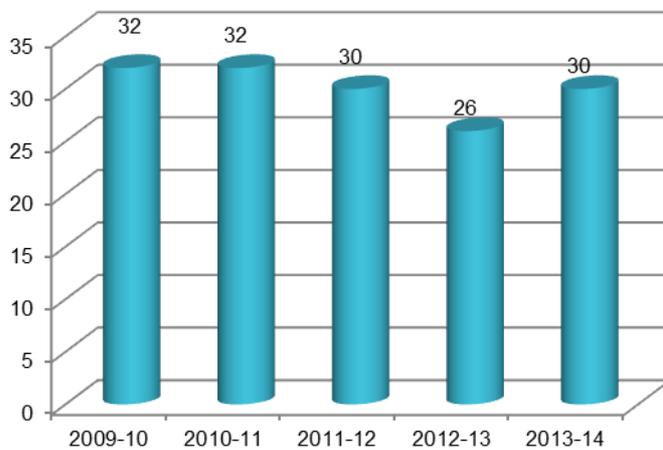
N/A - Data not available for that year.

## Graphical information

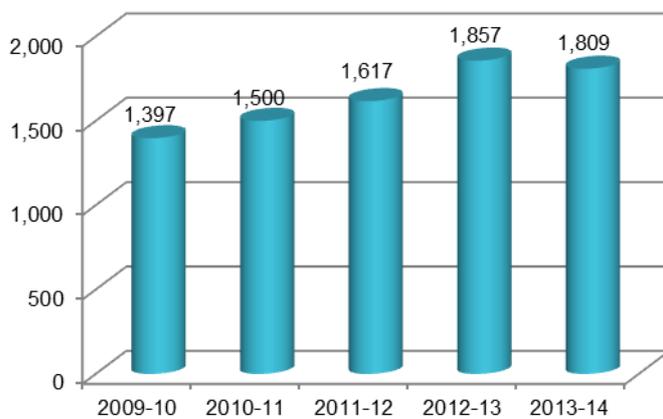
**Community grants and contributions  
(\$ Million)**



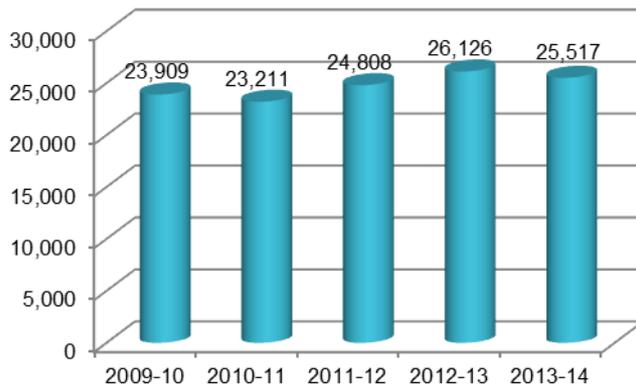
**Small business events**



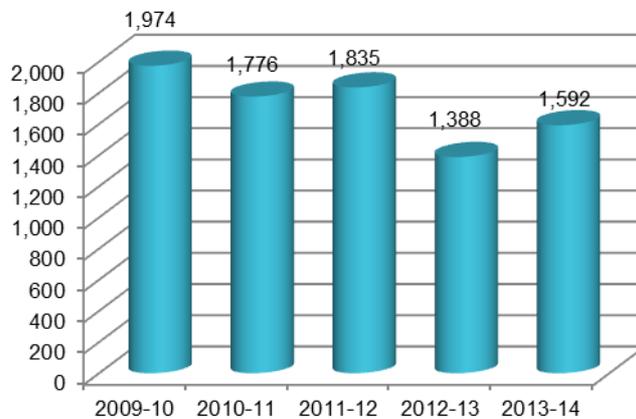
**Number of members of the Boroondara  
Business Network**



### Vaccinations administered

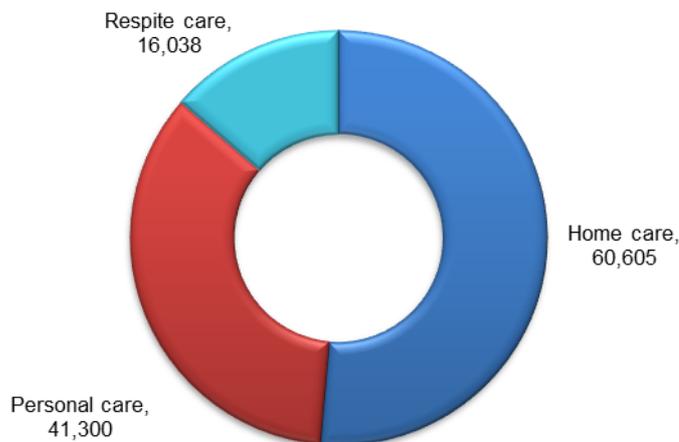


### Number of food premises inspected under the Food Act 1984

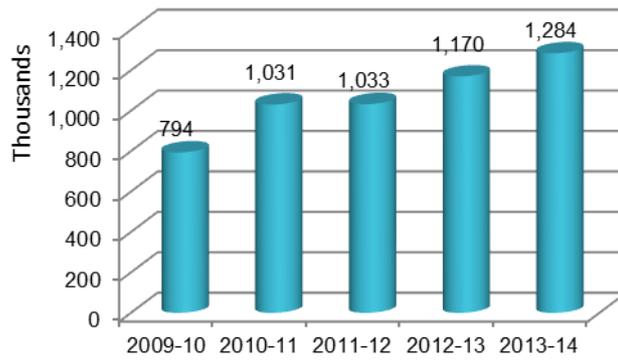


*Note: The Victorian Food Act 1984 requires that all registered food premises are audited for compliance at least once every calendar year and this has been consistently achieved. Many factors can impact on the number of audits conducted beyond this minimum requirement including the degree of non-compliance, an increase or decrease in the number of premises requiring a transfer audit prior to changing ownership, the audit of new premises and the impact of higher priority public health matters, such as disease outbreaks*

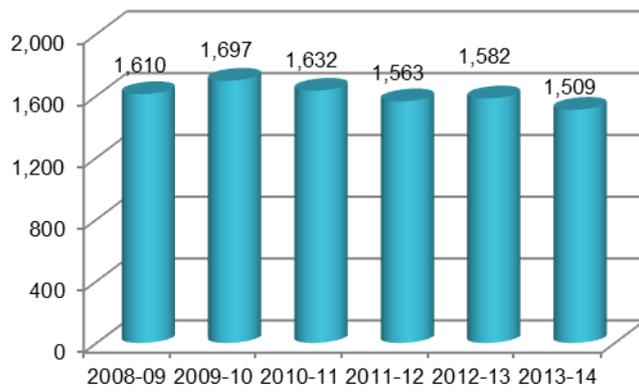
### Hours of ageing and disability care support provided



**Number of website visits**



**Number of births in Boroondara**



## Status of Annual Plan 2013-14 commitments

### Strategic Objective

Our community has a say in matters of interest to them in achieving Boroondara's vision.

### Strategy 1

#### Communications and Engagement

We will develop and offer a range of communications and engagement opportunities to meet differing and emerging community needs.

Commitment	Responsible Directorate	Status
1.1 Build on the community engagement policy and toolkit by creating a statutory planning specific process for consultation meetings.		
1.2 Improve community access to Council services and programs by providing a high standard of digital content for the Boroondara website.		
1.3 Improve democratic processes by ascertaining community views through the Boroondara Community Voice Panel.		
1.4 Enable our engagement with the community to continuously improve by ensuring that the Community Engagement Framework is fully utilised across Council.		

### Strategic Objective

Community needs are identified and responses planned accordingly.

### Strategy 2

#### Community inclusion

We will monitor and plan for the community's changing needs, aspirations and opportunities to contribute to community life.

Commitment	Responsible Directorate	Status
2.1 Assist in linking Council's community grants programs with the community's expectations and changing needs by consulting with the community and key stakeholders on the draft Grants Policy 2013-17.		
2.2 Inform Council planning and service delivery by producing a report on social disadvantage in Boroondara.		
2.3 Improve access to health services for people with a disability by producing a community resource, listing accessible health services in Boroondara.		
2.4 Explore options for a community hub in Balwyn North in order to plan for enhanced service provision to the community.		

## Strategic Objective

Opportunities are provided to enable people in our community to be supported and involved.

### Strategy 3

#### Local business

We will facilitate a positive business and community spirit by welcoming appropriate business investment and supporting existing commerce and local shopping centres.

Commitment	Responsible Directorate	Status
3.1 Improve the vitality of our local strip shopping centres by delivering streetscape improvement works at Riversdale Road East Shopping Centre.		
3.2 Develop a municipal wide approach for the City's shopping centres to engender a spirit of good will and celebration during Christmas.		
3.3 Strengthen the economic viability of local businesses through promotion and patronage of the City's shopping centres to support a 'buy local' culture within the community.		
3.4 Promote and enhance the operations of the Camberwell Fresh Food Market by completing a marketing strategy and commencing its implementation.		

### Strategy 4

#### Families and young people

We will plan, lead and facilitate high quality services to meet the needs of children, young people and their families.

Commitment	Responsible Directorate	Status
4.1 Provide an alternative model to assist kindergartens' administrative and financial responsibilities by providing opportunities for them to join existing cluster management agencies.		
4.2 Enable the provision of more flexible Early Years programs that respond to community needs by planning for the renewal of the Craig Family Centre's ageing infrastructure.		
4.3 Encourage good parenting by implementing the Government-initiated 'Baby makes 3' program with new parents.		
4.4 Increase the accessibility of programs for young people by the provision of a facility in Hawthorn that will co-locate headspace and Council's Youth Resource Centre.		

## Strategy 5

### Health and ageing

We will plan, facilitate and implement (where appropriate) programs to enhance the health, wellbeing and independence of Boroondara's community members, particularly older people and those with disabilities.

Commitment	Responsible Directorate	Status
5.1 Contribute to the health and wellbeing of the Boroondara community by presenting a draft Public Health and Wellbeing Plan 2013-17 to Council for adoption.		
5.2 Help meet the needs of people with a disability in Boroondara by developing a new Metro Access Community Building Plan.		
5.3 Contribute to improving the quality of life enjoyed by Boroondara's ageing community by developing a new Positive Ageing Strategy.		

## Strategy 6

### Library Services

We will continually evaluate our service and respond effectively to diverse and changing needs for knowledge and information.

Commitment	Responsible Directorate	Status
6.1 Provide high quality library services that meet community needs by completing the Ashburton Library and Learning Centre project.		
6.2 Ensure that library services are relevant and meet community needs by commencing development of a new Library Services Strategic Plan 2014-18.		

## Strategy 7

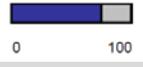
### Arts and culture

We will provide services, programs and facilities for the community to participate in a broad range of arts and cultural activities.

Commitment	Responsible Directorate	Status
7.1 Enrich the arts and cultural life of the Boroondara community by completing a new arts and cultural centre in Hawthorn.		
7.2 Ensure that the arts and cultural suite of programs offered by Council meet the needs and aspirations of the Boroondara community by commencing a review of the Arts and Cultural Strategy and reviewing programs as appropriate.		

## Results for Annual Plan 2013-14 strategic indicators

Performance Measure	2012-13 Result	2013-14 Target	2013-14 Result	2014-15 Target
<b>Strategic Objective</b>				
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 Community Satisfaction Survey.	62	66	63 	64
<i>Comment: Overall, 77% of respondents rated Council on Community Consultation and Engagement as Very Good, Good or Average. The percentage varies between demographic groups. The Victorian Government Community Satisfaction Survey result has a statistical level of confidence of +/-3. The actual result is in the range 60-66.</i>				
<b>Strategic Objective</b>				
Community needs are identified and responses planned accordingly.				
Applicant's satisfaction with annual grants information and procedures.	95%	80%	90% 	90%
<b>Strategic Objective</b>				
Opportunities are provided to enable people in our community to be supported and involved.				
Number of members of the Boroondara Business Network.	1,857	1,550	1,780 	1,800
Percentage of users satisfied with training and support initiatives for local business.	85%	80%	80% 	80%
Number of young people attending Youth Services programs or services.	2,982	2,400	2,357 	3,000
<i>Comment: Attendances are slightly lower than expected due to relocation of the new Youth Resource Centre.</i>				
Proportion of infants born who receive primary immunisations.	92%	90%	92% 	90%
Percentage satisfaction with Boroondara Maternal and Child Health Service.	97%	95%	94% 	97%
<i>Comment: In 2014 the Family and Children's Customer Satisfaction Survey was trialed as an online survey, receiving only 65 responses. The small sample population influenced the decrease in customer satisfaction regarding MCH. In 2015, a combined online and posted survey will be distributed to achieve an improved volume of responses.</i>				

Performance Measure	2012-13 Result	2013-14 Target	2013-14 Result	2014-15 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.	97%	95%	98% 	97%
Percentage satisfaction of the facilities for events at the Kew Court House.	100%	75%	95% 	95%
Percentage of Boroondara residents who are active borrowers.	32%	40%	32% 	32%
<p><i>Comment: Increased tendency for families to use only one card rather than individual member cards. This results in lower than anticipated statistics. The target has been revised for 2014-15 to cater for trends in family borrowing. This Strategic Indicator does not capture borrowers' use of other library services, such as programs, activities and use of the Library's database and hardware.</i></p>				
Number of community events programmed by Arts and Culture.	48	19	65 	50

## Sustainable environment

**Operating expenditure \$28.92 million**

**Equivalent full time positions 115.20**

### Strategic Objective

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

#### **Strategy 8 Living sustainably**

We will promote sustainability through sound environmental practice.

#### **Strategy 9 Parks, gardens and natural environment**

We will apply sustainable practices in managing our parks, gardens and sportsgrounds.

## Achievements

### **Integrated Water Management Strategy**

In May 2014, Council adopted the Integrated Water Management Strategy 2014-24. The purpose of the strategy is to define Council's approach to water cycle management and seek solutions that deliver benefits to the community and the environment. The adoption of the strategy sets guiding principles and four broad objectives with associated strategies for implementation over the coming decade.

### **Sustainable Living Festival**

In excess of 3,000 people attended the Sustainable Living Festival held on 15 February 2014. The festival aims to build community capacity by supporting residents to implement sustainable living initiatives through a range of fun and relevant displays, engaging activities and expert advice. Highlights of the festival included a native animal show, habitat gardening, being waste wise, live music and green cleaning.

### **Waste Smart Schools and Families Project**

Council delivered a waste education pilot project to seven local primary schools and three early education centres in Boroondara. The Waste Smart Schools and Families Project aims to test ways of reducing the amount of household waste going to landfill and explore solutions to other waste related problems. The project is supported by the Metropolitan Local Government Waste and Resource Recovery Fund.

### **Boroondara Open Space Strategy**

On 9 December 2013, Council adopted the Boroondara Open Space Strategy (BOSS). The strategy provides an overarching framework to manage Boroondara's public open space network to 2026 and establishes an open space program to improve the diversity and range of facilities in open space. In addition, the strategy will assist Council to identify areas where additional open space may be required.

### **Balwyn Park Concept Master Plan**

On 18 November 2013, Council adopted the Balwyn Park Concept Master Plan (BPCMP). The purpose of the plan is to ensure appropriate balance between passive, active and community uses and provide long-term planning and guidance for the development of Balwyn Park. Actions identified in the plan are to be progressively implemented over a number of years.

### **Winning the United Nations Association of Australia Local Government award**

Boroondara won the 'Local Government - Best Specific Environment Initiative category' for the submission 'Integrating and celebrating habitat and wildlife within Boroondara'. The award recognised the progress of first year actions from the Urban Biodiversity Strategy 2013-23, including the establishment of new biodiversity zones, delivery of the popular Backyard Biodiversity program, the design of new interpretive signage and assessment of 200 new indigenous trees on the Significant Tree List.

### **Hard Waste collection service**

In August 2013, as a result of positive feedback from the nine-month trial of a booked hard waste collection service, Council decided to continue the service for the next five years. Key messaging to promote the collection service resulted in the reduction of resident concerns regarding hard waste and street amenity. Council has received in excess of 20,000 requests for the booked hard waste collection service to date.

## Challenges

### **Adapting to climate change**

Climate change, primarily through an increase in the frequency and severity of extreme weather events, has implications for Council's assets and services. A key challenge for Council is to understand how climate change impacts the community and to plan for future trends. Consistent with Council's Risk Management Framework, high priority operational risks associated with climate change are to be identified.

### **Implementation of the Boroondara Biodiversity Asset Management Plan**

Planning for the implementation of the Biodiversity Asset Management Plan continued during 2013-14. The development of a reporting system to establish and build data for each biodiversity site has proved challenging for Council. The plan aims to guide the maintenance of all biodiversity sites, renew priority sites and extend targeted biodiversity sites to increase corridor connections through revegetation.

## Looking ahead

- Review the Sustainable Buildings Policy and Guidelines, which set out Council's commitments to achieving greater sustainability in the way its buildings are designed, built and used.
- Contribute to Boroondara becoming a more 'water sensitive city' by commencing the implementation of the Integrated Water Management Strategy.
- Develop a website and a social media presence to engage with residents and park users.
- Continue to implement the open space master plans by undertaking works at Victoria Park, and improvements to the Glenferrie Oval underpass.
- Commence year one of the revegetation of future biodiversity zones outlined in the Biodiversity Asset Management Plan.
- Develop a new management plan for Maranoa Gardens.

### City's streetlights going green

A total of 6,300 residential streetlights across Boroondara have been upgraded to new energy efficient lamps.

Citipower substantially completed the final stage of the project to change over Boroondara's residential streetlights to sustainable T5 fluorescent lamps in April 2014, reducing Council's streetlight energy consumption by up to 68%.

The new streetlights should see savings in Council's energy utility costs and in addition, reduce our carbon footprint by over 1,750 tonnes per year.

Commencing in 2010, Council committed \$2.27 million towards the upgrade, with the Australian Government contributing a further \$460,786 as part of its Community Efficiency Program.

The switch over was carried out as part of Council's Our Low Carbon Future Strategy.

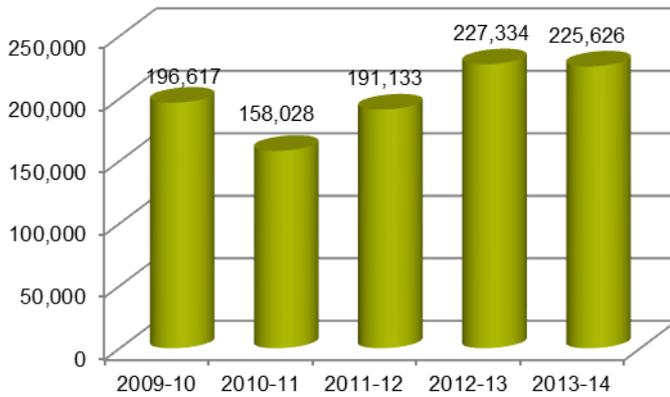
## Interesting facts

	2010-11	2011-12	2012-13	2013-14
Tonnes of green waste collected	18,582	20,509	19,101	20,209
Tonnes of household recyclables collected	22,811	22,482	22,223	21,637
Tonnes of household waste collected	39,502	39,212	39,147	37,826
Bins collected	N/A	7.47 million	7.87 million	7.71 million
Households participated in the Backyard Biodiversity Project	40	61	76	59
Living for our Future workshop participants	524	530	369	390

*N/A - Data not available for that year.*

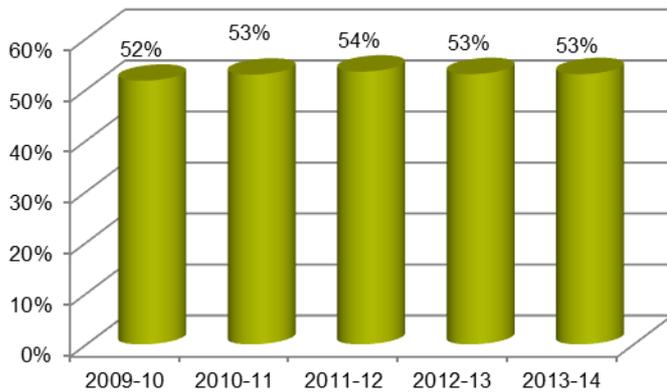
## Graphical information

**Council's mains water consumption (kl)**

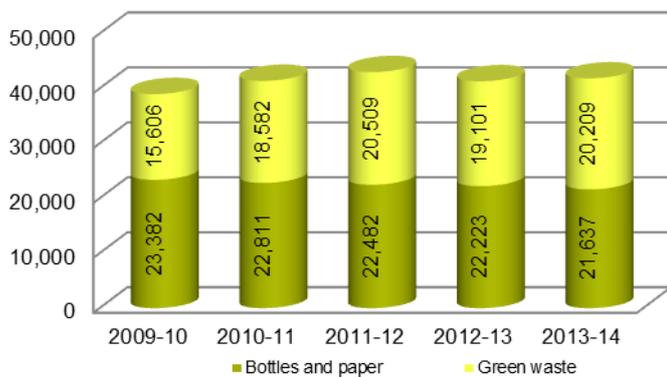


*Note: Some sites required upgrade or installation of drainage and irrigation systems to maintain playing fields to an adequate standard. This, in combination with 2013-14 being the driest summer since the drought ended in 2009, has increased water use in some areas.*

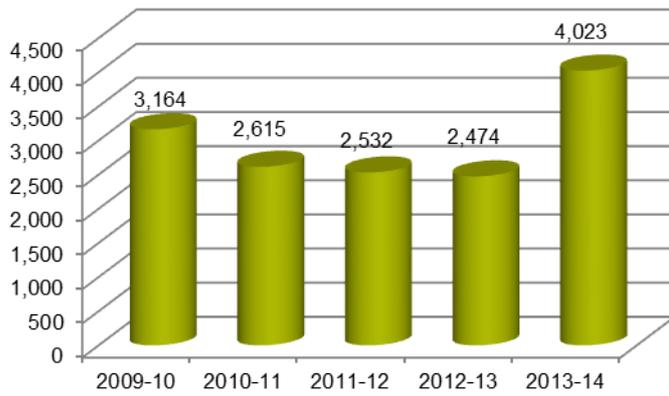
**Diversion from landfill trend**



**Recyclables collected (Tonnes)**



### New trees planted



*Note: The 2013-14 result is due to increased revegetation as part of implementation of the Biodiversity Asset Management Plan.*

## Status of Annual Plan 2013-14 commitments

### Strategic Objective

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

### Strategy 8

#### Living sustainably

We will promote sustainability through sound environmental practice.

Commitment	Responsible Directorate	Status
8.1 Contribute to Boroondara becoming a more 'water sensitive city' by presenting an Integrated Water Management Strategy (with targets) for Council adoption.		
8.2 Provide effective and efficient hard waste collection by reviewing the trial of our booked hard waste service and implementing actions.		

### Strategy 9

#### Parks, gardens and natural environmental.

We will apply sustainable practices in managing our parks, gardens and sportsgrounds.

Commitment	Responsible Directorate	Status
9.1 Ensure appropriate balance between passive, active and community uses of Balwyn Park by preparing a Concept Masterplan that provides long-term planning and guidance.		
9.2 Ensure the amenity and health benefits provided by Council's street trees are protected by developing and implementing an improved management plan that responds to electrical line clearance regulations.		
9.3 Present a report to Council in 2013 recommending the adoption of the Boroondara Open Space Strategy.		

## Results for Annual Plan 2013-14 strategic indicators

Performance Measure	2012-13 Result	2013-14 Target	2013-14 Result	2014-15 Target
<b>Strategic Objective</b>				
Our natural and urban environment is improved in a sustainable way.				
Tonnes of CO <sub>2</sub> 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>	24,930 tCO <sub>2</sub> e*	Less than 25,000 tCO <sub>2</sub> e	23,866 tCO <sub>2</sub> e* 	Less than 24,000 tCO <sub>2</sub> 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.	53%	53%	53% 	53%
Customer Satisfaction Survey, measures user satisfaction with a range of parks in Boroondara, benchmarked with 17 other councils.	82%	80%	85% 	82%

## Enhanced amenity

**Operating expenditure \$19.45 million**

**Equivalent full time positions 127.91**

### Strategic Objective

The character of our neighbourhoods is protected and improved.

#### **Strategy 10 Land use, planning and building**

We will engage with our community in striving for protection and enhancement of the natural and built environment.

#### **Strategy 11 Parking, traffic and transport**

We will respond effectively and efficiently to community needs on parking, traffic and appropriate transport issues.

#### **Strategy 12 Safety and amenity**

We will implement appropriate policies, strategies and practices that will improve neighbourhood amenity and safety.

## Achievements

### **Camberwell Junction discussion paper**

In early 2014, Council developed a Discussion Paper *Camberwell Junction: bringing our laneways to life*, to assess community interest in improving the function, character and economic viability of laneways within Camberwell Junction. Camberwell Junction has an expansive network of over 50 laneways and feedback from consultation indicated community support for laneway improvements. As a result of the high level of community interest, a City-wide Boroondara Laneways Strategy is to be developed in 2014-15.

### **2014 Boroondara Urban Design Awards**

The winners of the 2014 Boroondara Urban Design Awards were announced on 12 June 2014. The awards provide an opportunity to showcase high quality urban design and architecture in Boroondara. The judging panel, comprising Councillors and urban design experts, decided awards in four categories against design criteria including creativity, access, sustainability, landscape, activity and animation.

### **Animal Welfare Emergency Management Plan**

During 2013-14, Council developed the Animal Welfare Emergency Management Plan. The plan describes the emergency response roles and management structures required to ensure that animal welfare matters are appropriately considered and addressed in an emergency. The plan was adopted as a sub-plan of the Municipal Emergency Management Plan on 13 March 2014.

### **Cameras improve safety in Glenferrie entertainment precinct**

As a result of an ongoing partnership between Council, Boroondara Police and local traders, eight closed circuit television (CCTV) surveillance cameras were installed in the Glenferrie entertainment precinct in October 2013. The cameras make it easier for police to monitor anti-social behaviour and assist with apprehending and prosecuting offenders.

### **Municipal Emergency Management Audit**

Every three years the State Emergency Service (SES) audits the Municipal Emergency Management Plan (MEMPlan). Legislation requires Council to maintain a MEMPlan which reflects how Boroondara will support Victoria Police in the case of a significant emergency event. Council achieved 24 out of 24 best practice results assessed for the audit.

### **Construction Management Plan Guidelines**

Council has created guidelines to assist builders and developers to prepare construction management plans. The guidelines detail the information Council requires for the assessment of construction management plans including noise, dust control, construction vehicle access and trade parking. The guidelines identify common construction issues and aim to manage amenity impacts associated with major construction activity.

### **Camberwell Junction Access Plan and Parking Study**

Council adopted the Camberwell Junction Access Plan and Parking Study on 16 June 2014. The study focuses on transport access to Camberwell Junction and looks at existing and future transport challenges. The recommendations of the plan capture high value opportunities to improve transport choice together with enabling improved urban environments.

### **Amendment C108 - Neighbourhood Shopping Centres and Commercial Corridors**

On 23 June 2014, Council adopted Amendment C108 to the Boroondara Planning Scheme which sets out the planning provisions for Boroondara's 31 neighbourhood centres and three commercial corridors. Council's decision follows five years of significant community consultation which commenced with the project's inception in 2009. The adopted planning provisions will help protect the valued streetscape character of the centres and corridors and guide appropriate development outcomes in the City's neighbourhood centres and commercial corridors.

## Challenges

### **Increase in application numbers**

The number of planning applications received by Council significantly increased during 2013-14, primarily due to Amendment C190 to the Boroondara Planning Scheme. The amendment introduces new residential zones across the City and applicants sought to secure transitional rights by lodging applications prior to a decision being made on the amendment. Application numbers received increased by 52% compared to the previous year.

### Control of charity bins

The number of clothing bins in Boroondara has increased over time. In response to the amount of dumped waste associated with clothing bin sites and the related negative amenity impacts, Council conducted a review of the operation of clothing bins within Boroondara. As a result of the review, Council determined to only allow clothing bins operated by registered charities. The number of clothing bins is also being reduced from approximately 250 bins to 44 bins.

### Implications of planning reforms

During 2013-14, the Victorian Government continued to reform legislation including the introduction of Plan Melbourne, changes to the State Planning Policy Framework and changes to the Planning and Environment Regulations to accommodate new VicSmart permit process. The reforms required Council to amend processes and update relevant documentation to ensure new considerations from the legislative changes were appropriately applied.

### Looking ahead

- Implement new changes proposed by the introduction of the Building Legislation Amendment Bill 2014.
- Implement an electronic building lodgement application system.
- Explore online payment options for all Local Laws related transactions.
- Maintain service levels following the increase in planning applications lodged in the lead up to the introduction of new residential zones across the City.
- Change processes and documentation to ensure statutory time frames are achieved with the introduction of the fast track planning assessment process 'VicSmart' in September 2014.
- Advocate to Victorian Government in relation to road development activities.
- Commence the planning scheme amendment which reviews the Boroondara Planning Scheme, including the Municipal Strategic Statement.
- Review the Commercial Street Furniture Guidelines in consultation with relevant stakeholders.
- Investigate and evaluate new parking enforcement technology to assist in the equitable provision and distribution of car parking across the City.
- Invite the community to identify any anomalies resulting from the introduction of the new residential zones and prepare a

planning scheme amendment to correct these.

### Principal Pedestrian Network Demonstration Project

The Principle Pedestrian Network Demonstration (PPND) project researched and modelled existing walking opportunities in the Camberwell Junction Precinct to identify areas that could be improved. The research resulted in improvements to the Cookson Street and Camberwell Road corridors, which were then promoted through the Try Walking initiative.

Significant pedestrian improvements along Cookson Street and Camberwell Road included street lighting, wayfinding signage, road space relocation, raised side road crossings and regular seating.

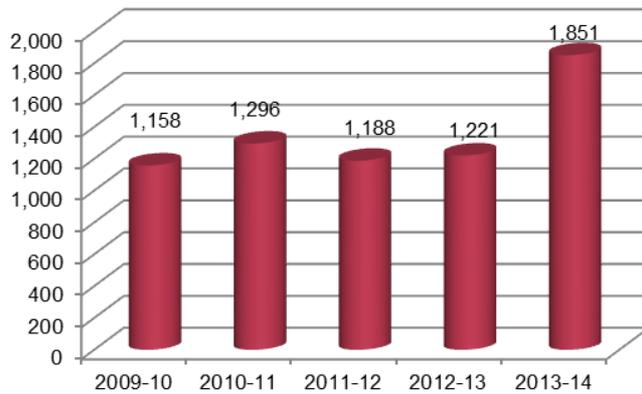
The PPND was delivered in partnership with the Department of Transport Planning and Local Infrastructure, and infrastructure and behavioural change initiatives have been jointly funded by the City of Boroondara and the Australian Government's Liveable Cities Program.

## Interesting facts

	2010-11	2011-12	2012-13	2013-14
Asset protection permits issued	1,127	1,137	1,059	1,120
Vehicular crossover permits issued	437	425	445	415
Stormwater inspections	158	156	135	87
Street party applications processed	28	32	42	38
Rounds played at the Freeway Golf Course	54,767	54,964	53,838	52,022
Building permits issued	2,801	2,606	2,594	2,676
Building permits inspected	1,192	1,121	931	958
Swimming pool and spa safety barrier inspections	NA	49	65	29
<i>Note: Proactive pool safety inspections were limited to 29 inspections due to officers being allocated to other enforcement matters.</i>				
Planning applications received	1,296	1,188	1,221	1,851
Planning applications processed	1,214	1,205	1,184	1,372

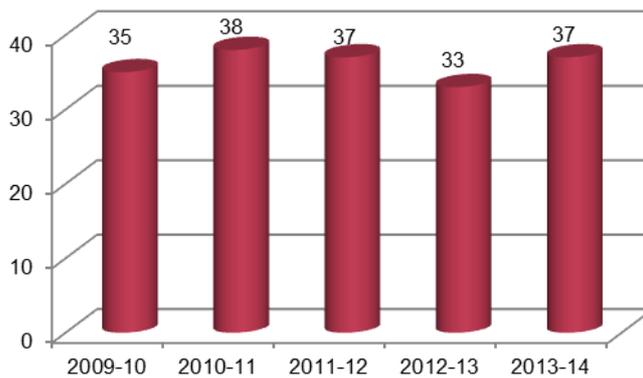
## Graphical information

### Planning applications received



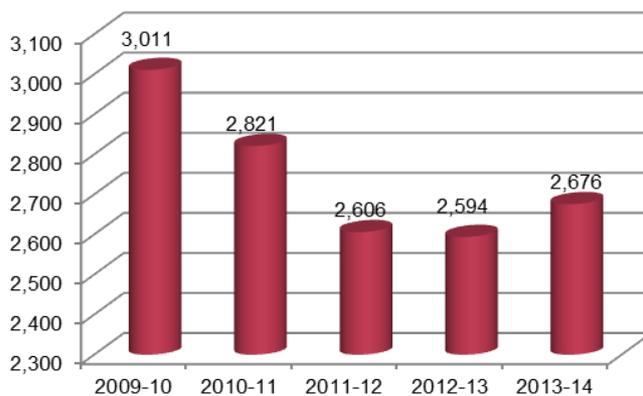
*Note: The substantial increase in the number of planning applications received is a result of the submission of Amendment C190 to the Minister for Planning.*

### Average days to process planning applications



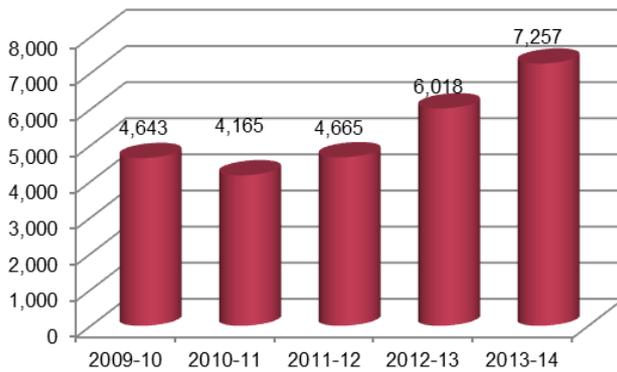
*Note: There has been 52% increase in planning applications received for 2013-14 compared to the previous year.*

### Building permits issued in Boroondara



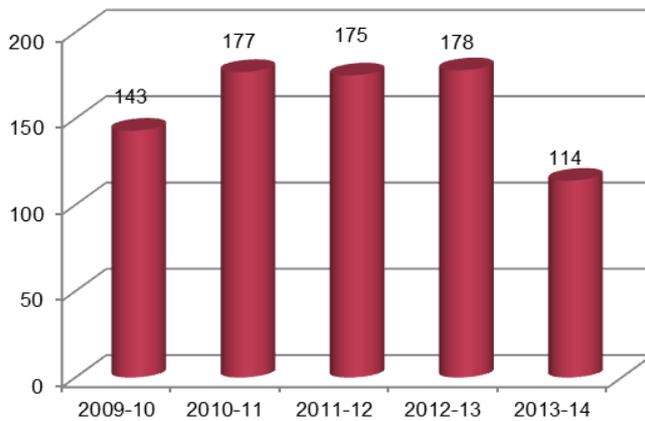
*Note: The number of building permits increased during 2013-14 could be attributed to the low interest rates or residents applying for building permits prior to the introduction of the amendments to the Residential Zones in the Planning Scheme.*

### Graffiti removal requests completed



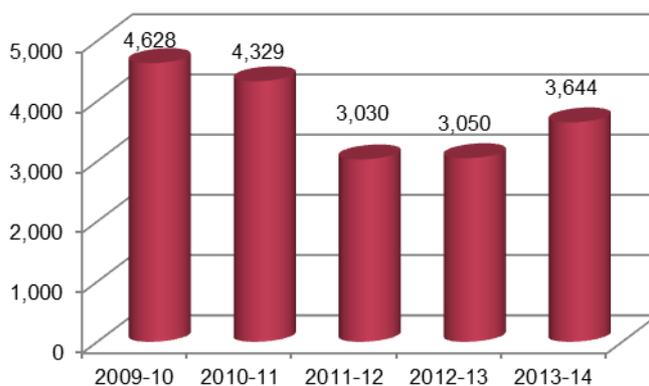
*Note: There was a large increase in graffiti removal requests as Council is now promoting the graffiti hotline and reporting more frequently to Boroondara residents through different media streams. One being through the Online Bulletin and the other through the 'Graffiti pamphlet' which is available in hard copies in Libraries and Customer Service Counters.*

### Number of VCAT appeals against Council's planning decisions



*Note: Reduction in the number of appeals in 2013-14 compared to previous years is likely to be attributed by the substantial increase in the fee to lodge an appeal, as well as changes to processes enabling councils to amend planning permits issued at the direction of VCAT, rather than these matters needing to return to VCAT*

### Number of responses from Building Services for property advise requests



*Note: The variance in responses for property information requests is directly related to the variance in Building Permits.*

## Status of Annual Plan 2013-14 commitments

### Strategic Objective

The character of our neighbourhoods is protected and improved.

### Strategy 10

#### Land use, planning and building

We will engage with our community in striving for protection and enhancement of the natural and built environment.

Commitment	Responsible Directorate	Status
10.1 Provide clarity for applicants on what information is needed for the assessment of Construction Management Plans by producing digital and hard copy information sheets and templates.		
10.2 Improve the function, character and economic viability of Camberwell Junction's hidden laneways by preparing a Camberwell Junction Laneways discussion paper that investigates and outlines opportunities.		

### Strategy 11

#### Parking, traffic and transport

We will respond effectively and efficiently to community needs on parking, traffic and appropriate transport issues.

Commitment	Responsible Directorate	Status
11.1 Maintain safety in and around schools by reviewing the School Crossing Parking Enforcement Patrol Program which will contribute to a more effective and equitable spread of patrols across the city.		
11.2 Contribute to reduced parking demand in Camberwell by developing sustainable travel plans with Camberwell traders.		

**Strategy 12**

**Safety and amenity**

We will implement appropriate policies, strategies and practices that will improve neighbourhood amenity and safety.

Commitment	Responsible Directorate	Status
12.1 Reduce the risk of possible occupant injury or risk to the public in the event of fire by developing a fire safety inspection and audit plan for high risk buildings.		
12.2 Provide protection for Boroondara's character and amenity by advocating Council's position during the development of the new Melbourne Metropolitan Strategy.		
12.3 Provide recovery, short term housing, relocation and overall management of animals in the event of an emergency by developing and implementing an Animal Welfare Emergency Management Plan.		
12.4 Continue to advocate for effective freeway noise abatement.		

## Results for Annual Plan 2013-14 strategic indicators

Performance Measure	2012-13 Result	2013-14 Target	2013-14 Result	2.14-15 Target
<b>Strategic Objective</b>				
The character of our neighbourhood is protected and improved.				
Percentage of building permits approved within 30 days.	100%	80%	99% 	95%
Percentage of planning applications processed within 60 days.	89%	80%	83% 	80%
Percentage of graffiti removed from Council owned assets within 48 hours of notification.	93%	95%	96% 	93%

## Quality facilities and assets

**Operating expenditure \$20.68 million**

**Equivalent full time positions 85.90**

### Strategic Objective

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

#### **Strategy 13 Managing assets**

We will implement strategies for the development and ongoing renewal of Council's physical assets.

#### **Strategy 14 Leisure and sporting facilities**

We will manage, develop and improve the City's leisure and sporting assets for long-term sustainability, amenity and public safety.

## Achievements

### Footpath Management and Maintenance Review

During 2013-14, Council conducted a review of the management and maintenance of footpaths. The project has resulted in a positive change in inspection and remedial practices to Council's management of footpaths. In addition, the number of path defects above the intervention level specified in Council's Road Management Plan has significantly reduced.

### Opening of Ashburton Library and Ashburton Community Centre

The refurbished Ashburton Library and Ashburton Community Centre opened on 21 November 2013. The new Ashburton library features expanded spaces for individual study, group activity and a range of welcoming and flexible spaces to accommodate planned activities and events, including art and craft activities, language classes, discussion groups and IT workshops.

### Sport and Recreation Strategy consultation

Community consultation for the new Sport and Recreation Strategy was undertaken. The consultation captured participation data and identified current trends, issues and opportunities related to sport and recreation in Boroondara. The information collected will inform the development of the draft Sport and Recreation Strategy due for completion in 2014-15.

### Planning of the Boroondara Sports Complex

Planning for the consolidation of the Boroondara Sports Complex and Balwyn Leisure Centre continued during the year. Draft concept plans were prepared and significant consultation was undertaken to obtain feedback from the community for the new facility. Consultation with local residents included the distribution of over 3,400 project bulletins, surveys and information sessions. The final design for the project is to be completed in 2014-15, with works scheduled to commence in February 2015.

### Beckett Park playground renewal

Boroondara's third largest playground, situated in Beckett Park, was upgraded during 2013-14. The renewed playground includes a fenced sandpit, large shade sail, large wooden maze and an in-ground trampoline. The playground offers a variety of play opportunities for children of all ages.

## Challenges

### Capital works

Council aimed to complete 90% of capital projects by the conclusion of 2013-14, based on the number of projects. Project delays due to unforeseen circumstances, including protracted negotiations with external parties, adverse weather conditions and variation of project scope, presented a challenge to Council. Despite some project delays due to these factors, Council completed 95% of capital projects during 2013-14.

### Installation of a bicycle bridge

The installation of a new pedestrian and bicycle bridge over Gardiners Creek, near Glenferrie Road was delayed as a result of lengthy negotiations with the Victorian Government, Transurban and key stakeholders. The challenge for Council was to find a solution that best met the needs and concerns of all interested parties. Construction of the bridge commenced in May 2014.

## Looking ahead

- Develop a new Graffiti Strategy and implementation plan with emphasis on assets managed by other public authorities.
- Introduce Flood Map for areas outside of the Melbourne Water Special Building Overlay.
- Implement the new information management system for sports clubs and sportsground management.
- Ensure that the service levels contained in the Road Management Plan are achieved and that these outcomes are regularly reported.
- Commence construction of the Craig Family Centre Early Years facility to increase early years programs.
- Complete the Ashburton Pool and Recreation Centre Renewal Project.
- Develop a City-wide Laneways Strategy which will seek to unlock the potential of Boroondara's Laneways.
- Create urban public places at the new Hawthorn Arts Centre Civic Space and the northern exterior of the Camberwell Fresh Food Market.
- Continue to provide services to the sporting community with an increased focus on community health and recreation.

### **Hawthorn Aquatic and Leisure Centre reopens**

The new \$27 million project has seen the construction of a first-class facility which opened on 30 April 2014. The new facility provides users with leisure and recreational opportunities through the provision of new and enhanced services to meet a variety of health, recreation and leisure needs. These include 50m x 20m outdoor heated pool, 20m x 10m indoor water pool, spacious health club, combined program space for aerobics, pilates, yoga, older adult classes and other group training options, health suites suitable for physiotherapy, massage and other allied health services, a large café and childcare facilities.

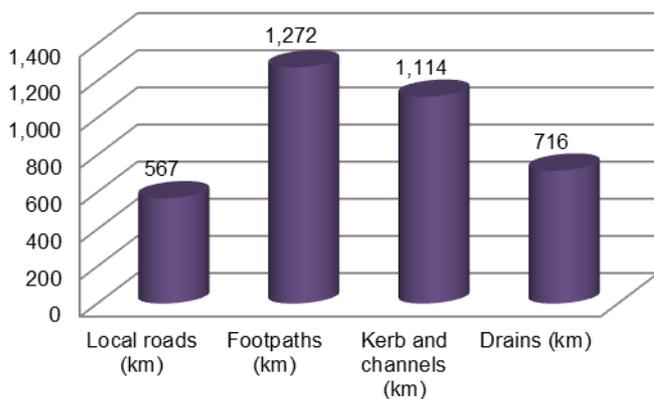
## Interesting facts

	2010-11	2011-12	2012-13	2013-14
Children undertaking safety aquatic training	N/A	4,812	4,619	5,014
Sporting pavilion upgrades	11	4	6	7
Sporting pavilion constructed	1	0	2*	1
<i>Note: *The Burwood Reserve Pavilion was funded over two financial years and was completed in 2012-13.</i>				
Drainage pipes installed	5.64km	5.45km	3.84km	4.01km
Drains surveyed using closed circuit TV	7.5km	4.2km	2.5km	5km
Roads surfaced	37.01km	31.70km	31.70km	37.90km
Kerb and channel replaced	14km	23km	12.4km	14.1km

*N/A - Information not available for that year.*

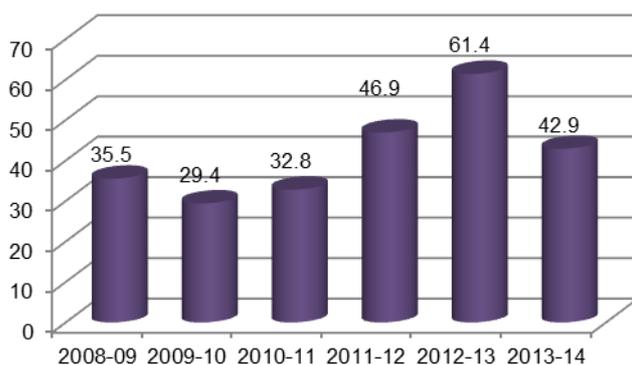
## Graphical information

**Kilometres of types of assets**

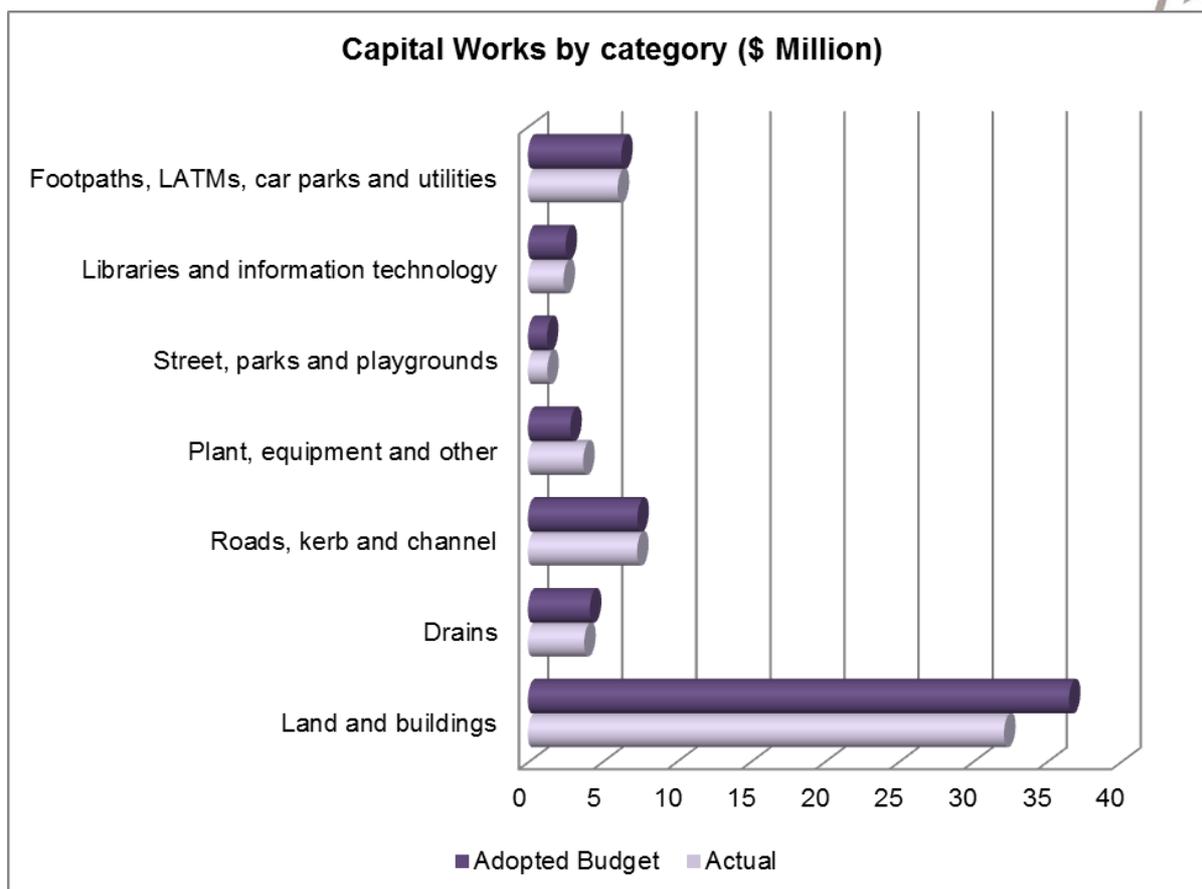


*Note: Data is for locally maintained asset classes only and therefore exclude VicRoads maintained assets.*

**Renewal Capital Works Expenditure (\$ million)**

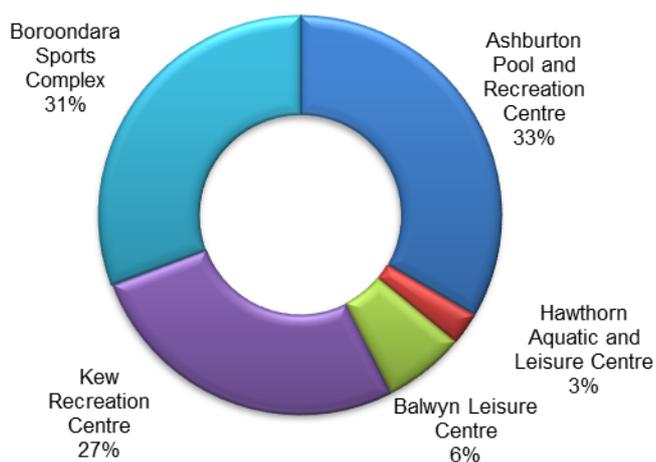


*Note: The 2012-13 level of renewal expenditure was increased by major projects undertaken in that year.*



Note: Council achieved its expenditure target of completing 90% of the capital works program.

### Leisure and recreation centre attendances



Note: Total attendance 2.54 million.

## Status of Annual Plan 2013-14 commitments

### Strategic Objective

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

### Strategy 13

#### *Managing assets*

We will implement strategies for the development and ongoing renewal of Council's physical assets.

Commitment	Responsible Directorate	Status
13.1 Provide a safe and functional footpath network by undertaking annual risk inspections and programming defects for remedial action.		
13.2 Create an exciting new public space for the community and its traders by commencing improvement works to revitalise the Camberwell Fresh Food Market and its surrounds.		

### Strategy 14

#### *Leisure and sporting facilities*

We will manage, develop and improve the City's leisure and sporting assets for long-term sustainability, amenity and public safety.

Commitment	Responsible Directorate	Status
14.1 Provide enhanced leisure and recreational opportunities through the provision of new and expanded services that will be available at the new Hawthorn Aquatic and Leisure Centre including: a warm water indoor pool, expanded gymnasium and flexible program rooms.		
14.2 Enhance sport and recreational opportunities for the community that are relevant to their needs through the review and development of the Boroondara Sports Strategy 2014.		
14.3 Optimise use of Council facilities to meet changing community needs by undertaking a community facilities audit.		

## Results for Annual Plan 2013-14 strategic indicators

Performance Measure	2012-13 Result	2013-14 Target	2013-14 Result	2014-15 Target
<b>Strategic Objective</b>				
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%	100%	100% 	99%
Percentage of capital projects completed at the conclusion of the financial year (based on number of projects).	94%	90%	95% 	90%
Percentage of adopted capital projects completed at the conclusion of the financial year (based on the most recent amended budget).	86%	90%	90% 	90%
Number of proactive strip shopping centre maintenance inspections completed.	158	98	191 	98
Percentage of users satisfied with the Boroondara leisure and aquatic centres.	92%	85%	87% 	85%

## Responsible management

**Operating expenditure \$23.18 million**

**Equivalent full time positions 138.81**

### Strategic Objective

Decision-making in the delivery of high quality services by capable and professional people reflects transparent, accountable and fair behaviours.

#### **Strategy 15 Governance**

We will ensure Council is open, transparent, inclusive and accountable to the community by having sound processes for making and implementing decisions.

#### **Strategy 16 Business support**

We will continuously improve and implement processes for service delivery and reporting practices.

#### **Strategy 17 Customer responsiveness**

We will support a culture of innovation and improvement to ensure we continue to offer a relevant, responsive and friendly service to the community.

#### **Strategy 18 People support and development**

We will continuously improve capability for service delivery and ensure that the City of Boroondara is seen as an employer of choice.

### Strategic Objective

Sound financial and risk management practices are carried out.

#### **Strategy 19 Financial management**

We will provide customer-focused financial management processes, budget systems and valuation practices in accordance with professional standards and legislative requirements.

#### **Strategy 20 Risk management**

We will provide risk management processes in accordance with professional standards and legislative requirements.

## Achievements

### Customer Service improvements

A targeted coaching program informed by 'mystery shopping' work saw an increase in annual community satisfaction with customer responsiveness from 74% to 76% this year. This is significantly higher than the state-wide average. Interestingly, service satisfaction is higher among those who contact Council in person or by telephone and less than when contact is by email. A program has been put in place to review email quality and processes to understand expectations and improve the customer experience.

### Culturally and linguistically diverse communications

Council launched an easy to use, free interpreting service as well as a suite of print and online translated information. Boroondara is home to many people with diverse cultural and linguistic backgrounds and the new service aims to improve awareness of the range of Council services available to these communities. Boroondara is the City of Harmony and Council is committed to the inclusion of all community members in community life.

### Celebrating new Australian citizens

Eight ceremonies were held during the year to welcome 774 new Australian citizens. Each year at the Australia Day ceremony we honour local residents who have exhibited an outstanding commitment to the community. Refer to the feature article 'Honouring Outstanding Residents' for the details.

### Fire Services Property Levy

As of 1 July 2013, all Councils in Victoria became responsible for collecting a Fire Services Property Levy (FSPL) through the annual rates notice. To administer the new levy, Council developed systems and amended processes in conjunction with annual rate notices. The levy was introduced as a recommendation from the Victorian Bushfire Royal Commission to ensure every Victorian property owner contributes a fair share.

### Award winning Annual Report

Council received its seventh consecutive Gold Award from the Australian Reporting Awards for the 2012-13 Annual Report. In addition, the Annual Report was awarded the Best Sustainability, Best Performance Reporting and Best Overall Annual Report for Victorian Councils by the Municipal Association of Victoria.

### PC refresh project

During 2013-14, Council replaced approximately 780 desktop PC's and laptops throughout the organisation. The project included an upgrade to Microsoft Windows and MS Office and was completed with minimal disruption to Council business. The PC refresh project ensures the reliable operation of Council's desktop fleet for the next four years.

### Occupational Health and Safety Program

As introductory Occupational Health and Safety Program training, ten half day OHS Management System (OHSMS) Leaders workshops were conducted during 2013-14. As all leaders in the organisation are responsible for ensuring the core elements of the OHSMS is properly managed and integrated into core business activities, the workshops focused on embedding newly released OHS policies and procedures in day-to-day operations.

### Upgraded Council systems

A number of Council systems were updated during the year. A new product called 'Health Manager' was installed to manage Council's health system and Conquest, Council's asset management system was upgraded to version three. Benefits of the upgrades include improved functionality and efficiency as well as improved mobile capability.

## Challenges

### Increased Freedom of Information requests

The number of Freedom of Information requests received by Council increased by 35% during 2013-14. The increased demand presented a challenge to complete requests with limited resources and in accordance with legislation. Despite the increased demand, 100% of Freedom of Information requests were responded to within prescribed timeframes.

### Introduction of the Local Government Reporting Framework

The introduction of the Local Government Reporting Framework requires all Councils to implement a common set of performance measures. It was necessary for Council to develop procedures to integrate the new set of measures into an existing corporate reporting framework. Reporting on the Local Government Reporting Framework commences in 2014-15.

### Replacement of Electronic Document and Records Management System (EDRMS)

The performance of Council's Electronic Document and Records Management System (EDRMS) is an ongoing challenge for Council. A review was conducted during the year to examine the performance of the system and consider emerging information management needs. As a result of the review, planning has commenced to replace Council's electronic document management system in 2014-15.

### Looking ahead

- Manage mobile communications and remote access to Council systems to improve efficiency and customer service so officers can increasingly manage data entry and department processes in the field.
- Ensure a safe work place through the delivery of occupational health and safety risk reduction workshops.
- Maintain standards and produce financial reporting that demonstrates financial stewardship to the community through more transparent and accountable financial reporting.
- Manage the increasing resource demands for the processing of Freedom of Information requests.
- Meet increasingly complex regulatory and compliance obligations and expectations imposed by external authorities and other levels of government.
- Manage the Local Government Performance Reporting Framework (LGPRF) to ensure Boroondara's data is accurate.
- Ensure the Strategic Resource Plan includes information on all Strategies adopted by Council as per the recent amendment to section 126 of the *Local Government Act 1989*.
- Develop a customer experience improvement strategy to ensure delivery of value and service to ratepayers.
- Improve customer service through enabling online payment options for a wider range of Council services.
- Ensure critical services are able to be delivered to the community with minimal disruption in the event of a crisis by development of Business Continuity Plans for all critical tier level departments.
- Enhance responsiveness to our residents through upgrading Council's Document Management System and introduction of a Customer Relationship Management System (CRM).

### Leadership Development Program

In 2013-14, 18 employees completed the Leadership Development Program. The program was specifically designed to accelerate the leadership development of individuals and to build leadership capacity for Council.

Participants undertook action-learning based projects to assist in developing behaviours to achieve alternative or new outcomes as well as the opportunity for participants to fine-tune their leadership skills.

The program was a talent development initiative emanating from the People Strategy. Seventeen staff members have recently commenced the second round of the Leadership Development Program.

## Honouring Outstanding Residents

### **Citizen of the Year - Jenny Cheng**

When Jenny founded the Boroondara Stroke Support Group (BSSG) in 2002, it had just five members. Today it suggests more than 90 members and conducts two meetings a month to offer stroke survivors a social, active and inclusive environment.

Thanks to Jenny's perseverance and dedication, stroke survivors, carers, volunteers and their families now have access to a wide range of local services, and a support network that nurtures health, happiness and friendship. The BSSG is widely recognised as one of the most active groups of its type in Australia. In 2012, Jenny launched the Chinese Stroke Support Group.

### **Young Citizen of the Year - Jayden Battey**

An active member of the Camberwell High School community, Jayden has coordinated the school's 40-Hour Famine appeal for the past five years, helping raise more than \$14,000 in the process. Jayden has also had significant involvement in focus groups and forums focused on building a culture of respect and responsibility at the school.

As well as enhancing his community, Jayden recently started volunteering his time at Candlelight Productions, a non-profit arts organisation that uses different forms of art to build community and shape culture.

### **Volunteer of the Year - Bruce Nation**

Since 2010, Camberwell resident Bruce has coordinated the World Vision Kids Hope AUS program at Glen Iris Primary School. This mentoring program led by World Vision helps disadvantaged children who require additional support with education, self-confidence and wellbeing.

Bruce initiated the program at Glen Iris Primary School in conjunction with the Glen Iris Road Uniting Church, and now leads and manages the team of mentors, carefully matching them with children in consultation with school staff.

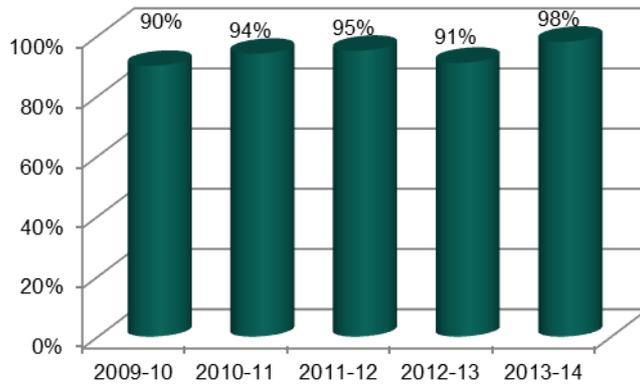
As well as coordinating the program, Bruce has been an exceptional mentor to the students with whom he works, often going above and beyond the call of duty.

## Interesting facts

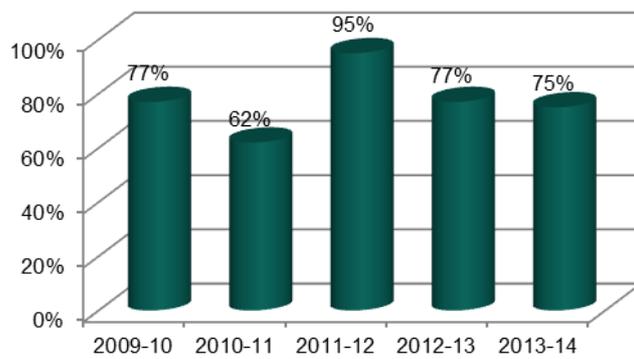
	2010-11	2011-12	2012-13	2013-14
New citizens declared	812	624	653	774
Citizenship ceremonies	6	6	9	8
Council and Committee meetings	67	64	56	56
Verbal submissions heard by Councillors at Council and Special Committee meetings	445	324	340	435
Number of Freedom of Information requests received	43	43	34	46
Customer service counter enquiries	55,701	55,199	41,049	29,175
Capital project grants funding received	\$3.7 million	\$0.9 million	\$2.3 million	\$4.1 million
Rate notices sent	71,209	72,243	72,560	73,954
Mail items processed	403,600	366,693	362,638	444,270
Documents registered in ECM	153,894	166,017	112,149	121,713
Number of Workplace OHS inspections undertaken	35	50	43	33
<p><i>Note: There were 40 inspections reported in 2013-14, however seven of these inspections occurred in June 2013 hence attributed to the prior financial year.</i></p>				

## Graphical information

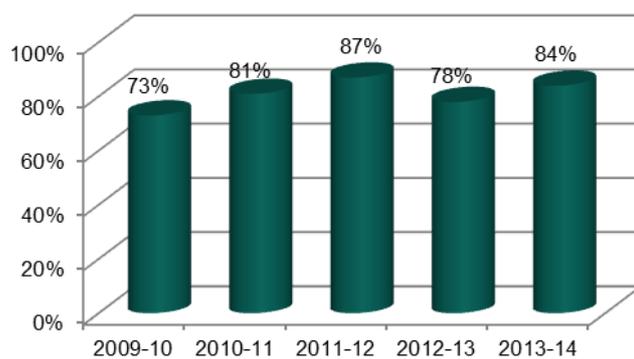
**Completed Council Plan commitments**



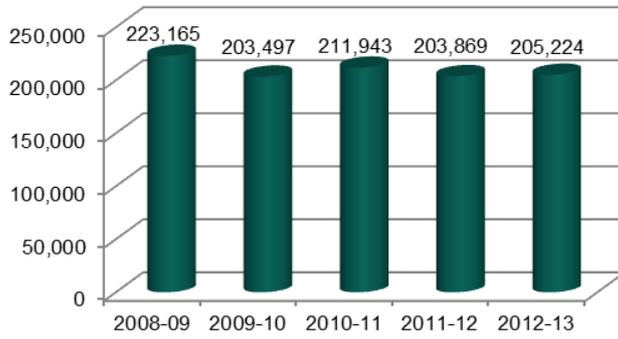
**Performance of Key Strategic Activities  
(Percentage achieved)**



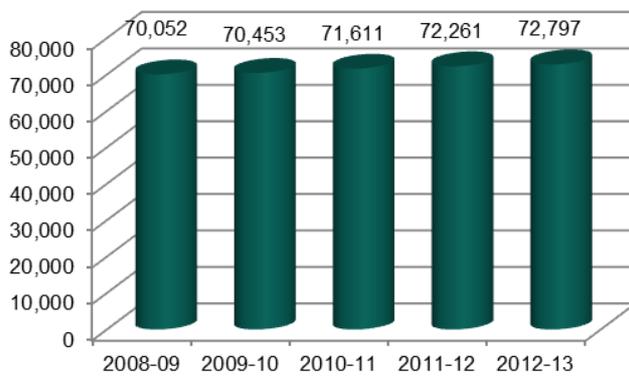
**Performance of Strategic Indicators  
(Percentage achieved)**



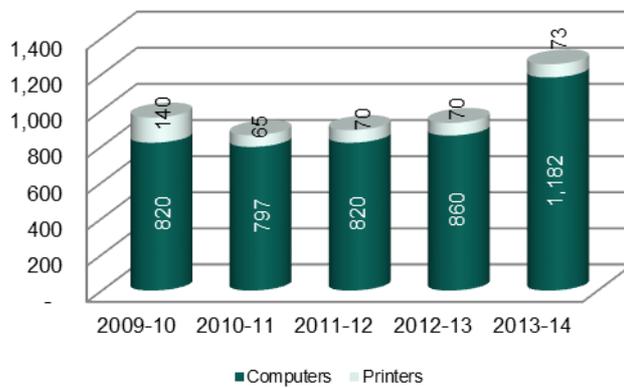
### Calls answered by the Contact Centre



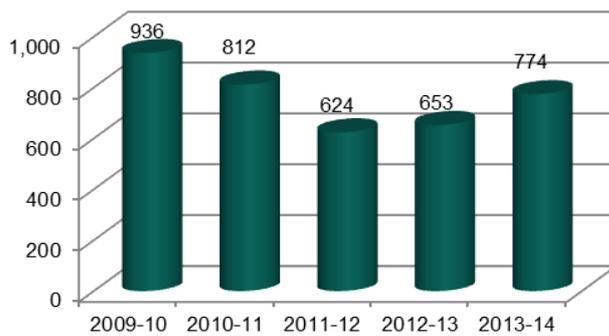
### Rateable properties



### IT Hardware support



### New Australian citizens declared



## Status of Annual Plan 2013-14 commitments

### Strategic Objective

Decision-making in the delivery of high quality services by capable and professional people reflects transparent, accountable and fair behaviours.

### Strategy 15

#### Governance

We will ensure Council is open, transparent, inclusive and accountable to the community by having sound processes for making and implementing decisions.

Commitment	Responsible Directorate	Status
15.1 Promote statutory compliance and meeting effectiveness by reviewing Council's Meeting Procedure Local Law to ensure that it remains current, relevant and responsive to the needs of council and the community.		

### Strategy 16

#### Business support

We will continuously improve and implement processes for service delivery and reporting practices.

Commitment	Responsible Directorate	Status
16.1 Provide an accurate and transparent record of Council's performance to the community through preparing the 2012-13 Annual Report and submitting it to the Minister of Local Government by 30 September 2013.		
16.2 Enhance service delivery to the community by providing council staff with a search tool that will provide a 'single window' view into multiple council systems and data files.		
<i>Note: The Enterprise Search Project has been deferred until 2014-15 due to the forthcoming project to replace Council's Electronic Document and Records Management System (EDRMS). The deferral of this project will avoid unnecessary rework and expense of reintegrating with the replacement system.</i>		
16.3 Encourage council staff to better serve the community through implementing a revised and holistic approach to innovation across the organisation, empowering and supporting council staff to make improvements.		

## Strategy 17

### Customer responsiveness

We will support a culture of innovation and improvement to ensure we continue to offer a relevant, responsive and friendly service to the community.

Commitment	Responsible Directorate	Status
17.1 Improve the quality of our staff's customer service skills by creating a recruitment and phone interview toolkit designed to assist selection of staff with these skills across Council.		
17.2 Improve customer service by reviewing and enhancing the current range of information sources available to staff in managing customer requests.		
17.3 Offer customers more choice in how they contact Council by integrating new technologies into our website, such as enabling smart phone access and increasing the use of digital content		

## Strategy 18

### People support and development

We will continuously improve capability for service delivery and ensure that the City of Boroondara is seen as an employer of choice.

Commitment	Responsible Directorate	Status
18.1 Enhance staff members service capability by implementing actions from the People Strategy addressing workforce demographic changes, staff attraction and retention and technological developments.		
18.2 Ensure a safe workplace by delivery of the Occupational Health and Safety Strategy 2012-15 through focusing on training and embedding policies and procedures in day-to-day operations.		

## Strategic Objective

Sound financial and risk management practices are carried out.

## Strategy 19

### Financial management

We will provide customer focused financial management processes, budget systems and valuation practices in accordance with professional standards and legislative requirements.

Commitment	Responsible Directorate	Status
19.1 Ensure Council operates within a financially sustainable framework through preparation of the 2014-15 Annual Budget and Strategic Resource Plan in line with statutory requirements and for consideration by Council by 30 June 2014.		

## Strategy 20

### Risk management

We will provide risk management practices in accordance with professional standards and legislative requirements.

Commitment	Responsible Directorate	Status
20.1 Ensure Council continues to deliver critical services to the community with minimal disruption in the event of a crisis by implementing the Crisis Management Plan and developing and testing robust departmental Business Continuity Plans.		
20.2 Develop appropriate responses to risks facing Council and the Community by implementing the Risk Management Framework and ensuring consistency in risk monitoring and reporting.		

## Results for Annual Plan 2013-14 strategic indicators

Performance Measure	2012-13 Result	2013-14 Target	2013-14 Result	2014-15 Target
<b>Strategic Objective</b>				
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.	100%	100%	100% 	100%
Percentage of electronic document management system action requests completed within Service Charter timeframes.	95%	92%	95% 	92%
Average time callers wait before their call is answered.	36 seconds	≤25 seconds	29 seconds 	≤35 seconds
<i>This target has been revised for 2014-15 to 35 seconds as with current resources 25 seconds is an unachievable target. By comparison the industry average is 60 seconds.</i>				
WorkCover Employer performance rating.	0.79	Less than 1 (better than industry average)	0.53 (47 better than industry average) 	Less than 1 (better than industry average)
<b>Strategic Objective</b>				
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.	1.41	> 1.2 to 1	1.67 to 1 	> 1.7 to 1
Indebtedness - measures total borrowings as a percentage of rates and charges revenue.	33.01%	Less than 60%	41% 	36.7%
Renewal gap - comparison of the rate of spending on existing assets through renewing, restoring and replacing existing assets with depreciation.	1.78	>1.00 to 1	1.72 	1.52
Percentage completion of Audit Committee annual plan.	100%	95%	100% 	95%



## Council's governance

Democratic governance in Boroondara is supported by policies and protocols associated with both the functions of Council and of Council officers.

This section relates to the operations of Council and is complemented by other material noted within the Responsible Management section on page 96.

The City of Boroondara is constituted under the *Local Government Act 1989* to provide democratic local government for the Boroondara community. The purposes and objectives of Council, as well as the functions and powers of a local government are also defined in the Act.

Council has a number of roles including:

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

The City of Boroondara is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums such as ward meetings and the ability to make submissions to Special Committees of Council.

To operate effectively as the local government body, Council must have strong relationships with other tiers of government; neighbouring Councils and organisations such as electricity and water distributors.

Council's formal decision making processes are conducted through Council meetings and Special Committees of Council. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies. Council adopted a number of significant policies, strategies and plans during the 2013-14 year, including:

- Budget 2014-15
- Annual Plan 2014-15
- Boroondara Community Strengthening Grants Policy 2013
- Boroondara Public Health and Wellbeing Plan 2013-17
- Town Hall Gallery Membership Program
- Meeting Procedure (Amendments 2011) Local Law
- Clayton South Regional Landfill - Amendment to Joint Venture Agreement
- Submission to the Draft Metropolitan Waste and Resource Recovery Plan 2013.

In 2013-14 there were two major Special Committees of Council:

- Services Special Committee, which considers matters that relate to the provision of services to the community of Boroondara. A number of significant matters were considered, often following extensive community submissions. These included:
  - Sporting Facilities Capital Investment Policy 2013
  - Christmas in Boroondara Strategy 2013
  - Car Share Policy
  - Balwyn Park Concept Master Plan
  - Boroondara Open Space Strategy
  - University of the Third Age (U3A) and Seniors Groups Plan
  - City of Boroondara Gaming Policy
  - Boroondara Kindergarten Central Enrolment Policy
  - Camberwell Junction Access Plan and Parking Study.



- Urban Planning Special Committee, which primarily considers matters in relation to land use and development in Boroondara. A number of notable reports were presented to the Committee in 2013-14 generating significant community interest, or had significant ramifications for the Boroondara community. Specific matters discussed included:
  - submission to the new Metropolitan Planning Strategy, Plan Melbourne
  - amendment C149 to the Boroondara Planning Scheme - Kew Junction Commercial Heritage
  - amendment C178 to the Boroondara Planning Scheme to introduce heritage overlays
  - Boroondara Planning Scheme Amendment C150 - Surrey Hills Residential Precincts
  - submission to State Planning Policy Framework Advisory Committee on Draft Planning Policy Framework.

Council had one other Special Committee in 2013-14, the Management Performance Review Committee, which has functions and powers in relation to the management of the Chief Executive Officer's Contract of Employment.

## Councillor Code of Conduct

The *Local Government Act 1989* requires councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 29 April 2013, Council adopted a revised Councillor Code of Conduct which is designed to:

- assist Councillors in maintaining the highest standards of conduct and behaviour as well as provide a means for dealing with problems that they may encounter
- attract the highest level of confidence from Council's stakeholders
- assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
- roles and relationships
- dispute resolution procedures.

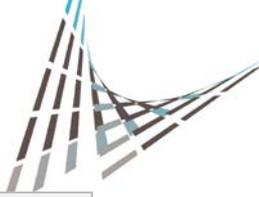
## Conflict of interest

In accordance with Part 4 of the *Local Government Act 1989*, Councillors and members of Special Committees must disclose direct or indirect conflicts of interests when attending Council, Special Committee or Assembly of Councillor meetings. Conflict of Interest provisions also extend to Council officers and Council contractors.

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires Councillors to act in the public interest. When a Council delegates its powers to a Council officer or a committee, the committee or officer also needs to act in the public interest. A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and Committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflicts of interest. During 2013-14, 11 conflicts of interest were declared at Council and Special Committee meetings.



	Councillor	Officer	Total
<b>Conflict of interest</b>			
Direct interest (section 77B)	4	0	4
Indirect interest by close association (section 78)	1	0	1
Indirect financial interest (section 78A and 78B)	0	0	0
Indirect interest because of conflicting duties (section 78B)	0	0	0
Indirect interest due to receipt of a gift, being of \$200 value or more (section 78C)	0	0	0
Indirect interest as a consequence of becoming party to civil proceedings (section 78D)	0	0	0
Conflicting personal interest (section 79B)	5	0	5
Indirect interest because of impact on residential amenity (section 78E)	1	0	1
<b>Total</b>	<b>11</b>	<b>0</b>	<b>11</b>



## Audit Committee

The Audit Committee's role is to oversee and monitor 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.

The Audit Committee consists of three independent members, Mr David Ashmore (Chair), Mr Todd Davies and Ms Bev Excell, and three Councillors. Independent members are appointed for a two year term, with a maximum of three terms. The chair is elected from the independent members.

David Ashmore was first appointed to the Audit Committee in October 2008 and appointed to the role of Chair in May 2009. He has been a partner of major accounting firm, Grant Thornton, and has extensive experience in the areas of audit, risk, business advisory and management. He is an Independent Member and Chair of a number of Local Government Audit Committees and an Independent Director of several companies. David is a Fellow of the Institute of Chartered Accountants in Australia, a graduate member of the Australian Institute of Company Directors and a Fellow of the Financial Services Institute of Australia.

Todd Davies was appointed in May 2012. Todd has been actively involved with audit and risk practices in Australia and abroad. He is a member and chair of public sector audit and risk committees, and runs a private consulting practice. Todd is a Fellow of the Institute of Chartered Accountants in Australia and the Institute of Internal Auditors in Australia.

Bev Excell was appointed in May 2013. Bev brings extensive international general management experience and a background in internal audit. Bev is an experienced Chair of Audit and Risk Committees. She is a member of the Australian Institute of Company Directors.

The Audit Committee meets four times a year. The internal auditors, Chief Executive Officer, Director Corporate Services and Manager Financial 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.

### Membership and attendance during 2013-14:

Name	Period of membership	Attendance
<b>Independent members</b>		
Mr David Ashmore (Chairperson)	October 2008 - Current	4 of 4 meetings
Mr Todd Davies	May 2012 - Current	4 of 4 meetings
Ms Beverley Excell	May 2013 - Current	3 of 4 meetings
<b>Councillor members</b>		
Cr Jim Parke	November 2012 - Current	4 of 4 meetings
Cr Judith Voce	November 2012 - Current	4 of 4 meetings
Cr Kevin Chow*	November 2013 - Current	1 of 3 meetings
Cr Jack Wegman (Mayor to Nov 2013)	November 2011 - November 2013	1 of 1 meeting
Cr Coral Ross	November 2009 - November 2013	1 of 1 meeting

\* Councillor Chow received a Leave of Absence for the March 2014 meeting.

Councillors, members and Council officers are required to declare any conflict of interest at the commencement of every meeting.

Recommendations from each Audit Committee meeting are subsequently reported to, and considered by Council.



## Achievements

The Audit Committee reviewed the charter, annual plan and completed a self assessment to measure performance and to identify improvement opportunities.

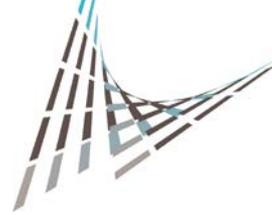
During 2013-14, the Audit Committee's role has been achieved by monitoring the key areas addressed in the charter through consideration and discussion of the following reports from management and auditors:

<b>Reliable financial reporting and management information</b>	Financial Statements Quarterly Performance Reports Report of requested financial information and matters impacting operations
<b>Appropriate application of accounting policies</b>	Review of key policies
<b>Measures to provide early warning of any issues affecting the organisation's financial wellbeing</b>	Quarterly Performance Reports Opportunity to question officers at meetings
<b>Compliance with applicable laws and regulations</b> <b>High standards of corporate governance</b>	Legal Certification Program - annual legislative compliance Governance and legal matters report
<b>Effective monitoring and control of all identified risks</b>	Enterprise Risk Management Framework Quarterly Risk Management report Strategic Internal Audit Plan 2014-17 All internal audit reports
<b>The level of effectiveness of appropriate Business Continuity and Disaster Recovery Planning</b>	Crisis Management Plan Business Continuity Plans Disaster recovery and IT security testing
<b>Fraud</b>	Fraud Control Plan Annual report from Fraud Control Group
<b>Effective and efficient internal and external audit functions</b>	Strategic Internal Audit Plan 2014-17 Internal audit - reports, progress against plan and status of prior recommendations External audit - annual audit plan and independent audit report, audit management letter and responses Reference to recent reports from the Victorian Auditor General including a summary of findings relevant to Council Customer satisfaction surveys and self assessment

## Internal audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council.

The department is jointly resourced by an in-house Internal Auditor and an external provider, Crowe Horwath, who has extensive local government experience. A risk based three year Strategic Internal Audit Plan is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process 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 Strategic Internal Audit Plan is reviewed and approved by the Audit Committee annually.

The Internal Auditors attend 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 internal audit reports. All internal audit reports are presented to the Audit Committee with the responsible Director and Manager in attendance 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 Management Group 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.

### **Achievements**

The Internal Audit Plan for 2013-14 was completed. The following reviews were conducted:

- Major Projects Management - Ashburton Library and Community Centre Project
- Aged care
- Cash handling
- Contract management - services contracts
- Human resources and payroll
- Telecommunications and mobile assets
- Workcover
- Continuous monitoring - data analysis of financial transactions
- The Strategic Internal Audit Plan 2014-17 was approved
- Implementation of prior audit recommendations was reviewed and reported to management and the Audit Committee.

### **Looking forward**

In 2014-15 internal audit will review:

- Major projects management - Ashburton Pool and Recreation Centre
- Crisis management and business continuity planning
- Risk management
- Information Technology Disaster Recovery Planning
- Fleet management
- Purchasing
- Accounts payable
- Continuous monitoring - data analysis of financial transactions
- Strategic Internal Audit Plan 2015-18
- Implementation of prior audit recommendations.

## **External audit**

Council is externally audited by the Victorian Auditor-General's Office (VAGO). VAGO may appoint a representative to conduct the annual external audit. For the financial year 2012-13 the annual external audit of Council's Financial and Standard Statements, and Performance Statement was conducted by HLB Mann Judd. HLB Mann Judd attended the August 2013 Audit Committee meeting to present the Independent Audit Report and external audit management letter. Management responses are also provided to the Audit Committee. In November 2013, VAGO appointed RSM Bird Cameron to conduct the 2013-14 and future year's external audit. RSM Bird Cameron attended the May 2014 Audit Committee meeting to present the annual audit plan. As part of the external audit approach, the Internal Audit Program and selected reports were reviewed.



## Ethics

### **Code of Conduct and Code of Ethics**

Council is committed to high standards of integrity, transparency, professionalism and accountability, and this policy reflects this commitment. All employees are required to carry out their duties with efficiency, integrity, and impartiality, and to strive to ensure that a high and consistent standard of service is delivered to the people of the Boroondara community and within Council. Our Code of Conduct and Code of Ethics provide guidance to our employees when performing their duties.

### **Gifts and hospitality**

Council's Gifts and Hospitality Policy clearly outlines to employees Council's expectations in relation to the receipt of gifts, favours, entertainment and services, to ensure a high standard of integrity and accountability is maintained at all times.

### **Fraud**

Council's Fraud and Corruption Control Policy aims to minimise risks related to fraud and corruption and the associated risks of significant fines or non-monetary sanctions for non-compliance with laws and regulations.

Policy implementation is facilitated by the Fraud Control Group (FCG) which meets quarterly. Membership includes representatives from risk management, internal audit, finance, organisational development and departmental management. An annual report of activities is provided to the Audit Committee.

The FCG continued its focus in 2013-14 on educating staff and raising managerial awareness of appropriate fraud control and prevention measures. Fraud control training is compulsory for all new employees. Improvement opportunities were identified and addressed by management.

No fines or non-monetary sanctions for non-compliance with laws and regulations were received by Council.



## Risk management

During 2013-14 the Risk Management team have made progress across a number of key areas as detailed in the report below.

### Risk Management Framework and Policy

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 items such as:

- 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.

### Key activities completed

Council have performed several activities over the last year to develop and mature its Business Continuity Management Program. There was a strong focus on training and testing of staff who have a role within our Crisis Management Plan to ensure Council continues to deliver critical services and activities to the community with minimal disruption in the event of a crisis.

Testing of the Crisis Management Plan aims to strengthen staff skills in dealing with a crisis event and prompts the Crisis Management Team to consider business continuity, IT disaster recovery, internal and external communication and staff duty of care. Training and testing will continue annually.

Business Continuity Plans have been developed for the departments that provide the most critical services to the community.

### Riskware software

Council implemented a new risk management software system to assist Council in its challenge of embedding a risk management culture across the organisation. The Riskware system has enabled Managers to monitor and report on the organisations strategic risk register which encourages confidence within the organisation that the most material risks to Council's business objectives are being managed effectively.

### Risk Management Committees

Councils Business Enterprise Risk Committee leads and advises the organisation in the management of business enterprise risks, to review the strategic risk register and provide advice to management on high risk issues. The committee is also responsible for the monitoring and reporting on emerging risks and trends.

### Cost of insurable risk

Fundamental to measuring the effect of insurance and claims on an organisation is the cost of insurable risk. Simply expressed, this is the ratio of insurance related cost (comprised of Council's insurance portfolio premiums, under-excess insurance claims cost and the salaries and on-costs of the Risk Management team) to the overall organisational expenditure.



The figures for the past five financial years are tabulated below:

**Cost of insurable risk 2009–14**

Year	Insurance expenditure	Organisational expenditure	Ratio
2009-10	\$ 1,411,866	\$ 140,619,000	1.004%
2010-11	\$ 1,765,251	\$ 155,509,000	1.135%
2011-12	\$ 1,916,415	\$ 173,857,000	1.102%
2012-13	\$ 1,788,059	\$ 162,215,000	1.102%
2013-14	\$ 1,893,095	\$ 170,632,000	1.109%

The average over the five year period is 1.093% which is below the target of 1.15% identified in the Risk Management Strategy as a reasonable measure of the cost of insurable risk.



## Occupational Health and Safety

For the City of Boroondara to successfully manage its Occupational Health and Safety (OHS) outcomes, it requires strong structural foundations to be in place, as well as commitment at senior management levels. This includes a strong understanding of legal obligations, an effective OHS Committee structure, supportive processes and policies, a clear strategy and targets, and effective reporting mechanisms.

### OHS Strategy 2012-15

Council's OHS Strategy 2012-15 is developed based on the requirements of AS/NZS 4801:2001, AS/NZS3100: 2009, OHS legislation and details the framework which supports the implementation of the Occupational Health and Safety Management System (OHSMS) throughout Council's strategic and business processes.

The application of best practice to evaluating our organisational OHS performance according to the AS4801 standard requires Council to undertake the following:

- a commitment to OHS
- OHS planning which includes a comprehensive suite of OHS policies, procedures and guidelines
- measurement and evaluation
- management review.

2013-14 saw the conclusion of the second year of the OHS Strategy with a number of systems, processes and practices now developed, embedded and being evaluated for effectiveness.

Council's performance against the standard in the last two years is assessed as follows:

- A revised OHS policy has been released and communicated to all staff. The policy has been included in OHS leadership training programs conducted in 2012 and reinforced through training in 2014.
- A comprehensive and systematic OHSMS comprising of policies, procedures and guidelines have been implemented and communicated to leaders, staff and OHS committee members.
- Council's OHS Steering Committee was established. The committee continues to meet monthly to update and progress the implementation of the OHSMS as well as overseeing the effectiveness of Council's consultative framework.
- The monthly OHS dashboard report and quarterly organisational health report is presented to EMG and OHS Committees as part of proactive reporting. This ensures that risks are identified, controlled and understood across Council.
- All incidents are reviewed and investigations conducted where relevant to ensure risks are controlled, therefore improving current work processes.
- Senior management's participation in Safety Walks and Talks (SWATs) is also an indicator of good OHS mindfulness due to the level of involvement of leaders in reviewing safety practices. This initiative involves Managers going out and reviewing everyday safety practices in the field.

Auditing is an initiative that will be implemented in 2014-15 and will ensure continuous improvement to our OHS practice.

### Early intervention and injury management

The City of Boroondara provides a proactive and responsive Early Intervention Program focused on improved support for injured employees and effective and timely management of injuries. Council's Early Intervention Program has recently been reviewed, updated and promoted during leaders workshops. This continues to be a valuable program to support staff remaining in the workplace and through the management of their injuries, with 34 early intervention referrals received in 2013-14.

Job task analyses are also being developed in the areas where workers compensation claims have historically been lodged. These task cards will be utilised to inform injury management as part of Council's Early Intervention Program, during active claims and return to work management, independent and pre-employment medical assessments.



## Lost Time Injury Frequency Rate

Lost Time Injury Frequency Rate (LTIFR) measures the frequency rate of lost time injuries compared with the total hours worked by the workforce. The LTIFR has increased from a rate of 5.36 for year ending 2012-13 to 7.78 for 2013-14. This reflects 12 lost time injury claims in 2013-14 compared to nine claims in 2012-13.

## WorkCover Employer Performance Rating

The Employer Performance Rating measures how well Council is performing compared with other employers operating within the same industry and is used to recalculate Council's workers compensation premium rate. This figure is formulated by Council's insurers and takes into account our claims experience costs. The rating dropped from 0.7939 in 2013-14 to 0.5279 for 2014-15 which is 47.2% better than industry average and indicates that Council is performing well as a large employer.



## Consultation and engagement

Council's Communications and Engagement Department provides support for Council initiatives and builds connections with the community.

Council believes that participation in civic life is central to good health, developing strong and supportive networks and creating a positive community spirit. Council's Community Engagement Policy 2010 has been developed to ensure members of the Boroondara community have genuine opportunities to actively participate in Council decision forming processes about matters that affect them.

### Stakeholder engagement

All communications and engagement activities are focused on reaching the right communities at the right time through the identification of interests and needs. Our communities of interest include residents, business owners and their employees, community and sporting groups, environmental groups, schools, as well as the users of our facilities and services, to name a few.

Council also works closely with statutory bodies and governments including Victorian and other local governments to ensure we are aligning the interests of our communities with relevant policies and regulations and maintaining best practice.

We recognise that different stakeholders have different interests and perspectives and therefore one type of communication does not meet all needs. We consider how best to engage with members of our diverse community and select the most useful and appropriate mechanism for communicating with diverse groups.

### Communication

Council offers a range of communications channels to reach our diverse community. These include:

- the *Boroondara Bulletin* – a publication delivered to every home, business, school and community group in the City, providing information about Council services, events and opportunities to participate in community life
- the Online Boroondara Bulletin which provides news and community engagement updates to a growing number of subscribers
- a half-page weekly advertisement in the local newspaper highlighting Council events, news and strategies
- ward newsletters, produced three times a year for each of the ten wards, offering more localised information, relevant to community members living in the ward.

Our improved web presence also provides opportunities for information sharing and communication. This makes it easier for community members to search and find Council information. It also provides opportunities for community members to provide feedback and engage with Council through the public comments section. Comments made by our readers are monitored and a response provided, augmenting our customer service functions.

In addition, Council continues to build its social media presence with a Facebook following of 618 and Twitter following of 2,851. Social media updates provide information about upcoming events and monitor what is being said about Council to ensure our community has the most accurate and up-to-date information available.

### Engagement

In addition to Council's communication programs, a further 39 other engagement programs were conducted:

- service-related - engagement on new Council services or existing services which were to be altered
- facility development - engagement around new projects or alterations to existing Council facilities
- policy and strategy - engagement where Council is considering longer term responses to issues of a social, economic, technological or environmental nature.



Engagement programs are publicised on the 'Your say' section of the Council website and promoted in the *Boroondara Bulletin* and by email to registered members of relevant project email-lists.

### Boroondara Community Voice Panel

The Boroondara Community Voice Panel is an online panel of community members. During 2013-14, panel membership increased to 1,232 and members responded to 12 topics of interest.

Panel membership comprises community volunteers with an interest in Boroondara's future who participate in online surveys and discussion forums. The panel offers community members an opportunity to provide Council with community feedback on a range of issues. A snapshot of key community engagement activities demonstrates the keen interest by our community to get involved and participate in shaping the future of the City.

### Proposed New Residential Zones

The proposed New Residential Zones survey was undertaken between 21 March and 30 March 2014, in response to the request from Minister for Planning for councils to identify additional areas suitable for inclusion in the new Residential Growth Zone. The results of this survey were used to develop a better understanding of community views about the new residential zones for Boroondara. The survey attracted over 140 responses from community members.

### Graffiti

In March 2014, Council invited Boroondara Community Voice Panel members to engage in an online discussion about graffiti. The discussion aimed to understand the key challenges around the issue of reducing graffiti in the community. Feedback from the discussion will be provided to specialist consultants being engaged by Council to draft a new Graffiti Strategy in early 2015. Council will undertake further broad public consultation, including with Community Voice Panel members, on the draft strategy.

### Integrated Water Management Strategy

The Integrated Water Management Strategy survey sought community feedback on the strategic direction for water management across Boroondara over the next 10 years. The survey results provided Council a better understanding of community support for creating a more water-sensitive City that will ensure the Boroondara community continues to enjoy a high quality natural environment into the future. Survey results showed strong support for the water sensitive features and actions. Respondents also strongly supported the principles, objectives and strategic actions outlined in the draft strategy.

### Creating an Age-Friendly Boroondara

Council sought community feedback on a wide range of topics as part of the development of the new Age-friendly Strategy. Survey results demonstrated a strong consensus from respondents on the highest priority areas needed for creating an age-friendly Boroondara. These survey results will help Council better understand what needs to be maintained and improved to advance age-friendliness in Boroondara.

### Metro access

The aim of the Metro Access survey was to seek community feedback as part of the development of the Community Building Plan 2014-17. In conjunction with feedback received, the results of the survey contributed to the development of five priority areas for the new strategy.

Council also engaged with community members about issues related to:

- School Crossing Supervisors
- Peaceful paths
- Camberwell Junction laneways
- Men's sheds
- Sport and Recreation Strategy
- Arts and Culture Strategy
- Active ageing.



## Best Value Boroondara

City of Boroondara complies with the *Victorian Local Government (Best Value Principles) Act 1999*, which required council's to review all their services against six Best Value principles. An integrated Corporate Planning Framework ensures that strategies and financial resources are aligned in order to deliver Boroondara's Council Plan. Community consultation and engagement are essential in this process.

### The Best Value Principles contained in Section 208B are:

- (a) all services provided by a council must meet quality and cost standards.
- (b) all services provided by a council must be responsive to the needs of the community.
- (c) each service provided by a council must be accessible to those members of the community for whom the service is intended
- (d) a council must achieve continuous improvement in the provision of services for its community.
- (e) a council must develop a program of regular consultation with its community in relation to the services it provides
- (f) a council must report regularly to its community on its achievements in relation to Best Value.

### Continuous Improvement model

Boroondara's Continuous Improvement (CI) model was developed eight years ago and has become the core of every departmental Business Plan. All Boroondara employees play a part in building a plan to meet the needs of the community and deliver value for money services. The CI model depicted in the table all aspects of the Best Value principles.

The Best Value review ensures that our services meet the changing needs of the community. The ongoing review and monitoring ensures that there is viability for continuous improvement activities throughout the organisation.



## Best Value activities

The Best Value Boroondara Report provides accountability to the community on the performance of Council during the 2013-14 financial year. It demonstrates Council's commitment to continuous improvement and the pursuit of service excellence.

Actions have been detailed below by Theme and highlight continuous improvement activities and evidence of community consultation and benchmarking. A full copy of the Best Value Boroondara Report is available on Council's website or by calling Finance and Corporate Planning Department on 9278 4341.

## Strong and engaged communities

### Communication and engagement

Trends in local government communications are regularly monitored, particularly in social media, and all applicable articles reviewed and forwarded on to relevant staff. A number of new services have been also investigated, such as Google building tours, fault reporting applications and waste and recycling applications.



### **Community inclusion**

Consultation with internal and external stakeholders was conducted as part of the development of various new strategies and plans, including the Social Housing Plan, draft Cultural Diversity Plan, draft Recognising Indigenous Culture and Heritage Policy, draft Boroondara Volunteer Resource Centre Strategic Plan, Neighbourhood House Update report and Boroondara Health and Wellbeing Plan.

### **Local business**

As part of the provision of specialist business support services to trader associations, Council has appointed a consultant to assist City's trader associations and groups with their governance arrangements and associated reporting requirements.

### **Families and young people**

Benchmarking was undertaken with neighbouring municipalities regarding the relocation of Youth Services to the Hawthorn Town Hall site, in partnership with headspace. Boroondara Youth Services have developed safe operating procedures for the Youth Resource Centre.

### **Health and ageing**

Council consulted with partner agencies and the community regarding the development of the new Metro Access Community Building Plan. The feedback received contributed to the development of five priority areas for the new strategy.

### **Library services**

Consultation with residents was conducted via phone surveys as part of the Nexus Research Community Survey regarding the Boroondara Library Service, which was benchmarked with a selection of other Victorian public library services. This project supports the development of the future Library Services Plan.

### **Arts and culture**

Benchmarking has been undertaken for the development of the Town Hall Gallery membership program. Information has been collected from 24 Victorian public galleries to support the development of services and pricing of the program. A recommended program is being developed for Council's approval.

## **Sustainable environment**

### **Living sustainably**

Research and preparation of revised strategies for water management and biodiversity has involved a review of related strategies and plans at other metropolitan local governments. Victorian and Australian policy statements were also included in the review.

### **Parks, gardens and natural environment**

Council has participated in the Integrated Open Space Services (IOSS) Parks Users Satisfaction Survey which measures user satisfaction for range of parks in Boroondara and benchmarked with 18 other councils. Overall satisfaction with the City of Boroondara parklands was 8.5. Of the authorities participating in this round of surveys within the Melbourne region, the City of Boroondara ranked one out of 19.

## **Enhanced amenity**

### **Land use, planning and building**

Planning permit activity reporting prepared by the Department of Transport, Planning and Community Infrastructure indicates that Boroondara had the highest number of current applications of any Council in Victoria at the end of May 2014. This is a direct result of the significant increase in planning applications submitted leading up to the introduction of new residential zones in the municipality. Notwithstanding this, Statutory Planning processed 14% more applications within the statutory time frame than the metropolitan average.

### **Parking, traffic and transport**

Significant community consultation was undertaken as part of the development of the Camberwell Junction Access and Parking Study. Overall 456 responses were received and the feedback informed the study.



## **Safety and amenity**

In consultation with Customer Service and Information Technology, the Local Laws Department has developed and implemented an online solution which enables customers to renew disabled parking permits and animal registrations online.

## **Quality facilities and assets**

### **Managing assets**

The Projects and Strategy Department regularly undertake consultations relating to capital works projects with internal and external stakeholders including the broader community. Consultation activities vary depending on the project and are in accordance with the Community Engagement Policy 2010.

Consultation undertaken during the year included:

- Ashburton Pool and Recreation Renewal Project - community members were invited to provide feedback on draft plans for the broader precinct aspects.
- Boroondara Sports Complex plans for the future - community members were invited to provide feedback on plans for the redeveloped facility and immediate surrounds.
- Burwood Village streetscape improvements - community feedback on the draft design was invited.

### **Leisure and sporting facilities**

Consultation with service users of the Balwyn Leisure Centre and Boroondara Sports Complex continued during the year. The outcomes of this consultation will further inform the development of a consolidated facility at the Boroondara Sports Complex.

## **Responsible management**

### **Governance**

The Governance Department continued to participate in benchmarking activities undertaken by the Municipal Association of Victoria (MAV) Governance Officer Group on various matters including audit committees, budgets for Councillors, council meeting cycles and delegations.

### **Business support**

A comprehensive review of our Corporate Planning Framework was completed as part of the 2014-15 business planning process conducted in 2013-14. With input from stakeholders, the business planning process has improved to align with the themes and strategies identified in the Council Plan, as well as other corporate initiatives including the Employee Engagement Survey and Innovation Program. The Business Plan guide has also been streamlined to reduce its complexity.

### **Customer responsiveness**

The Camberwell Customer Service Centre was assessed through the Customer Service Benchmarking Australia (CSBA) Mystery Shopping Program and was ranked eighth overall against 46 local government and corporates across Australia.

### **People support and development**

The Staff Representative Group (SRG) continued to meet six weekly throughout the year. The SRG discussed matters pertaining to the Local Area Workplace Agreements (LAWA), 'It's your working life' employer brand, Corporate Learning Program and other general topics affecting staff wellbeing.

### **Financial management**

The procurement team is participating in the Eastern Metropolitan Region Procurement Network which provides ongoing opportunities for consultation and benchmarking of procurement activities amongst neighbouring councils.

### **Risk management**

The Risk Implementation Plan monitors the progress of Council's level of maturity for risk management. The plan provides an avenue to monitor and audit continuous improvement and to ensure Council is keeping on track with its objectives. This progress is reported regularly to Executive Management Group (EMG) and the Audit Committee.



## Innovation and technology

Successful innovation relies on an organisation's ability to generate, recognise, develop and implement valuable new ideas and ways of providing services. The innovation@boroondara program creates the space to think about innovation across the organisation.

### Shared paths

The Innovation Program launched in August 2013 with the first challenge for staff was aimed at generating ideas for creating 'Conditions of respect' on shared paths in the City. This challenge generated 40 different ideas that were narrowed down to a pilot project that used large stickers on the shared path to portray desired behaviours. These stickers tell a story, containing simple illustrations and messages designed to encourage respectful shared path etiquette among cyclists and pedestrians. The location chosen for the pilot had good numbers of mixed use by cyclists, pedestrians, dog walkers and park users. The feedback was positive and the use of path stickers has also been used in other Council projects.

### Innovation projects

During the 2013-14 year, Council officers generated various ideas for new and better ways of delivering our services, ranging from building better cross-organisational understanding to more efficient processes and systems. Twenty-five of these ideas have been developed into projects and prototyped throughout the year, and will be evaluated before being implemented by the relevant service areas. The innovation projects encourage staff to learn new ways of working together in order to provide better service to residents.

### Active ageing for Boroondara

A large team of staff volunteered to take part in a project aimed at developing communication options around active ageing activities in Boroondara. The purpose of the project was to deliver a new model for service and to give team members the experience of working on a project that was designed, developed and managed by the team. The team successfully developed a new service delivery model for promoting the benefits of active ageing. The new model was well received by the service area and will be further developed in 2014-15.

## Information systems

The use of technology assists the implementation of innovative ideas. There have been significant improvements in information systems throughout the year.

### Disaster recovery plan trial

In September 2013, the Information Technology (IT) Department together with key users from across Council tested the IT disaster recovery plan to ensure that the City of Boroondara can recover technically in the event of a disaster. The exercise enabled Council to trial the recovery processes across all corporate systems and for internet connectivity.

### Environmental health software

Implementation of Health Manager, a new dedicated public environmental health software solution, was completed enabling staff to assist them with their day-to-day management of health services tasks. Benefits of the new system include:

- mobile functionality
- improved reporting
- ability to manage evidence
- ability to rapidly respond to business and community needs.

### PC rollout

Every four years, the Information Technology Department replaces all PCs and laptop devices across Council to provide greater reliability in our IT infrastructure and systems. During 2013-14, Council replaced approximately 780 desktop PCs and laptops throughout the organisation. The project included an upgrade to Microsoft Windows and Microsoft Office and was completed with minimal disruption to Council business.



### **Keeping pace with the latest technology**

Council's document management system, Enterprise Content Management (ECM) was upgraded to ensure its compatibility with the new PCs. ECM is an important part of Boroondara processes enabling Council to record, track, search and retrieve information efficiently and responsibly.

### **Citrix upgrade**

During the year the IT Department completed an upgrade to the Citrix environment. Citrix is the product used to provide access to corporate applications for Council's remote users and for test and training environments. The upgrade provides far greater performance and reliability when accessing applications as well as other benefits, such as the ability to access applications from mobile devices including iPads.



## Asset management

Council is responsible for the management of \$2.69 billion worth of infrastructure assets including roads, drains, footpaths, parks, sportsgrounds and buildings.

A key objective of the Asset Management Strategy is to maintain or preserve Council's existing assets at desired condition level that will service the needs of current generations and not leave unreasonable cost burdens on future generations.

Council continues its commitment to deal with the challenge of maintaining its assets and infrastructure. Council is making a significant investment in addressing the ongoing challenge associated with reducing the asset management backlog, while also providing excellent facilities for the wellbeing of the Boroondara community.

### Asset Management Policy

Council developed a comprehensive Asset Management Policy in 2011. The scope of this policy applies to Council and to all Council staff involved with the management of physical assets. These assets include roads, footpaths, street furniture, buildings, bridges, drainage, playgrounds, parks and sports facilities.

The key principles of the policy are arranged under the following headings:

- the asset management vision
- the goals for asset management
- the asset management framework
- roles and responsibilities.

### Asset renewal

Boroondara has increased the amount it is spending on asset renewal over the last decade and spent \$42.88 million in 2013-14. In the future, asset renewal will require further high levels of expenditure with on average \$41 million per annum being allocated to this area over the next 10 years.

Council also has asset renewal programs for its fleet, equipment, library books and information technology equipment.

### New capital assets

Each year a range of new capital assets is created for new facilities to meet community expectations, ranging from traffic management works to shopping centre streetscapes, parks and new or upgraded buildings. In 2013-14, \$13.93 million was spent on new and upgrade capital assets and Council plans to expend \$13.90 million in 2014-15.

### Major projects

Investment in Council's major projects continues to ensure Boroondara continues to build a City for the future. Further information can be found on page 23.



## Councillor assignments

A range of individual assignments are given to Councillors to enable a greater involvement in Council’s full range of responsibilities, and facilitate effective and productive working relationships with the Administration.

All Councillors are assigned to the Urban Planning Special Committee and the Services Special Committee. Councillors are also assigned to various other special Committees, working committees and other groups which have an advisory role. A number of Councillor assignments enable the City of Boroondara to have representation on external party working groups.

Councillors participate in a range of community activities, regularly engaging with the community, ensuring the effective provision of services and promoting community wellbeing. A summary of committees and advisory groups have been included on the following pages.

### Councillor meeting attendance

Councillors	Urban Planning Special Committee	Services Special Committee	Special Council Meeting	Council Meeting	Total
Cr Coral Ross (Mayor) <sup>1</sup>	23	8	1	13	45
Cr Jane Addis <sup>2</sup>	25	11	1	14	51
Cr Kevin Chow <sup>3</sup>	25	11	1	14	51
Cr Phillip Healey <sup>4</sup>	22	10	0	12	44
Cr Steve Hurd <sup>5</sup>	21	10	1	12	44
Cr Heinz Kreutz <sup>6</sup>	23	11	0	11	45
Cr Philip Mallis <sup>7</sup>	25	8	0	13	46
Cr Jim Parke <sup>8</sup>	25	11	1	13	50
Cr Judith Voce	23	9	1	13	46
Cr Jack Wegman	23	8	1	11	43

## Council assignments

The *Local Government Act 1989* requires councils to elect a Mayor and empowers councils to establish special and advisory committees of the Council.

### Mayor

The Mayor is elected annually by Council to represent the views and directions of Council, and councillors, in performing various roles and duties, including chairing the Council meetings and acting as Council’s spokesperson.

The Mayor provides leadership of Council by virtue of the respect and authority the role is afforded by Council and councillors. The Mayor shall take precedence at all municipal proceedings within the City as “first among equals”.

Councillor Coral Ross was elected as the Mayor on 11 November 2013.

<sup>1</sup> Cr Ross received a leave of absence for four meetings from 20 August to 1 September 2013 (inclusive) and 7 February 2014 to 21 February 2014 (inclusive).

<sup>2</sup> Cr Addis received a leave of absence for one meeting from 28 May 2014 to 8 June 2014 (inclusive).

<sup>3</sup> Cr Chow received a leave of absence for two meetings from 17 March 2014 to 23 March 2014 (inclusive).

<sup>4</sup> Cr Healey received a leave of absence for six meetings from 10 September 2013 to 9 October 2013 (inclusive) and 22 April 2014 to 27 April 2014 (inclusive).

<sup>5</sup> Cr Hurd received a leave of absence for five meetings from 12 August 2013 to 26 August 2013 (inclusive) and 21 April 2014 to 27 April 2014 (inclusive).

<sup>6</sup> Cr Kreutz received a leave of absence for two meetings from 12 June 2013 to 5 July 2013 (inclusive).

<sup>7</sup> Cr Mallis received a leave of absence for one meeting from 5 July 2013 to 14 July 2013 (inclusive).

<sup>8</sup> Cr Parke received a leave of absence for two meetings from 12 December 2013 to 16 December 2013 (inclusive).



## Special committees

These special committees have delegated powers, duties and functions and assist Council in maintaining its commitment to democratic governance

Assignment	Purpose of assignment
Chair, Urban Planning Special Committee	Special Committee of Council to exercise powers, functions and discretions on behalf of Council in relation to the <i>Planning and Environment Act 1987</i> and <i>Building Act 1990</i> .
Chair, Services Special Committee	Special Committee of Council to exercise powers, functions and discretions on behalf of Council other than matters delegated to the Urban Planning Special Committee.
Management Performance Review Committee	The Management Performance Review Special Committee exercises Council's powers and functions and to perform Council's duties in relation to the management of the Chief Executive Officer's Contract of Employment.

## Councillor committee assignments

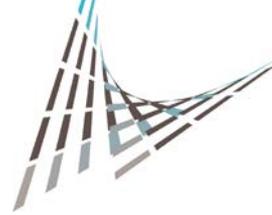
Assignment	December 2012 - November 2013	November 2013 - current
<b>Special committees</b>		
Mayor	Cr Wegman	Cr Ross
Chair, Urban Planning Special Committee (USPC)	Cr Healey	Cr Healey
Chair, Services Special Committee	Cr Voce	Cr Hurd (to 12 May 2014) Cr Mallis (from 13 May 2014)
Audit Committee	Cr Wegman Cr Parke Cr Voce	Cr Chow Cr Parke Cr Voce
Management Performance Review Committee	Cr Wegman Cr Kreutz Cr Parke	Cr Ross Cr Wegman Cr Parke
<b>Internal Advisory Committees</b>		
Communications and Engagement Committee	Cr Addis Cr Mallis Cr Ross	Cr Addis Cr Mallis Cr Ross
Statutory Planning Advisory Committee (SPAC)	Cr Healey Cr Addis Cr Voce Substitute: Cr Mallis	Cr Healey Cr Addis Cr Voce Substitute: Cr Chow
Budget Process Review Working Group (BPRWG)	Cr Wegman Cr Chow Cr Healey Cr Voce Substitute: Cr Hurd	Cr Ross Cr Chow Cr Healey Cr Voce
Waste Management Reference Group	Cr Kreutz Cr Ross Cr Voce	Cr Kreutz Cr Ross Cr Voce
Hawthorn Aquatic and Leisure Centre (HALC) Steering Committee	Cr Hurd Cr Ross	Cr Hurd Cr Healey Cr Ross



Assignment	December 2012 - November 2013	November 2013 - current
Hawthorn Town Hall Arts Precinct Steering Committee	Cr Wegman Cr Hurd Cr Voce	Cr Hurd Cr Voce Cr Wegman
Ashburton Library and Learning Centre Project Steering Committee	Cr Chow Cr Healey Cr Ross	Cr Chow Cr Ross
Ashburton Pool and Recreation Centre Steering Committee	Cr Chow Cr Healey Cr Ross	Cr Chow Cr Ross
Boroondara Sports Complex Steering Committee	Cr Addis Cr Mallis Cr Parke Cr Voce	Cr Mallis Cr Addis Cr Parke Cr Voce
Information Systems Reference Group (ISRG)	Cr Chow Cr Healey Cr Hurd	Cr Chow Cr Healey Cr Hurd
Citizen and Young Citizen of the Year Advisory Group	Cr Wegman Cr Addis Cr Healey Cr Kreuz Cr Mallis	Cr Ross Cr Wegman Cr Addis Cr Mallis
<b>External Advisory Committees</b>		
Community Disability Advisory Committee	Cr Hurd Substitute: Cr Wegman	Cr Hurd Cr Wegman
Business Boroondara Network Steering Committee (BBN)	Cr Hurd Substitute: Cr Healey	Cr Hurd Cr Voce
Boroondara Eisteddfod Advisory Committee	Cr Healey Substitute: Cr Mallis	Cr Mallis
Boroondara Community Safety Advisory Committee (BCSAC)	Cr Parke Cr Ross	Cr Parke Cr Ross
Boroondara Family Violence Network (BFVN)	Cr Ross Substitute: Cr Voce	Cr Ross Cr Voce
Boroondara Public Health and Wellbeing Plan Advisory Committee	Cr Addis Substitute: Cr Voce	Cr Addis
Junction Skate and BMX Park Advisory Group	Cr Wegman	Cr Wegman
Marketplace Development Fund (MDF)	Cr Wegman	Cr Wegman
Boroondara Early Years Advisory Committee	Cr Addis	Cr Addis Cr Parke
Boroondara Bicycle Advisory Committee	Cr Kreuz Cr Mallis	Cr Chow Cr Kreuz Cr Mallis
Boroondara Volunteer Resource Centre Advisory Committee	Cr Addis Cr Mallis	Cr Addis Cr Mallis



Assignment	December 2012 - November 2013	November 2013 - current
Boroondara Community Strengthening Grants Assessment Panel	Cr Wegman Cr Chow Cr Hurd	Cr Chow Cr Hurd
Town Hall Gallery Collection Advisory Committee	Cr Wegman Cr Parke Cr Ross	Cr Parke Cr Ross Cr Voce
Boroondara Young People's Strategy Advisory Group	Cr Healey Cr Mallis Substitute: Cr Voce	Cr Chow Cr Mallis
Social and Affordable Housing Advisory Committee (SAHAC)	Cr Voce Substitute: Cr Mallis	Cr Hurd Cr Mallis Cr Voce
Creating an Age Friendly Boroondara Reference Group	Cr Kreutz Cr Voce	Cr Kreutz Cr Voce
Library Services Advisory Committee	Cr Ross Substitute: Cr Kreutz	Cr Addis Cr Ross
Boroondara - Swinburne University of Technology Steering Committee	Cr Wegman Cr Hurd Cr Parke Cr Ross	Cr Hurd Cr Ross Cr Parke
Boroondara Sustainability Awards Advisory Group	Cr Kreutz Substitute: Cr Healey	Cr Kreutz Substitute: Cr Parke
Kew Court House Community Advisory Committee	Cr Healey Cr Parke	Cr Healey Cr Parke Cr Voce
<b>External Management Committees/Boards</b>		
The Municipal Association of Victoria (MAV)	Cr Ross Substitute: Cr Voce	Cr Ross Substitute: Cr Voce
Victorian Local Governance Association	Cr Mallis Substitute: Cr Hurd	Cr Mallis Substitute: Cr Parke
The Metropolitan Transport Forum	Cr Hurd Substitute: Cr Mallis	Cr Kreutz Substitute: Cr Ross
Metropolitan Waste Management Group Forum	Cr Kreutz	Cr Kreutz
Eastern Region Affordable Housing Alliance	Cr Mallis	Cr Mallis
Doncaster Rail Study Local Government Group	Cr Healey Cr Hurd Cr Mallis	Cr Healey Cr Hurd Cr Mallis
<b>Partnership Groups</b>		
Ashburton Strategic Alliance of Partners Partnership Group	Cr Chow	Cr Chow
Friends of Same Steering Committee	Cr Kreutz	Cr Hurd
Boroondara Cares	Cr Wegman Cr Healey Cr Voce	Cr Healey Cr Voce Cr Wegman



## Statutory information

### Privacy

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, adopted in 2010, that is available on Council's website [http://www.boroondara.vic.gov.au/your\\_council/local-laws-policies/council](http://www.boroondara.vic.gov.au/your_council/local-laws-policies/council).

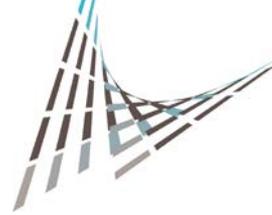
During 2013-14, there were four substantial complaints regarding breaches of customer privacy and losses of customer data.

### Documents to be made available for public inspection

Council is committed to open and transparent governance and in accordance with the *Local Government Act 1989* and Section 11 of the Local Government (General) Regulations 2004, the following documents are available for public inspection:

- (a) details of current allowances fixed for the Mayor and Councillors
- (b) details of senior officers' total salary packages for the current financial year and the previous year
- (c) details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months
- (d) names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- (e) names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted
- (f) agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public
- (g) a list of all special committees established by Council and the purpose for which each committee was established
- (h) a list of all special committees established by the Council which were abolished or ceased to function during the financial year
- (i) minutes of meetings of special committees held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public
- (j) a register of delegations
- (k) submissions received in accordance with Section 223 of the Act during the previous 12 months
- (l) agreements to establish regional libraries
- (m) details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease
- (n) a register of authorised officers
- (o) a list of donations and grants made by the Council during the financial year
- (p) a list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council
- (q) a list of contracts valued at \$150,000 or more which the Council entered into during the financial year without first engaging in a competitive process.

In accordance with the *Local Government Act 1989* inspection of these documents can be arranged at Council's head office at 8 Inglesby Road, Camberwell by contacting the Governance Department on 9278 4470.



## Governance protocols

The *Local Government Act 1989* requires Councils to review certain key governance documents within 12 months after each general election. The major protocols adopted by Council were:

- Councillor Code of Conduct - adopted 29 April 2013
- Delegations to Council Staff - adopted 27 May 2013
- Delegations to Special Committees - adopted 23 September 2013
- Councillor and Mayoral Allowances - adopted 24 June 2013.

Council is also required to adopt and maintain a policy in relation to the reimbursement of Councillor expenses. The Councillor Support and Resources Policy was adopted on 25 March 2013.

## Freedom of Information requests

The *Freedom of Information Act 1982* gives the community a right to access certain Council documents. The Act has four basic principles:

1. Local governments are required to publish information about the documents they hold, particularly those which affect members of the public in their dealings with Council.
2. Each person has a legally enforceable right to access information, limited only by exemptions necessary for the protection of the public interest and the private and business affairs of persons from whom information is collected by Council.
3. People may appeal against a decision not to give access to information or not to amend a personal record.
4. People may request inaccurate, incomplete, out of date or misleading information in their personal records be amended.

## Accessing information

Freedom of Information requests must be made in writing and be accompanied by a prescribed application fee. Applicants should also indicate how they would like to receive the information. Requests for access to information should be addressed to:

**Coordinator Governance  
City of Boroondara  
Private Bag 1  
Camberwell VIC 3124**

Under legislation, Council must decide if the information will be provided within 45 days. All enquiries relating to accessing documents under freedom of information should be directed to Council's Governance Department on 9278 4470.

## Protected Disclosures (Whistleblowers)

As part of recently legislated integrity reforms, Victoria's new protected disclosure regime has come into effect. The reforms have amended the *Ombudsman Act 1973* and replaced the *Whistleblowers Protection Act 2011* with the *Protected Disclosure Act 2012*.

The *Protected Disclosure Act 2012* came into effect on 11 February 2013. Council was required to establish written procedures to facilitate the making, handling and notification of protected disclosures by 10 August 2013. The Protected Disclosures (Whistleblowers) Guidelines came into operation on 23 July 2013. These guidelines establish a system for reporting disclosures of improper conduct or detrimental action by the City of Boroondara or its employees. The system enables such disclosures to be made to the Protected Disclosure Coordinator or to the Independent Broad-based Anti-corruption Commission (IBAC). Disclosures may be made by any person. This includes a person who is a member, officer or employee of the City of Boroondara. These guidelines are available on Council's website [http://www.boroondara.vic.gov.au/your\\_council/local-laws-policies/protected-disclosure-act](http://www.boroondara.vic.gov.au/your_council/local-laws-policies/protected-disclosure-act).



There were no protected disclosures made during the year, therefore no protected disclosures to be reported under Section 71 of the *Protected Disclosure Act 2012*.

## New Local Laws

### **Meeting Procedure (Further amendments 2014) Local Law**

On 24 March 2014 Council adopted a Meeting procedure (further Amendments 2014) Local Law which became operational on 19 April 2014.

The purpose of the Meeting Procedure (Further Amendments 2014) Local Law is to amend the City of Boroondara Meeting Procedure Local Law (2007) and improve the procedures governing the conduct of Council meetings and Special Committee Meetings.

Changes made by the Meeting Procedure (Further Amendments 2014) Local Law relate to notices of meetings and adjourned meetings, quorums, time limits for meetings, notices of motion, clarifying motions before voting, rescission motions, public question time, deputations, public submissions and removing persons from the Chamber.

New provisions were included regarding repetitious motions, procedural motions for opening and closing meetings, public submissions under Section 223 of the Act, minute taking, and procedures to be followed when Councillors vote or abstain from voting.

Structural changes were also made relating to procedural motions, and minor typographical corrections and/or consequential amendments made arising from the changes outlined above.

## 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.

## Charter of Human Rights

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 sets out a list of twenty rights that assist 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 2013-14, no Charter of Human Rights related complaints were made to Boroondara.



## Domestic Animal Management Plan

The *Domestic Animals Act 1994* requires that Council must prepare a Domestic Animal Management Plan at four yearly intervals. Accordingly, the Domestic Animal Management Plan 2012-16 was adopted by Council in June 2013. The first year actions of the Domestic Animal Management Plan were substantially completed during the year. Achievements from the first year of the plan include significant advances in Animal Management Officer training and a review of the Order that deals with areas where dogs can be exercised off-leash.

## Carer's Recognition Act

Council has taken all practicable measures to comply with its responsibilities as outlined in the *Carers Recognition Act 2012* (the Act) 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
- clearly 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.

## Legislation that impacts Council

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

- *Building Act 1993*
- *Domestic Animals Act 1994*
- *Environment Protection Act 1970*
- *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*
- *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*
- *Subdivision Act 1988*
- *Valuation of Land Act 1960.*

## New legislation

There have been a number of new or amended items of legislation, introduced by other levels of government, which affect Council operations. The changes during 2013-14 include:

### **Local Government Amendment (Performance Reporting and Accountability) Act 2014 and Local Government (Planning and Reporting) Regulations 2014**

The Victorian *Local Government Amendment (Performance Reporting and Accountability) Act 2014* and *Local Government (Planning and Reporting) Regulations 2014* came into operation on 18 April 2014. These pieces of legislation set out the new financial planning and reporting framework for local government commencing in the 2014-15 financial year. The aim is to develop a performance



reporting framework to ensure all Victorian councils are measuring and reporting on their performance in a consistent way.

### **Building and Planning Legislation Amendment (Governance and Other Matters) Act 2013**

*The Building and Planning Legislation Amendment (Governance and Other Matters) Act 2013* came into effect on 1 July 2013. The purpose of this Act is to introduce a new governance framework for the building industry in Victoria. It amends the *Building Act 1993* and the *Architects Act 1991* to establish the Victorian Building Authority (VBA) to regulate the building and plumbing industries. The VBA replaces the Building Commission and the Plumbing Industry Commission.

## Victorian Local Government Indicators

The Minister for Local Government, under the authority of the *Local Government Act 1989*, requires every Council to present a report on the following indicators.

Indicator	Target	Actual Results	
	2013-14	2013-14	2012-13
<b>Affordability/ cost of Governance</b>			
Average rates and charges per assessment	\$1,975.01	\$1,977.60	\$1,879.39
Average rates and charges per residential assessment	\$1,972.76	\$1,980.04	\$1,879.72
<b>Sustainability</b>			
Average liabilities per assessment <sup>(1)</sup>	\$1,390.99	\$1,285.51	\$1,338.12
Operating result per assessment	\$287.71	\$321.46	\$326.68
<b>Services</b>			
Community satisfaction rating for overall performance generally of Council <sup>(2)</sup>	NA	74	72
Average operating expenditure per assessment	\$2,327.96	\$2,361.13	\$2,265.22
<b>Infrastructure</b>			
Average Capital expenditure per assessment <sup>(4)</sup>	\$845.35	\$786.17	\$1,014.36
Renewal gap (ratio of current spending on renewal of infrastructure assets)	1.12 : 1	1.15 : 1	1.05 : 1
Renewal and maintenance gap (as per renewal gap ratio plus maintenance)	1.07 : 1	1.09 : 1	1.03 : 1
<b>Governance</b>			
Community satisfaction rating for Council's Advocacy and Community Representation on key local issues (Advocacy) <sup>(3)</sup>	NA	61	62
Community satisfaction rating for Council's Engagement in decision making on key local issues (Community Engagement) <sup>(3)</sup>	NA	63	62

NA - Target not applicable

**Note:**

(1) Borrowings \$7.85 million lower than budget.

(2) The Department of Transport Planning and Local Infrastructure satisfaction survey has a margin of error of +/- 4 as a minimum. The survey itself indicates that Council's result is unchanged from the prior year.

(3) Capital works actual expenditure decreased \$15.83 million in 2013-14.



# Summary of the Financial Report

## In brief

The information in the below table relates to the 'Financial Statements' contained in the Annual Financial Report. The adjusted "operating" surplus is defined in the Net result section below.

(\$ Million)	2013-14	2012-13	Movement	
Surplus	23.23	23.39	↓	0.16
Adjusted "operating" surplus	26.41	26.06	↑	0.35
Net assets	2,687	2,438	↑	24.90
Cash	54.91	58.78	↓	3.87
Borrowings	58.71	53.76	↑	4.95

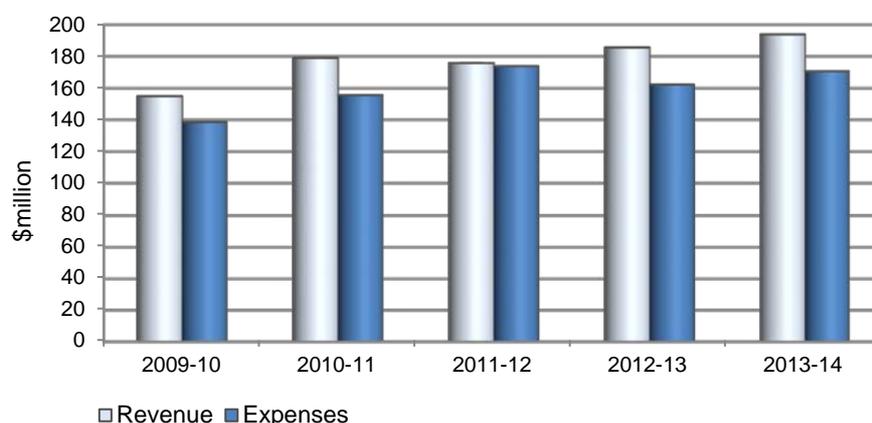
## Net result

(Refer to the Standard Income Statement on page 216 which compares Council's financial performance in the 2013-14 financial year to Council's 2013-14 original budget or to the Comprehensive Income Statement on page 150 which compares Council's financial performance in the 2013-14 financial year to the prior financial year 2012-13).

Council achieved a surplus of \$23.23 million in 2013-14. This surplus compares favourably to the original budget surplus of \$20.79 million. As per the Standard Income Statement on page 216, the favourable variance is due mainly to the higher than expected grants and contributions income as well as savings achieved in employee benefits and finance costs.

The adjusted net surplus of Council, after removing fixed asset sales, disposals and replacements, non-monetary asset contributions and unfunded superannuation expenses, is a surplus of \$26.41 million. Sustaining a surplus net result is a critical financial strategy that provides capacity to renew the \$2.69 billion net community assets under Council's control.

## Expenses vs Revenue: five-year trend



(\$ million)	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue	154.91	179.03	175.79	185.61	193.86
Expenses	138.61	155.51	173.86	162.22	170.63

The increase in expenses in 2011-12 was primarily due to the requirement to recognise Council's obligation to pay \$12.18 million excluding contributions tax (\$14.33 million including contributions tax) in order to help fund the shortfall in the Vision Superannuation Defined Benefits Scheme. The rise in revenue in 2010-11 was mainly caused by \$8.66 million of non-monetary asset contributions relating to public assets created during the onsite redevelopment of the Kew Residential



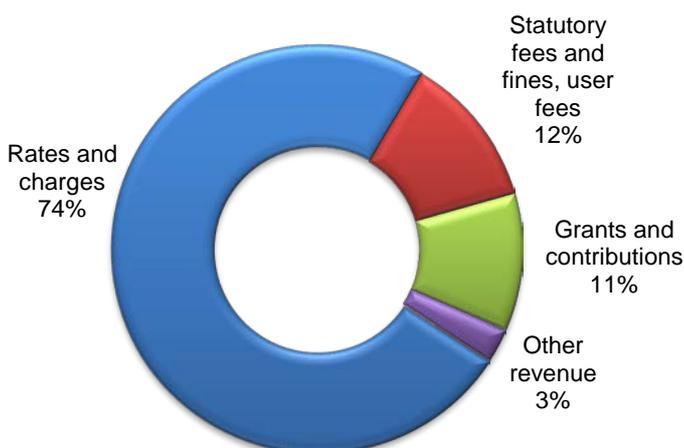
Services site (formerly Kew Cottages) to a residential sub-division. The ownership of the public assets and associated maintenance responsibilities were transferred to the City of Boroondara by the Walker Corporation Pty Ltd during the 2010-11 financial year.

## Revenue (where our money came from)

Council's total revenue for the 2013-14 year was \$193.86 million (2.6% favourable versus the original budget). The main factors contributing to this favourable increase included higher than expected operating grants and developer's open space contributions.

A breakdown of Council's revenue sources is shown below, highlighting Council's reliance on rate revenue to fund community services and the renewal of community assets.

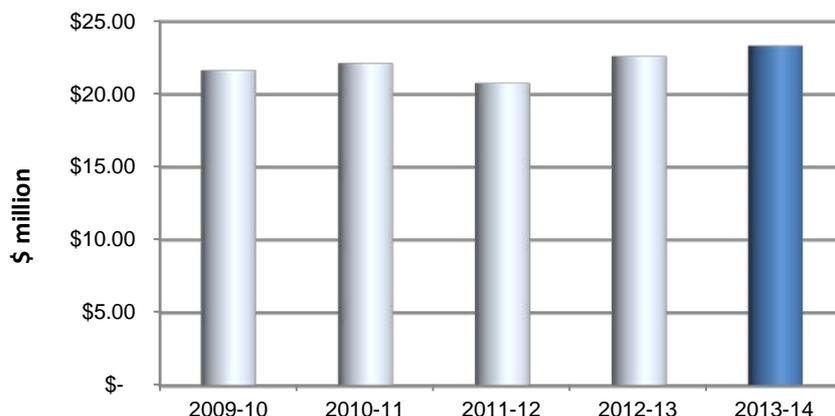
### 2013-14 Sources of revenue

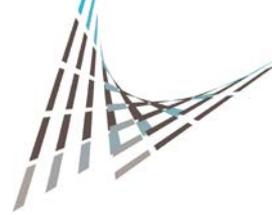


2013-14 Sources of revenue	\$ million	%
Rates and charges	144.13	74%
Statutory fees and fines, user fees	23.33	12%
Grants and contributions	21.22	11%
Other revenue	5.18	3%
<b>Total Revenue</b>	<b>193.86</b>	<b>100%</b>

Council's second greatest source of revenue (12%) is derived from the combination of user fees and statutory fees and fines. Overall, these revenue sources remained stable compared to the prior year. The historical trend in this combined revenue source over the past five years is shown in the following graph.

### Statutory fees and fines, user fees





(\$ million)	2009-10	2010-11	2011-12	2012-13	2013-14
Statutory fees & fines	9.24	9.46	10.03	10.76	11.40
User fees	12.40	12.66	10.73	11.84	11.93
<b>Total</b>	<b>21.64</b>	<b>22.12</b>	<b>20.76</b>	<b>22.60</b>	<b>23.33</b>

The drop in user fees in 2011-12 was primarily due to a change from a gross accounting model to a net return model for one of Council's recreation centres.

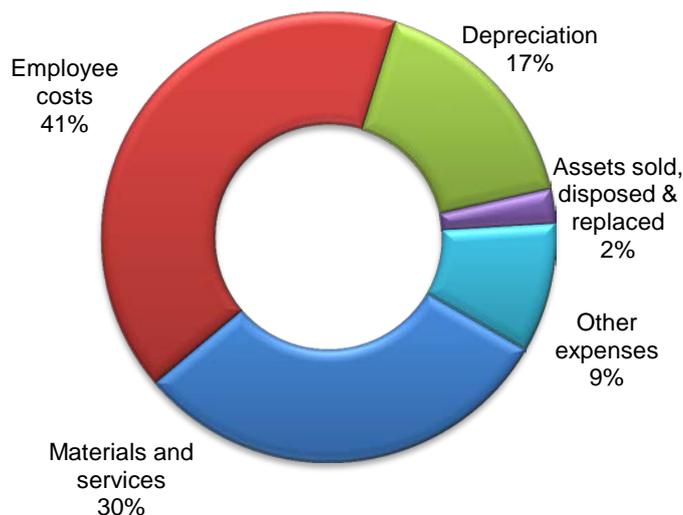
## Expenses (where our money went)

Council's total expenditure for the 2013-14 year was \$170.63 million (1.4% favourable versus the original budget). The main factors contributing to this favourable variance were savings in employee benefits and finance costs.

A breakdown of Council's expenditure categories is shown below. The graph highlights that 88% of Council's total spending relates to three expenditure categories:

- employee costs (41%)
- materials and services (30%)
- depreciation - the wear or tear of community assets (17%).

### 2013-14 Expenses



2013-14 Expenses	\$ million	%
Materials and services	52.02	30%
Employee costs	69.84	41%
Depreciation	28.65	17%
Assets sold, disposed and replaced	4.27	3%
Other expenses	15.85	9%
	<b>170.63</b>	<b>100%</b>



## Financial strength (our net worth)

(refer to the Standard Balance Sheet on page 217 which compares Council's financial strength at 30 June 2014 to Council's 2013-14 original budget or to the Balance Sheet on page 151 which compares Council's financial strength at 30 June 2014 to the prior financial year at 30 June 2013).

Council's financial strength, indicated by net assets (what we own less what we owe) has increased in 2013-14 by \$248.61 million to \$2.69 billion. This movement is due to the \$225.38 million asset revaluation increment and \$23.23 million current year surplus.

## Assets (what we own)

The major components of assets include:

- fixed assets which account for around 97%-98% of total assets (Property, infrastructure, plant and equipment, Investment property and Intangibles)
- cash assets represent approximately 1%-2% of total assets (cash at bank and short-term investments).

### Fixed assets

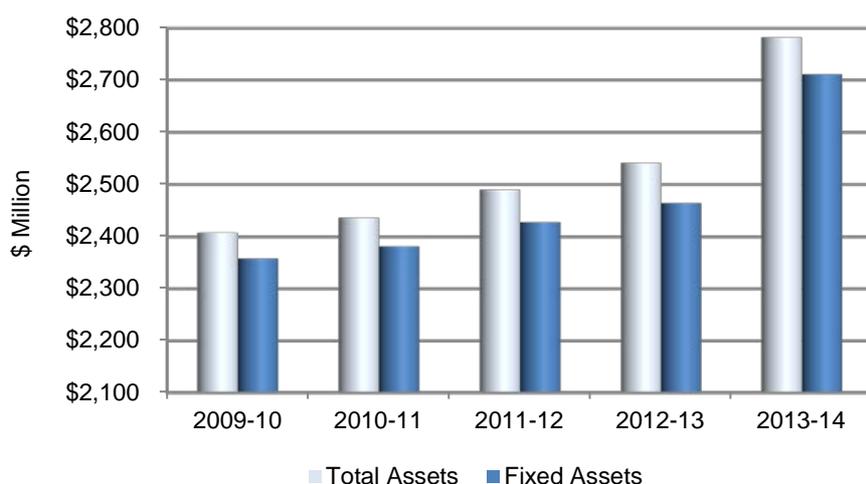
Fixed assets increased in 2013-14 by 10.17% due primarily to:

- \$225.38 million revaluation increment
- completion of two major capital projects, resulting in capitalisation of the expenditure. The projects were the Hawthorn Arts Centre and Hawthorn Aquatic and Leisure Centre.

As illustrated in the graph below, fixed assets account for the majority (approximately 97%-98%) of Council's total assets. Note 22 of the Financial Statements on page 175 identifies all of the different asset classes making up this total, however the main component is primarily land used for parks and community facilities that Council holds for the benefit of the community and which cannot be converted to cash.

The movement in fixed assets over the last five years has remained fairly stable, except for the 2013-14 financial year, which was impacted by a significant revaluation increment and capitalising two major projects.

### Fixed assets and total assets: five-year trend



(\$ million)	2009-10	2010-11	2011-12	2012-13	2013-14
Total assets	2,408	2,437	2,490	2,541	2,782
Fixed assets	2,359	2,381	2,428	2,464	2,711



## Cash

Cash has decreased by \$3.87 million from the prior year, due to cash inflows of \$46.37 million from operating activities and \$4.96 million from financing activities, offset by \$55.19 million cash outflows for investing activities (mainly capital expenditure).

For the 2013-14 financial year, Council achieved a net cash inflow from operating activities of \$46.37 million which represents a decrease of \$7.96 million from the prior year. This cash surplus in operating activities is critical as it indicates Council's ability to maintain its day to day operations in the long term and provides internal funding for the Capital Works Program including asset renewal.

Net cash used in investing activities decreased by \$14.74 million due mainly to a \$17.55 million decrease in payments for property, infrastructure, plant and equipment (capital expenditure) as a result of delayed projects which will be completed in 2014-15.

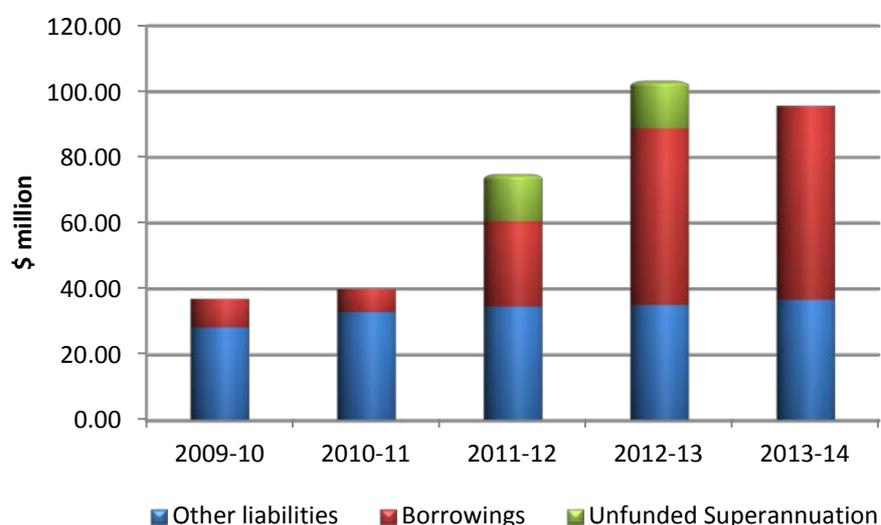
Cash inflows from financing activities were \$4.96 million due mainly to the drawdown of \$14.3 million and \$6.53 million in new borrowings in 2013-14, offset by \$15.87 million in borrowing repayments on existing borrowings (including the repayment of the entire \$14.3 million loan drawn down throughout the year).

## Liabilities (what we owe)

Council's liabilities include borrowings, amounts owed to suppliers, amounts owed to employees for leave entitlements and a liability for Council's share of the unfunded superannuation shortfall in the Local Authorities Superannuation Fund Defined Benefit Plan (Vision Super) detailed further below.

Council's total liabilities at 30 June 2014 were \$95.75 million, down from \$103.23 million the previous year primarily due to the payment of the unfunded superannuation liability of \$14.33 million throughout the 2013-14 financial year offset by borrowings of \$6.35 million to assist in the payment of the unfunded superannuation liability.

### Liability components: five-year trend



(\$ million)	2009-10	2010-11	2011-12	2012-13	2013-14
Other liabilities	28.32	33.00	34.65	35.14	36.77
Borrowings	8.66	7.05	25.92	53.76	58.98
Unfunded Superannuation	-	-	14.33	14.33	-
<b>Total liabilities</b>	<b>36.98</b>	<b>40.04</b>	<b>74.90</b>	<b>103.23</b>	<b>95.75</b>



An actuarial assessment conducted at 31 December 2011 identified an unfunded superannuation liability shortfall of \$406 million excluding contributions tax (\$453 million including contributions tax) in the defined benefit fund of Vision Super of which Council is a member. Council was formally invoiced for our share of the shortfall on 1 August 2012, which amounted to \$12.18 million excluding contributions tax (\$14.33 million including contributions tax). Council accounted for this shortfall in the 2011-12 financial year. More recently, the unfunded liability was transferred to a current liability at 30 June 2013 and was paid out in July 2013.

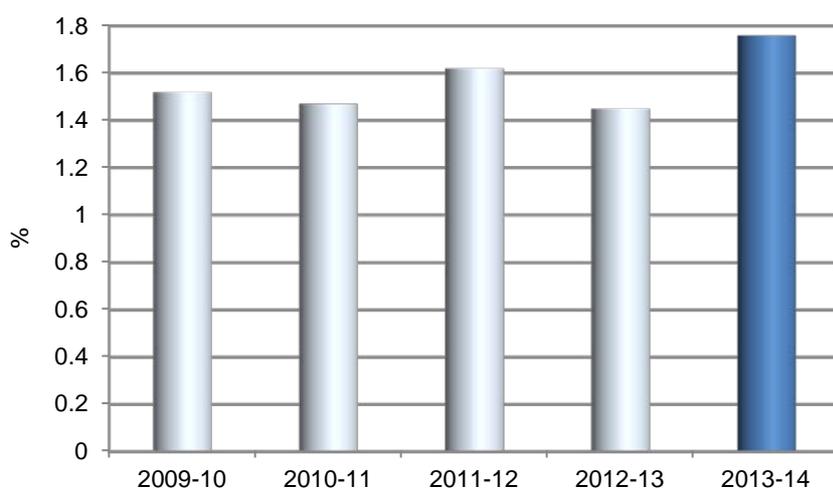
## Financial ratios

Council is required to disclose several financial ratios in Note 45 of the Financial Statements. Financial ratios are performance indicators that use figures from the Financial Statements to demonstrate relationships between key numbers. The ratios form a 'story' about the financial health of Council. Ratios focusing on financial sustainability are more relevant in the not for profit sector.

### Working capital ratio

The working capital ratio assesses Council's ability to meet current commitments and is calculated by measuring Council's current assets against current liabilities. Council's ratio of 1.76 to 1 is an indicator of satisfactory financial position and meets Council's target ratio of 1.20. This means that Council has \$1.76 of current assets for every \$1.00 of current liabilities. Council's working capital ratio increased from the prior year due mainly to the payment of the \$14.33 million unfunded superannuation liability. The working capital ratio over the past five years is depicted in the graph below.

### Working capital ratio: five-year trend



(%)	2009-10	2010-11	2011-12	2012-13	2013-14
Working capital	1.52	1.47	1.62	1.45	1.76
Adjusted working capital	1.93	1.74	1.73	1.49	1.81

Council also discloses an adjusted working capital ratio in Note 45. The adjusted working capital ratio uses a different amount for current liabilities, as this balance has been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. This adjusted working capital ratio is also disclosed, as in actual practice, it is not likely that Council will be required to pay out all of these current long service entitlements within the next 12 months.



## Debt ratios

Several of the ratios focus on the level of debt that Council is currently exposed to and that Council is required to service in the future. Whilst Council's debt has increased during the past two years, Council's exposure and commitment to servicing those borrowings is still relatively low in comparison to its assets and revenue base.

For instance, the **debt servicing ratio** of 1.85% in 2013-14 (2012-13: 1.01%) has increased slightly from the prior year, however it represents only a very low percentage of Council's total revenue base. This ratio indicates the capacity of Council to service its outstanding debt by comparing the amount of interest expense on borrowings with total revenue.

Similarly, the **debt commitment ratio** of 13.50% in 2013-14 (2012-13: 2.24%) has increased but still remains a low proportion of rate revenue. This ratio indicates the percentage of rate revenue used to pay interest and redeem principal.

Finally, the **debt exposure ratio** of 4.37% in 2013-14 (2012-13: 5.26%) shows that Council's exposure to debt has decreased driven by an increase in assets.

## Revenue ratio

The revenue ratio indicates Council's reliance on rate revenue, by comparing the level of rate revenue to total revenue. Council's revenue ratio was 74.35% in 2013-14 up from 73.12% in the prior year which indicates that Council's reliance on rate revenue has increased slightly.

## Looking ahead

### Key financial information and trends

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, rates increased by 4.70% in 2013-14, to provide for growth in asset renewal funds combined with operational expenditure. The table below depicts key financial information as forecast in Council's Long Term Financial Strategy.

\$ million	Actual	Forecast				
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Financial performance</b>						
Rate revenue	144.13	151.38	158.77	166.35	175.12	161.07
Total revenue	193.86	197.91	208.00	215.94	226.43	238.60
Total expenditure	170.63	173.05	178.20	184.16	189.60	202.03
Net result for year	23.23	24.86	29.80	31.78	36.83	36.57
Adjusted "operating" result <sup>(1)</sup>	26.41	28.17	32.47	34.45	39.50	39.24
<b>Cash flows</b>						
Surplus from operations	46.37	63.75	68.75	70.66	75.28	70.88
Payments for fixed assets	56.78	58.99	63.38	59.72	67.58	67.55
Increase/(decrease) in cash	(3.87)	(0.59)	(1.30)	4.27	1.03	(2.29)

*(1) Excludes fixed assets not previously recognised, the net profit or loss on fixed assets sold, replaced or written off, gains or losses on revaluation, non-monetary asset contributions, fixed asset derecognitions and unfunded superannuation expenditure.*

Council projects that the surplus trend that commenced in 2005-06 will continue to grow over the next 10 years to \$56.18 million in 2022-23.



# Understanding the financial report

## Introduction

The financial report highlights Council's financial performance and overall position at the close of the 2013-14 financial year (30 June 2014). The report is presented in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

This guide has been developed to assist readers to understand and analyse the financial report, giving definition to terms required by Australian Accounting Standards. In addition, a detailed glossary has been included on page 234 to help those readers who may not be familiar with reading Financial Statements. Council is a 'not for profit' organisation and therefore some of the generally recognised terms used in private sector company reports may not be appropriate for Council's reports.

Council's financial report has three sets of statements, all of which will be explained in this guide:

- (a) Financial Statements (page 150)
- (b) Standard Statements (page 216)
- (c) Performance Statement (page 228).

## Understanding the Financial Statements

The Financial Statements compare the current financial year (2013-14) to the previous financial year (2012-13). The Financial Statements are made up of two main sections, namely the main statements and the notes. There are four main statements:

1. Comprehensive Income Statement
2. Balance Sheet
3. Statement of Changes in Equity
4. Cash Flow Statement.

In addition to the main statements, there are 47 notes which detail Council's accounting policies and the make-up of values contained in the main statements. These statements and notes are prepared by Council's staff, examined and approved by Council's Audit Committee and by Council, and are audited by the Victorian Auditor-General.

### Comprehensive Income Statement

The Comprehensive Income Statement is sometimes referred to as a 'Profit and Loss Statement' and shows whether Council's operations were in surplus or deficit during the financial year. The surplus/(deficit) amount is calculated as total revenue less total expenses. A surplus means that revenue was greater than expenses.

The Comprehensive Income Statement contains:

- the sources of Council's revenue under various income headings (including Council's share of net profits in joint ventures)
- the expenditure incurred in running the Council during the year (including the net profit or loss on disposal of property, infrastructure, plant and equipment assets). These expenses relate only to the 'operations' and do not include the capital costs associated with the purchase or the building of fixed assets. While asset purchase costs are not included in the expenses there is an item for 'Depreciation and amortisation'. This amount is the value of the assets used up during the year
- other comprehensive income items (net asset revaluation increments and Council's share of other comprehensive income of joint ventures accounted for by the equity method).

The comprehensive result is arrived at by adjusting the net surplus/(deficit) by the other comprehensive income items. The comprehensive result is also equal to the movement in Council's net assets (total equity) from the prior year.



## Balance Sheet

This statement is a one page summary which is a snapshot of the financial situation as at 30 June 2014. It shows what the Council owns as assets and what it owes as liabilities. The bottom line of this statement is called net assets which is the net worth of Council which has been built up over many years.

**Net assets = Total assets - total liabilities**

**Net assets = Total equity**

The assets and liabilities are separated into current and non-current. Generally, current means those assets or liabilities which will fall due in the next 12 months.

The components of the balance sheet are as follows:

<b>Assets</b>	<b>Financial Statement Note</b>	<b>Details</b>
Cash and cash equivalents	16	Include cash and investments, i.e. cash held in the bank, in petty cash and the value of Council's investments.
Trade and other receivables	17	Monies owed to Council by ratepayers and others.
Financial assets	18	Represents unlisted shares that Council holds with Procurement Australia Limited.
Inventories	19	Stocks held for sale or consumption in Council's services.
Other assets	21	Represents prepayments, which are expenses that Council has paid in advance of the service delivery.
Investments in associates accounted for using the equity method	15	Represents Council's share of investments in joint venture entities. The sole joint venture for the Council is an arrangement called South Eastern Regional Landfill. The equity method is the way Council is required to account for its interest in the joint venture in the Comprehensive Income Statement and Balance Sheet as per Australian Accounting Standards.
Property, infrastructure, plant and equipment	22	The largest component of Council's worth and represents the value of fixed assets such as land, buildings, roads, drains, footpaths and equipment.
Investment property	23	Represents land or buildings held to earn rentals or for capital appreciation or both, rather than for use in the supply of services or for administrative purposes.
Intangible assets	24	Represents non-current assets held by Council that are not tangible (such as computer software and licences).
<b>Liabilities</b>		
Trade and other payables	25	Represents individuals and entities to whom Council owes money as at 30 June.
Trust funds and deposits	26	Represent monies held in trust or deposits received and held by Council.
Provisions	27	Includes accrued long service leave, annual leave and rostered days off owing to employees.
Interest-bearing loans and borrowings	28	Represents loans and borrowings that Council holds with financial institutions.
Prepaid income	NA	Represents income received in advance of providing the relevant service.



Equity	Financial Statement Note	Details
Asset revaluation reserve	29	Represents the difference between the previously recorded value of assets and their current valuations.
Drainage contributions reserve	29	Includes non-refundable contributions that are sought from developers to upgrade drainage as a result of development in the municipality.
Strategic acquisition fund	29	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.
Defined Benefit future call up fund	29	Represents the value that 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.
Open space development fund	29	Allows for the acquisition of land within the municipality for conversion to public open space as it becomes available.
Accumulated surplus	NA	Represents the value of all net assets accumulated over time.

## Statement of Changes in Equity

During the course of the year the value of total equity as set out in the Balance Sheet changes. The Statement of Changes in Equity shows the values of such changes and how these changes arose. Common reasons for a change in equity arise from:

- the 'profit or loss' from operations, described in the statement as 'surplus/(deficit) for the year'
- the use of monies from Council's reserves and transfers to Council's reserves
- the revaluation of fixed assets
- the share of revaluations of investments in joint venture assets
- the recognition of an asset for the first time.

### Cash Flow Statement

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year. This statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Comprehensive Income Statement because that statement is prepared on an accrual accounting basis. In addition, the amounts disclosed in the Cash Flow Statement are at gross value including Goods and Services Tax (GST) where applicable.

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash. Council's cash arises from, and is used in, three main areas:

(a) Cash flows from **operating activities**

- Receipts - all cash received into Council's bank account from ratepayers and others who owed money to Council. Receipts also include the interest earnings from Council's cash investments but do not include the costs associated with the sale of assets.
- Payments - all cash paid by Council from its bank account to staff, creditors and other persons but do not include the costs associated with the creation of assets.

(b) Cash flows from **investing activities**

This section shows the cash invested in the creation or purchase of fixed assets and the cash received from the sale of these assets. It also shows the amount of new loans and advances provided to or repaid by community organisations as well as any movement in trust funds and deposits held by Council.



- (c) Cash flows from **financing activities**  
This is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the Cash Flow Statement is the cash at end of financial year. This shows the capacity of Council to meet its cash debts and other liabilities.

### Notes to the Financial Report

The notes should be read at the same time as, and together with, the other parts of the Financial Statements to get a clear picture of the accounts and to enable the reader to understand the basis on which the values shown in the main statements are established.

## Understanding the Standard Statements

The Standard Statements provide three of the four main statements mentioned above (Comprehensive Income Statement, Balance Sheet and Cash Flow Statement) together with a further statement (Statement of Capital Works).

The Standard Statements provide a comparison between the actual results for the year and the original budget that was set at the start of the year. All major differences greater than \$600,000 and 10% are explained in accompanying notes. In some cases, explanations are provided for variations below the materiality threshold where it is believed that explanation will benefit readers of the Standard Statements.

The figures disclosed in the Standard Statements are prepared on a basis consistent with the Council budget format, and therefore, individual line items in the Standard Statements may differ to those disclosed in the Financial Statements.

The Statement of Capital Works sets out the expenditure on creating or buying fixed assets by each category of asset. It also shows how much has been spent on renewing, upgrading, expanding or creating new assets of this type.

## Understanding the Performance Statement

The Performance Statement reports on the performance against the Key Strategic Activities identified for a financial year. Section 127 of the *Local Government Act 1989* requires identification of key activities that will be pursued in support of the Strategic Objectives. The Council Plan June 2013-17 identified five Themes supported by eight Strategic Objectives. For each of these Strategic Objectives, Key Strategic Activities and associated performance measures were identified.

The Performance Statement reports on the outcome of these performance measures. Each result is reviewed by the external auditors, with supporting evidence and data scrutinised to ensure accuracy of performance reporting.

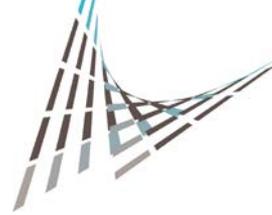
## Statements by Principal Accounting Officer and Councillors

The certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council that, in her/his opinion, the Financial, Standard and Performance Statements have met all the statutory and professional reporting requirements.

The certification of Councillors is made by two Councillors on behalf of Council that, in their opinion, the Financial, Standard and Performance Statements are fair and not misleading.

## Auditor General's Report

The independent audit report provides the reader with an external and independent opinion on the Financial Statements, Standard Statements and Performance Statement. It confirms that the financial report has been prepared in accordance with relevant legislation and professional standards and that it represents a fair picture of the financial affairs and performance of the Council.



## Financial Strategy Principles

Council is committed to sustainable budgeting and responsible resource management, and has a Long Term Financial Strategy that is used to inform the Strategic Resource Plan.

The Financial Strategy Principles provide the framework for the development of Council's Long Term Financial Strategy, and annual Budget development. The Financial Strategy Principles are reviewed and endorsed annually by Council to ensure relevance to current circumstances. The principles enable consistent and informed decision-making by the Council.

A summary of the Financial Strategy Principles are reported below:

### **Sustainable budgeting principle**

Council will implement a sustainable budget and financial strategy that caters for short and long-term planning responsibilities.

### **Rating Revenue Principle**

Council will review rate revenue annually. Rate levels will be set within the context of the Council Plan having regard for the Long Term Financial Strategy and current expenditure commitments.

### **Pricing of Services Principle**

Council will set fees and charges for services having regard to Council's Pricing Policy and specific fee policies in applicable areas of Council, while incorporating cost recovery principles and marketplace competition. User capacity to pay, equity in the subsidisation of services, community service benefits statutory or service agreement limitations and results of benchmarking of similar services also impact the striking of a fee or charge.

### **Waste Management Principle**

Council will use waste management pricing strategies that encourage waste avoidance, minimisation and recycling, and will be supported by educational programs and appropriate services.

### **Intergovernment Funding Principle**

Council supports the Intergovernmental Agreement that requires other levels of government to fully fund services delivered on their behalf. Council will maximise the level of grants and subsidies received from Victorian and Australian governments to achieve a better share of government taxes for the Boroondara community.

### **Employee Costs Principle**

Council will attract and retain suitable staff through remuneration levels and workplace policies, while ensuring that there is effective and efficient management of staff costs and number of employees.

### **Priority Projects Expenditure Principle**

Council will separately fund projects of a non-recurring operating nature identified in the Council Plan as priority projects. The aim is to complete these projects within the financial year.

### **Management of Expenditure Principle**

Council will review all Council expenditure. Fundamental to this process is community consultation and benchmarking of cost and quality standards of service and efficiency against like services in the public and private sectors.

### **Amended Budget Principle**

Council will amend the Annual Budget for internal management reporting purposes to ensure prudent and transparent budgeting and financial planning.

### **Asset Management Principle**

Council will provide well-maintained community assets that are fit for their purpose and provide best possible community benefit. Council's budget and long-term strategy will commit, with specific budget provision, an appropriate level of expenditure to ensure ongoing asset maintenance and renewal.

**Creating Community Assets Principle**

Council will ensure that the community has access to required community infrastructure, located to meet community needs and city wide priorities and designed with regard to current and future needs.

**Property Holdings Principle**

Council will manage, acquire and dispose of property in the best interest of the Boroondara community. Council recognises the importance of property holdings over the long term to community wellbeing.

**Strategic Acquisition Fund Principle**

Council will maintain a separate fund for the purpose of acquiring new assets.

**Concept Master Plan Principle**

Council will ensure that the short and long-term interests of the community are appropriately addressed. Concept Master Plans are an aid to future planning for the allocation of resources.

**Financial Principle**

Council will fund all operating and capital expenditure in a prudent, ethical and responsible manner. Council will seek and accept external funding contributions to a project where the acceptance of the funding will not compromise Council's principles or objectives.

**Cash Management Principle**

Council will monitor its Working Capital Ratio (current assets/current liabilities) to ensure the maintenance of the required level of cash to meet operational requirements.

**Financial Expenditure**

Council adopted a budget for 2013-14 identifying how funds were to be allocated. For every \$100 of expenditure, Council delivered the following services during 2013-14:

Capital works and priority projects	\$31.31
Environment and waste management	\$12.92
Parks, gardens and sportsgrounds	\$9.31
Health, aged community and family services	\$12.38
Roads, footpaths, safety and drainage	\$5.97
Planning and building	\$5.99
Library services	\$6.47
Local laws enforcement	\$5.04
Culture, leisure & recreation and civic centres	\$2.66
Engineering and traffic	\$2.70
Communications and customer service	\$2.55
Rates and Property Services	\$2.20
Economic development	\$0.50

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# Comprehensive Income Statement

## For the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Revenue</b>			
Rates and charges	2	144,133	135,726
Statutory fees and fines	3	11,406	10,763
User fees	4	11,928	11,836
Grants - recurrent	5	11,964	13,625
Grants - non-recurrent	5	4,134	2,375
Contributions - cash	6(a)	4,033	4,250
Contributions - non-monetary assets	6(b)	1,090	-
Other income	8	7,275	6,580
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	15	(2,100)	454
<b>Total revenue</b>		<u>193,863</u>	<u>185,609</u>
<b>Expenses</b>			
Employee Costs	9	(69,842)	(64,733)
Materials and services	10	(52,019)	(54,270)
Bad and doubtful debts	11	(876)	(937)
Depreciation and amortisation	12	(28,646)	(27,209)
Borrowing costs	13	(3,579)	(1,877)
Other expenses	14	(11,396)	(10,521)
Net loss on disposal of property, infrastructure, plant and equipment	7	(4,274)	(2,668)
<b>Total expenses</b>		<u>(170,632)</u>	<u>(162,215)</u>
<b>Surplus/(deficit)</b>		<u>23,231</u>	<u>23,394</u>
<b>Other comprehensive income</b>			
Net asset revaluation increments	29(a)	225,262	-
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	29(a)	114	-
<b>Comprehensive result</b>		<u>248,607</u>	<u>23,394</u>

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

# Balance Sheet

## As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	54,910	58,778
Trade and other receivables	17	11,782	10,533
Inventories	19	35	38
Non-current assets classified as held for sale	20	-	1,349
Other assets	21	851	1,110
<b>Total current assets</b>		<u>67,578</u>	<u>71,808</u>
<b>Non-current assets</b>			
Trade and other receivables	17	110	161
Financial assets	18	4	2
Investments in associates accounted for using the equity method	15	3,404	5,390
Property, infrastructure, plant and equipment	22	2,703,352	2,456,321
Investment property	23	7,757	7,411
Intangible assets	24	255	246
<b>Total non-current assets</b>		<u>2,714,882</u>	<u>2,469,531</u>
<b>Total assets</b>		<u>2,782,460</u>	<u>2,541,339</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	25	18,255	17,469
Trust funds and deposits	26	2,848	3,113
Unfunded superannuation	36	-	14,325
Provisions	27	13,967	12,654
Interest-bearing loans and borrowings	28	3,240	1,574
Prepaid income		54	219
<b>Total current liabilities</b>		<u>38,364</u>	<u>49,354</u>
<b>Non-current liabilities</b>			
Provisions	27	1,910	1,696
Interest-bearing loans and borrowings	28	55,474	52,184
<b>Total non-current liabilities</b>		<u>57,384</u>	<u>53,880</u>
<b>Total liabilities</b>		<u>95,748</u>	<u>103,234</u>
<b>Net assets</b>		<u>2,686,712</u>	<u>2,438,105</u>
<b>Equity</b>			
Accumulated surplus		776,453	751,016
Reserves	29(c)	1,910,259	1,687,089
<b>Total equity</b>		<u>2,686,712</u>	<u>2,438,105</u>

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

## Statement of Changes in Equity

### For the year ended 30 June 2014

	Note	Asset			
		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
<b>2014</b>		<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of the financial year		2,438,105	751,016	1,686,837	252
Surplus(deficit) for the year		23,231	23,231	-	-
Net asset revaluation increment(decrement)	29(a)	225,376	-	225,376	-
Impairment losses	29(a)	-	-	-	-
Transfers to other reserves	29(b)	-	(1,926)	-	1,926
Transfers from other reserves	29(a)-(b)	-	4,132	(4,155)	23
<b>Balance at end of the financial year</b>		<b>2,686,712</b>	<b>776,453</b>	<b>1,908,058</b>	<b>2,201</b>

	Note	Asset			
		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
<b>2013</b>		<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of the financial year		2,415,021	725,508	1,689,285	228
Surplus(deficit) for the year		23,394	23,394	-	-
Impairment losses	29(a)	(310)	-	(310)	-
Transfers to other reserves	29(b)	-	(52)	-	52
Transfers from other reserves	29(a)-(b)	-	2,166	(2,138)	(28)
<b>Balance at end of the financial year</b>		<b>2,438,105</b>	<b>751,016</b>	<b>1,686,837</b>	<b>252</b>

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

# Statement of Cash Flows

## For the year ended 30 June 2014

	2014	2013
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Rates	143,390	135,513
Statutory fees and fines	10,840	9,522
User charges and other fines (inclusive of GST)	11,099	11,993
Grants (inclusive of GST)	16,939	16,876
Contributions (inclusive of GST)	4,243	4,482
Interest revenue	2,268	2,401
Lease and rental receipts (inclusive of GST)	2,484	2,685
Other receipts (inclusive of GST)	2,762	1,760
Net GST refund/(payment)	10,060	11,198
Joint venture distribution received	-	-
Payments to suppliers (inclusive of GST)	(60,339)	(66,049)
Payments to employees (including redundancies)	(82,349)	(63,857)
Finance costs	(3,630)	(1,729)
Other payments	(11,397)	(10,462)
<b>Net cash provided by operating activities</b>	<b>46,370</b>	<b>54,333</b>
31		
<b>Cash flows from investing activities</b>		
Payments for property, infrastructure, plant and equipment	(56,784)	(74,338)
Proceeds from sale of property, infrastructure, plant and equipment	1,806	3,937
Trust funds and deposits	(266)	414
Repayment of loans and advances from community organisations	50	55
<b>Net cash used in investing activities</b>	<b>(55,194)</b>	<b>(69,932)</b>
<b>Cash flows from financing activities</b>		
Proceeds from interest bearing loans and borrowings	20,830	29,000
Repayment of interest bearing loans and borrowings	(15,874)	(1,165)
<b>Net cash provided by financing activities</b>	<b>4,956</b>	<b>27,835</b>
Net increase in cash and cash equivalents	(3,868)	12,236
Cash and cash equivalents at the beginning of the financial year	58,778	46,542
<b>Cash and cash equivalents at the end of the financial year</b>	<b>54,910</b>	<b>58,778</b>
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The above cash flow statement should be read in conjunction with the accompanying notes.

# Notes to the Financial Report

## Introduction

- (a) 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.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
  - promote the social, economic and environmental viability and sustainability of the municipal district;
  - ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
  - improve the overall quality of life of people in the local community;
  - promote appropriate business and employment opportunities;
  - ensure that services and facilities provided by the Council are accessible and equitable;
  - ensure the equitable imposition of rates and charges; and
  - ensure transparency and accountability in Council decision making.

External Auditor - Auditor-General of Victoria

Internal Auditor - Internal audit services are co-ordinated by a staff member. Internal audit is also supplemented by resources from Crowe Horwath.

Solicitors - Maddocks, Macquarie Lawyers and Strategists.

Bankers - Commonwealth Bank of Australia

Website address - [www.boroondara.vic.gov.au](http://www.boroondara.vic.gov.au)

These financial statements are general purpose financial statements that consist of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial statements comply with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations, the *Local Government Act 1989*, and the Local Government (Finance and Reporting) Regulations 2004.

## Note 1 - Significant accounting policies

### (a) Basis of accounting

These financial statements have been prepared under the historical cost convention, except where specifically stated in notes 1(h), 1(j), 1(l), 1(t), 1(w), 1(x) and 1(y).

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.

Council has no Special Committees of Management with material assets or liabilities.

### (b) Change in accounting policies

#### *AASB 13 Fair Value Measurement*

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

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 in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. AASB 13 includes extensive disclosure requirements.

# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (b) Change in accounting policies (cont.)

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period (please see note 22)

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the 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.

#### *AASB 119 Employee benefits*

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits.

This change in classification has not altered Council's measurement of the annual leave provision. The disclosure has been amended to incorporate the change.

# Notes to the Financial Report

## (c) Revenue recognition

### *Rates, grants and contributions*

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets 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.

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.

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 5. 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.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

### *User fees and fines*

User 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.

A provision for doubtful debts is recognised when collection in full is no longer probable.

### *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.

### *Rental*

Rents are recognised as revenue when a payment is due or is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

### *Interest*

Interest is recognised as it is earned.

# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (c) Revenue recognition (cont.)

#### *Dividends*

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

#### *Other Income*

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

### (d) Trade and other receivables and inventories

#### *Trade receivables*

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

#### *Inventories*

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

### (e) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles and investment property

Buildings, other structures and land improvements, plant and equipment, infrastructure, trees, 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.

Straight line depreciation is charged based on the residual useful life as determined each year.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

<i>PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT</i>	<u>Period</u>
<u>Property</u>	
Land	N/A
Buildings	
- Buildings (fitout)	25 years
- Buildings (shell)	55 years
- Buildings (non-habitable)	25 years
Other structures and land improvements	
- All except steel/concrete boardwalks	25 years
- Steel/concrete boardwalks	80 years

# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (e) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles and investment property (cont.)

#### Plant and equipment

Light plant and equipment	5 years
Library books and resources	6 years
Trucks, trailers and heavy plant and equipment	7 years
Office furniture and equipment	10 years
Recreation equipment	5 years
Garbage bins and crates	14 years
Irrigation and sprinkler systems	15 years
Outdoor furniture and equipment, playground equipment	15 years
Fencing	25 years
Motor vehicles	5 years
Signs	30 years
Computer hardware and equipment	5 years
Art and heritage assets	100 years
Computer software	3 years
Lighting	25 years
Electricity generating plant (Co-generation plant)	20 years
Electricity generating equipment (eg: Solar panels)	30 years

#### Infrastructure

Road substructure	
- Road substructure (asphalt)	150 years
- Road substructure (concrete)	100 years
Road seal	
- Road seal (asphalt)	20 years
- Road seal (concrete)	100 years
Laneways	
- Laneways (asphalt)	30 years
- Laneways (concrete, bluestone and other)	100 years
- Laneways (spray seal)	12 years
Bridges	
- Bridges (steel/concrete)	130 years
- Bridges (timber)	50 years
Kerb and channel	75 years
Carparks and access roads	
- Carparks (surface), access roads and indented parking bays	30 years
- Carparks (substructure)	100 years
Footpaths	
- Footpaths (concrete)	85 years
- Footpaths (asphalt)	75 years
- Footpaths (granitic and pavers)	20 years
Drains	
- Pipes and pits	100 years
- Rain gardens/water sensitive urban devices (WSUDs)	20 years
- Litter release nets/gross pollutant traps	5 years
Traffic management devices	30 years

#### Trees

Trees	100 years
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# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (e) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles and investment property (cont.)

#### INTANGIBLE ASSETS

Computer software and licences	3 years
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#### INVESTMENT PROPERTY

Land	N/A
Buildings	
- Buildings (fitout & non-habitable)	25 years
- Buildings (shell)	55 years

### (f) 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.

### (g) 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.

### (h) Recognition and measurement of assets

#### Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The following classes of assets have been recognised in notes 22, 23 and 24. In accordance with Council's policy, the threshold limits detailed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

<i>PROPERTY, PLANT &amp; EQUIPMENT AND INFRASTRUCTURE</i>	<b>Threshold \$'000</b>
<i>Property</i>	
Land	No limit
Land under roads	No limit
Buildings	
- Buildings (fitout)	5
- Buildings (shell)	5
- Buildings (non-habitable)	2
- Other structures and land improvements	2

# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (h) Recognition and measurement of assets (cont.)

#### Plant and equipment

Light plant and equipment, trucks, trailers and heavy plant and equipment	2
Library books and resources	No limit
Office furniture and equipment, recreation equipment and signs	1
Garbage bins and crates	No limit
Irrigation and sprinkler systems	2
Outdoor furniture and equipment, playground equipment	2
Fencing, lighting, motor vehicles	2
Computer hardware and equipment, computer software	1
Art and heritage assets	0.5
Electricity generating plant (Co-generation plant)	2
Electricity generating equipment (eg: Solar panels)	1

#### Infrastructure

Road substructure, road seal and laneways	7
Bridges	7
Carparks and access roads	7
Footpaths	7
Kerb and channel	7
Drains - pipes	7
Drains - pits	No limit
Drains - rain gardens/water sensitive urban devices (WSUDs)	7
Litter release nets / gross pollutant traps	2
Traffic management devices	7

#### Trees

Trees	No limit
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#### **INTANGIBLE ASSETS**

Computer software and licences	1
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#### **INVESTMENT PROPERTY**

Buildings (fitout and shell)	5
Buildings (non habitable)	2

#### *Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, other structures and land improvements, trees and work in progress, 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 treatment of assets within the 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.

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.

# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (h) Recognition and measurement of assets (cont.)

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

#### *Land under roads*

In accordance with options available under Australian Accounting Standards, Council has opted to recognise all land under roads acquired after 30 June 2008 using the cost basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

In July 2011, the Department of Transport, Planning and Local Infrastructure (DTPLI) issued a Guidance Circular (15/11) regarding the recognition and measurement of land under roads. The DTPLI recommended that all Councils should recognise all land under roads (both pre and post 1 July 2008) and that these assets should be accounted for at fair value. A transitional period has been proposed and DTPLI expects Councils to be compliant by the end of the 2014-15 financial year.

### (i) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments.

### (j) Financial assets

Financial assets are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense. Council did not have any managed funds during the current financial year.

### (k) Investments

Investments (non-financial), other than investments in associates, are measured at cost.

### (l) Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the 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.

### (m) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as trust funds until they are returned or forfeited (refer to note 26).

# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (n) Employee benefits

The calculation of employee 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 on-costs, rostered days off, and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date.

Commonwealth bond rates are used for discounting future cash flows.

#### *Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Currently liability - unconditional LSL representing 7 years 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 settled within 12 months
- nominal value - component that is expected to be settled within 12 months

Non-Current liability - conditional LSL representing less than 7 years 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. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

Commonwealth bond rates are used for discounting future cash flows.

#### *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The council recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

#### *Superannuation*

The amount charged to the Comprehensive Income Statement in respect of superannuation represents contributions made or due by Council to the relevant superannuation plans in respect to the services of the Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Council is required to comply with.

In addition, Council may periodically be required to contribute to the defined benefit schemes for current and former employees. Such contributions will be recognised at the time the required contribution amount is notified. Council's long term financial strategy makes provision to cover likely future liabilities.

# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (o) Leases

#### *Finance leases*

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. 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*

Council does not have any leasehold improvements at reporting date.

### (p) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within twelve months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

### (q) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an 'as incurred' basis.

### (r) Website costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

### (s) 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.

### (t) 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 asset's carrying value. Any excess of the asset's 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.

# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (u) 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.

### (v) Non-current assets held for sale

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non current assets, disposal groups and related liabilities 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.

### (w) 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(e). Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement on a straight line basis over the lease term.

### (x) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

### (y) Contingent assets and contingent liabilities and commitments

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

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

# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (z) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the council by are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

<b>Pronouncement</b>	<b>AASB 9 Financial Instruments</b>
<b>What's new?</b>	<p>The AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. The standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas. AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets. The new categories of financial assets are:</p> <ul style="list-style-type: none"> <li>* Amortised cost - those assets with 'basic' loan features'.</li> <li>* Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable).</li> <li>* Fair value through profit and loss - everything that does not fall into the above two categories.</li> </ul> <p>The following changes also apply:</p> <ul style="list-style-type: none"> <li>* Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value.</li> <li>* There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal.</li> <li>* Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.</li> </ul>
<b>Impact/Action</b>	<p>The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities. This will also create a requirement to measure some instruments annually that has not previously existed.</p>
<b>Effective date</b>	Periods beginning on or after 1 July 2015.

<b>Pronouncement</b>	<b>AASB 10 Consolidated Financial Statements</b>
<b>What's new?</b>	<p>This standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. The AASB has issued an exposure draft ED 238 Consolidated Financial Statements - Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors</p>
<b>Impact/Action</b>	<p>The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated. The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not-for-profit entities.</p>
<b>Effective date</b>	Periods beginning on or after 1 July 2014.

# Notes to the Financial Report

## Note 1 - Significant accounting policies (cont.)

### (z) Pending Accounting Standards (cont.)

<b>Pronouncement</b>	<b>AASB 11 Joint Arrangements</b>
<b>What's new?</b>	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.
<b>Impact/Action</b>	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.
<b>Effective date</b>	Periods beginning on or after 1 July 2014.

<b>Pronouncement</b>	<b>AASB 12 Disclosure of Interests in Other Entities</b>
<b>What's new?</b>	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.  The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.
<b>Impact/Action</b>	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.
<b>Effective date</b>	Periods beginning on or after 1 July 2014.

<b>Pronouncement</b>	<b>AASB 127 Separate Financial Statements</b>
<b>What's new?</b>	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.
<b>Impact/Action</b>	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not-for-profit entities.
<b>Effective date</b>	Periods beginning on or after 1 July 2014.

<b>Pronouncement</b>	<b>AASB 128 Investments in Associates and Joint Ventures</b>
<b>What's new?</b>	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.
<b>Impact/Action</b>	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not-for-profit entities.
<b>Effective date</b>	Periods beginning on or after 1 July 2014.

<b>Pronouncement</b>	<b>AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements</b>
<b>What's new?</b>	These standards set out the tiers of financial reporting and the reduced disclosure framework.
<b>Impact/Action</b>	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not-for-profit entities.
<b>Effective date</b>	Periods beginning on or after 1 July 2014.

# Notes to the Financial Report

	2014 \$'000	2013 \$'000
<b>Note 2 - Rates and charges</b>		
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 2013-14 was \$73,253 million (2012-13: \$72,391 million). The 2013-14 rate in the CIV dollar was 0.001693 (2012-13: 0.001617).		
Residential	111,544	105,204
Commercial	9,533	9,175
Industrial	801	727
Cultural and recreation	52	50
Supplementary rates and rate adjustments	1,241	979
Garbage charge	19,743	18,450
Special rates and charges	1,219	1,141
	<u>144,133</u>	<u>135,726</u>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014 and the valuation will be first applied in the rating year commencing 1 July 2014.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation first applied to the rating period commencing 1 July 2012.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2016, and the valuation will be first applied to the rating period commencing 1 July 2016.

## Note 3 - Statutory fees and fines

Infringements and costs (including Infringement Court recoveries)	8,419	8,741
Town planning fees	1,749	1,049
Land information certificates	147	119
Permits	1,091	854
	<u>11,406</u>	<u>10,763</u>

## Note 4 - User fees

Aged and health services fees	2,088	2,115
Animal and local law fines and registrations	984	929
Building permits and other charges	1,217	1,083
Child care/children's program fees	434	434
Debt collection recovery charges	126	110
Fees - parking meters	1,367	1,201
Leisure centre and recreation fees	2,758	2,960
Library fines and other charges	240	248
Market fees	27	18
Other fees and charges	261	341
Parks and gardens fees	8	5
Registrations and other permits	43	45
Road occupancy, traffic and drainage	893	1,026
Tow-a-way charges	31	29
Valuations	91	145
Waste management charges	1,360	1,147
	<u>11,928</u>	<u>11,836</u>

Please refer to note 40 for the ageing analysis of contractual receivables.

# Notes to the Financial Report

	2014 \$'000	2013 \$'000
<b>Note 5 - Grants</b>		
Grants were received in respect of the following:		
<b>Summary of grants - by Income Statement classification</b>		
Recurrent	11,964	13,626
Non-recurrent	4,134	2,374
Total	<u>16,098</u>	<u>16,000</u>
<b>Summary of grants - by type</b>		
Operating	11,983	13,755
Capital	4,115	2,245
Total	<u>16,098</u>	<u>16,000</u>
<b>Summary of grants - by funding source</b>		
Federally funded grants	3,262	5,369
State funded grants	12,653	10,477
Others	183	154
Total	<u>16,098</u>	<u>16,000</u>
<b>Recurrent</b>		
Commonwealth Government - roads to recovery	413	422
Commonwealth Government - family and children	259	446
Victoria Grants Commission - unallocated	1,713	3,346
Victoria Grants Commission - local roads	416	730
School crossing supervisors	378	373
Family and children	894	857
Food services	295	231
Home and community care	5,432	5,303
Senior citizen centres	156	168
Libraries	1,024	1,013
Community health and safety	410	180
Senior and disability support	226	212
Volunteer services	135	125
Youth services	213	212
Occupational health and safety	-	8
<b>Total recurrent grants</b>	<u>11,964</u>	<u>13,626</u>
<b>Non-recurrent</b>		
Arts and Culture	11	-
Environmental management	106	125
Family and children	1	21
Community support	-	2
Community health and safety	39	233
Streetscapes and transport	2,457	760
Youth services	9	2
Libraries	201	313
Home and community care	131	90
Buildings	1,013	676
Economic development	25	10
Sport and recreation	113	141
Parks and gardens	28	1
<b>Total non-recurrent grants</b>	<u>4,123</u>	<u>2,374</u>

# Notes to the Financial Report

	2014 \$'000	2013 \$'000
<b>Note 5 - Grants (cont.)</b>		
<i>Conditions on Grants</i>		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Arts and Culture	2	-
Buildings	-	175
Community health and safety	32	195
Economic development	7	10
Environmental management	47	2
Family and children	-	20
Home and community care	25	50
Infrastructure	687	-
Libraries	31	37
Senior and disability support	-	5
Sport and recreation	64	101
Streetscapes and transport	562	85
Youth Services	7	-
	1,464	505

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

Environmental management	30	95
Food services	18	15
Libraries	28	6
Parks and gardens	-	22
Senior and disability support	4	46
Senior citizen centres	13	52
Sport and recreation	101	-
Streetscapes and transport	10	91
Home and community care	50	-
Community health and safety	290	-
Family and Children	20	-
Infrastructure	175	-
Economic development	10	-
	749	327
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	715	178

The grant received from the Victorian Grants Commission (VGC) has been assessed as a Federal Grant in the current 2013-14 financial year. The balance of the VGC grant has been adjusted in the comparative figures from State to Federal.

# Notes to the Financial Report

	2014 \$'000	2013 \$'000
<b>Note 6 - Contributions</b>		
<i>(a) Cash contributions</i>		
	Note	
Boroondara literary awards	18	19
Carparks	112	-
Community grants (small) - annual	201	193
Drainage	52	69
Eisteddfod	1	2
Footpaths and cycleways, traffic management devices	245	30
Parks, open space and streetscapes	2,985	3,429
Recreational, leisure and community facilities	397	508
Roads	22	-
	<u>4,033</u>	<u>4,250</u>
<i>(b) Non-monetary asset contributions</i>		
Recreational, leisure & community facilities	627	-
Land	397	-
Land under roads	66	-
	<u>1,090</u>	<u>-</u>
	46	-
Total contributions	<u>5,123</u>	<u>4,250</u>
<p>The non-monetary asset contributions in 2013-14 detailed above at 6(b) primarily relate to extensions to Bellevue Kindergarten and JJ McMahon Kindergarten, both Council owned buildings, that were funded through Government grants direct to the kindergarten, reserves and land under road assets that Council received title too.</p>		
<b>Note 7 - Profit/(loss) on disposal of assets</b>		
<i>Proceeds from sale:</i>		
- Plant and equipment	1	5
- Property	400	3,932
- Investment Property	1,405	-
Total proceeds from sale	<u>1,806</u>	<u>3,937</u>
<i>Written down value of assets sold:</i>		
- Plant and equipment	(3)	(21)
- Property	(426)	(3,549)
- Investment Property	(1,349)	-
Total written down value of assets sold	<u>(1,778)</u>	<u>(3,570)</u>
<i>Selling expenses of assets sold:</i>		
- Property	(28)	(122)
- Investment Property	(52)	-
Total selling expenses of assets sold	<u>(80)</u>	<u>(122)</u>
<i>Net gain/(loss) on assets sold:</i>		
- Plant and equipment	(2)	(16)
- Property	(54)	261
- Investment Property	4	-
Total gain/(loss) on assets sold	<u>(52)</u>	<u>245</u>

# Notes to the Financial Report

	2014 \$'000	2013 \$'000
<b>Note 7 - Profit/(loss) on disposal of assets (cont.)</b>		
	Note	
<i>Written down value of assets replaced and disposed:</i>		
- Plant and equipment	(460)	(605)
- Property	(2,493)	(1,370)
- Infrastructure	(1,211)	(897)
- Trees	(58)	(41)
Total written down value of assets replaced and disposed	<u>(4,222)</u>	<u>(2,913)</u>
<i>Summary:</i>		
<i>Proceeds from sale</i>	1,806	3,937
<i>Written down value of assets sold, replaced and disposed</i>	46 (6,000)	(6,483)
<i>Selling costs</i>	(80)	(122)
Net profit/(loss) on disposal of assets	22 <u>(4,274)</u>	<u>(2,668)</u>

## Note 8 - Other income

Interest on investments	1,971	1,723
Interest on rates	316	643
Investment property rental	145	1,097
Other rental income	2,216	1,449
Reimbursements	1,145	819
Right-of-way sales	446	291
Traffic and drainage	657	346
Local laws and animal management	6	6
Transfer station and yard maintenance	95	89
General valuation income	246	2
Fire services property levy implementation recovery funds	-	83
Other income	32	32
	<u>7,275</u>	<u>6,580</u>

## Note 9 - Employee Costs

Wages and salaries	54,776	50,518
Casual staff	2,503	2,762
Annual leave and long service leave	5,858	5,322
Superannuation	5,221	4,685
Fringe benefits tax and workcover	1,430	1,318
Redundancy	54	128
	<u>69,842</u>	<u>64,733</u>

## Note 10 - Materials and services

Contract payments and trade services	24,880	23,481
Building maintenance	3,007	3,274
General maintenance	2,398	2,862
Plant and equipment maintenance	2,253	2,052
Utilities	3,741	4,032
Consultants	5,241	5,149
Office and administration	4,962	4,661
Insurance, registration and Metropolitan Fire Brigade Levy	1,731	5,083
Financial and legal	1,676	1,936
Information technology	2,130	1,740
	<u>52,019</u>	<u>54,270</u>

# Notes to the Financial Report

	2014 \$'000	2013 \$'000
<b>Note 11 - Bad and doubtful debts</b>		
Parking fine and local laws debtors	856	937
Other debtors	20	-
	876	937
<b>Note 12 - Depreciation and amortisation</b>		
<i>PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT</i>		
<i>Property</i>		
Buildings (shell and fitout)	8,837	8,220
Buildings (non-habitable)	1,057	966
Other structures and land improvements	1,210	1,120
<i>Plant and equipment</i>		
Light plant and equipment	348	376
Library books and resources	890	890
Trucks, trailers and heavy plant and equipment	108	110
Office furniture and equipment	360	314
Recreation equipment	345	202
Garbage bins and crates	315	290
Irrigation and sprinkler systems	380	353
Outdoor furniture and equipment	266	252
Playground equipment	548	515
Fencing	274	246
Signs	85	79
Computer hardware and equipment	508	536
Art and heritage assets	17	16
Computer software	139	30
Lighting	257	237
Electricity generating plant and equipment	35	36
<i>Infrastructure</i>		
Road substructure	2,159	2,159
Road seal	2,400	2,355
Laneways	550	547
Bridges	150	153
Carparks and access roads	761	705
Footpaths	1,672	1,578
Kerb and channel	1,577	1,519
Drainage	2,265	2,229
Traffic management devices	693	652
<i>Trees</i>		
	130	128
	22 28,336	26,813
<i>INVESTMENT PROPERTY</i>		
Investment property	67	78
	23 67	78
<i>INTANGIBLE ASSETS</i>		
Computer software and licences	243	318
	24 243	318
	28,646	27,209

# Notes to the Financial Report

		2014 \$'000	2013 \$'000
<b>Note 13 - Borrowing costs</b>	Note		
Interest on borrowings		3,579	1,877
		<u>3,579</u>	<u>1,877</u>

## Note 14 - Other expenses

Auditors' remuneration	41	146	126
Councillors' allowances		362	356
Operating lease rentals		5,054	5,230
Community grants and contributions		2,539	2,578
Training and professional development		1,036	1,029
Special rate scheme expenditure		1,223	1,143
Impairment losses		-	59
Permit Expenses		770	-
Other Expenditure		266	-
		<u>11,396</u>	<u>10,521</u>

## Note 15 - Investments in associates

### Background

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.

### **Council's share of accumulated surplus(deficit)**

Council's share of accumulated surplus(deficit) at start of year		3,532	3,078
Surplus(deficit) for year		(1,768)	454
Distributions for the year		-	-
Council's share of accumulated surplus(deficit) at end of year		<u>1,764</u>	<u>3,532</u>

### **Council's share of reserves**

Council's share of reserves at start of year		218	218
Transfers to (from) reserves		(218)	-
Council's share of reserves at end of year		<u>-</u>	<u>218</u>

### **Movement in carrying value of specific investment**

Carrying value of investment at start of year		5,390	4,936
Share of surplus(deficit) for year		(1,768)	454
Share of asset revaluation		114	-
Share of movement in Retained Earnings		(332)	-
Distributions received		-	-
Carrying value of investment at end of year		<u>3,404</u>	<u>5,390</u>

### **Council's share of expenditure commitments**

Operating commitments		-	-
Capital commitments		101	33
		<u>101</u>	<u>33</u>

### **Council's share of contingent liabilities and contingent assets:**

Regional Landfill Clayton South will have to carry out site rehabilitation works in the future. At balance date, the financial implications of such works are unable to be accurately assessed.

# Notes to the Financial Report

		2014 \$'000	2013 \$'000
<b>Note 16 - Cash and cash equivalents</b>	Note		
Cash on hand		9	8
Cash at bank		1,127	1,997
Money market call account		12,442	7,450
Term deposits		41,332	49,323
	32	<u>54,910</u>	<u>58,778</u>

Users of the financial report should refer to note 35 for details of restrictions on cash assets and note 37 for details of existing Council commitments.

## Note 17 - Trade and other receivables

### *Current*

Rates debtors		3,404	2,660
Parking infringement debtors		4,854	5,223
Provision for doubtful debts - parking infringements		(1,149)	(1,216)
Loans and advances to community organisations		50	50
Other debtors		3,966	2,730
Provision for doubtful debts - other debtors		(45)	(37)
Net GST receivable		702	1,123
		<u>11,782</u>	<u>10,533</u>

### *Non-current*

Loans and advances to community organisations		110	161
		<u>110</u>	<u>161</u>

### **Total**

	<u>11,892</u>	<u>10,694</u>
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## Note 18 - Financial assets

### *Non-current*

Unlisted shares - at cost		<u>4</u>	<u>2</u>
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The unlisted shares are held with Procurement Australia Limited.

## Note 19 - Inventories

Inventories for distribution		25	31
Inventories held for sale		10	7
		<u>35</u>	<u>38</u>

## Note 20 - Non-current assets classified as held for sale

Non-current assets classified as held for sale		<u>0</u>	<u>1,349</u>
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Assets classified as held for sale are carried at cost and include a \$77 shareholding in RFK Pty Ltd (trading as Community Chef) of 770 shares at \$0.10 each.

## Note 21 - Other assets

Prepayments		<u>851</u>	<u>1,110</u>
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# Notes to the Financial Report

	2014 \$'000	2013 \$'000
<b>Note 22 - Property, infrastructure, plant and equipment</b>		
<b>Summary</b>		
at cost	148,287	172,010
at fair value as at 30 June 2014	(a) 933,766	-
at fair value as at 1 January 2014	(b) 2,274,376	-
at fair value as at 20 August 2012	(c) -	146
at fair value as at 16 August 2012	(c) -	22
at fair value as at 30 June 2012	-	892,379
at fair value as at 1 January 2012	-	2,014,000
less accumulated depreciation	(676,532)	(674,631)
less accumulated impairment losses	(402)	(402)
capital works in progress	23,857	52,797
<b>Total</b>	<u>2,703,352</u>	<u>2,456,321</u>
<b>PROPERTY</b>		
<b>Land</b>		
at cost	-	2,091
at fair value as at 1 January 2014	(b) 1,924,530	-
at fair value as at 1 January 2012	-	1,715,765
less accumulated impairment losses	(310)	(310)
	<u>1,924,220</u>	<u>1,717,546</u>
<b>Land under roads</b>		
at fair value as at 1 January 2014	(b) 1,413	-
at fair value as at 20 August 2012	(c) -	146
at fair value as at 16 August 2012	(c) -	22
at fair value as at 1 January 2012	-	1,160
	<u>1,413</u>	<u>1,328</u>
<b>Buildings (shell and fitout)</b>		
at cost	25,763	42,499
at fair value as at 1 January 2014	(b) 321,183	-
at fair value as at 1 January 2012	-	276,897
less accumulated depreciation	(136,712)	(163,372)
	<u>210,234</u>	<u>156,024</u>
<b>Buildings (non-habitable)</b>		
at cost	452	4,931
at fair value as at 1 January 2014	(b) 27,250	-
at fair value as at 1 January 2012	-	20,178
less accumulated depreciation	(6,650)	(7,362)
	<u>21,052</u>	<u>17,747</u>
<b>Other structures and land improvements</b>		
At cost	32,852	29,018
Less accumulated depreciation	(8,040)	(6,950)
	<u>24,812</u>	<u>22,068</u>
<b>Total property</b>	<u>2,181,731</u>	<u>1,914,713</u>

# Notes to the Financial Report

2014  
\$'000

2013  
\$'000

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

### **PROPERTY (cont.)**

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Land - non specialised	-	258,775	-
Land - specialised			1,665,755
Land under roads	-	-	1,413
Buildings	-	231,286	-
Total	-	490,061	1,667,168

No transfers between levels occurred during the year

### **PLANT AND EQUIPMENT**

#### **Light plant and equipment**

At cost	3,942	3,728
Less accumulated depreciation	(3,115)	(2,767)
	<u>827</u>	<u>961</u>

#### **Library books and resources**

At cost	5,340	5,339
Less accumulated depreciation	(3,401)	(3,201)
	<u>1,939</u>	<u>2,138</u>

#### **Trucks, tractors and trailers**

At cost	1,013	904
Less accumulated depreciation	(703)	(595)
	<u>310</u>	<u>309</u>

#### **Office furniture and equipment**

At cost	7,254	5,637
Less accumulated depreciation	(4,433)	(4,073)
	<u>2,821</u>	<u>1,564</u>

#### **Recreation equipment**

At cost	4,747	2,585
Less accumulated depreciation	(2,406)	(2,061)
	<u>2,341</u>	<u>524</u>

#### **Garbage bins and crates**

At cost	4,654	4,357
Less accumulated depreciation	(2,738)	(2,423)
	<u>1,916</u>	<u>1,934</u>

#### **Irrigation and sprinkler systems**

At cost	6,604	5,519
Less accumulated depreciation	(2,271)	(1,892)
	<u>4,333</u>	<u>3,627</u>

#### **Outdoor furniture and equipment**

At cost	4,139	3,849
Less accumulated depreciation	(1,955)	(1,689)
	<u>2,184</u>	<u>2,160</u>

## Notes to the Financial Report

	2014 \$'000	2013 \$'000
<b>Note 22 - Property, infrastructure, plant and equipment (cont.)</b>		
<b><i>PLANT AND EQUIPMENT (cont.)</i></b>		
<b>Playground equipment</b>		
At cost	8,648	8,039
Less accumulated depreciation	(4,330)	(3,782)
	4,318	4,257
<b>Fencing</b>		
At cost	6,916	6,479
Less accumulated depreciation	(1,583)	(1,309)
	5,333	5,170
<b>Motor vehicles</b>		
At cost	12	12
Less accumulated depreciation	(12)	(12)
	-	-
<b>Signs</b>		
At cost	2,755	2,367
Less accumulated depreciation	(653)	(568)
	2,102	1,799
<b>Computer hardware and equipment</b>		
At cost	9,144	8,897
Less accumulated depreciation	(7,930)	(7,473)
Less accumulated impairment	(92)	(92)
	1,122	1,332
<b>Art and heritage assets</b>		
At cost	1,759	1,705
Less accumulated depreciation	(183)	(166)
	1,576	1,539
<b>Computer software</b>		
At cost	1,895	1,306
Less accumulated depreciation	(1,392)	(1,253)
	503	53
<b>Lighting</b>		
At cost	6,700	6,432
Less accumulated depreciation	(1,788)	(1,532)
	4,912	4,900
<b>Electricity generating plant and equipment</b>		
At cost	737	737
Less accumulated depreciation	(126)	(91)
	611	646
<b>Total plant and equipment</b>	<b>37,148</b>	<b>32,913</b>
<b>TREES</b>		
At cost	12,961	12,792
Less accumulated depreciation	(1,215)	(1,091)
<b>Total trees</b>	<b>11,746</b>	<b>11,701</b>

# Notes to the Financial Report

	2014 \$'000	2013 \$'000
<b>Note 22 - Property, infrastructure, plant and equipment (cont.)</b>		
<b>INFRASTRUCTURE</b>		
<b>Road substructure</b>		
at cost	-	60
at fair value as at 30 June 2014	(a) 317,093	-
at fair value as at 30 June 2012	-	307,998
less accumulated depreciation	(180,842)	(173,629)
	<u>136,251</u>	<u>134,429</u>
<b>Road seal</b>		
at cost	-	3,370
at fair value as at 30 June 2014	(a) 64,292	-
at fair value as at 30 June 2012	-	59,674
less accumulated depreciation	(45,956)	(43,081)
	<u>18,336</u>	<u>19,963</u>
<b>Laneways</b>		
at cost	-	294
at fair value as at 30 June 2014	(a) 45,841	-
at fair value as at 30 June 2012	-	44,851
less accumulated depreciation	(30,428)	(29,464)
	<u>15,413</u>	<u>15,681</u>
<b>Bridges and culverts</b>		
at cost	-	45
at fair value as at 30 June 2014	(a) 11,932	-
at fair value as at 30 June 2012	-	11,800
less accumulated depreciation	(7,358)	(7,482)
	<u>4,574</u>	<u>4,363</u>
<b>Carparks and access roads</b>		
at cost	-	1,743
at fair value as at 30 June 2014	(a) 31,771	-
at fair value as at 30 June 2012	-	26,480
less accumulated depreciation	(10,845)	(9,953)
	<u>20,926</u>	<u>18,270</u>
<b>Footpaths</b>		
at cost	-	206
at fair value as at 30 June 2014	(a) 144,565	-
at fair value as at 30 June 2012	-	134,723
less accumulated depreciation	(77,002)	(70,909)
	<u>67,563</u>	<u>64,020</u>
<b>Kerb and channel</b>		
at cost	-	2,368
at fair value as at 30 June 2014	(a) 110,067	-
at fair value as at 30 June 2012	-	107,917
less accumulated depreciation	(44,713)	(43,548)
	<u>65,354</u>	<u>66,737</u>

# Notes to the Financial Report

	2014 \$'000	2013 \$'000
<b>Note 22 - Property, infrastructure, plant and equipment (cont.)</b>		
<b>INFRASTRUCTURE (cont.)</b>		
<b>Drains</b>		
at cost	-	4,217
at fair value as at 30 June 2014	(a) 191,044	-
at fair value as at 30 June 2012	-	182,924
less accumulated depreciation	<u>(75,810)</u>	<u>(72,223)</u>
	<u>115,234</u>	<u>114,918</u>
<b>Traffic management devices</b>		
at cost	-	485
at fair value as at 30 June 2014	17,161	-
at fair value as at 30 June 2012	(a) -	16,011
less accumulated depreciation	<u>(11,942)</u>	<u>(10,680)</u>
	<u>5,219</u>	<u>5,816</u>
<b>Total infrastructure</b>	<u>448,870</u>	<u>444,197</u>

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Road substructure	-	-	136,251
Road Seal			18,336
Laneways			15,413
Bridges and culverts	-	-	4,574
Carparks and access roads			20,926
Footpaths	-	-	67,563
Kerb and Channel			65,354
Drains	-	-	115,234
Traffic management devices			5,219
<b>Total</b>	-	-	448,647

No transfers between levels occurred during the year

## **WORKS IN PROGRESS**

Property at cost	8,562	42,783
Infrastructure at cost	13,223	8,310
Plant and equipment at cost	2,053	1,650
Trees at cost	19	54
<b>Total works in progress</b>	<u>23,857</u>	<u>52,797</u>
<b>Total property, infrastructure, plant and equipment</b>	<u>2,703,352</u>	<u>2,456,321</u>

# Notes to the Financial Report

	2014	2013
	\$'000	\$'000

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

### Additional notes re valuation dates

- (a) 30 June 2014 represents the most recent valuation date of all infrastructure asset classes.
- (b) 1 January 2014 represents the date of the most recent independent valuation of land and building assets.
- (c) 16 August 2012 and 20 August 2012 represents the effective dates that two land titles were valued for land under roads assets.

### **Valuation basis**

#### *Non-specialised land, non-specialised buildings*

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by Patel Dore Valuers Pty Ltd to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 1 January 2014. To the extent that non specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

#### *Specialised land and specialised buildings*

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

An independent valuation of Council's specialised land and specialised buildings was performed by Patel Dore Valuers Pty Ltd. The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the Valuation is 1 January 2014. The valuation of land 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. All freehold land reserved for public open space is valued at a discount of 25 percent to market value based on legal precedents. All land under roads are valued at a discount of 95 percent to market value based on restrictions on the use of such land. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

# Notes to the Financial Report

2014  
\$'000

2013  
\$'000

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

### *Valuation basis (cont.)*

#### *Land Under Roads*

Land under roads 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.

#### *Infrastructure*

Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable. Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

A valuation of Council's Infrastructure was performed by David Elson, Manager Asset Planning, Bachelor Civil Engineering (Hons), Grad Dip Municipal Engineering. The Valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2014.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

### **Reconciliation of Level 3 fair value**

2014	Specialised Land	Land Under Roads	Infrastructure
Opening Balance	1,480,804	1,328	444,197
Depreciation	-	-	(12,227)
Impairment Loss	-	-	-
Revaluation	184,526	85	5,495
Acquisitions (Disposals)	425	-	11,405
Transfers	-	-	-
Closing Balance	1,665,755	1,413	448,870

# Notes to the Financial Report

2014  
\$'000

2013  
\$'000

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

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

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Specialised Land and Land Improvements	Market based direct comparison approach (refer above)	Extent and impact of restriction of use	5%-95%	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.
		Direct cost per square metre	7.2 - 435,800	Increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher fair value.
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square metre	18 - 4,308	Increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher fair value.
		Useful life of specialised buildings	25 - 55	Increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value.
Land Under Roads	Market based direct comparison approach (refer above)	Extent and impact of restriction of use	95%	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.
		Direct cost per square metre		Increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher fair value.
Infrastructure;	Depreciated Replacement Cost	Useful life of infrastructure	5 - 150	Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.
Local Roads		Direct cost per square metre	13.45 - 224.76	Increase or decrease in the direct cost per square metre would result in a significantly lower or higher fair value.
Kerb & Channel		Direct cost per square metre	87.40 - 112.30	Increase or decrease in the direct cost per square metre would result in a significantly lower or higher fair value.
Footpaths		Direct cost per square metre	55.02 - 86.97	Increase or decrease in the direct cost per square metre would result in a significantly lower or higher fair value.
Drains		Direct cost per square metre	49.10 - 1,842.00	Increase or decrease in the direct cost per square metre would result in a significantly lower or higher fair value.

# Notes to the Financial Report

2014  
\$'000

2013  
\$'000

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

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

	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity
Infrastructure (cont.); Drain Pits and Rain Garden pipes		Cost per unit	191.10 - 218,400	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.
Traffic Management Devices		Cost per unit	633.42 - 126,560.00	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value
Bridges and Culverts		Direct cost per square metre	1,128.77 - 4,624.40	Increase or decrease in the direct cost per square metre would result in a significantly lower or higher fair value.
Carparks		Cost per unit	90.97 - 19,531.00	Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.

## Notes to the Financial Report

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

2014	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Transfers & WIP mvmnt	Balance at end of financial year
	(b)	(note 29)	(note 12)			(c)	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>							
Specialised Land	1,480,494	425	184,526	-	-	-	1,665,445
Non specialised Land	237,052	743	21,406	-	426	-	258,775
Land under roads	1,328	-	85	-	-	-	1,413
<b>Total land</b>	<b>1,718,874</b>	<b>1,168</b>	<b>206,017</b>	<b>-</b>	<b>426</b>	<b>-</b>	<b>1,925,633</b>
Buildings - shell and fitout	156,024	52,538	12,758	8,837	2,404	155	210,234
Buildings - non-habitable	17,747	3,456	992	1,057	86	-	21,052
Other structures & land improvements	22,068	4,113	-	1,210	4	(155)	24,812
<b>Total buildings</b>	<b>195,839</b>	<b>60,107</b>	<b>13,750</b>	<b>11,104</b>	<b>2,494</b>	<b>-</b>	<b>256,098</b>
<b>Total property</b>	<b>1,914,713</b>	<b>61,275</b>	<b>219,767</b>	<b>11,104</b>	<b>2,920</b>	<b>-</b>	<b>2,181,731</b>
<b>Plant and equipment</b>							
Light plant and equipment	961	214	-	348	-	-	827
Library books and resources	2,138	1,152	-	890	461	-	1,939
Trucks, tractors and trailers	309	109	-	108	-	-	310
Office furniture and equipment	1,564	1,617	-	360	-	-	2,821
Recreation equipment	524	2,162	-	345	-	-	2,341
Garbage bins and crates	1,934	297	-	315	-	-	1,916
Irrigation and sprinkler systems	3,627	1,086	-	380	-	-	4,333
Outdoor furniture and equipment	2,160	290	-	266	-	-	2,184
Playground equipment	4,257	609	-	548	-	-	4,318
Fencing	5,170	437	-	274	-	-	5,333
Signs	1,799	388	-	85	-	-	2,102
Computer hardware and equipment	1,332	300	-	508	2	-	1,122
Art and heritage assets	1,539	54	-	17	-	-	1,576
Computer software	53	589	-	139	-	-	503
Lighting	4,900	269	-	257	-	-	4,912
Electricity generating plant and equipment	646	-	-	35	-	-	611
<b>Total plant and equipment</b>	<b>32,913</b>	<b>9,573</b>	<b>-</b>	<b>4,875</b>	<b>463</b>	<b>-</b>	<b>37,148</b>
<b>Infrastructure</b>							
Roads substructure	134,429	-	3,981	2,159	-	-	136,251
Road seal	19,963	2,603	(1,563)	2,400	267	-	18,336
Laneways	15,681	20	262	550	-	-	15,413
Bridges and culverts	4,363	796	(364)	150	71	-	4,574
Carparks and access roads	18,270	1,002	2,415	761	-	-	20,926
Footpaths	64,020	1,224	4,082	1,672	91	-	67,563
Kerb and channel	66,737	3,522	(2,551)	1,577	777	-	65,354
Drains	114,918	3,327	(742)	2,265	4	-	115,234
Traffic management devices	5,816	121	(25)	693	-	-	5,219
<b>Total infrastructure</b>	<b>444,197</b>	<b>12,615</b>	<b>5,495</b>	<b>12,227</b>	<b>1,210</b>	<b>-</b>	<b>448,870</b>
<b>Trees</b>							
Total trees	11,701	233	-	130	58	-	11,746
<b>Works in progress</b>							
Total works in progress	52,797	-	-	-	-	(28,940)	23,857
<b>Grand total</b>	<b>2,456,321</b>	<b>83,696</b>	<b>225,262</b>	<b>28,336</b>	<b>4,651</b>	<b>(28,940)</b>	<b>2,703,352</b>

(a) Impairment losses have been reversed against previous revaluation credits in the asset revaluation reserve (refer to note 29).

(b) Acquisition of assets - comprises capital expenditure transferred from work in progress (note 46) plus any non-monetary asset contributions per note 6(b).

(c) The movement in works in progress is reconciled in note 46.

# Notes to the Financial Report

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

2013	Balance at beginning of financial year	Acquisition of assets	Depreciation and amortisation	Written down value of disposals	Impairment (losses) / reversals (a)	Transfers & WIP mvmt	Balance at end of financial year
		(b)	(note 12)		(note 29)	(c)	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>							
Land	1,721,321	6	-	3,325	(310)	(146)	1,717,546
Land under roads	1,160	-	-	-	-	168	1,328
<b>Total land</b>	<b>1,722,481</b>	<b>6</b>	<b>-</b>	<b>3,325</b>	<b>(310)</b>	<b>22</b>	<b>1,718,874</b>
Buildings - shell and fitout	123,593	42,861	8,220	1,488	-	(722)	156,024
Buildings - non-habitable	16,058	1,958	966	25	-	722	17,747
Other structures & land improvements	19,952	3,317	1,120	81	-	-	22,068
<b>Total buildings</b>	<b>159,603</b>	<b>48,136</b>	<b>10,306</b>	<b>1,594</b>	<b>-</b>	<b>-</b>	<b>195,839</b>
<b>Total property</b>	<b>1,882,084</b>	<b>48,142</b>	<b>10,306</b>	<b>4,919</b>	<b>(310)</b>	<b>22</b>	<b>1,914,713</b>
<b>Plant and equipment</b>							
Light plant and equipment	1,161	176	376	-	-	-	961
Library books and resources	2,319	1,314	890	605	-	-	2,138
Trucks, tractors and trailers	408	11	110	-	-	-	309
Office furniture and equipment	1,482	398	314	2	-	-	1,564
Recreation equipment	505	221	202	-	-	-	524
Garbage bins and crates	1,922	302	290	-	-	-	1,934
Irrigation and sprinkler systems	3,542	438	353	-	-	-	3,627
Outdoor furniture and equipment	2,263	149	252	-	-	-	2,160
Playground equipment	4,022	750	515	-	-	-	4,257
Fencing	4,779	649	246	12	-	-	5,170
Signs	1,817	61	79	-	-	-	1,799
Computer hardware and equipment	1,462	414	536	8	-	-	1,332
Art and heritage assets	1,363	192	16	-	-	-	1,539
Computer software	19	64	30	-	-	-	53
Lighting	4,195	942	237	-	-	-	4,900
Electricity generating plant and equipment	682	-	36	-	-	-	646
<b>Total plant and equipment</b>	<b>31,941</b>	<b>6,081</b>	<b>4,482</b>	<b>627</b>	<b>-</b>	<b>-</b>	<b>32,913</b>
<b>Infrastructure</b>							
Roads substructure	136,559	60	2,159	31	-	-	134,429
Road seal	19,184	3,370	2,355	236	-	-	19,963
Laneways	15,933	295	547	-	-	-	15,681
Bridges and culverts	4,471	45	153	-	-	-	4,363
Carparks and access roads	17,242	1,743	705	10	-	-	18,270
Footpaths	65,410	206	1,578	18	-	-	64,020
Kerb and channel	66,471	2,368	1,519	583	-	-	66,737
Drains	112,931	4,216	2,229	-	-	-	114,918
Traffic management devices	6,002	484	652	18	-	-	5,816
<b>Total infrastructure</b>	<b>444,203</b>	<b>12,787</b>	<b>11,897</b>	<b>896</b>	<b>-</b>	<b>-</b>	<b>444,197</b>
<b>Trees</b>							
<b>Total trees</b>	<b>11,656</b>	<b>214</b>	<b>128</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>11,701</b>
<b>Works in progress</b>							
<b>Total works in progress</b>	<b>49,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,639</b>	<b>52,797</b>
<b>Grand total</b>	<b>2,419,042</b>	<b>67,224</b>	<b>26,813</b>	<b>6,483</b>	<b>(310)</b>	<b>3,661</b>	<b>2,456,321</b>

(a) Acquisition of assets - comprises capital expenditure transferred from work in progress (note 46) plus any non-monetary asset contributions per note 6(b).

(b) The movement in works in progress is reconciled in note 46.

# Notes to the Financial Report

		2014 \$'000	2013 \$'000
<b>Note 23 - Investment property</b>	Note		
Investment property is carried at cost and is depreciated on a straight-line basis.			
<i>Gross carrying amount</i>			
Balance at beginning of the year		8,006	9,481
Additions (subsequent expenditure and improvements)		413	2
Transfer to property, plant and equipment		-	(22)
Transfer to non-current assets held for sale		-	(1,396)
Impairment loss (expensed in Income Statement)	14	-	(59)
Balance at end of the year		<u>8,419</u>	<u>8,006</u>
<i>Accumulated amortisation and impairment</i>			
Balance at beginning of the year		(595)	(564)
Amortisation expense		(67)	(78)
Transfer to non-current assets held for sale		-	47
Balance at end of the year		<u>(662)</u>	<u>(595)</u>
Net book value		<u>7,757</u>	<u>7,411</u>
<b>Note 24 - Intangible assets</b>			
<i>Gross carrying amount</i>			
Balance at beginning of the year		5,010	4,905
Additions purchased		252	105
Balance at end of the year		<u>5,262</u>	<u>5,010</u>
<i>Accumulated amortisation and impairment</i>			
Balance at beginning of the year		(4,764)	(4,446)
Amortisation expense		(243)	(318)
Balance at end of the year		<u>(5,007)</u>	<u>(4,764)</u>
Net book value of computer software and licences		<u>255</u>	<u>246</u>
<b>Note 25 - Trade and other payables</b>			
Trade payables		13,903	14,147
Other payables		608	306
Accrued expenses		3,744	3,016
		<u>18,255</u>	<u>17,469</u>

# Notes to the Financial Report

## Note 26 - Trust funds and deposits

	Note		
Refundable park access deposits	26(a)	94	111
Refundable asset protection permit deposits	26(a)	2,212	2,248
Refundable contract deposits and retention monies	26(a)	7	49
Refundable stormwater deposits	26(a)	344	498
Sportsgrounds trust funds	26(b)	69	69
Balwyn Rotary Sunday Market trust funds	26(c)	122	138
		<u>2,848</u>	<u>3,113</u>

### Purpose and restrictions of trust funds and deposits

Ref.	Purpose:	Nature of any restrictions:
26(a)	Bonds and security deposits for access to parks, hire of buildings and various construction contracts. Also includes deposits taken under asset protection local law.	To be refunded when the event has occurred or the contract has been completed, and Council is satisfied that no part of the deposit should be retained.
26(b)	Trust funds collected from cessation of sportsground committees.	Expenditure is restricted to the relevant sportsground.
26(c)	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.

## Note 27 - Provisions

	Annual leave	Long service leave	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>2014</b>				
Balance at beginning of the financial year	4,156	9,941	253	14,350
Additional provisions	5,087	2,331	1,606	9,024
Amounts used	(4,654)	(1,247)	(1,606)	(7,507)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	10	-	-	10
Balance at the end of the financial year	<u>4,599</u>	<u>11,025</u>	<u>253</u>	<u>15,877</u>
<b>2013</b>				
Balance at beginning of the financial year	4,131	9,202	271	13,604
Additional provisions	3,883	1,932	1,318	7,133
Amounts used	(3,861)	(1,193)	(1,336)	(6,390)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	3	-	-	3
Balance at the end of the financial year	<u>4,156</u>	<u>9,941</u>	<u>253</u>	<u>14,350</u>

# Notes to the Financial Report

## Note 27 - Provisions (cont.)

<b>a) Employee benefits</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current provisions expected to be settled within 12 months</b>		
Annual leave	3,643	3,295
Long service leave	8,119	7,021
Other	253	253
	12,015	10,569
<b>Current provisions expected to be settled after 12 months</b>		
Annual leave	956	861
Long service leave	996	1,224
Other	-	-
	1,952	2,085
Total Current provisions	13,967	12,654
<b>Non-current</b>		
Long service leave	1,910	1,696
	1,910	1,696
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	3.50%	4.00%
Weighted average discount rates	2.96%	3.16%
Weighted average settlement period (years)	7	7
<b>(b) Other</b>		
Provision for rostered days off		
Current	253	253
	253	253

# Notes to the Financial Report

2014                      2013  
\$'000                      \$'000

## Note 28 - Interest-bearing loans and borrowings

### **Current**

Borrowings - secured	3,240	1,574
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### **Non-current**

Borrowings - secured	55,474	52,184
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### **Total**

	58,714	53,758
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Borrowings are secured over the General Rates of Council as per section 148 of the *Local Government Act 1989*.

The maturity profile for Council's borrowings is:

Not later than one year	3,240	1,574
Later than one year and not later than five years	12,933	7,475
Later than five years	42,541	44,709
	58,714	53,758

### **Finance leases**

Council did not have any obligations under finance leases as at 30 June 2014.

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	3,240	1,574
Non-current	55,474	52,184
	58,714	53,758

# Notes to the Financial Report

## Note 29 - Reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Reversal of previous valuations for assets disposed \$'000	Impairment losses \$'000	Balance at end of reporting period \$'000
<b>(a) Asset revaluation reserves</b>					
<b>2014</b>					
<b>Property</b>					
Land	1,409,002	206,017	(4,307)	-	1,610,712
Buildings and other structures	28,608	13,750	152	-	42,510
	<u>1,437,610</u>	<u>219,767</u>	<u>(4,155)</u>	-	<u>1,653,222</u>
<b>Infrastructure</b>					
Roads (substructure, seal and laneways)	116,674	2,680	-	-	119,354
Bridges	4,483	(364)	-	-	4,119
Footpaths	40,061	4,082	-	-	44,143
Drains	39,173	(742)	-	-	38,431
Kerb and channel	38,154	(2,551)	-	-	35,603
Traffic management devices	1,148	(25)	-	-	1,123
Carparks and access roads	6,930	2,415	-	-	9,345
	<u>246,623</u>	<u>5,495</u>	-	-	<u>252,118</u>
<b>Sub-total property and infrastructure</b>	<u>1,684,233</u>	<u>225,262</u>	<u>(4,155)</u>	-	<u>1,905,340</u>
<b>Investments in associates</b>					
Clayton Landfill	2,604	114	-	-	2,718
	<u>2,604</u>	<u>114</u>	-	-	<u>2,718</u>
<b>Total asset revaluation reserves</b>	<u>1,686,837</u>	<u>225,376</u>	<u>(4,155)</u>	-	<u>1,908,058</u>
<b>2013</b>					
<b>Property</b>					
Land	1,410,964	-	(1,652)	(310)	1,409,002
Buildings and other structures	29,094	-	(486)	-	28,608
	<u>1,440,058</u>	-	<u>(2,138)</u>	<u>(310)</u>	<u>1,437,610</u>
<b>Infrastructure</b>					
Roads (substructure, seal and laneways)	116,674	-	-	-	116,674
Bridges	4,483	-	-	-	4,483
Footpaths	40,061	-	-	-	40,061
Drains	39,173	-	-	-	39,173
Kerb and channel	38,154	-	-	-	38,154
Traffic management devices	1,148	-	-	-	1,148
Carparks and access roads	6,930	-	-	-	6,930
	<u>246,623</u>	-	-	-	<u>246,623</u>
<b>Sub-total property and infrastructure</b>	<u>1,686,681</u>	-	<u>(2,138)</u>	<u>(310)</u>	<u>1,684,233</u>
<b>Investments in associates</b>					
Clayton Landfill	2,604	-	-	-	2,604
	<u>2,604</u>	-	-	-	<u>2,604</u>
<b>Total asset revaluation reserves</b>	<u>1,689,285</u>	-	<u>(2,138)</u>	<u>(310)</u>	<u>1,686,837</u>

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets, in accordance with AASB 116 Property, Plant and Equipment and AASB 13 Fair Value Measurement.

# Notes to the Financial Report

## Note 29 - Reserves (cont.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>				
<b>2014</b>				
Drainage contributions reserve	252	(131)	23	144
Strategic Acquisition Fund	-	434	-	434
Defined Benefit future call up fund	-	1,000	-	1,000
Open space development fund	-	623	-	623
<b>Total other reserves</b>	<b>252</b>	<b>1,926</b>	<b>23</b>	<b>2,201</b>
<b>2013</b>				
Drainage contributions reserve	228	(28)	52	252
<b>Total other reserves</b>	<b>228</b>	<b>(28)</b>	<b>52</b>	<b>252</b>

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 Superannuation 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.

	2014 \$'000	2013 \$'000
<b>(c) Total reserves</b>		
Asset revaluation reserves	1,908,058	1,686,837
Drainage contribution reserve	144	252
Strategic Acquisition Fund	434	-
Defined Benefit future call up fund	1,000	-
Open space development fund	623	-
<b>Total reserves</b>	<b>1,910,259</b>	<b>1,687,089</b>

## Note 30 - Adjustments directly to equity

There were no adjustments directly to equity in the 2013-14 financial year.

## Notes to the Financial Report

		2014 \$'000	2013 \$'000
<b>Note 31 - Reconciliation of cash flows from operating activities to surplus or deficit</b>			
	Note		
Surplus(deficit) for the period		23,231	23,394
Depreciation/amortisation	12	28,646	27,209
Net (gain)/loss on disposal of property, infrastructure, plant and equipment (excluding selling costs)	7	4,195	2,546
Share of joint venture (profits) losses net of distributions	15	2,100	(454)
Impairment losses/(reversals)	14	-	59
Works in progress not capitalised (expensed)	46	2,484	1,669
Contributions of non-monetary assets	6(b)	(1,090)	-
<i>Change in assets and liabilities:</i>			
(Increase)/decrease in trade and other receivables		(1,250)	(1,289)
(Increase)/decrease in prepayments		259	(576)
(Increase)/decrease in inventories		3	(11)
Increase/(decrease) in trade and other payables		756	885
Increase/(decrease) in unfunded superannuation liability		(14,324)	-
Increase/(decrease) in other liabilities		(166)	155
Increase/(decrease) in provisions		1,526	746
Net cash provided by operating activities		46,370	54,333

### Note 32 - Reconciliation of cash and cash equivalents

Cash and cash equivalents	16	54,910	58,778
		54,910	58,778

### Note 33 - Financing arrangements

Council does not have a bank overdraft facility.

Used borrowing facilities at reporting date		58,714	53,758
Unused borrowing facilities at reporting date		-	-

### Note 34 - Non-cash financing and investing activities

There are no non-cash financing and investing activities at reporting date.

### Note 35 - Restricted assets

As at the reporting date, Council did not have any cash and cash equivalents subject to restrictions.

# Notes to the Financial Report

## Note 36 - Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Council and the Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund and other relevant superannuation funds are recognised as an expense in the Comprehensive Income Statement when they are due.

### Accumulation

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2014, this was 9.25% required under Superannuation Guarantee legislation). Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate will increase to 9.5%, and will progressively increase to 12% by 2019. Based on announcements included in the May 2014 Federal Budget, this progressive increase to 12% will be delayed until 2022.

### Defined benefit

As provided under Paragraph 34 of AASB 119, 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 multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, 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 employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

# Notes to the Financial Report

## Note 36 - Superannuation (cont.)

### Defined benefit (cont.)

#### *Funding arrangements*

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. The Fund's employer funding arrangements comprising of three components (which are detailed below) are:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls - which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments - which are additional contributions to cover the increase in liability arising from retrenchments

Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

#### *Employer Contributions*

##### *Regular Contributions*

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, 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 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee 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 (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

##### *Funding Calls*

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations

If either of the above occur, the fund 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. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

# Notes to the Financial Report

## Note 36 - Superannuation (cont.)

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. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

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.

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period;
- The service periods of all deferred members split between the deferred members pre-1 July 1993 and post-30 June 1993 service period; and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll 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. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

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.

### *Differences between calculations*

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in the Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

### *Retrenchment increments*

During 2013-14, Council was not required to make payments to the Fund in respect of retrenchment increments (2012-13: \$0). Council's liability to the Fund as at 30 June 2014, for retrenchment increments, accrued interest and tax is \$0 (2012-13: \$0).

# Notes to the Financial Report

## Note 36 - Superannuation (cont.)

### *Shortfall amounts*

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Council is a contributing employer. Council was made aware of the expected shortfall during the 2011-12 year and was informed of its share of the shortfall on 2 August 2012. Council has not been advised of any further adjustments.

Council's share of the shortfall amounted to \$12.18 million excluding contributions tax (\$14.33 million including contributions tax) which was accounted for in the 2011-12 Comprehensive Income Statement within Employee Costs (see Note 9) and in the Balance Sheet in Non-current Liabilities Unfunded Superannuation.

No further amount has been accounted for in the 2013-14 Comprehensive Income Statement within Employee Costs (Note 9) and in the Balance Sheet in Non-current Liabilities Unfunded Superannuation.

The amount of the unpaid shortfall at 30 June 2014 is \$0. (2012/13 12.18 million excluding contributions tax (\$14.33 million including contributions tax)).

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Unfunded superannuation (current)	<u>0</u>	<u>14,325</u>

### *Accrued benefits*

Please note that the amounts disclosed below relate solely to the Fund, of which Council is one of many members. The amounts disclosed do not represent Council's share of benefits or liability.

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	<b>31-Dec-11</b>
	<b>\$'000</b>
Net market value of assets	4,315,324
Accrued benefits (per accounting standards)	4,642,133
Difference between assets and accrued benefits	<u>(326,809)</u>
Vested benefits (minimum sum which must be paid to members when they leave the fund)	4,838,503

# Notes to the Financial Report

## Note 36 - Superannuation (cont.)

### Defined benefit (cont.)

#### Accrued benefits (cont.)

The financial assumptions used to calculate the accrued benefits for the defined benefit category of the Fund were:

Net investment return	7.50% p.a.
Salary inflation	4.25% p.a.
Price inflation	2.75% p.a.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

### Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2014 are detailed below:

<b>Scheme</b>	<b>Type of scheme</b>	<b>Rate</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Vision super	Defined benefits	9.25%	641	663
			<u>641</u>	<u>663</u>
Vision super	Accumulated plan	9.25%	3,301	3,029
Other superannuation funds	Accumulated plan	9.25%	1,249	977
			<u>4,550</u>	<u>4,006</u>

There were contributions outstanding to the above schemes at 30 June 2014 as detailed below:

<b>Scheme</b>	<b>Type of scheme</b>		
Vision super	Defined benefits	5	4
Vision super	Accumulated plan	41	30
Other superannuation funds	Accumulated plan	23	11
		<u>69</u>	<u>45</u>

# Notes to the Financial Report

## Note 37 - 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.
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The Council has entered into a number of contracts that include fixed contracted expenditure as well as services to be delivered as an agreed schedule of rates. Based on current expenditure patterns and service delivery levels, estimated expenditure under these conditions in coming years is:

### 30 June 2014

#### Operating

Banking services	2,159	1,635	3,223	-	7,017
Consultancy services	709	216	85	-	1,010
Electricity supply	1,026	992	41	-	2,059
Information systems and technology	1,584	1,471	588	-	3,643
Library services	2,240	331	-	-	2,571
Management of sports and leisure facility	1,045	1,017	1,014	-	3,076
Maintenance services	1,663	895	1,884	-	4,442
Meals for delivery	385	13	-	-	398
Open space and tree planting / pruning services	2,320	127	9	-	2,456
Parking meter collection & counting services	9	5	-	-	14
Printing services	44	-	-	-	44
Recycling services	1,926	1,932	605	-	4,463
Stationery, Office Machines and IT Consumables	22	-	-	-	22
Street cleaning services	2,529	582	-	-	3,111
Waste collection and cleaning services	2,004	1,224	1,822	37	5,087
Other	1,400	1,297	251	-	2,948
<b>Total operating commitments</b>	<b>21,065</b>	<b>11,737</b>	<b>9,522</b>	<b>37</b>	<b>42,361</b>

#### Capital

Architectural design services	292	-	-	-	292
Drainage works	2,257	2,263	1,988	-	6,508
Road and asphalt works	4,075	3,903	4,510	-	12,488
Other construction works	10,076	3,047	3,649	-	16,772
Plant and equipment	2,200	2,021	447	8	4,676
<b>Total capital commitments</b>	<b>18,900</b>	<b>11,234</b>	<b>10,594</b>	<b>8</b>	<b>40,736</b>

### **Total commitments after 30 June 2014**

<b>39,965</b>	<b>22,971</b>	<b>20,116</b>	<b>45</b>	<b>83,097</b>
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# Notes to the Financial Report

## Note 37 - 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.
<b>30 June 2013</b>					
<i>Operating</i>					
Animal pound services	10	-	-	-	10
Banking services	526	504	-	-	1,030
Consultancy services	2,098	690	121	-	2,909
Council report design & production service	56	-	-	-	56
Electricity supply	561	69	-	-	630
Gas supply	402	-	-	-	402
Information systems and technology	805	531	609	-	1,945
Library services	250	-	-	-	250
Management of sports and leisure facility	545	26	-	-	571
Maintenance services	638	512	3	-	1,153
Meals for delivery	157	-	-	-	157
Open space and tree planting / pruning services	3,419	2,160	116	-	5,695
Parking meter collection & counting services	21	9	5	-	35
Printing services	89	-	-	-	89
Recycling services	1,939	1,926	2,536	-	6,401
Street cleaning services	2,529	2,529	582	-	5,640
Security patrol services	125	-	-	-	125
Valuation services	228	-	-	-	228
Waste collection and cleaning services	974	736	1	-	1,711
Other	900	118	142	-	1,160
<b>Total operating commitments</b>	<b>16,272</b>	<b>9,810</b>	<b>4,115</b>	<b>-</b>	<b>30,197</b>
<i>Capital</i>					
Architectural design services	535	-	-	-	535
Drainage works	2,781	2,750	542	-	6,073
Road and asphalt works	6,710	6,674	1,031	-	14,415
Other construction works	18,365	4,974	1,105	-	24,444
Plant and equipment	1,295	-	-	-	1,295
Property	680	-	-	-	680
<b>Total capital commitments</b>	<b>29,151</b>	<b>14,398</b>	<b>2,678</b>	<b>-</b>	<b>47,442</b>
<b>Total commitments after 30 June 2013</b>	<b>45,423</b>	<b>24,208</b>	<b>6,793</b>	<b>-</b>	<b>77,639</b>

# Notes to the Financial Report

## Note 38 - Operating leases

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>(a) Operating lease commitments payable</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	3,283	2,899
Later than one year and not later than five years	4,048	2,461
Later than five years	303	345
	<u>7,634</u>	<u>5,705</u>

### *(b) Operating lease commitments receivable*

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	998	1,032
Later than one year and not later than five years	2,302	2,567
Later than five years	3,608	3,696
	<u>6,908</u>	<u>7,295</u>

# Notes to the Financial Report

## Note 39 - 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, but that all remaining conditions in the Section 173 Agreement are still valid. 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 2014, 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 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 \$198,500 (2012-13 \$254,000). This amount is contingent on the outcome of the resolution of these claims.
- (c) As per Note 36 Superannuation, Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets, the likelihood of making such contributions in future periods has increased. At reporting date, Council has not been advised of any required additional contributions - the timing or potential amount of these contributions is unknown at reporting date.

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

### Bank Guarantees

During the financial year, Council were required to provide Citylink Melbourne Limited, with a bank guarantee to the value of \$300,000 in relation to the sub-leased land surrounding Gardiner Creek trail. Council is completing improvement works on the sub-leased land.

### 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 2014, Council's maximum potential exposure for each of the clubs are as follows:

<u>Community organisation</u>	<u>Amount outstanding 30-Jun-14</u>	<u>Year loan commenced</u>
Burwood Tennis Club	\$ 56,672	2007-08
	\$ 56,672	

As of 30 June 2014, none of the above-mentioned sporting clubs have defaulted on the required loan repayments and therefore no allowance for this contingency is required in the financial report.

### Contingent assets

As of 30 June 2014, there are no potential contingent assets.

# Notes to the Financial Report

## Note 40 - Financial instruments

### (a) Accounting policy, terms and conditions

Recognised financial instruments	Note	Accounting policy	Terms and conditions
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>	16	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments are valued at cost.</p> <p>Investments are held to maximise interest returns of surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p>	<p>On call deposits returned a floating interest rate of 2.62% (3.17% in 2012-13). The interest rate at balance date was 2.5% (2.75% in 2012-13).</p> <p>Funds returned a fixed interest rate of between 3.32% (3.71% in 2012-13), and 3.75% (5.01% in 2012-13) net of fees.</p>
<b>Trade and other receivables, other debtors</b>	17	<p>Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and arrears do not attract interest. Credit terms are based on 30 days.</p>
<b>Financial liabilities</b>			
<b>Trade and other payables</b>	25	<p>Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.</p>	<p>General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.</p>
<b>Interest-bearing loans and borrowings</b>	28	<p>Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.</p> <p>Finance leases are accounted for at their principal amount with the lease payments discounted to present value using the interest rates implicit in the leases.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 5.84% (6.07% in 2012-13).</p> <p>As at balance date, Council did not have any obligations under finance leases (\$0 in 2012-13).</p>

# Notes to the Financial Report

## Note 40 - Financial instruments (cont.)

### (b) Interest rate risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

2014	Floating interest rate \$'000	Fixed interest maturing in:			Non- interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>						
Cash and cash equivalents	13,626	41,206	-	-	9	54,841
Financial assets	-	-	-	-	4	4
Trade and other receivables	-	-	-	-	3,923	3,923
Other assets	-	-	-	-	851	851
<b>Total financial assets</b>	<b>13,626</b>	<b>41,206</b>	<b>-</b>	<b>-</b>	<b>4,787</b>	<b>59,619</b>
Weighted average interest rate	2.47%	3.52%	0.00%	0.00%	N/A	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	17,647	17,647
Trust funds and deposits	-	-	-	-	2,848	2,848
Other creditors	-	-	-	-	277	277
Unfunded superannuation liability	-	-	-	-	-	-
Interest-bearing loans and borrowings	-	3,239	12,933	42,542	-	58,714
<b>Total financial liabilities</b>	<b>-</b>	<b>3,239</b>	<b>12,933</b>	<b>42,542</b>	<b>20,772</b>	<b>79,486</b>
Weighted average interest rate	0.00%	5.06%	5.26%	6.07%	N/A	
Net financial assets (liabilities)	13,626	37,967	(12,933)	(42,542)	(15,985)	(19,867)

2013	Floating interest rate \$'000	Fixed interest maturing in:			Non- interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>						
Cash and cash equivalents	9,584	49,185	-	-	9	58,778
Financial assets	-	-	-	-	1,351	1,351
Trade and other receivables	-	-	-	-	2,763	2,763
Other assets	-	-	-	-	1,110	1,110
<b>Total financial assets</b>	<b>9,584</b>	<b>49,185</b>	<b>-</b>	<b>-</b>	<b>5,233</b>	<b>64,002</b>
Weighted average interest rate	3.25%	4.51%	0.00%	0.00%	N/A	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	17,164	17,164
Trust funds and deposits	-	-	-	-	3,113	3,113
Other creditors	-	-	-	-	305	305
Unfunded superannuation liability	-	-	-	-	14,325	14,325
Interest-bearing loans and borrowings	-	1,574	7,475	44,709	-	53,758
<b>Total financial liabilities</b>	<b>-</b>	<b>1,574</b>	<b>7,475</b>	<b>44,709</b>	<b>34,907</b>	<b>88,665</b>
Weighted average interest rate	0.00%	6.07%	6.07%	6.07%	N/A	
Net financial assets (liabilities)	9,584	47,611	(7,475)	(44,709)	(29,674)	(24,663)

# Notes to the Financial Report

## Note 40 - Financial instruments (cont.)

### (c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	54,841	58,778	54,841	58,778
Financial assets	4	1,351	4	1,351
Trade and other receivables	3,923	2,763	3,923	2,763
Other assets	851	1,110	851	1,110
<i>Total financial assets</i>	<u>59,619</u>	<u>64,002</u>	<u>59,619</u>	<u>64,002</u>
<i>Financial liabilities</i>				
Trade and other payables	17,647	17,164	17,647	17,164
Trust funds and deposits	2,848	3,113	2,848	3,113
Other creditors	277	305	277	393
Unfunded superannuation liability	-	14,325	-	14,325
Interest-bearing loans and borrowings	58,714	53,758	58,714	25,924
<i>Total financial liabilities</i>	<u>79,486</u>	<u>88,665</u>	<u>79,486</u>	<u>60,919</u>

### (d) Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

### (e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

#### **Market risk**

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

#### **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. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. 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.

Our borrowings are sourced from major Australian banks by a tender process. We manage interest rate risk on our debt portfolio by:

- Ensuring access to diverse sources of funding;
- Reducing risks of refinancing by managing in accordance with target maturity profiles; and
- Setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Australian Loan Council each year.

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:

- Conformity with State and Federal regulations and standards.
- Capital protection and appropriate liquidity.
- Diversification by credit rating, financial institution and investment product.
- Monitoring of return on investment.
- Benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

# Notes to the Financial Report

## Note 40 - Financial instruments (cont.)

### (e) Risks and mitigation (cont.)

#### **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 have a policy for establishing credit limits for the entities we deal with.
- 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.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 39.

#### **Movement in provisions for doubtful debts**

	Note	2014 \$'000	2013 \$'000
Balance at the beginning of the year		1,253	1,271
New provisions recognised during the year	11	876	937
Amounts already provided for and written off as uncollectable		(936)	(955)
Balance at end of year	17	<u>1,193</u>	<u>1,253</u>

#### **Ageing of trade and other receivables**

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

	2014 \$'000	2013 \$'000
Current (not yet due)	3,564	2,351
Past due by up to 30 days	222	316
Past due between 31 and 180 days	125	95
Past due between 181 and 365 days	13	1
Past due by more than 1 year	1	-
<b>Total trade and other receivables</b>	<u>3,925</u>	<u>2,763</u>

#### **Liquidity risk**

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- We will not have sufficient funds to settle a transaction on the date.
- We will be forced to sell financial assets at a value which is less than what they are worth, or
- We may be unable to settle or recover a financial asset at all.

To help reduce these risks we:

- Have a treasury policy which targets a minimum and average level of cash and cash equivalents to be maintained.
- Have readily accessible standby facilities and other funding arrangements in place.
- Have a treasury portfolio structure that requires surplus funds to be invested within liquid instruments that meet minimum credit rating standards.
- 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 within the guidelines of the National Loan Council approval.

# Notes to the Financial Report

## Note 40 - Financial instruments (cont.)

### (e) Risks and mitigation (cont.)

#### Liquidity risk (cont.)

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data, the nature of investments, monitoring of investments and current assessment of risk.

The table below lists the contractual maturities for financial liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts.

2014	6 months or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	17,647	-	-	-	-	17,647	17,647
Trust funds and deposits	-	2,848	-	-	-	2,848	2,848
Other creditors	277	-	-	-	-	277	277
Unfunded superannuation	-	-	-	-	-	-	-
Loans and borrowings	1,596	1,644	3,407	9,526	42,541	58,714	58,714
<b>Total financial liabilities</b>	<b>19,520</b>	<b>4,492</b>	<b>3,407</b>	<b>9,526</b>	<b>42,541</b>	<b>79,486</b>	<b>79,486</b>

2013	6 months or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	17,164	-	-	-	-	17,164	17,164
Trust funds and deposits	-	3,113	-	-	-	3,113	3,113
Other creditors	305	-	-	-	-	305	305
Unfunded superannuation	14,325	-	-	-	-	14,325	14,325
Loans and borrowings	744	830	1,702	5,773	44,709	53,758	53,758
<b>Total financial liabilities</b>	<b>32,538</b>	<b>3,943</b>	<b>1,702</b>	<b>5,773</b>	<b>44,709</b>	<b>88,665</b>	<b>88,665</b>

### (f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 3.50%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	1% 100 basis points		-2% 200 basis points	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2014</b>					
<b>Financial assets:</b>					
Cash and cash equivalents	54,941	548	548	(1,097)	(1,097)
Trade and other receivables *	N/A	N/A	N/A	N/A	N/A
<b>Financial liabilities:</b>					
Unfunded superannuation liability	N/A	N/A	N/A	N/A	N/A
Interest-bearing loans and borrowings **	N/A	N/A	N/A	N/A	N/A
<b>2013</b>					
<b>Financial assets:</b>					
Cash and cash equivalents	58,778	588	588	(1,176)	(1,176)
Trade and other receivables *	N/A	N/A	N/A	N/A	N/A
<b>Financial liabilities:</b>					
Unfunded superannuation liability	N/A	N/A	N/A	N/A	N/A
Interest-bearing loans and borrowings **	N/A	N/A	N/A	N/A	N/A

\* Trade and other receivables are not subject to interest.

\*\* All current interest-bearing loans and borrowings have fixed interest rates and are not subject to interest rate movements.

### (g) Fair Value hierarchy

All financial assets carried at fair value are measured at quoted prices in active markets for identical asset or liabilities.

# Notes to the Financial Report

	2014	2013
Note	\$'000	\$'000

## Note 41 - Auditors' remuneration

Audit fee to conduct external audit - Victorian Auditor-General	60	59
Internal audit fees - Crowe Horwath	83	62
Fees for other audit services provided	3	5
14	146	126

## Note 42 - Events occurring after balance date

There are no events occurring after balance date for the 2013-14 financial year.

## Note 43 - Related party transactions

### (i) Responsible persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

<b>Councillors</b>	Councillor Coral Ross (Mayor 12/11/13 to current)
	Councillor Jack Wegman (Mayor 1/07/13 to 11/11/13)
	Councillor Heinz Kreutz
	Councillor Jane Addis
	Councillor Kevin Chow
	Councillor Phillip Healey
	Councillor Steve Hurd
	Councillor Philip Mallis
	Councillor Jim Parke
	Councillor Judith Voce
<b>Chief Executive Officer</b>	Phillip Storer

### (ii) Remuneration of responsible persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:	2014	2013
	No.	No.
\$0 - \$9,999	-	5
\$10,000 - \$19,999	-	5
\$20,000 - \$29,999	8	3
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	1	-
\$70,000 - \$79,999	-	1
\$340,000 - \$349,999	-	1
\$370,000 - \$379,999	1	-
	11	16
Total remuneration for the reporting year for Responsible Persons included above amounted to:	\$'000 718	\$'000 706

# Notes to the Financial Report

## Note 43 - Related party transactions (cont.)

### (iii) Retirement benefits

No retirement benefits have been made by the Council to a Responsible Person (2012-13, Nil).

### (iv) Loans

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2012-13, Nil).

### (v) Other transactions

During the year, a number of transactions were entered into that require additional disclosures in this note. All transactions listed below occurred under normal commercial terms and conditions.

#### (a) Metropolitan Waste Management Board & Sustainability Victoria

Councillor Heinz Kreutz was the Chairman of the Metropolitan Waste Management Group Board (MWMG). For the year ended 30 June 2014, Council paid MWMG \$5,500 (GST exclusive) for training and consultancy services.

#### (b) Municipal Association Victoria

Councillor Coral Ross Mayor was a representative on the Municipal Association Victoria (MAV) Board. For the year ended 30 June 2014, Council paid MAV \$130,273 (excluding GST) for a membership subscription, insurance and other professional services.

### (vi) Senior officers remuneration

A Senior Officer, as defined by the *Local Government Act 1989* (the Act), other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$133,000 (2012-13: \$127,000).

The number of Senior Officers, other than the Responsible Persons, are shown below in their relevant income bands:

Income range:	2014 No.	2013 No.
\$127,000 - \$129,999	-	7
\$130,000 - \$139,999	5	5
\$140,000 - \$149,999	-	3
\$150,000 - \$159,999	1	2
\$160,000 - \$169,999	5	4
\$170,000 - \$179,999	5	4
\$180,000 - \$189,999	3	5
\$190,000 - \$199,999	4	-
\$230,000 - \$239,999	1	-
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	-	3
\$270,000 - \$279,999	3	-
\$370,000 - \$379,999	1	-
\$440,000 - \$449,999	-	-
	28	34
Total remuneration for the reporting year for Senior Officers included above, amounted to:	\$'000 5,296	\$'000 5,626

# Notes to the Financial Report

## Note 44 - Revenue, expenses and assets by function/activities

Key:

CD: Community Development

CEO: Chief Executive Office, Governance department and Communications and Engagement department

CP: City Planning

CS: Corporate Services

EI: Environment and Infrastructure

<b>2014</b>	<b>EI</b>	<b>CD</b>	<b>CP</b>	<b>CS</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Grants	3,937	9,615	407	9
Other	5,571	5,282	14,789	4,652
Total Income	9,508	14,897	15,196	4,661
Total Expenses	(54,912)	(31,195)	(17,326)	(19,919)
Surplus (Deficit)	(45,404)	(16,298)	(2,130)	(15,258)
Total Assets *	1,549,896	736,628	109,651	208,943
				<b>2014</b>
	<b>CEO</b>	<b>Rates</b>	<b>Other **</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Grants	-	-	2,130	16,098
Other	182	142,892	4,397	177,765
Total Income	182	142,892	6,527	193,863
Total Expenses	(6,647)	(1,224)	(39,409)	(170,632)
Surplus (Deficit)	(6,465)	141,668	(32,882)	23,231
Total Assets *	109,651	3,404	64,288	2,782,461
				<b>2013</b>
	<b>EI</b>	<b>CD</b>	<b>CP</b>	<b>CS</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Grants	2,639	8,893	383	9
Other	4,974	5,296	13,781	3,900
Total Income	7,613	14,189	14,164	3,909
Total Expenses	(53,528)	(29,211)	(16,611)	(17,930)
Surplus (Deficit)	(45,915)	(15,022)	(2,447)	(14,021)
Total Assets *	1,435,039	655,273	96,048	186,960
				<b>2013</b>
	<b>CEO</b>	<b>Rates</b>	<b>Other **</b>	<b>TOTAL</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Grants	-	-	4,076	16,000
Other	275	135,083	6,300	169,609
Total Income	275	135,083	10,376	185,609
Total Expenses	(6,455)	(1,143)	(37,337)	(162,215)
Surplus (Deficit)	(6,180)	133,940	(26,961)	23,394
Total Assets *	96,048	2,661	69,310	2,541,339

\* Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

\*\* Certain revenue and expenses are not directly attributable to specific directorates, functions or activities. Examples include depreciation, Fire Services Property Levy, bank charges, interest expense, interest income, contribution revenue and share of net profits/(losses) of joint venture entities.

# Notes to the Financial Report

## Note 44 - Revenue, expenses and assets by function/activities (cont.)

### ***Environment and Infrastructure***

The Environment and Infrastructure directorate is responsible for managing, maintaining and enhancing the public assets under the control of Council to maximise their value to the community.

The directorate includes the following departments:

- Asset Management
- Infrastructure Services
- Traffic and Transport
- Parks and Gardens
- Projects and Strategy
- Environment and Sustainable Living

### ***City Planning***

The City Planning directorate is responsible for strategic planning to protect and enhance the environment and liveability of the city. It also facilitates and promotes a high standard of community safety, health and amenity.

The directorate includes the following departments:

- Building Services
- Local Laws
- Statutory Planning
- Economic Development
- Strategic Planning

### ***Community Development***

The Community Development directorate is responsible for enhancing community, family and cultural life, and facilitating or providing services that respond to community needs.

The directorate includes the following departments:

- Family, Youth and Recreation
- Library, Arts and Cultural Services
- Health, Ageing and Disability Services
- Community Planning

### ***Corporate Services***

The Corporate Services directorate is responsible for valuing, supporting and developing Council staff, managing sound financial records and budget systems, and ensuring the provision of accountable, community focussed services.

The directorate includes the following departments:

- Business Development
- Corporate Solicitor
- People, Culture and Development
- Information Technology
- Financial Services

### ***Chief Executive Office, Governance and Communications and Engagement***

Includes the Chief Executive Office, Governance department and Communications and Engagement department.

The Governance department is responsible for providing open and transparent processes and strong accountability to the community, ensuring a high standard of democratic and corporate governance.

The Communications and Engagement department is responsible for ensuring Council information and services meet community expectations.

The department includes the following functions:

- Public Relations and Communications
- Engagement and Research
- eCommunications
- Customer Service

## Notes to the Financial Report

2014 \$'000	2014 (%)	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)
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### Note 45 - Financial ratios (Performance indicators)

**(a) Debt servicing ratio**

(to identify the capacity of Council to service its outstanding debt)

<u>Debt servicing costs</u>	$\frac{3,579}{193,863} = 1.85\%$	$\frac{1,877}{185,609} = 1.01\%$	$\frac{615}{175,785} = 0.35\%$
Total revenue			

Debt servicing costs refer to the payment of interest on loan borrowings.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

**(b) Debt commitment ratio**

(to identify Council's debt redemption strategy)

<u>Debt servicing &amp; redemption costs</u>	$\frac{19,453}{144,133} = 13.50\%$	$\frac{3,042}{135,726} = 2.24\%$	$\frac{2,336}{127,692} = 1.83\%$
Rate revenue			

The strategy involves the payment of loan principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

**(c) Revenue ratio**

(to identify Council's dependence on non-rate income)

<u>Rate revenue</u>	$\frac{144,133}{193,863} = 74.35\%$	$\frac{135,726}{185,609} = 73.12\%$	$\frac{127,692}{175,785} = 72.64\%$
Total revenue			

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

**(d) Debt exposure ratio**

(to identify Council's exposure to debt)

<u>Total indebtedness</u>	$\frac{95,748}{2,191,972} = 4.37\%$	$\frac{103,234}{1,962,741} = 5.26\%$	$\frac{74,898}{1,910,934} = 3.92\%$
Total realisable assets			

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use. The following assets are excluded from total assets when calculating Council's realisable assets: restricted assets; heritage assets; total infrastructure assets; and Council's investment in associates.

## Notes to the Financial Report

2014	2014	2013	2013	2012	2012
\$'000	(%)	\$'000	(%)	\$'000	(%)

### Note 45 - Financial ratios (Performance indicators) (cont.)

**(d) Debt exposure ratio (cont'd)**

Any liability represented by a restricted asset (note 37) is excluded from total indebtedness.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.

**(e) Working capital ratio**

(to assess Council's ability to meet current commitments)

<u>Current assets</u>	<u>67,578</u>		<u>71,808</u>		<u>56,326</u>	
Current liabilities	38,364	176.15%	49,354	145.50%	34,768	162.01%

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

**(f) Adjusted working capital ratio**

(to assess Council's ability to meet current commitments)

Current liabilities	38,364		49,354		34,768	
<i>less: long service leave provision that does not fall due within 12 months after the end of the period (Note 27(a))</i>	<u>(996)</u>		<u>(1,224)</u>		<u>(2,277)</u>	
Adjusted current liabilities	37,368		48,130		32,491	
<u>Current assets</u>	<u>67,578</u>		<u>71,808</u>		<u>56,326</u>	
Adjusted current liabilities	37,368	180.84%	48,130	149.20%	32,491	= 173.36%

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

# Notes to the Financial Report

		2014 \$'000	2013 \$'000
<b>Note 46 - Capital expenditure</b>	<b>Note</b>		
<b>Capital works areas</b>			
Drains		3,802	2,845
Footpaths, LATMs, car parks and utilities		6,058	3,306
Land and buildings		32,136	53,735
Libraries and information technology		2,405	2,000
Plant, equipment and other		3,735	1,894
Roads, kerb and channel		7,370	7,881
Street, parks and playgrounds		1,308	978
<b>Total capital works</b>		<b>56,814</b>	<b>72,639</b>
<b>Represented by:</b>			
Renewal of infrastructure	(a)	13,900	12,542
Upgrade of infrastructure	(b)	2,337	1,024
New/expansion of infrastructure	(c)	993	467
Renewal of land and buildings		23,300	44,358
Upgrade of land and buildings		3,579	4,657
New/expansion land and buildings		5,257	4,720
Renewal of plant, equipment and other		2,536	1,590
Upgrade of plant, equipment and other		161	99
New/expansion plant, equipment and other		1,038	204
Renewal Libraries and information technology		1,837	1,966
Upgrade Libraries and information technology		558	28
New/expansion Libraries and information technology		10	6
Renewal of Street, parks and playgrounds		1,308	978
<b>Total capital works</b>		<b>56,814</b>	<b>72,639</b>
<b>Property, plant and equipment, infrastructure, investment property and intangibles movement</b>			
The movement between the previous year and the current year in property, plant and equipment, infrastructure, investment property and intangibles as shown in the Balance Sheet links to the net of the following items:			
Total capital works		56,814	72,639
Asset revaluation movement (excluding investments in associates)	29(a)	225,262	-
Depreciation/amortisation	12	(28,646)	(27,209)
Contributions - non-monetary assets	6(b)	1,090	-
Written down value of assets sold and disposed of (excluding selling costs)	7	(6,000)	(6,483)
Less written down value of Non-current asset classified for sale		1,349	
Impairment losses reversed against previous revaluation increments in asset revaluation reserve	29(a)	-	(310)
Impairment losses recognised in the Comprehensive Income Statement	14	-	(59)
Work in progress expenditure unable to be capitalised	31	(2,484)	(1,669)
Non-current assets classified as held for sale	20	-	(1,349)
Net movement in property, plant and equipment, infrastructure, investment property and intangibles	22-24	<u>247,385</u>	<u>35,561</u>

# Notes to the Financial Report

## Note 46 - Capital expenditure (cont.)

### Work in progress movement reconciliation:

Opening balance at the beginning of the year	22	52,797	49,158
Capital expenditure	46	56,814	72,639
Transfers to the asset register (PPE asset acquisitions)	below	(82,606)	(67,224)
Transfers to the asset register (Investment property asset acquisitions)	23	(412)	(2)
Transfers to the asset register (Intangibles asset acquisitions)	24	(252)	(105)
Capital expenditure unable to be capitalised (expensed to Income Statement)	31	(2,484)	(1,669)
Closing balance at the end of the year	22	<u>23,857</u>	<u>52,797</u>

### Total asset acquisitions for property, infrastructure, plant and equipment:

Transfers to the asset register (PPE asset acquisitions)	above	(83,696)	(67,224)
Contributions - non-monetary assets	6(b)	<u>1,090</u>	<u>-</u>
Total asset acquisitions	22	<u>(82,606)</u>	<u>(67,223)</u>

### (a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

### (b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.

### (c) Expansion / New

Expansion expenditure extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group.

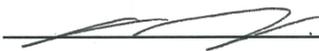
## Note 47 - Special committees and other activities

There are no material special committees or other activities to disclose at reporting date.

# Certification of Financial Statements

## Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*, Australian Accounting Standards and other mandatory professional reporting requirements.



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Chris Hurley, CA  
Principal Accounting Officer

Date : 01/09/2014  
Camberwell

In our opinion the accompanying financial statements present fairly the financial transactions of the City of Boroondara for the year ended 30 June 2014 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 on 25 August 2014 to certify the financial statements in their final form.



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Coral Ross  
Mayor

Date : 01/09/2014  
Camberwell



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Judith Voce  
Councillor

Date : 01/09/2014  
Camberwell



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Phillip Storer  
Chief Executive Officer

Date : 01/09/2014  
Camberwell

# Standard Income Statement

## For the year ended 30 June 2014

	Note	Actual \$'000	Budget \$'000	Variance \$'000	Variance %
<b>Revenues from ordinary activities</b>					
General rates		123,172	122,915	257	0.2
Special rates and charges		1,219	1,260	(41)	(3.3)
Waste charges		19,743	19,813	(70)	(0.4)
Fees and charges		23,419	22,929	490	2.1
Grants - operating		11,843	11,312	531	4.7
Developers open space contributions	1(a)	2,985	1,305	1,680	128.7
Other income	1(b)	2,435	1,765	670	38.0
Non-Monetary Contributions	1(c)	1,090	-	1,090	100.0
Rental income		2,022	2,120	(98)	(4.6)
Interest		2,286	1,721	565	32.8
Priority projects income		924	499	425	85.2
Grants and contributions - capital (non-recurrent)	1(d)	4,825	3,388	1,437	42.4
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method		(2,100)	-	(2,100)	100.0
<b>Total revenues</b>		<u>193,863</u>	<u>189,027</u>	<u>4,836</u>	<u>2.6</u>
<b>Expenses from ordinary activities</b>					
Employee costs		68,917	69,570	(653)	(0.9)
Materials and services		47,983	48,201	(218)	(0.5)
Depreciation and amortisation		28,646	28,272	374	1.3
Road maintenance		1,934	1,990	(56)	(2.8)
Footpaths maintenance		1,786	1,812	(26)	(1.4)
Facilities maintenance		4,542	4,608	(66)	(1.4)
Other expenses	1(e)	5,256	3,775	1,481	39.2
Finance costs		3,579	3,962	(383)	(9.7)
Priority projects (including forward commitments)		3,715	3,170	545	17.2
Net loss on disposal of property, infrastructure, plant and equipment	1(f)	4,274	2,875	1,399	48.7
<b>Total expenses</b>		<u>170,632</u>	<u>168,235</u>	<u>2,397</u>	<u>1.4</u>
<b>Surplus for the year</b>		<u>23,231</u>	<u>20,792</u>	<u>2,439</u>	<u>11.7</u>
<b>Other comprehensive income</b>					
Other		-	-	-	-
<b>Comprehensive result</b>		<u>23,231</u>	<u>20,792</u>	<u>2,439</u>	<u>11.7</u>

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

# Standard Balance Sheet

## As at 30 June 2014

	Note	Actual \$'000	Budget \$'000	Variance \$'000	Variance %
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	2(a)	54,910	46,298	8,612	18.6
Trade and other receivables	2(b)	11,782	9,245	2,537	27.4
Non-current assets held for sale		-	-	-	0.0
Prepayments		851	799	52	6.5
Inventories		35	27	8	29.6
<b>Total current assets</b>		<u>67,578</u>	<u>56,369</u>	<u>11,209</u>	<u>19.9</u>
<b>Non-current assets</b>					
Trade and other receivables		114	244	(130)	(53.3)
Investments in associates	2(c)	3,404	4,936	(1,532)	(31.0)
Property, infrastructure, plant and equipment	2(d)	2,703,352	2,488,342	215,010	8.6
Intangible assets		255	459	(204)	(44.4)
Investment property	2(e)	7,757	8,917	(1,160)	(13.0)
<b>Total non-current assets</b>		<u>2,714,882</u>	<u>2,502,898</u>	<u>211,984</u>	<u>8.5</u>
<b>Total assets</b>		<u><b>2,782,460</b></u>	<u><b>2,559,267</b></u>	<u><b>223,193</b></u>	<u><b>8.7</b></u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables		18,255	19,043	(788)	(4.1)
Interest-bearing loans and borrowings	2(f)	3,240	4,159	(919)	(22.1)
Provisions		13,967	13,700	267	1.9
Trust funds and deposits		2,848	2,799	49	1.8
Prepaid income		54	74	(20)	(27.0)
Unfunded superannuation		0	0	0	0.0
<b>Total current liabilities</b>		<u>38,364</u>	<u>39,775</u>	<u>(1,411)</u>	<u>(3.5)</u>
<b>Non-current liabilities</b>					
Unfunded superannuation		-	0	0	0.0
Provisions		1,910	1,146	764	66.7
Interest-bearing loans and borrowings	2(f)	55,474	62,401	(6,927)	(11.1)
<b>Total non-current liabilities</b>		<u>57,384</u>	<u>63,547</u>	<u>(6,163)</u>	<u>(9.7)</u>
<b>Total liabilities</b>		<u><b>95,748</b></u>	<u><b>103,322</b></u>	<u><b>(7,574)</b></u>	<u><b>(7.3)</b></u>
<b>Net assets</b>		<u><b>2,686,712</b></u>	<u><b>2,455,945</b></u>	<u><b>230,767</b></u>	<u><b>9.4</b></u>
<b>Equity</b>					
Accumulated surplus		776,453	763,885	12,568	1.6
Asset revaluation reserve	2(g)	1,908,058	1,689,513	218,545	12.9
Reserves		2,201	2,547	(346)	(13.6)
<b>Total equity</b>		<u><b>2,686,712</b></u>	<u><b>2,455,945</b></u>	<u><b>230,767</b></u>	<u><b>9.4</b></u>

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

# Standard Cash Flow Statement

## For the year ended 30 June 2014

	Note	Actual \$'000	Budget \$'000	Variance \$'000	Variance %
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Rates and waste charges		143,390	143,908	(518)	(0.4)
Fees and charges and other receipts from customers		26,842	26,659	183	0.7
Grants - operating (including priority projects)		12,222	11,816	406	3.4
Grants and contributions - capital	3(a)	4,788	3,388	1,400	41.3
Developers open space contributions	3(b)	3,121	1,305	1,816	139.2
Interest		2,268	1,721	547	31.8
		<b>192,631</b>	<b>188,797</b>	<b>3,834</b>	<b>2.0</b>
<b>Payments</b>					
Employee costs		(67,575)	(68,935)	1,360	(2.0)
Employee costs - defined benefits call		(14,325)	(14,325)	-	-
Contractors and materials (including priority projects)		(60,681)	(61,819)	1,138	(1.8)
Finance costs		(3,630)	(3,596)	(34)	0.9
		<b>(146,211)</b>	<b>(148,675)</b>	<b>2,464</b>	<b>(1.7)</b>
<b>Net cash provided by operating activities</b>		<b>46,420</b>	<b>40,122</b>	<b>6,298</b>	<b>15.7</b>
<b>Cash flows from investing activities</b>					
Increase in trust funds and deposits		(266)	50	(316)	(632.0)
Proceeds from sale of property, plant and equipment	3(c)	1,806	950	856	90.1
Payments for property, plant and equipment, infrastructure		(56,784)	(61,090)	4,306	(7.0)
<b>Net cash used in investing activities</b>		<b>(55,244)</b>	<b>(60,090)</b>	<b>4,846</b>	<b>(8.1)</b>
<b>Cash flows from financing activities</b>					
Proceeds from interest-bearing loans and borrowings	3(d)	20,830	14,300	6,530	45.7
Repayment of interest-bearing loans and borrowings	3(e)	(15,874)	(1,497)	(14,377)	960.4
<b>Net cash provided by financing activities</b>		<b>4,956</b>	<b>12,803</b>	<b>(7,847)</b>	<b>(61.3)</b>
Net increase/(decrease) in cash and cash equivalents		(3,868)	(7,165)	3,297	(46.0)
Cash and cash equivalents at the beginning of year		58,778	53,463	5,315	9.9
<b>Cash and cash equivalents at the end of the financial year</b>		<b>54,910</b>	<b>46,298</b>	<b>8,612</b>	<b>18.6</b>

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

# Standard Statement of Capital Works

## For the year ended 30 June 2014

	Note	Actual \$'000	Budget \$'000	Variance \$'000	Variance %
<b>New works</b>					
<i>(including forward commitments from 2012-13)</i>					
Land and buildings	4(a)	32,136	36,520	(4,384)	(12.0)
Drains		3,802	4,184	(382)	(9.1)
Roads, kerb and channel		7,370	7,392	(22)	(0.3)
Plant, equipment and other	4(b)	3,735	2,862	873	30.5
Street, parks and playgrounds		1,308	1,286	22	1.7
Libraries and information technology		2,405	2,545	(140)	(5.5)
Footpaths, LATMs, car parks and utilities		6,058	6,302	(244)	(3.9)
<b>Total capital works</b>		<b>56,814</b>	<b>61,091</b>	<b>(4,277)</b>	<b>(7.0)</b>
<b>2013-14 Capital works represented by:</b>					
Renewal		42,882	47,199	(4,317)	(9.1)
New		7,298	7,425	(127)	(1.7)
Expansion / upgrade		6,634	6,467	167	2.6
<b>Total capital works</b>		<b>56,814</b>	<b>61,091</b>	<b>(4,277)</b>	<b>(7.0)</b>
Reconciliation of net movement in property, infrastructure, plant and equipment, investment property and intangibles:					
Total capital works	4(c)	56,814	61,091	(4,277)	(7.0)
Asset revaluation movement (excluding investments in associates)		225,262	-	-	100.0
Depreciation and amortisation		(28,646)	(28,272)	(374)	1.3
Contributions - non-monetary assets		1,090	-	-	100.0
Written down value of assets sold and disposed of (excluding selling costs)	4(d)	(6,000)	(7,774)	1,774	(22.8)
Less written down value of Non-current asset classified for sale		1,349	-	-	100.0
Impairment (losses) / reversals		-	-	-	100.0
Work in progress expenditure unable to be capitalised	4(e)	(2,484)	(1,320)	(1,164)	88.2
Non-current assets classified as held for sale		-	-	-	100.0
<b>Net movement in property, plant and equipment, infrastructure, investment property and intangibles (including rounding)</b>		<b>247,385</b>	<b>23,725</b>	<b>223,660</b>	<b>942.7</b>

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

# Notes to the Standard Statements

## 1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required - Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement, and a Standard Capital Works Statement, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements which are included in the previous section of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The *Local Government Act 1989* requires explanation of any material variances. The statements have been prepared on the basis of a materiality threshold of greater than \$600,000 and greater than 10 per cent. In some cases, explanations have been provided for variations below the materiality threshold where it is believed that explanation will benefit readers of the Standard Statements or the variance is considered to be material because of its nature.

The budget figures included in the Standard Statements are those adopted by Council on 24 June 2013. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set 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.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements located in the previous section of the Annual Report. The detailed budget can be obtained by contacting Council on 9278 4444 or through the Council's website ([www.boroondara.vic.gov.au](http://www.boroondara.vic.gov.au)). The Standard Statements must be read with reference to these documents.

## Notes to the Standard Statements

### 2. Explanation of material variances

#### (a) Standard Income Statement

The Standard Income Statement for the Annual Report presents what has happened during the year in terms of revenue, expenses and other adjustments from all activities. The Standard Income Statement is presented in the same format as that which was presented in Council's original budget.

The Standard Income Statement separately discloses revenue items where the item is of such a size, nature or incidence that its disclosure is relevant in explaining the performance of the Council.

The Standard Income Statement for the Annual Report also shows the movement in equity, so that a separate Statement of Changes in Equity is not necessary.

Note	Item	Explanation
1(a)	Developers open space contributions	Developers open space contributions are difficult to predict from one year to the next. The 2013-14 contributions were higher than expected due to an increase in the average value of the land developed and hence higher contributions received.
1(b)	Other income	Other income was \$0.67 million higher than budget mainly due to higher right of way sales (0.23 million) and traffic road closure income (\$0.44 million).
1(c)	Non-Monetary Contributions	Contributions are difficult to predict from one year to the next. The 2013-14 non-monetary contributions relate to extensions to Council owned buildings Bellevue Kindergarten and JJ McMahon Kindergarten which were funded through Government grants direct to the Kindergarten. A number of other assets including reserves and land under roads have also been handed over to Council for maintaining.
1(d)	Grants and contributions - capital (non-recurrent)	Capital grants and contributions were \$1.44 million higher compared to the original budget due to the receipt of several grants and contributions not expected at the time of budget approval including: <ul style="list-style-type: none"> <li>- \$0.55 million in National Building project funding for Aitchison Avenue/Johnston Street roundabout construction, kerb and pedestrian fence at Prospect Hill Road and Station Street, Camberwell and the installation of Green Pavement on Mont Albert Road.</li> <li>- \$0.37 million in Vic Roads funding for Gardiners Creek Trail Lighting projects at Nettleton Park Res to Brixton Rise and Estella Street to June Crescent.</li> <li>- \$0.35 million Early Learning Facility upgrade funding for redevelopment works at Surrey Hills Pre School.</li> </ul>
1(e)	Other expenses	Other expenditure was \$1.48 million higher than the budget due mainly to an increase in the write off of capital expenditure (\$0.8 million). <p>The write off of capital expenditure occurs due to three main reasons: (a) asset purchases under the capitalisation threshold - \$0.38 million, (b) non capital items - \$1.99 million and (c) non-Council owned assets - \$0.11 million. Examples of transactions falling within the scope of non capital items are Council building and property audits (condition, safety inspection, accessibility, air quality, electrical, sewer and storm water, etc), linemarking and minor repairs and maintenance to various buildings, playgrounds and equipment.</p>
1(f)	Net loss on disposal of property, infrastructure, plant and	The net loss on disposal of property, infrastructure, plant and equipment was \$1.39 million higher than expected in the original budget due to the sale of 14 Oxley Road not being included in the 2013-14 budget as settlement was expected in the 2012-13 financial year. Settlement ultimately occurred in September 2013.

## Notes to the Standard Statements

### 2. Explanation of material variances (cont.)

#### (b) Standard Balance Sheet

The Standard Balance Sheet for the Annual Report presents a snap shot of the financial situation as at the end of the year. It shows the total of what is owned (assets) less what is owed (liabilities). The bottom line of this statement is net assets, which is the net worth of Council. The Standard Balance Sheet is presented in the same format as that which was presented in Council's original budget.

The change in net assets between two year's Standard Balance Sheets shows how the financial position has changed over that period which is described in more detail in the Standard Income Statement.

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due in the next twelve months.

Note	Item	Explanation
2(a)	Cash and cash equivalents	Cash holdings were higher than anticipated at 30 June 2014 as a result of a recent draw down of new borrowings on 30 June 2014 combined with timing variances in the payment of progress claims for major capital projects during the 2012-13 and 2013-14 financial years, greater cash inflows from grants and contributions and lower cash outflows for employee costs and materials and services when compared to the original budget.
2(b)	Trade and other receivables	Trade and other receivables (current) at 30 June 2014 was \$2.54 million higher than expected compared to the original budget. This was due to an increase in the outstanding balances of rates, and other debtors. The increase in sundry debtors was due to four material invoices that were outstanding at 30 June 2014 but not outstanding at 30 June 2013. Payment of these four invoices was subsequently received in July 2014.
2(c)	Investments in associates	The investments in associates is \$1.5 million lower than the original budget due to the Clayton Landfill joint venture recording an unbudgeted loss. The loss was a result of increasing the provision for remediation and a revaluation of the declining airspace asset.
2(d)	Property, infrastructure, plant and equipment	Property, infrastructure, plant and equipment was \$215 million higher than expected compared to the original budget mainly due to the asset revaluations of land and buildings and infrastructure asset classes during the 2013-14 financial year.
2(e)	Investment property	Refer to explanation provided earlier at 1(f).
2(f)	Interest-bearing loans and borrowings	During the 2013-14 financial year Council reviewed its debt structuring options and accessed a short term financing option with lower servicing costs. The deferment of the drawdown on a fixed rate, fixed term loan until June 2014 allowed Council to drawdown less than the \$14.30 million short term loan that was provided for in the original budget. As a result, Council repaid \$7.77 million of the \$14.30 million borrowings from cash and investment reserves with the balance of \$6.53 million to be repaid over four years.
2(g)	Asset revaluation reserve	The asset revaluation reserve was \$219 million higher than expected compared to the original budget due to the asset revaluations of land and buildings and infrastructure asset classes during the 2013-14 financial year.

# Notes to the Standard Statements

## 2. Explanation of material variances (cont.)

### (c) Standard Cash Flow Statement

A Standard Cash Flow Statement for the Annual Report presents what has happened during the year in terms of cash. It explains what cash movements have resulted in the difference in the cash balance at the beginning and the end of the year.

The net cash flows from operating activities shows how much cash remains, after paying for providing services to the community, which may be invested in programs such as capital works. The Standard Cash Flow Statement is presented in the same format as that which was presented in Council's original budget.

The information in the Standard Cash Flow Statement assists users in their assessment of Council's ability to generate cash flows, meet financial commitments as they fall due including the servicing of borrowings, fund changes in the scope or nature of activities and obtain external finance.

<b>Note</b>	<b>Item</b>	<b>Explanation</b>
3(a)	Grants and contributions - capital	Refer to explanation provided earlier at 1(d).
3(b)	Developers open space contributions	Refer to explanation provided earlier at 1(a).
3(c)	Proceeds from sale of property, plant and equipment	Proceeds from the sale of property, plant and equipment was \$0.86 million above budget expectations. At time of setting the 2013-14 budget it was expected that the sale of 14 Oxley Road, Hawthorn was to be settled in the 2012-13 financial year. Settlement occurred in the current financial year.
3(d)	Proceeds from interest bearing loans and borrowings	Refer to explanation provided earlier at 2 (f).
3(e)	Repayment of interest bearing loans and borrowings	Refer to explanation provided earlier at 2 (f).

# Notes to the Standard Statements

## 2. Explanation of material variances (cont.)

### (d) Standard Statement of Capital Works

The Standard Capital Works Statement for the Annual Report sets out all the actual capital expenditure in relation to non-current assets for the year. It also shows the amount of capital works expenditure which is expected to be renewing, upgrading, expanding or creating new assets. This is important because each of these categories has a different impact on Council's future costs.

- Capital expansion expenditure extends an existing asset to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue from the new user group.
- Capital renewal expenditure reinstates existing assets. It has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.
- Capital upgrade expenditure enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.
- New capital expenditure does not have any element of renewal, expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for Council and will result in an additional burden for future operation, maintenance and capital renewal.

The property, plant and equipment, infrastructure, investment property and intangibles movement reconciliation worksheet is included to show how the Standard Capital Works Statement figures relate to the Standard Balance Sheet movement in property, plant and equipment, infrastructure, investment property and intangibles.

Note	Item	Explanation
4(a)	Land and buildings	Capital expenditure relating to land and buildings was below the original budget by \$4.38 million primarily due to delays in a number of projects including: Balwyn Senior Citizens Club (Evergreen) which is expected to be completed in the 2014-15 financial year, St James Park Bowls Club main building, Burwood Pre School building works and Hawthorn South Tennis Club.
4(b)	Plant, equipment and other	Plant, equipment and other was \$0.8 million higher than expected primarily due to a number of projects that were carried forward from the previous financial year (2012-13).
4(c)	Total capital works	Refer to the explanations above at 4(a) and 4(b).
4(d)	Written down value of assets sold and disposed of (excluding selling costs)	Refer to explanation provided earlier at 1(f).
4(e)	Capital works expenditure unable to be capitalised	Refer to explanation provided earlier at 1(e).

## Certification of Standard Statements

### Certification of Standard Statements

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

  
Chris Hurley  
Principal Accounting Officer

Dated: 01/09/2014  
Camberwell

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

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

We have been authorised by the Council on 25 August 2014, to certify the standard statements in their final form.

  
Coral Ross  
Mayor

Dated: 01/09/2014  
Camberwell

  
Judith Voce  
Councillor

Dated: 01/09/2014  
Camberwell

  
Phillip Storer  
Chief Executive Officer

Dated: 01/09/2014  
Camberwell

# Auditor-General's Report on the Financial and Standard Statements

## VAGO

Victorian Auditor-General's Office

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### INDEPENDENT AUDITOR'S REPORT

**To the Councillors, Boroondara City Council**

*The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2014 of the Boroondara City Council which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2014 of Boroondara City Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statement has been audited.

*The Councillors' Responsibility for the Financial Report and Standard Statements*

The Councillors of the Boroondara City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

*Auditing in the Public Interest*

## Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Boroondara City Council as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

### *Basis of Accounting for Standard Statements*

Without modifying my opinion, I draw attention to Note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

### *Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements*

This auditor's report relates to the financial report and standard statements of the Boroondara City Council for the year ended 30 June 2014 included both in the Boroondara City Council's annual report and on the website. The Councillors of the Boroondara City Council are responsible for the integrity of the Boroondara City Council's website. I have not been engaged to report on the integrity of the Boroondara City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE  
3 September 2014



for John Doyle  
Auditor-General

## Performance Statement

Strategic Objective	Key Strategic Activity (Related Commitment)	Performance Measures	2013-14		Target Status	Council Comment
			Actual	Target		
<b>Strong and Engaged Communities</b>						
Our community has a say in matters of interest to them in achieving Boroondara's vision.	1.3 - Improved democratic processes by ascertaining community views through the Boroondara Community Voice Panel.	Number of issues discussed at the Boroondara Community Voice Panel.	12	12	Achieved	
		Number of members on the Boroondara Community Voice Panel.	1,232	1,000	Achieved	
Community needs are identified and responses planned accordingly.	2.1 - Assist in linking Council's community grants programs with the community's expectations and changing needs by consulting with the community and key stakeholders on the draft Grants Policy 2013-17.	Develop the consultation plan by 31 July 2013.	03 Jul 2013	30 Jul 2013	Achieved	
		Number of consultation actions undertaken.	5	5	Achieved	
		Present the draft Grants Policy 2013-17 to Council for endorsement by November 2013.	28 Oct 2013	30 Nov 2013	Achieved	
Opportunities are provided to enable people in our community to be supported and involved.	3.1 - Improve the vitality of our local strip shopping centres by delivering streetscape improvement works at Riversdale Road East Shopping Centre.	Completion of the project within budget.	-7%	<+10	Achieved	
		Resident/trader satisfaction with the project deliverables.	81%	80%	Achieved	
		Improvement works completed by 30 June 2014.	01 Nov 2013	30 Jun 2014	Achieved	
	4.4 - Increase the accessibility of programs for young people by the provision of a facility in Hawthorn that will co-locate Headspace and Council's Youth Services.	Co-locate Council's Youth Services with Headspace at the Hawthorn Arts Centre.	16 Apr 2014	30 Jun 2014	Achieved	
		5.1 - Contribute to the health and wellbeing of the Boroondara community by presenting a draft Public Health and Wellbeing Plan 2013-17 to Council for adoption.	Conduct community consultation on the draft Boroondara Public Health and Wellbeing Plan and incorporate feedback into the plan.	13 Sep 2013	31 Aug 2013	Not Achieved
	Present the draft Boroondara Public Health and Wellbeing Plan to Council for adoption.		28 Oct 2013	31 Oct 2013	Achieved	
	6.1 - Provide high quality library services that meet community needs by completing the Ashburton Library and Community Centre Project.	New Ashburton Library and Community Centre open to the public.	21 Nov 2013	28 Feb 2014	Achieved	
		Completion of the Ashburton Library and Community Centre project within budget.	-0.21%	<+10%	Achieved	
	7.1 - Enrich the arts and cultural life of the Boroondara community by completing a new arts and cultural centre in Hawthorn.	Total attendance across all Hawthorn Arts Centre launch events.	2,810	1,200	Achieved	
		Number of Council programmed exhibitions at the Town Hall Gallery.	13	3	Achieved	
Number of exhibition attendances at the Town Hall Gallery.		5,466	1,350	Achieved		
Number of Council programmed arts events at the Hawthorn Arts Centre.		19	15	Achieved		
Satisfaction with quality of venue at Hawthorn Arts Centre by hirers.		N/A	75%	Not Achieved	The facility was not fully operational until February 2014. A satisfaction survey for hirers has been implemented for the full year commencing in July 2014.	
Satisfaction with administration of booking process at Hawthorn Arts Centre by hirers.		N/A	75%	Not Achieved	The facility was not fully operational until February 2014. A satisfaction survey for hirers has been implemented for the full year commencing in July 2014.	
<b>Sustainable Environment</b>						
Our natural and urban environment is improved in a sustainable way.	8.2 - Provide effective and efficient hard waste collection by reviewing the trial of our booked hard waste service and implementing actions.	Complete a Council Report by 31 July 2013.	31 Jul 2013	31 Jul 2013	Achieved	

## Performance Statement

Strategic Objective	Key Strategic Activity (Related Commitment)	Performance Measures	2013-14		Target Status	Council Comment
			Actual	Target		
<b>Enhanced Amenity</b>						
The character of our neighbourhoods is protected and improved.	10.2 - Improve the function, character and economic viability of Camberwell Junction's hidden laneways by preparing a Camberwell Junction Laneways discussion paper that investigates and outlines opportunities.	Percentage of identified stakeholder groups consulted during the completion of the discussion paper.	100%	95%	Achieved	
		Provide the Camberwell Junction Laneways discussion paper to Council for discussion.	22 Feb 2014	30 Jun 2014	Achieved	
	11.1 - Maintain safety in and around schools by reviewing the School Crossing Parking Enforcement Patrol Program which will contribute to a more effective and equitable spread of patrols across the City.	Number of school crossing parking patrols	1,574	1,700	Not Achieved	The target was substantially met with the reported variance due to parking officers being reallocated to patrol other operational areas of importance.
		Council cost to supervise school crossings per crossing.	\$ 5,668	\$ 7,795	Achieved	
	12.2 - Provide protection for the Boroondara's character and amenity by advocating Council's position during development of the new Melbourne Metropolitan Strategy.	Prepare and adopt a submission to the Victorian Government's Metropolitan Planning Strategy on behalf of the City of Boroondara.	02 Dec 2013	30 Jun 2014	Achieved	
<b>Quality Facilities and Assets</b>						
The community's current and future needs for assets and facilities are proactively managed.	13.1 - Provide a safe and functional footpath network by undertaking annual risk inspections and programming defects for remedial action.	Percentage of footpath network inspected annually.	96%	100%	Not Achieved	The target was not achieved due to two factors; less than 1% of the network was not reported as being inspected due to officer error. A further 3% of the network was inspected, within 10 days of the 365 day timeframe.
		Cost per kilometre of footpaths inspected.	\$ 45	\$ 56	Achieved	
		Number of footpath defects identified by proactive inspections as above the intervention level specified in the Road Management Plan.	3,308	2,500	Achieved	
		Percentage of footpath defects identified by proactive inspections and remediated within the timeframes specified in the Road Management Plan.	88%	99%	Not Achieved	The remediation percentage of identified path defects improving each month due to the implementation of process changes developed by the Continuous Improvement review which commenced in 2013-14. Initial process changes being trialled and implemented took some months to embed into the relevant departments.
	14.2 - Enhance sport and recreational opportunities for the community that are relevant to their needs through the review and development of the Boroondara Sports Strategy 2014.	Complete the consultation for the Boroondara Sports Strategy.	09 Jun 2014	30 Jun 2014	Achieved	

## Performance Statement

Strategic Objective	Key Strategic Activity (Related Commitment)	Performance Measures	2013-14		Target Status	Council Comment
			Actual	Target		
<b>Responsible Management</b>						
Decision-making in the delivery of high quality services by capable and professional people reflects transparent, accountable and fair behaviours.	16.1 - Provide an accurate and transparent record of Council's performance to the community through preparing the Annual Report 2012-13 and submitting it to the Minister of Local Government by 30 September 2013.	Independent assessment by the Australasian Reporting Awards of quality of the Council's Annual Report.	Gold Award	Gold Award	Achieved	
		Submit the Annual Report to the Minister by 30 September 2013.	26 Sep 2013	30 Sep 2013	Achieved	
		Unqualified Victorian Auditor-General's Office (VAGO) audit opinion on Boroondara Financial Statements.	Achieved	Achieved	Achieved	
	18.2 - Ensure a safe workplace through delivery of the Occupational Health and Safety Strategy 2012-15 by focusing on a training and embedding policies and procedures in day-to-day operations.	Number of workplace OHS inspections undertaken.	33	40	Not Achieved	The target was substantially achieved with 40 inspections being reported undertaken in 2013-14, however seven of these inspections occurred in June 2013, hence must be attributed to the prior financial year.
Lost time injury Rate.		No reduction	Reduction of 5%	Not Achieved	A total of 12 lost time injuries recorded in 2013-14 compared to nine lost time injuries recorded in 2012-13, has adversely impacted on the 2013-14 figure. Although an increase has occurred in lost time injuries, 84% have returned to work.	
Sound financial and risk management practices are carried out.	19.1 - Ensure Council operates within a financially sustainable framework through preparation of the Annual Budget 2014-15 and Strategic Resource Plan in line with statutory requirements and for consideration by	Budget presented to Council for consideration by 30 June 2014.	23 Jun 2014	30 Jun 2014	Achieved	
		The result of the most recently published financial sustainability assessment undertaken by the Victorian Auditor-General's Office.	Low Risk	Low Risk	Achieved	
	20.1 - Ensure Council continues to deliver critical services to the community with minimal disruption in the event of a crisis by implementing the Crisis Management Plan and developing and testing robust departmental Business Continuity Plans.	Complete all relevant Business Continuity Plans.	30 Jun 2014	30 Jun 2014	Achieved	
	Number of training sessions undertaken for critical Business Continuity Plans.	0	5	Not Achieved	Training will be undertaken in August/September 2014. We implemented a new software system and were not able to provide training until the system was setup and ready to be used.	
	Business Continuity testing undertaken.	Not Complete	Complete	Not Achieved	The focus for the year was altered to developing additional Business Continuity Plans for the relevant service areas.	

# Certification of Performance Statement

## Certification of Performance Statement

In my opinion the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989*.

  
Chris Hurley  
Principal Accounting Officer

Dated: 01/09/2014  
Camberwell

In our opinion the accompanying performance statement of the City of Boroondara in respect of the 2013-14 financial year is presented fairly in accordance with the *Local Government Act 1989*.

The statement outlines the performance targets and measures set out in relation to the achievement of the key strategic activities in respect of that year, and describes the extent to which the key strategic activities were met.

As at the time of signing, we are not aware of any circumstance, which would render any particular in the statement to be misleading or inaccurate.

We have been authorised by the Council on 25 August 2014, to certify the performance statement in its final form.

  
Coral Ross  
Mayor

Dated: 01/09/2014  
Camberwell

  
Judith Voce  
Councillor

Dated: 01/09/2014  
Camberwell

  
Phillip Storer  
Chief Executive Officer

Dated: 01/09/2014  
Camberwell

# Auditor-General's Report on the Performance Statement

## VAGO

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## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Boroondara City Council

#### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2014 of the Boroondara City Council which comprises the statement, the related notes and the Certification of performance statement has been audited.

#### *The Councillors' Responsibility for the Performance Statement*

The Councillors of the Boroondara City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

## **Independent Auditor's Report (continued)**

### *Auditor's Opinion*

In my opinion, the performance statement of the Boroondara City Council in respect of the 30 June 2014 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

### *Matters Relating to the Electronic Publication of the Audited Performance Statement*

This auditor's report relates to the performance statement of the Boroondara City Council for the year ended 30 June 2014 included both in the Boroondara City Council's annual report and on the website. The Councillors of the Boroondara City Council are responsible for the integrity of the Boroondara City Council's website. I have not been engaged to report on the integrity of the Boroondara City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE  
3 September 2014



John Doyle  
Auditor-General



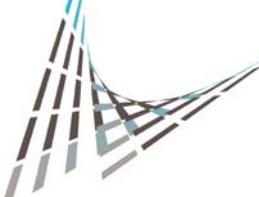
## Glossary

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.
Advocacy	Proactively trying to influence a decision to be made through support and recommendation, for such things as causes, programs and policies.
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.
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.
Council Plan	This document sets out the medium term goals and objectives 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.



## Glossary of terms

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.
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.
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.
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.
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.
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.
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.



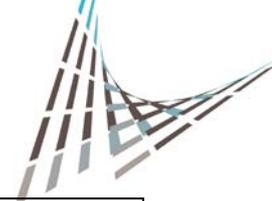
## Glossary of terms

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 organisation's to achieve objectives and maximise business opportunities. Risk management is as much about identifying opportunities as avoiding or mitigating losses.
Statement of changes in equity	Summarises the movement in equity accounts during the year.
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.
Ward	Subdivision of the Council area into sections with an elected Councillor to represent the different sections.



## Abbreviations

<b>AAS</b>	Australian Accounting Standards	<b>HALC</b>	Hawthorn Aquatic and Leisure Centre
<b>AASB</b>	Australian Accounting Standards Board	<b>HEY</b>	Hawthorn Early Years Community Kindergarten and Early Learning Centre
<b>ALGWA</b>	Australian Local Government Women's Association	<b>Hons</b>	Honours
<b>APARC</b>	Ashburton Pool and Recreation Centre	<b>HPV</b>	Human Papilloma Virus
<b>AUD</b>	Australian Dollars	<b>IAP2</b>	International Association for Public Participation
<b>BA</b>	Bachelor of Arts	<b>IBAC</b>	Independent Broad-based Anti-corruptio Commission
<b>BBeSc</b>	Bachelor of Behavioural Science	<b>IECHS</b>	Inner East Community Health Service
<b>B Bus</b>	Bachelor of Business	<b>IFRS</b>	International Financial Reporting Standards
<b>B Com</b>	Bachelor of Commerce	<b>IP</b>	Internet Protocol
<b>BFVN</b>	Boroondara Family Violence Network	<b>HDI</b>	Help Desk Institute
<b>BVRC</b>	Boroondara Volunteer Resource Centre	<b>IABC</b>	International Association of Business Communications
<b>CA</b>	Chartered Accountants	<b>ISRG</b>	Information Systems Reference Group
<b>CBD</b>	Central Business District	<b>IT</b>	Information Technology
<b>CCTV</b>	Closed Circuit Television	<b>JMAPP</b>	JLT Municipal Asset Protection Plan Discretionary Trust Arrangement
<b>CD</b>	Community Development	<b>KABV</b>	Keep Australia Beautiful Victoria
<b>CDA</b>	City Development and Amenity	<b>kl</b>	Kilolitre
<b>CEO</b>	Chief Executive Officer	<b>km</b>	Kilometre
<b>CI</b>	Continuous Improvement	<b>kW</b>	Kilo Watts
<b>CIV</b>	Capital Improved Value	<b>LATM</b>	Local Area Traffic Management
<b>Cr</b>	Councillor	<b>LAWA</b>	Local Area Workplace Agreement
<b>CPI</b>	Consumer Price Index	<b>LLM</b>	Master of Laws
<b>CP</b>	City Planning	<b>LLB</b>	Bachelor of Laws
<b>CS</b>	Corporate Services	<b>MA</b>	Master of Arts
<b>DEECD</b>	Department of Education and Early Childhood Development	<b>MAICD</b>	Member of the Australian Institute of Company Directors
<b>Dip Ed</b>	Diploma of Education	<b>MAV</b>	Municipal Association Victoria
<b>Dip Eng</b>	Diploma of Engineering	<b>MBBS</b>	Bachelor of Medicine, Bachelor of Surgery
<b>DPCD</b>	Department of Planning and Community Development	<b>MedPhysch</b>	Master of Educational Psychology
<b>DPubHealth</b>	Doctor of Public Health	<b>MERO</b>	Municipal Emergency Response Officer
<b>EI</b>	Environment and Infrastructure	<b>MFB</b>	Metropolitan Fire Brigade
<b>EMG</b>	Executive Management Group	<b>NA</b>	Not Applicable
<b>FRACP</b>	Fellow of the Royal Australian College of Physicians	<b>OHS</b>	Occupational Health and Safety
<b>GAICD</b>	Graduate Member - Australian Institute of Company Directors	<b>OHSMS</b>	Occupational Health and Safety Management System
<b>GDIPEdCouns</b>	Graduate Diploma in Educational Counselling	<b>PC</b>	Personal Computer
<b>GdipHSt</b>	Graduate Diploma in Health Education	<b>PhD</b>	Doctor of Philosophy
<b>GRI</b>	Global Reporting Initiative	<b>PPE</b>	Property, Plant and Equipment
<b>GST</b>	Goods and Services Tax	<b>PV</b>	Photovoltaics
<b>HACC</b>	Home and Community Care	<b>SD</b>	Strategic Development
<b>SMG</b>	Senior Management Group	<b>VBI</b>	Vested Benefits Index

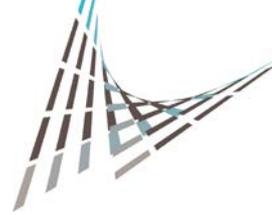


<b>SPAC</b>	Statutory Planning Advisory Committee	<b>VCAT</b>	Victorian Civil and Administrative Tribunal
<b>SSC</b>	Services Special Committee	<b>VLGA</b>	Victorian Local Government Association
<b>TAFE</b>	Technical and Further Education	<b>WIP</b>	Works in Progress
<b>tCO<sub>2</sub>e</b>	Tonnes of Carbon Dioxide equivalent	<b>WSUD</b>	Water Sensitive Urban Device
<b>U3A</b>	University of the Third Age	<b>YMCA</b>	Young Men's Christian Association
<b>UPSC</b>	Urban Planning Special Committee		



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# Integrated sustainability reporting

## About this report

This is Council's sixth integrated annual and sustainability report. Council has again sought to identify and report on topics and indicators that reflect the most significant elements Council's economic, environmental and social impacts.

### Reporting approach

City of Boroondara's Annual Report 2013-14 is prepared with reference to the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines. The GRI guidelines provide a globally accepted framework of principles and indicators for reporting an organisation's economic, environmental and social practices and performance.

A strategic materiality assessment has been carried out to identify the material aspects and resulting indicators to be reported in the Annual Report 2013-14.

The materiality assessment process involved:

- An internal workshop to assess the GRI aspects in terms of priority and significance for the City of Boroondara and its stakeholders.
- Selection of GRI indicators in a preliminary desktop assessment that was cross-checked with relevant departments of the Council.

This report aims to respond to the most significant aspects, disclosures and indicators identified material to the City of Boroondara.

### Reporting period

This Annual Report 2013-14 is a summary of Council's performance during this financial year against its objectives. The previous Annual Report for the year ending 30 June 2013 was adopted by Council on 28 October 2013.

### Report boundary and scope

This report covers City of Boroondara's operations and performance for the 12 month period ending 30 June 2014. This report also covers the financial performance of the Council's Joint Venture arrangements of Regional Landfill at Clayton South Joint Venture.

There are no significant changes or limitations from the previous reporting period in the scope, boundary or measurement methods applied in Council's sustainability reporting. Completeness and reliability of data is assessed throughout the year and reported quarterly to EMG, Council and Community. There are no identified material exclusions from this report.

### Significant changes

No significant changes to the size or the ownership of the Council occurred during the financial year.

### Assurance process

Council is externally audited by The Victorian Auditor General. City of Boroondara's Financial & Standard Statements, and Performance Statement was conducted by RSM Bird Cameron, the Victorian Auditor General's representative. It confirms that the financial report has been prepared in accordance with relevant legislation and professional standards and that it represents a fair picture of the financial affairs and performance of the Council.

### GRI application level

City of Boroondara self declares this Annual Report 2013-14 at GRI Application Level B. This report meets the requirements of application level B as it has been reported fully on a minimum of 20 performance indicators, including at least one from each of economic, environment, human rights, labour, society and product responsibility.



## GRI Index

The GRI index is included for ease of reference to sustainability reporting included in this Annual Report 2012-13. This index provides references for all aspects of the Council's sustainability report for 2012-13 against the GRI G3.1 indicators and disclosures.

Report Application Level	C	C+	B	B+	A	A+	
Standard Disclosures	<b>Profile Disclosures</b> <small>OUTPUT</small>	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	<b>Disclosures on Management Approach</b> <small>OUTPUT</small>	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	<b>Performance Indicators &amp; Sector Supplement Performance Indicators</b> <small>OUTPUT</small>	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.**		Respond on each core and Sector Supplement** indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

\* Sector supplement in final version

\*\* Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines

\*\*\* Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines

## G3.1 Content Index

Application - Level B

Key:

NR - Not Relevant

Profile Disclosure	Description	Reported	Cross-reference/ Direct answer
<b>STANDARD DISCLOSURES PART I: Profile Disclosures</b>			
<b>1. Strategy and analysis</b>			
1.1	Statement from the most senior decision-maker of the organisation.	Fully	11-14
1.2	Description of key impacts, risks, and opportunities.	Fully	1-14
<b>2. Organisational profile</b>			
2.1	Name of the organisation.	Fully	Front Cover
2.2	Primary brands, products, and/or services.	Fully	44-45



Profile Disclosure	Description	Reported	Cross-reference/ Direct answer
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	41, 43-45
2.4	Location of organisation's head office.	Fully	Back cover
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	28
2.6	Nature of ownership and legal form.	Fully	107
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	27
2.8	Scale of the reporting organisation.	Fully	41, 48-51
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	41, 241
2.10	Awards received in the reporting period.	Fully	52
<b>3. Report parameters</b>			
3.1	Reporting period for information provided.	Fully	1, 241
3.2	Date of most recent previous report (if any).	Fully	241
3.3	Reporting cycle	Fully	241
3.4	Contact point for questions regarding the report or its contents.	Fully	1, 241
3.5	Process for defining report content.	Fully	241
3.6	Boundary of the report.	Fully	241
3.7	State any specific limitations on the scope or boundary of the report.	Fully	241
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	173, 190
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	241
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Fully	241
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	241



Profile Disclosure	Description	Reported	Cross-reference/ Direct answer
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	242
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	242
<b>4. Governance, commitments and engagement</b>			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	29, 107-109, 126
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	The Mayor is not an Executive Officer.
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	NR	Not relevant to City of Boroondara.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	48, 118-119
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Partially	Compensation for all executive team members is linked to their performance against objectives agreed with Council or the CEO.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	109
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	107-109
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	5
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	107-109
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	As a democratically elected body, the Council is subject to public elections every four years.



Profile Disclosure	Description	Reported	Cross-reference/ Direct answer
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Partially	114
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Fully	72, 73
4.13	Memberships in associations and/or national/international advocacy organisations in which the organisation: Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic.	Fully	208
4.14	List of stakeholder groups engaged by the organisation.	Fully	118
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	118
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Partially	118
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Fully	118-119
<b>STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)</b>			
<b>DMA EC</b>	<b>Disclosure on Management Approach EC</b>	Fully	33-37
<b>DMA EN</b>	<b>Disclosure on Management Approach EN</b>	Fully	33-37
<b>DMA LA</b>	<b>Disclosure on Management Approach LA</b>	Fully	33-37
<b>DMA HR</b>	<b>Disclosure on Management Approach HR</b>	Fully	33-37
<b>DMA SO</b>	<b>Disclosure on Management Approach SO</b>	Fully	33-37
<b>DMA PR</b>	<b>Disclosure on Management Approach PR</b>	Fully	33-37
<b>STANDARD DISCLOSURES PART III: Performance Indicators</b>			
<b>Economic</b>			
<b>Economic performance</b>			
<b>EC1</b>	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	151
<b>EC2</b>	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	19
<b>EC3</b>	Coverage of the organisation's defined benefit plan obligations.	Fully	139, 140



Profile Disclosure	Description	Reported	Cross-reference/ Direct answer
EC4	Significant financial assistance received from government.	Partially	150
<b>Indirect economic impacts</b>			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	23-24
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Partially	60
<b>Environmental</b>			
<b>Energy</b>			
EN3	Direct energy consumption by primary energy source.	Fully	20
EN4	Indirect energy consumption by primary source.	Fully	20
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	20, 72, 73
<b>Water</b>			
EN8	Total water withdrawal by source.	Fully	75
<b>Biodiversity</b>			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Partially	21
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	21
<b>Emissions, effluents and waste</b>			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	21
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	21
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	20
EN22	Total weight of waste by type and disposal method.	Fully	75
<b>Products and services</b>			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	20, 21, 71-78
<b>Overall</b>			
EN30	Total environmental protection expenditures and investments by type.	Partially	71



Profile Disclosure	Description	Reported	Cross-reference/ Direct answer
<b>Social: Labour practices and decent work</b>			
<b>Employment</b>			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	49
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Partially	48
LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	100% of the workforce represented in formal joint management – OHS Committees.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender.	Partially	116-117
<b>Training and Education</b>			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	50-57
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Partially	33-37
<b>Social: Society</b>			
<b>Corruption</b>			
SO3	Percentage of employees trained in organization’s anti-corruption policies and procedures.	Partially	36
<b>Public policy</b>			
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	All staff at Boroondara are responsible for compliance with policies, procedures and applicable laws.
<b>Compliance</b>			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	113
<b>Social: Product responsibility</b>			
<b>Product and service labelling</b>			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partially	13, 121, 122
<b>Marketing communications</b>			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	All staff at Boroondara are responsible for compliance with policies, procedures and applicable laws.



<b>Profile Disclosure</b>	<b>Description</b>	<b>Reported</b>	<b>Cross-reference/ Direct answer</b>
<b>PR7</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	No incidents of non-compliance were reported.
<b>Customer Privacy</b>			
<b>PR8</b>	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	130

## Contact us

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### Copies

For a copy of the City of Boroondara 2013-14 Annual Report, please call Customer Service on 9278 4444 or visit [www.boroondara.vic.gov.au](http://www.boroondara.vic.gov.au).

### Feedback

Feedback on this document is welcome.

Please write to:

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### Acknowledgments

Council would like to thank all those who contributed to the development of the 2013-14 Annual Report.

### For speech or hearing impaired

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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.