

Annual Report 2017-18



SkiErg
fitness

valet

Bike mech

hobby-house
shops

ature craft

Food trucks



Pop-up library



Mural art



Pedal-po



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

Council's roles include:

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

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

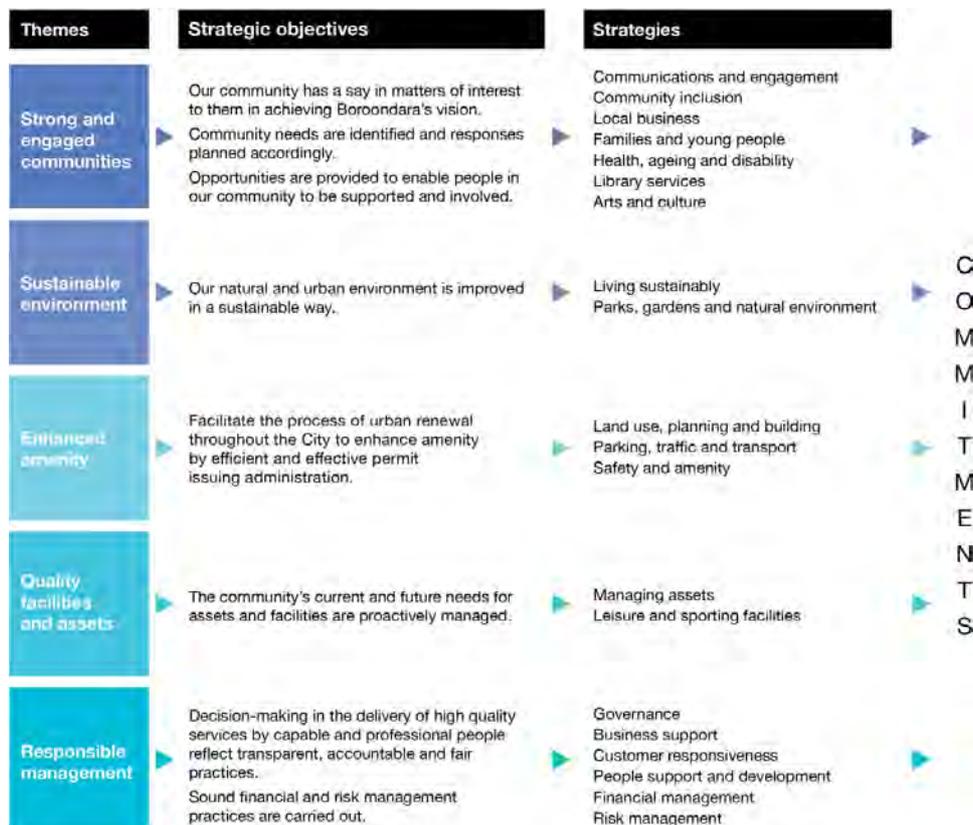
About this report

Purpose

The Council Plan 2017-21 adopted in June 2017 outlines five Themes supported by eight Strategic Objectives. Each Strategic Objective includes a number of strategies, which contain annual commitments detailed in the Budget 2017-18.

The Annual Report 2017-18 documents the performance against the strategic indicators and commitments identified in the Council Plan 2017-21 and the Budget 2017-18. These documents were adopted by Council in June 2017.

The diagram below depicts the structure of the Council Plan 2017-21.



The Budget 2017-18 defines actions that contribute to the successful delivery of the Council Plan 2017-21 during the financial year.

This Annual Report is divided into four parts:

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

The Report of Operations contains information about our community, our councillors, our organisation, and most importantly, how we performed throughout the year. The section on our performance is divided into the five themes of the Council Plan 2017-21 adopted in June 2017.

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

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

Symbols in this report

Directorate

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



CEO's office



City Planning



Environment and Infrastructure



Communications and Customer Experience



Community Development



Corporate Services



People, Culture and Development

Status

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



Completed



Commenced

Outcome

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



0 100 Percentage indicators

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Report of Operations

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

Council snapshot

Vision

A vibrant and inclusive city, meeting the needs and aspirations of its community.

Purpose

We work together to deliver the community priorities and place our customers at the centre of everything we do.

Mission

We will create a collaborative and customer-centric culture which connects our people to our purpose, inspires them to be their best, and provides a great place to work.

The six organisational values are outlined below:

Our values	What it means
Think customer experience	Always working with our customers experience in mind and taking pride in supporting our community.
Act with integrity	Doing the right thing, speaking up when it's important and striving to live our values every day.
Treat people with respect	Valuing each person for who they are by listening, understanding and showing that we care.
Work together as 'one'	Working together constructively to break down silos, putting our shared needs first and moving forward in a unified way.
Own it, follow through	Taking responsibility for what is ours and following through to ensure great results.
Explore better ways	Challenging the status quo to improve things through curiosity, courage and learning.

City profile

- The City of Boroondara includes the suburbs of Ashburton, Balwyn, Balwyn North, Camberwell, Canterbury, Deepdene, Hawthorn, Hawthorn East, Kew and Kew East, and parts of Glen Iris, Surrey Hills and Mont Albert.
- Boroondara has an estimated residential population of **179,446 people** (as at 30 June 2017).
- **25%** of the population is aged between 0 and 19 years, and **34%** 50 years and over.
- Boroondara has the **fifth largest** population in Victoria of people aged 85 years and over.
- **31%** of Boroondara residents were born overseas.
- Boroondara residents were born in more than **145 countries** and speak more than **120 languages**.
- A **quarter** of Boroondara's employed residents work within the City of Boroondara and just **under a quarter** work in the City of Melbourne.
- The median household income in Boroondara was **\$2,083 per week**, compared to **\$1,542** for Greater Melbourne.
- **14%** of Boroondara households live on less than **\$650 a week**.

Fast facts



87 groups

received Council community grants



82,574

Indigenous trees, shrubs, grasses and groundcovers planted during the year



53,080

phone calls and 115,835 online requests responded



2.3 million

library items borrowed



1,421

new planning applications receive



77,200

rateable properties



69,559 tonnes

of waste collected from kerbside bins



2.57 million

visits to Boroondara's leisure and aquatic centres



563 kilometres

of local roads

Highlights of the year

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

Theme: Strong and engaged communities

Strategic objectives:

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

Achievements:

- Continued to work with residents and community groups on several advocacy campaigns during the year, including the North East Link, the Markham Estate redevelopment in Ashburton and the Bill Street public housing redevelopment in Hawthorn.
- Developed and adopted the Boroondara Community Plan 2017-27.
- Officially opened the Hawthorn University of the Third Age (Hawthorn U3A), delivering a multipurpose facility dedicated to the ethos of lifelong learning.
- Hosted a community safety forum in October 2017 to celebrate Community Safety month.
- Held the Inaugural Dance Affair; a cultural development project which engaged eight community organisations.

Theme: Sustainable environment

Strategic objective:

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

Achievements:

- Developed and adopted the Waste Minimisation and Recycling Strategy 2017.
- Developed and adopted the Tree Strategy 2017.
- Prepared final design and construction documentation for the Earl Street community garden.
- Reviewed the Tree Management Guidelines.
- Completed approximately \$1.1 million in energy efficiency upgrades.
- Reviewed Council's renewal practices for Water Sensitive Urban Design (WSUD) treatments in open spaces.

Theme: Enhanced amenity

Strategic objective:

- Facilitate the process of urban renewal throughout the City to enhance amenity by efficient and effective permit issuing administration.

Achievements:

- Developed a building inspection and communication strategy for Rooming House Operators.
- Continued progress on the Paperless Office Project.
- Continued the Heritage Gap Study and the assessment of all properties across the municipality to identify and protect valued heritage places of local significance through the introduction of heritage controls.
- Developed and adopted the Domestic Animal Management Plan 2017-21.
- Completed a study of the changes to tree canopy cover over time for the municipality.

Theme: Quality facilities and assets

Strategic objective:

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

Achievements:

- Completed the upgrade to asset management systems (Conquest III and Conquest Mobile), providing multiple functionality improvements to improve efficiency and data quality, removing inefficient workarounds, and enabling future efficiency improvements to works management processes.
- Replaced playgrounds at Foley Reserve Hawthorn, Hull Street Hawthorn, King Street Chain Balwyn North, Warburton Reserve Camberwell, Warner Reserve Ashburton and Willison Reserve Camberwell, as part of the Playground Replacement Program.
- Completed the Balwyn Library Redevelopment.
- Reached practical completion of the Greythorn Community Hub (formerly North East Community Hub).
- Completed the design for the redevelopment of the Balwyn Community Centre.
- Completed the shopping centre improvement works at Peate Avenue Camberwell, Church Street Hawthorn, Glenferrie Hill Hawthorn and Fordham Avenue Camberwell.

Theme: Responsible management

Strategic objectives:

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

Achievements:

- Implemented new software (Doc Assembler) for the generation of Council and Committee business papers.
- Compiled the Council response to the Local Government Exposure Draft Bill to inform the final draft legislation before the Government reviews it to present to the Victorian Parliament.
- Extended the funding agreement for Camcare to continue providing community services to Boroondara residents in need of support.
- Developed and adopted the Budget 2018-19 document in accordance with the Victorian Local Government Model Budget and aligned its structure to the Boroondara Community Plan 2017-27.
- Implemented Single Touch payroll systems in compliance with the Australian Tax Office (ATO).
- Enabled online accessibility of the nomination form for Citizen and Young Citizen of the Year, to make the nomination process more convenient for the community.

Challenges and future outlook

Challenges:

- The evolving Australian retail environment, particularly with regard to the growth of the online retail sector continues to place significant pressure on Boroondara's shopping centres.
- Recognising and responding to the changing role of shopping centres as not only places to shop but also as community meeting places and work spaces which are integral to sustaining neighbourhood life.
- The retirement of what is predominantly an ageing workforce within our school crossing staff, and the difficulty to attract new crossing staff.
- The transition to a paperless office has required the building of hybrid systems, adding to timeframes as officers have had to develop and learn these temporary processes.
- The Community Planning and Development team worked with SalvoCare Eastern and relevant Council departments to respond to an increasing number of reports of homelessness which are becoming more complex. The lack of public housing options in Boroondara has compounded this issue.
- Responding to the Australian Government Aged Care and Disability Services Reforms. Council officers continue to monitor and respond to the changes being introduced by the Australian Government in the Aged Care and Disability Services sector.

- Continuing uncertainty about climate change action at the national and international levels continues to make defining a clear role for local government in climate change mitigation and adaptation challenging. Disagreement on best and appropriate course of action at the national level also contributes to uncertainty in the general population.
- As our City's population grows we have experienced increased pressure for quality public open spaces that meet a wide range of community needs. It has been an ongoing challenge to creatively redesign spaces such as parks and streetscapes to meet these needs without compromising existing community values.
- Council delivers a significant number of projects per annum and invariably some projects incur contract disputes, unforeseen variations, and adverse weather and design/planning delays.
- An increase in major construction developments in most cases simultaneously, within the municipality has meant a greater focus was required in ensuring developers manage their construction to minimise the impacts to the community.

The Future:

- Focus on being progressive and proactive in using technology to engage with the City's local business community, to drive customer centric service delivery outcomes.
- Prepare for the next phase of the Victorian Government's Smart Planning Program which will involve further changes to the planning system.
- Respond to significant Victorian Government planning strategies or recommendations which are likely to have a direct influence on the Boroondara Planning Scheme.
- Continue the Municipal Wide Heritage Gap Study to examine the entire municipality's heritage potential.
- Inform the community, relevant organisations and Council departments about the five health priorities identified in the Boroondara Community Plan 2017-27 and facilitate discussions about ways these can be addressed.
- Implement the relevant actions from the Boroondara Community Plan 2017-27 that respond to community feedback from the extensive consultation conducted.
- Continue the focus on facilitating programs and providing opportunities to children, young people and their families in Boroondara that enhance their health and wellbeing.
- Implement new Library Information Technology including new self-serve kiosks, security gates and book sorters to be installed at all library branches.
- Deliver the actions outlined in the Asset Management Strategy 2018-23 which are directly aligned with Council's service delivery objectives.
- Continue to support the local community to improve our natural and urban environment in a sustainable way.
- Continue to provide professional urban and landscape planning and design services to achieve quality open space outcomes for our community.
- Train and increase knowledge with front line teams so they are equipped and empowered to resolve customer enquiries at first point of contact.
- Establish a food organics collection service and implement physical changes at the Boroondara Waste and Recycling Centre, with the project due for completion in 2022-23.





Maternal &
Child Health
Centre

Appointments: 9278 4606
www.boroondara.vic.gov.au/mch

Occasional
Childcare



The year in review

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A message from the Mayor



My fellow Councillors and I work alongside the organisation and our community to lead the strategic direction for the City of Boroondara and I am proud to present the Annual Report 2017-18 as a summary of the work we have accomplished over the past year.

With a growing City, and the challenges this brings, it is vital we properly plan for our City's future, making decisions with the long-term interests of our community in mind.

So this year we invested more than \$61.62 million in renewed and new facilities and infrastructure, including \$6.12 million on our parks, open spaces and streetscapes and \$32.84 million on community buildings.

We completed the redevelopment of the Balwyn Library so it now includes additional casual reading and study areas, a large community meeting room, an improved layout allowing better access to the collection, and better technology.

We delivered the new \$17.2 million Greythorn Community Hub, providing much-needed services and programs to the local community.

We planned the redevelopment of Balwyn Community Centre, designing a space that will allow for early years services and recreational activities, and learning programs for all ages. Construction will begin in 2018, with the centre due for completion in 2019.

Also this year, in collaboration with the local community, we completed designs for a new communal food growing and sharing hub for local residents on land adjacent to Earl Street, Kew with construction set to begin in 2018-19.

On top of all these exciting infrastructure projects, we have continued to deliver the services which benefit our whole community to a high standard. These include:

- \$7.28 million spent on library services providing a seven day a week service across the City – with more than 1 million visits and nearly 2.3 million loans last year.
- \$2.69 million spent on aged, disability and health services, such as immunisation, aged care and disability support for vulnerable members of our community, and delivering almost 80,000 hours of in-home care for the elderly and people with a disability, and more than 30,000 immunisations to infants and children across Boroondara.
- \$3.14 million spent on families and youth services. We also lease 38 buildings at little or no cost to community organisations providing long day care, occasional care and kindergarten services.
- Collecting 69,559 tonnes of waste from kerbside bins.

Working with the Boroondara community is a privilege. All we have achieved this year has been with the support and partnerships of our residents, local businesses, community groups and Council staff and I would like to thank everyone who has made a contribution towards delivering Council's vision over the past year.

I look forward to continuing to work with you all in the year ahead.

Cr Jim Parke

Mayor

Message from the CEO

I am pleased to present Council's Annual Report for 2017-18 financial year.

This report details how we met our objectives and commitments in the Council Plan 2017-21 and Budget 2017-18. It provides accountability to our community and it allows us to reflect on our performance; where we have succeeded and where we may need to improve.



Importantly, I am pleased to confirm Council completed 100 per cent of our Annual commitments and our financial position continues to remain sound.

The annual state-wide Local Government Community Satisfaction Survey rated Boroondara, yet again, as one of the top performing Councils across the state. While we are proud of this result we are always looking for ways we can improve.

We have continued to focus on delivering a better customer experience for our community to ensure your interactions with us are as easy and accessible as possible. Our goal is to ensure you have choice, and are able to access the information, help and services you need without having to take time out of your busy day to call or come into Council offices.

To achieve this we have continued to make improvements to the design and information on our website and continued our roll out of online forms with great success. In fact more than 30,000 online forms were completed in 2017-18 with 93 per cent of users who provided feedback rating them 'Very easy' or 'Easy' to complete.

Ensuring all members of our community benefit from our customer experience improvements is vital and I'm proud to say our website has achieved accessibility certification from Vision Australia.

Council has an important role to play in minimising Boroondara's impact on the environment. We developed and adopted the Waste Minimisation and Recycling Strategy 2017 to provide a strategic approach to sustainable waste management over the next five years. Our vision is to continue to provide more efficient and effective waste services while further reducing waste sent to landfill.

We are also aiming to be able to receive and assess all planning applications digitally, removing paper from all application, enforcement and appeal services provided by Council by the end of the 2018-19 financial year. As well as time and cost savings, a paperless process will allow customers to submit applications online.

We are undertaking a Council-wide project, in partnership with four of our neighbouring councils, to provide \$2.5 million of energy efficiency upgrades at our four largest buildings. These upgrades are guaranteed to pay for themselves in less than 10 years through reduced energy bills and maintenance.

Following community consultation in 2016-17, Council adopted the Tree Strategy 2017-27 which plans for the health and sustainability of the approximately 130,000 trees on Council-managed land to ensure we protect and grow our urban forest.

We know that protecting the character of the local neighbourhoods is important to you. This year, Council has continued our assessment of properties across Boroondara to identify and protect valued heritage places of local significance through the introduction of heritage controls.

Our ability to meet community needs is significantly enhanced by the enthusiasm and engagement of our community. I would like to take this opportunity to thank the community for their support and input into the work of Council.

Thank you also to the dedicated employees at Council for their commitment and hard work in delivering a diverse range of services and infrastructure. I look forward to working with you all in the year ahead to keep delivering for Boroondara.

A stylized, handwritten signature in black ink, appearing to read 'Phil Storer'.

Phil Storer
CEO

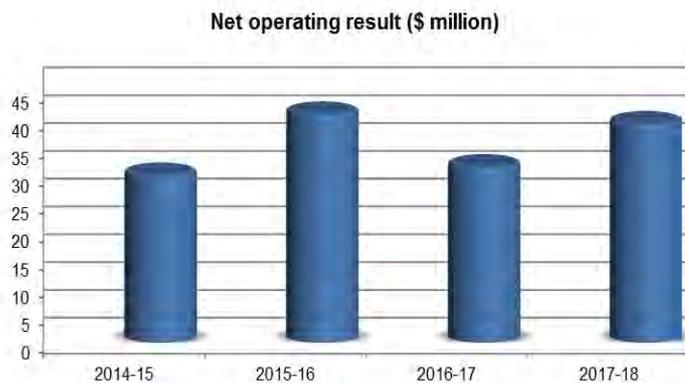
Financial summary

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

Operating position

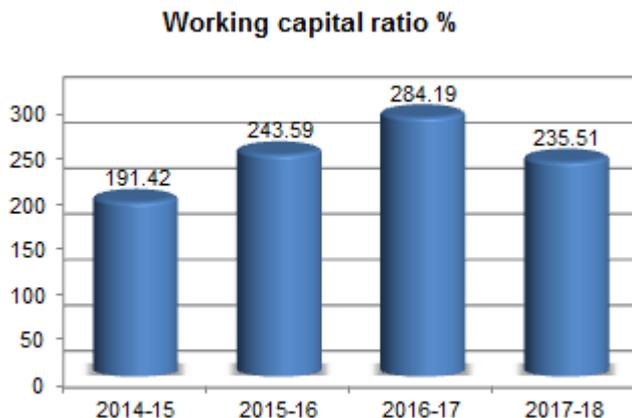
Council achieved a surplus of \$39.39 million in 2017-18. This surplus compares favourably to the original budget surplus of \$26.90 million. The favourable variance is primarily due to higher than budgeted monetary contributions of \$1.67 million (mainly open space), statutory fees and fines of \$1.92 million and early receipt of the 2018-19 Victoria Grants Commission grant allocation of \$2.26 million. In addition, there were savings in other expenditure of \$1.04 million, employee costs of \$2.50 million and materials and services of \$2.82 million, offset by a loss on disposal of property, infrastructure, plant and equipment of \$2.19 million.

The adjusted underlying surplus of Council – after removing non-recurrent capital grant income, monetary contributions and non-monetary asset contributions – is \$28.85 million. Sustaining a surplus underlying result is a necessary financial strategy in order to fund the renewal, upgrade and new asset programs for the \$3.81 billion net community assets under our control, as well as providing capacity to meet our loan repayments.



Liquidity

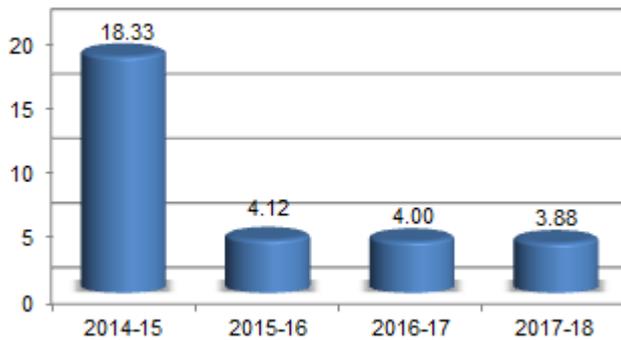
Cash has decreased by \$17.68 million from the previous year due to the movement in funds invested in term deposits greater than 90 days. The working capital ratio, which assesses Council's ability to meet current commitments, is calculated by measuring our current assets as a percentage of current liabilities. Our result of 235.51% indicates a satisfactory financial position. Council's working capital has decreased due to the movement of \$14.19 million of interest bearing loans to a current liability in preparation for repayment in early 2018-19.



Obligations

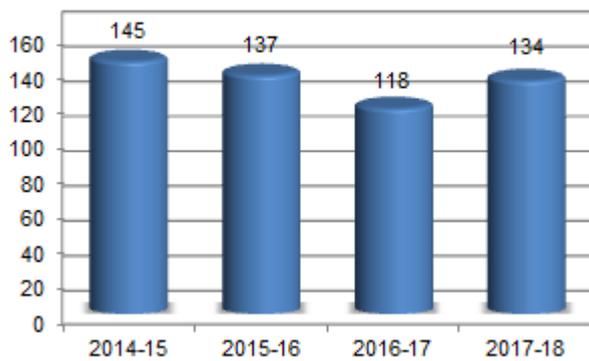
Council ensures it maintains infrastructure assets at expected levels while continuing to deliver the services needed by the community. We invested \$43.26 million including the renewal of buildings (\$19.90 million), roads (\$10.29 million) and drainage (\$3.91 million) in renewal works during 2017-18. This was funded from capital grants of \$3.52 million and cash flow from operations of \$39.74 million. At the end of 2017-18, Council's loans and borrowings repayment ratio – measured by comparing interest-bearing loans and borrowing repayments to rate revenue – was 3.88%.

Loans and borrowings repayment ratio %



Asset renewal ratio is measured by comparing asset renewal expenditure to depreciation and was 134% in 2017-18. This is higher due to major renewal projects at Greythorn Community Hub, Camberwell Hockey Pavilion and Balwyn Library redevelopment.

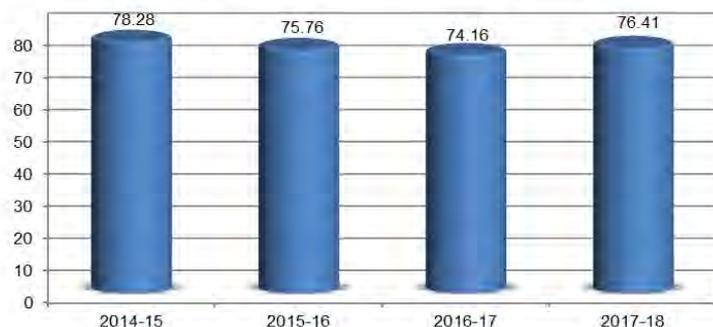
Asset renewal ratio %



Stability and efficiency

Council raises revenue from rates, user fees, fines, grants and contributions. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 76.41% for 2017-18. Council is very reliant on rates as a source of revenue because of statutory restrictions on many fees and charges and the level of grant payments from the Victorian Government are not adequately keeping pace with the cost of services. This resulted in an average rate per residential assessment of \$2,234, including waste charges.

Rates concentration ratio %



Operations summary

Council delivers a broad range of services ranging from family and children's services, traffic regulation, open space, youth facilities, waste management and community building; to business development, planning for appropriate development and ensuring accountability of Council's budget. These services and community infrastructure support the wellbeing and prosperity of our community. More details about our services are in the Our Performance section on page 29.

Economic factors

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

This has led to reduced investment income returns for Council's cash holdings while Council's fixed interest rate loans are still at pre-downturn levels. To address this Council has restructured its existing loans, where possible, and plans to pay down these existing loans to a large extent by 2023.

Because of rate capping introduced by the Victorian Government, the effect of the lower Consumer Price Index (CPI) has directly impacted Council's revenue and hence its future capacity to deliver services may be effected over time. This is compounded by the percentage increase in average weekly earnings across Australian economy being higher than CPI for all of the 2017-18 year. This means that Council's employment cost growth was higher than the increase in income it receives.

Demand for Council services by residents is also increasing markedly because of population growth and increased density in residential development. An associated issue is the reduction of the traditional backyard across areas of the municipality, created by Victorian Government Planning rules for higher density, which has increased the demand by residents on Council's open space, parks and sporting facilities. The cost of land in the municipality to acquire and convert to open space to meet community demand is prohibitive. Other solutions, such as undergrounding of at level car parking facilities, are expensive and require careful analysis to maximise community benefit against limited Council resources.

Traffic and parking demands on local infrastructure are increasing as is being experienced by all inner metropolitan councils.

In summary, Boroondara is facing external factors that affect residential amenity, at a time when Council's ability to finance significant projects to improve amenity continues to be diminished by the Victorian Government's rate capping policy.

Major projects

Balwyn Community Centre

To better meet the needs of the community, a redevelopment of the Balwyn Community Centre is planned that will create additional and more functional spaces, improve the condition of the buildings and site features, and co-locate early years' services onsite. The redeveloped Balwyn Community Centre will provide Maternal and Child Health services, occasional care for children, recreational activities, and learning programs for all ages.

The design of the Centre has now been finalised. Construction works are due to commence in September 2018 and are expected to take 12 months.

Balwyn Library Redevelopment

The redevelopment of the Balwyn Library is now complete and was officially opened to the community on Wednesday 4 April 2018.

The striking building has received upgrade works including additional casual reading and study areas, a large community meeting room, an improved layout allowing better access to the collection, and better technology. Other improvements to the library include increased natural light, more comfortable furniture and a separate quiet study area.

The redevelopment brings new life to this popular community hub where people have been meeting, reading and studying since 1978.

Greythorn Community Hub (formerly the North East Community Hub)

The North East Community Hub Redevelopment was completed and is set to be formally opened as the Greythorn Community Hub. The new \$17.2 million Greythorn Community Hub reached practical completion in June 2018. The project offers a range of much-needed community services and programs in this part of Boroondara. The Australian Government has provided a \$3.2 million grant towards the project construction and the North Balwyn Returned Services League (RSL) has provided the land to Council on a long-term lease.

The facility is to be formally opened on Saturday 1 September 2018. The Hub will have a range of features including Trentwood at the Hub (a neighbourhood house); Greythorn Library Lounge; Greythorn Maternal and Child Health (MCH) centre; Greythorn Early Childhood Centre; the North Balwyn RSL Sub-Branch; and access to community support and wellbeing services.

Kew Recreation Centre

The Kew Recreation Centre will undergo a major transformation that will see a state of the art facility suitable for all stages of life, catering to a wide range of health and wellbeing needs, whilst encouraging and fostering community interaction and social connection.

Rebuilding the centre will encourage greater participation in physical activity and will have significant health and wellbeing benefits for the Boroondara community, particularly children and families, people with a disability and adults over the age of 50 years.

Community consultation will be undertaken in 2018-19 and the construction is expected to begin in 2020, taking around two years to complete.

Major achievements

Boroondara Community Plan

The Boroondara Community Plan 2017-27 sets the long-term strategic directions for Council and informs the Council Plan, including the Strategic Resource Plan, annual commitments and strategic indicators, the Municipal Strategic Statement, and Council strategies, plans, policies and actions. The Boroondara Community Plan was adopted by Council on 11 December 2017 and officially launched to the community on Sunday 4 March 2018 at the Boroondara Village Festival. In 2017-18 Council produced the revised 2018-19 Budget and revised Council Plan 2017-21, aligning these to the structure of the Boroondara Community Plan. Refer page 18 for further information on the Boroondara Community Plan 2017-27.

Access to Civic Art Collection

Opportunities to enhance access to the Town Hall Gallery Collection by the community have continued throughout the year. The renewed information architecture of the Boroondara Arts website has improved visibility and access to the Collection information. This project resulted from benchmarking of museum and art collection databases, and provides for an enriched customer experience as well as strong governance of Council's art collection. The Town Hall Gallery presented 19 exhibitions during the year attracting more than 7,000 visitors.

Farmers Market turns 15

In February 2018, the Boroondara Farmers Market celebrated 15 years of bringing some of the best food from Victorian farmers to the City. The first market was held in 2003 and had 45 stallholders. Over the years, the money raised through the gold coin entry donations has seen the Rotary Club of Glenferrie raise more than \$800,000 to support many community projects locally and abroad, including the CHANCES scholarship, the Boroondara Family Network and the Sumba Eye program.

Domestic Animal Management Plan

There are 19,423 registered domestic animals in Boroondara. In keeping with Council's legislative obligation to develop a Domestic Animal Management Plan every four years, the process to develop the 2017-21 Plan was undertaken to ensure delivery of Council's responsibilities while responding to community needs. The key themes of the 2017-21 Plan focus on employee training; promotion of responsible pet ownership and registration; legislative compliance; minimising dog attacks and

nuisance; identification of dangerous, menacing and restricted breed dogs; review of Orders, and evaluation of services and programs. Council's Domestic Animal Management Plan 2017-21 was adopted by Council on 23 October 2017.

Paperless Office Project

Council has continued progress on the Paperless Office Project during 2017-18. The Paperless Office project will enable Statutory Planning to receive and assess all planning applications digitally by the end of the 2018-19 financial year. The project involves removing paper from all application, enforcement and appeal services provided by Council. The planning enquiry and Tree Local Law application processes have now been made fully digital. Bluebeam Revu software was introduced in May 2018, enabling officers to assess and endorse plans electronically.

Protecting our heritage

Council has continued the assessment of all properties across the municipality to identify and protect valued heritage places of local significance through the introduction of heritage controls. The study is underway with the Canterbury Heritage Gap Study Panel hearing conducted, the Camberwell Heritage Gap Study Panel appointed, the Kew East Heritage Gap Assessment preliminary consultation completed and the Balwyn Heritage Peer Review Panel appointed.

Waste Minimisation and Recycling Strategy

Council developed and adopted the Waste Minimisation and Recycling Strategy 2017 to provide the strategic direction and an implementation approach for sustainable waste management over the next five years. The vision defining the strategy is to continue to provide more efficient and effective waste services and further reduce waste sent to landfill. The primary action for the strategy is to divert food waste from the landfill waste stream to the green organics waste processing stream.

Boroondara Tree Strategy

Superseding the Tree Policy 2010, Council adopted the Tree Strategy 2017 after community consultation in 2016-17. The strategy addresses approximately 130,000 trees on Council managed land, including street and park trees. The strategy will help ensure the decisions Council makes regarding trees in our public spaces preserve our City's liveability while creating a sustainable urban forest for current and future generations.

Community garden in Kew

Design has been completed for a communal food growing and sharing hub for local residents on land adjacent to Earl Street, Kew. Urban agriculture facilitators and a working group of passionate local residents have collaborated with Council to develop the vision and objectives for the community garden. The project aims to create an inclusive and nurturing space, committed to the principles of sustainability around growing and sharing food. Construction of the community garden is scheduled to occur during the 2018-19 financial year.

Shopping Centre Improvement Plan

Council's progressive upgrade of small to medium shopping centres continues. During 2017-18, Council delivered streetscape improvements works at Church Street, Fordham Village, Peate Avenue and Glenferrie Hill shopping centres. Improvements include new raised pedestrian crossings and footpaths, planting of trees and garden beds, and the installation of new seating and bike hoops. The enhanced appearance and function of the public realm supports the local economy and contributes to the vibrant atmosphere of our City.

Energy Performance Contract

Implementation has commenced on a Council-wide project to reduce greenhouse gas emissions through an innovative procurement process. Four eastern region councils collaborated to tender for services. Council entered into a contract for \$2.5 million worth of energy efficiency upgrades at our four largest buildings. These upgrades are contractually guaranteed to pay for themselves in less than ten years through reduced energy bills and maintenance. \$1.1 million in works was delivered in 2017-18 with a further \$1.4 million to be delivered in 2018-19.

Playground Replacement Program

The Playground Replacement Program seeks to provide more opportunities for children to re-engage with the natural environment through nature play by promoting playground designs with greater focus towards the cognitive, creative and social/dramatic types of play, rather than the traditional physical playground equipment. Playgrounds were replaced at Foley Reserve Hawthorn, Hull Street Hawthorn,

King Street Chain Balwyn North, Warburton Reserve Camberwell, Warner Reserve Ashburton and Willison Reserve Camberwell.

Advocacy

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

Website improvements

A number of improvements have been made to ensure continued provision of the Boroondara website in a manner that is accessible and customer focussed. These include the achievement of accessibility certification from Vision Australia, confirming compliance with global standard WCAG2.0 level AA and development of 16 planning and building content guides to support customers to navigate the complex building and planning regulations.

The centralisation of our website introduced tighter governance and quality control over published content. An audit of 125 of the most visited pages on the website since its launch in May 2017 achieved an average quality score of 94 per cent. During the year, customers completed over 30,000 eForms. Ninety three percent of customers who left feedback on eForms rated them as 'Very easy' or 'Easy' to use.

Organisational changes

On 3 July 2017, the Commercial and Property Services, Economic Development, and Finance and Corporate Planning Departments, which previously fell under the Corporate Services Directorate, were transferred to the Environment and Infrastructure, City Planning, and Community Development Directorates respectively.

In addition, the People, Culture and Development Department, which previously fell under the Corporate Services Directorate, was transferred to the CEO's Office, and the Innovation and Business Transformation Department, which included functions of the Boroondara Customer First Program, moved from the CEO's Office to the Corporate Services Directorate.

This restructure enabled the Director Corporate Services to place greater focus on delivering the Boroondara Customer First (BC1) Program, and enabled Council's organisation structure to be aligned with the central focus of BC1 to deliver community priorities and place customers at the centre of everything Council does.

Boroondara Community Plan

In 2016, we commenced the development of a new community plan, to reflect our community's values, aspirations and priorities for the next 10 years.

It was decided for the first time to integrate the Municipal Public Health and Wellbeing Plan into the Community Plan, and make the Plan Council's key strategic document. This was to ensure the community's health and wellbeing priorities are at the centre of everything we do.

As a first step in the development of the community plan, Council wanted to hear from the community. Between November 2016 and April 2017, 11,845 responses were received from people who live, work, study or play in the municipality. This made it the largest consultation activity ever conducted by the City of Boroondara. The consultation was a two-staged approach: first, we heard about the broad range of topics that are important to our community, and then Council learned how our community prioritises the aspects of life in Boroondara they identified as important.

Seven priority themes emerged when analysing the data collected during the consultation phase.

The Boroondara Community Plan is structured around these priority themes and responds to what the community told us that Council should focus on over the next 10 years:

- Your Community, Services and Facilities
- Your Parks and Green Spaces
- The Environment
- Neighbourhood Character and Heritage
- Getting Around Boroondara
- Your Local Shops and Businesses
- Civic Leadership and Governance

The seven themes together provide the foundation for what residents told us makes a healthy, happy community. The Plan identifies the health priorities Council will focus on in partnership with local agencies, and responds to the requirements of the *Victorian Public Health and Wellbeing Act 2008*. As shown in the below diagram, our key strategic document directly informs the Council Plan including the Long Term Financial Strategy, annual commitments and strategic indicators, and the Municipal Strategic Statement and Council strategies, plans and actions.



To ensure Council is held accountable for achieving our vision, a set of strategic indicators have been developed. These will help us, our community and partners keep track of our progress and measure our success. The annual commitments are published in the Council Budget available at <https://www.boroondara.vic.gov.au> and will be reported in the 2018-19 Annual Report.



Our Council

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Our Council

City profile – Boroondara

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

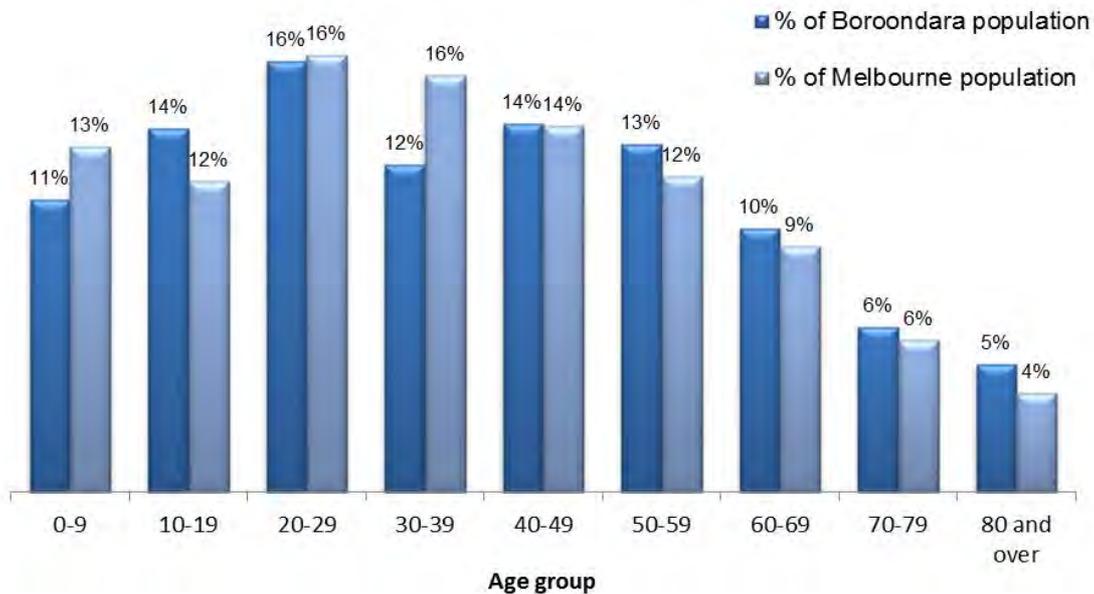
History

This area is the traditional land 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 179,446 people (at 30 June 2017). Compared with Greater Melbourne, we have a smaller proportion of young children and people aged 30 to 39, but a larger proportion of 10 to 19 year olds and people over 50 years. Of all 79 Victorian local government areas, Boroondara has the fifth largest population of people aged 85 years and over. At the 2016 Census 3.8% of the population needed assistance with daily living tasks.



Where are we from?

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

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

Education hub

By area, Boroondara has one of the highest concentrations of schools of all Victorian local government areas, with 58 secondary, primary and special education schools, including 12 combined primary and secondary schools, as well as Swinburne University, Swinburne TAFE, the Hawthorn-

Melbourne English Language Centre, and two Universities of the Third Age. The City also has 11 neighbourhood and community centres where residents can participate in programs focussing on health and wellbeing, languages, creative pursuits, the arts, cooking and technology.

Work and income

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

Where do we shop?

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

How do we live?

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

Transport

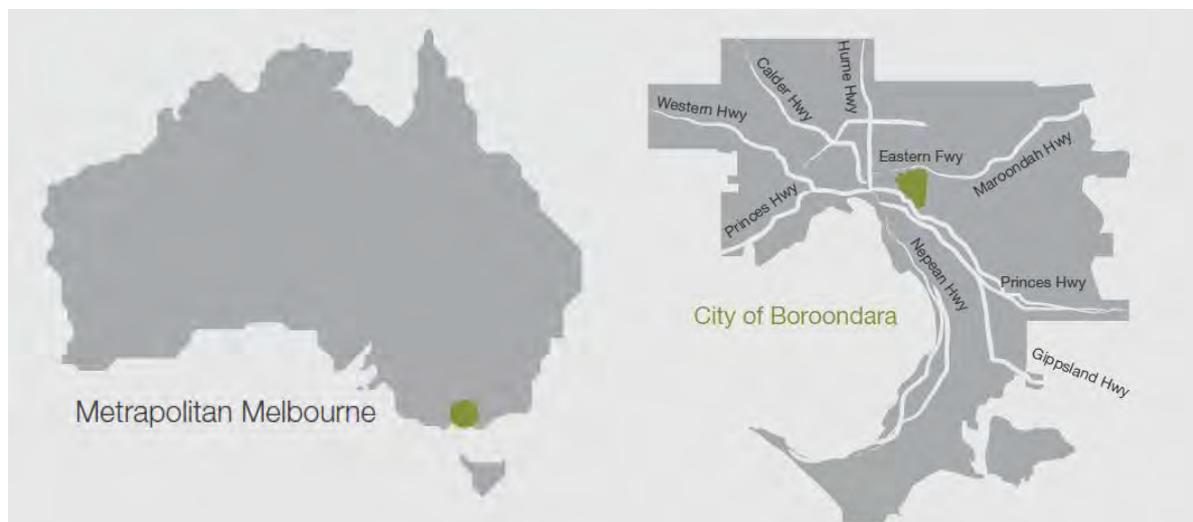
The City has extensive train, tram and bus transport routes, but still has areas without easy access to public transport. Our sustainable transport pathways continue to expand, with over 57km of on-road bicycle lanes on arterial and local roads. The City also has 31km of shared paths across major trails,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

Open spaces

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

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

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



A detailed map of the City and the ward boundaries is included on page 22.

Council offices

Camberwell office

8 Inglesby Road, Camberwell

Hawthorn Arts Centre

360 Burwood Road, Hawthorn

Kew Library

Corner Cotham Road and Civic Drive, Kew

Postal address

Private Bag 1,
Camberwell VIC 3124

 www.boroondara.vic.gov.au

 9278 4444

 boroondara@boroondara.vic.gov.au



Our Councillors

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

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



Cr Jim Parke (Mayor)
Bellevue Ward

First elected: October 2012
Mayor: 2015-16 and 2017-18

Mayor's office:
T 9278 4457
E jim.parke@boroondara.vic.gov.au



Cr Felicity Sinfield
Cotham Ward

First elected: October 2016

T 9835 7841
M 0418 793 573
E felicity.sinfield@boroondara.vic.gov.au



Cr Coral Ross
Gardiner Ward

First elected: March 2002
Mayor: 2007-08, 2013-14 and 2014-15

T 9835 7842
M 0438 005 225
E coral.ross@boroondara.vic.gov.au



Cr Steve Hurd
Glenferrie Ward

First elected: October 2012

T 9835 7849
M 0417 708 182
E steve.hurd@boroondara.vic.gov.au

Our Councillors (continued)



Cr Jack Wegman
Junction Ward

First elected: March 2002

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

T 9835 7843

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



Cr Lisa Hollingsworth
Lynden Ward

First elected: October 2016

T 9835 7844

M 0417 908 485

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



Cr Jane Addis
Maling Ward

First elected: October 2012

T 9835 7845

M 0409 267 902

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



Cr Cynthia Watson
Maranoa Ward

First elected: October 2016

T 9835 7846

M 0419 488 204

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



Cr Garry Thompson
Solway Ward

First elected: October 2016

T 9835 7847

M 0417 153 512

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



Cr Phillip Healey
Studley Ward

First elected: November 2004

Mayor: 2006-07 and 2016-17

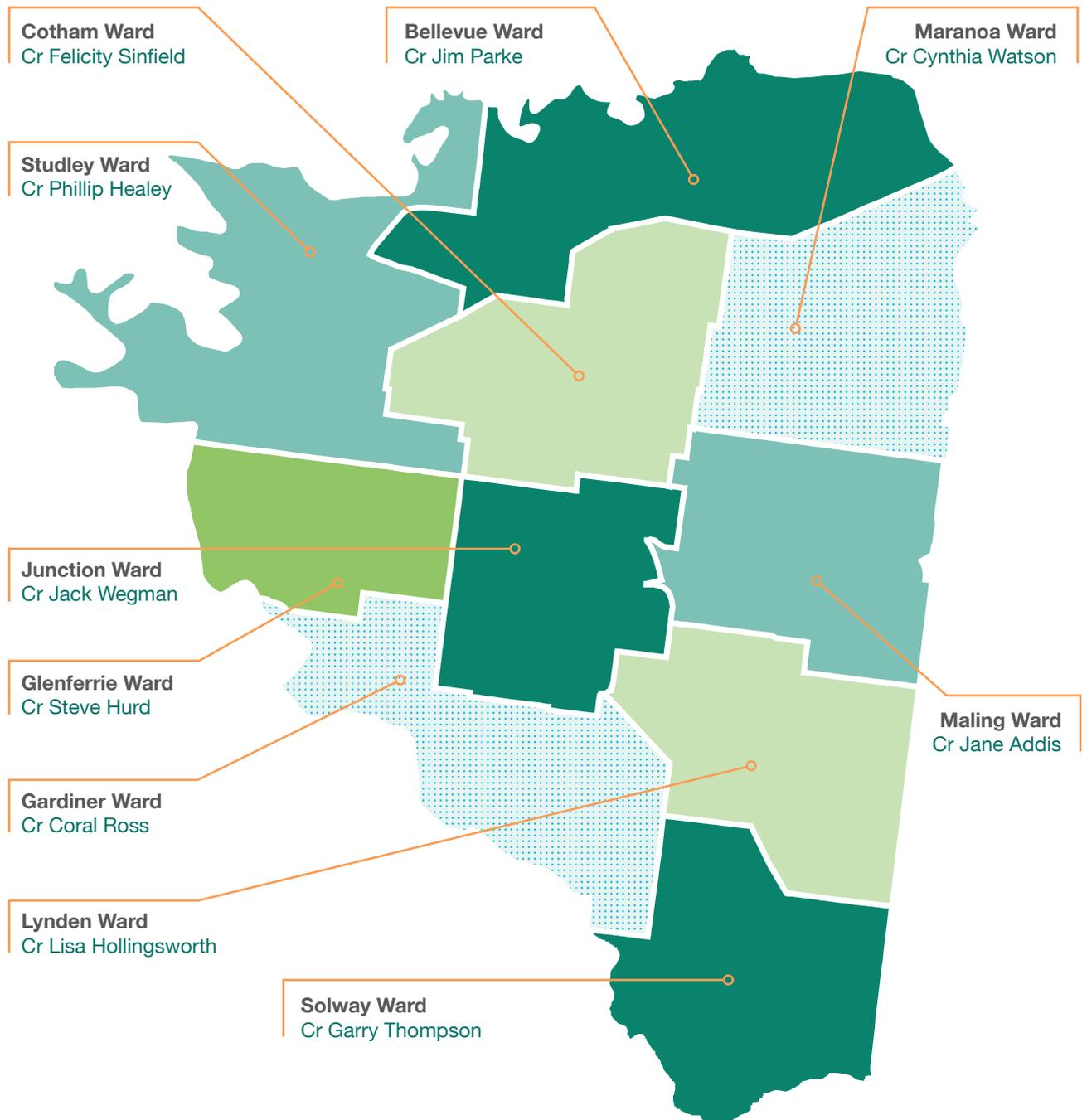
T 9835 7848

M 0437 374 773

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

City of Boroondara's 10 Council wards

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





Our people

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Organisational structure

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



Phillip Storer
Chief Executive Officer

T 9278 4455

Senior officers reporting directly to the Chief Executive Officer:



Shiran Wickramasinghe
Director City Planning

T 9278 4800

Areas of responsibility:

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



Marilyn Kearney
Director Corporate Services

T 9278 4300

Areas of responsibility:

- Corporate Solicitor
- Innovation and Business Transformation
- Information Technology
- Internal Audit



Carolyn McClean
Director Community Development

T 9278 4600

Areas of responsibility:

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

Senior officers reporting directly to the Chief Executive Officer:



Bruce Dobson
Director Environment and Infrastructure

T 9278 4500

Areas of responsibility:

- Asset Management
- Commercial and Property Services
- Environment and Sustainable Living
- Parks and Infrastructure
- Projects and Strategy
- Traffic and Transport



Carolyn Terry
Executive Manager People, Culture and Development
Acting Executive Manager Communications and Customer Experience

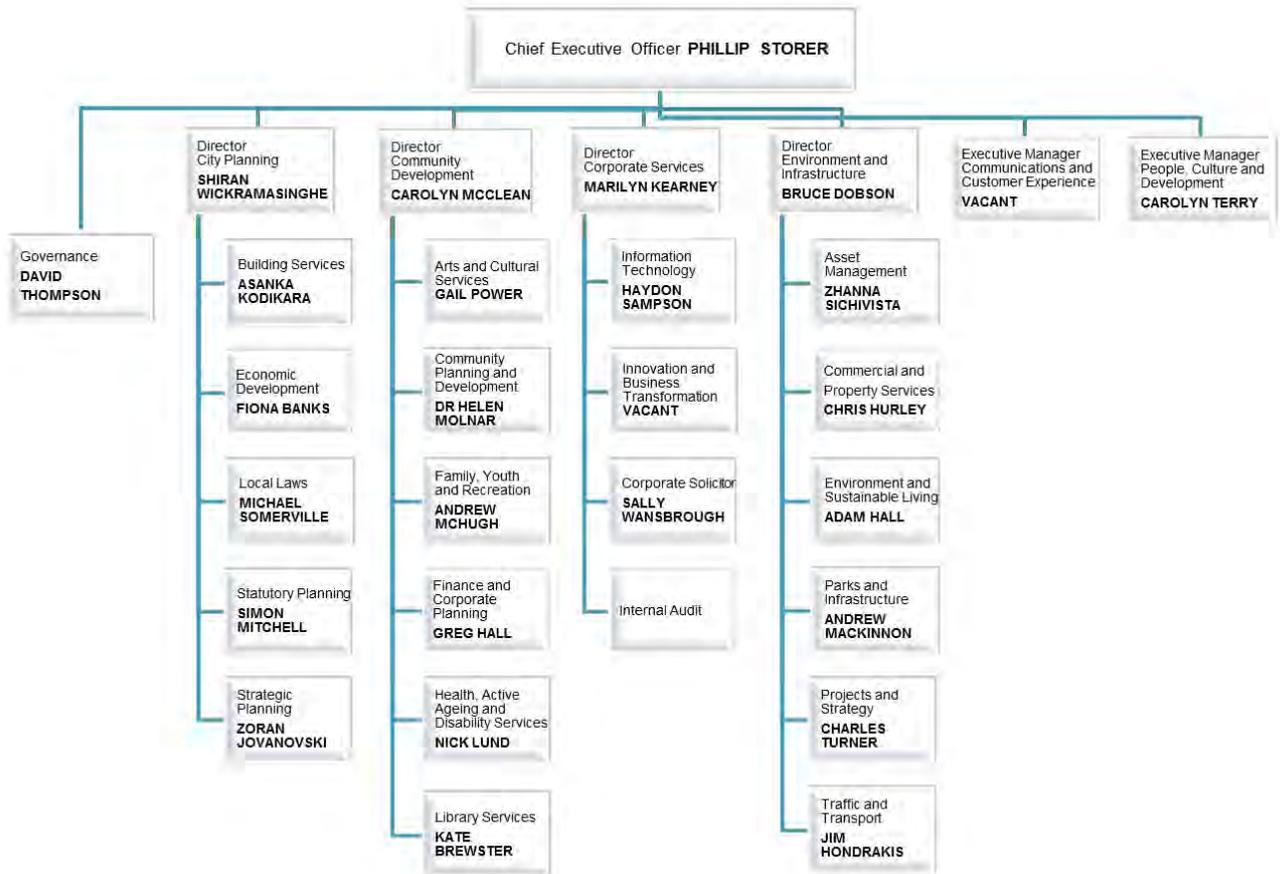
T 9278 4410

Areas of responsibility:

- Human Resources
- Organisation development
- Occupational Health and Safety
- Communications

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

The organisational structure as at 30 June 2018:



Council employees

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

Full time equivalent (FTE)							
Employment type/ gender	CEO's Office	City Planning	Communications and Customer Experience	Community Development	Corporate Services	Environment and Infrastructure	People, Culture and Development
Permanent FT - F	5.00	49.39	10.00	115.00	24.00	52.00	10.00
Permanent FT - M	2.00	49.97	6.00	29.00	37.00	173.33	4.00
Permanent PT - F	0.84	23.82	12.44	104.01	8.24	12.46	4.49
Permanent PT - M	0.84	11.04	0.00	13.64	1.07	1.84	0.84
Casual - Female	4.65	1.35	1.89	12.72	0.00	1.23	0.17
Casual - Male	0.01	0.91	0.39	1.91	0.05	0.58	0.00
Total	13.34	136.48	30.72	276.28	70.36	241.44	19.50

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

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

Employment classification	Female FTE	Male FTE	Total FTE
Band 1	9.24	6.56	15.80
Band 2	1.15	3.38	4.53
Band 3	46.59	37.09	83.68
Band 4	116.12	31.05	147.17
Band 5	78.67	28.31	106.98
Band 6	70.48	43.07	113.55
Band 7	23.04	23.26	46.30
Band 8	24.72	9.05	33.77
Band not applicable	83.69	152.65	236.34
Total	453.70	334.42	788.12

Equal Employment Opportunity Program

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

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

- Indicator: Percentage of employees undertaking Respectful Workplace Training (incorporating EEO). Target: 95%. Result: 95%
- Indicator: Number of contact officers per number of council office locations
Target: 1:1. Result: Six locations, six contact officers.

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

Other employee matters

Consolidated Enterprise Agreement

The People, Culture and Development (PCD) Department led negotiations for a new Enterprise Agreement as the organisation's 2015 Enterprise Agreement and 12 Local Area Work Agreements (LAWAs) expired on 30 June 2018. The Council now has one Enterprise Agreement covering employees from across the organisation which reduces duplication and is easier to use and interpret for employees and managers. The Enterprise Agreement 2018 will provide the terms and conditions of employment until 30 June 2021.

Culture Change

2017-18 has seen a strong focus on initiatives to evolve the culture of Boroondara and emphasise the role of leadership in driving cultural change. The program has included the implementation of refreshed organisational values, a leadership behaviours framework, an online leadership survey and a series of leadership forums and workshops. All leaders have also received change management training.

Work Experience Program

Council has hosted work experience students during 2017-18. Work experience placements provide local year 10 secondary school students with enriching experiences in the workplace. In 2017-18, the PCD Department trialed a new way of administering all prospective work experience placements and hosting all work experience students across various Council departments in designated one week blocks. The new process resulted in more efficient scheduling, placement, induction and work allocation processes.

Health, Safety and Wellbeing

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

Specific initiatives across risk management and injury prevention, such as Workplace Hazard Inspections and the on-site PhysioAssist Program, continued to positively influence Council's safety and injury performance in 2017-18. Enhancements to the Wellbeing Program 2018 and expansion of the Employee Assistance Program further complement the health and wellbeing outcomes Council aims to achieve.

A heightened focus on health, safety and wellbeing over the past three years has translated into a reduction in injury and illness costs and a subsequent improvement in Workers Compensation premium.





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Our performance

Planning and accountability

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

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

The structure of Council's Planning Framework highlights the relationship between the Council Plan, the Annual Budget and service delivery. Refer to page 18 for further details.

Council Plan

Boroondara's Council Plan 2017-21 outlines our vision and strategic plan for the Council term. The Plan commits to long-term planning in building capacity in many areas, continuing to revitalise our City, focusing on our community services and delivering infrastructure and asset renewal projects.

The Budget 2017-18 outlines Council's commitments in support of the Strategic Objectives and other adopted strategies and plans.

The Council Plan 2017-21 was revised in June 2018 to align with the community priorities identified through extensive consultation in the Boroondara Community Plan 2017-27, Council's key strategic document that sets out the 10-year vision for the City's future.

This annual report documents the delivery of Council's five Themes and eight Strategic Objectives supported by commitments detailed in the Council Plan 2017-21 and the Budget 2017-18. The documents were adopted by Council in June 2017.

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

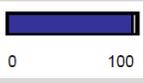
How we are measured

Our performance is reported against each theme in four ways:

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

Theme 1: Strong and engaged communities

Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2016-17 Result	2017-18 Target	2017-18 Result	2018-19 Forecast
Strategic Objective				
Our community has a say in matters of interest to them in achieving Boroondara's vision.				
Percentile ranking of community satisfaction with consultation and engagement measured through the annual Victorian Government Community Satisfaction Survey.	60	63	62 	60
<i>Comment: Result of 62 is within margin of error (+/- 4.4%) of the survey.</i>				
Strategic Objective				
Community needs are identified and responses planned accordingly.				
Community consultation for all major community infrastructure projects.	N/A*	100%	100% 	N/A*
Strategic Objective				
Opportunities are provided to enable people in our community to be supported and involved.				
Number of members of the Boroondara Business Network.	1,267	2,000	1,115 	1,200
<i>Comment: The number of members (subscribers) of the Boroondara Business Network (BBN) is lower than the annual target due to the launch of Council's new website and associated consolidation of the BBN website and database into the new Council website. The website consolidation process has provided an opportunity to cleanse the BBN membership database to ensure it is current (i.e. removing obsolete business information and removing duplication). A membership/subscription campaign is underway to promote the BBN.</i>				
Percentage of users satisfied with training and support initiatives for local business.	80%	80%	80% 	80%
Number of young people attending Youth Services programs or services.	4,285	3,500	4,664 	4,200
Proportions of infants born that receive primary immunisations.	95%	90%	94% 	95%
Percentage of infants enrolled who receive the first Maternal and Child Health Home visit.	100%	95%	99% 	95%

Strategic Indicator	2016-17 Result	2017-18 Target	2017-18 Result	2018-19 Forecast
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%
Number of people participating in active ageing programs and events	N/A*	1,000	1,168 	1,000
Number of attendances at library programs and events.	37,404	34,000	37,348 	35,000
Overall participation in library services (includes loans, returns, visits, program attendances, e-books and audio loans, enquiries, reservations, wi-fi and virtual visits).	5,998,192	4,750,000	5,713,726 	6,000,000
Number of capacity building workshops offered to volunteer involving organisations.	N/A*	14	17 	14
Number of community events programmed by Arts and Culture.	116	165	175 	140

* Not Applicable for this year

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiatives		
2.1 Develop a draft 10-year Boroondara Community Plan incorporating the Public Health and Wellbeing Plan 2017-21 for adoption by Council to support the prioritised needs of the community.		
6.2 Complete the Balwyn Library Redevelopment Works to enable local community access to contemporary and appealing spaces to meet, read and study.		
Commitments		
1.1 Enhance communications with the community by implementing an evaluation framework which will provide data and insights to improve the effectiveness of our communication.		
1.2 Provide opportunities for the community to interact with Council at five high profile events/locations through the Pop-up Council program.		

Our Major Initiatives/Commitments	Responsible Directorate	Status
2.2 Commence a project to combine population trends with facility use data to understand current demand and forecast future demand for key Council facilities used by the community.		
3.1 Support the establishment and growth of local businesses and contribute to economic and tourism development by implementing year 1 actions of the Economic Development and Tourism Strategy.		
3.2 Promote the vitality of the City's shopping centres and support a festive community spirit by implementing the year 5 actions of the Christmas in Boroondara Program.		
4.1 Implement year 3 actions from the Children and Young People's Strategy to support the needs and aspirations of children and young people.		
4.2 Commence the introduction of mobile computing to enable nurses immediate access to information that enhances the quality of the Maternal and Child Health home visit service.		
5.1 Implement the year 4 actions of the Creating an Age-friendly Boroondara Strategy to promote active ageing of older residents.		
5.2 Monitor the Australian Government aged care and disability services reforms and their impact on Council and the Boroondara community.		
6.1 Implement year 3 actions identified in the Library Services Strategic Plan to meet community expectations for library services.		
7.1 Ensure financial sustainability to support access to arts programs and civic spaces for residents through the conduct of a tender for Hawthorn Arts Centre Hospitality Services Agreement.		
7.2 Provide creative professional development for community groups and local artists to strengthen and grow the capacity of community arts offered in the community.		
7.3 Enhance access for the community to the Civic Art Collection through improvements to the digital interface on the Boroondara Arts website and placement of artwork in the public areas of the Hawthorn Arts Centre.		

Performance of services funded in the Budget:

Service category	Description	Net Cost Actual Budget Variance \$'000
Communications and Customer Experience	<ul style="list-style-type: none"> • ensures a customer first culture is sustained across Council • provides an in-house advisory service to improve the quality of customer service in all areas of Council • develops strategic integrated communication and engagement plans for key initiatives linked to the Council Plan • provides an in-house content development suite including print, design, video, social media, digital and copy editing • manages the Boroondara brand and corporate communications channels and content • delivers advocacy campaigns in collaboration with the responsible Director, CEO and Councillors • undertakes a corporate research program to measure service satisfaction outcomes • provides a broad range of engagement tools to facilitate the capture of external feedback • media relations and issues management. 	<p>\$2,642</p> <p><u>\$2,858</u></p> <p>(\$216)</p>
Library Services	<ul style="list-style-type: none"> • provides a large range of relevant, contemporary library collections and services: in libraries, online and via home library services • provides welcoming community spaces for individual and group study, reflection, activity and discovery • promotes, advocates for and supports literacy development, reader development, lifelong learning, creative and intellectual development • provides family, child and adult library programs and activities. 	<p>\$7,277</p> <p><u>\$7,482</u></p> <p>(\$205)</p>

Service category	Description	Net Cost Actual Budget Variance \$'000
Community Planning and Development	<ul style="list-style-type: none"> • aims to enhance the health, wellbeing and safety of residents • facilitates community connections, strengthens community capacity and responds to identified needs through the delivery of a range of programs, partnerships and networking opportunities for Boroondara's community • works actively within the community on key community development activities, including men's shed and major building projects • provides support, advice and assistance to neighbourhood houses • develops policies, strategies and plans that address community priorities • monitors, forecasts and analyses community change and wellbeing • undertakes extensive community research on behalf of Council departments and the community • prepares Council submissions in response to Australian and Victorian government enquiries and advocates on social issues impacting on the community • manages the Boroondara Community Grants Program of annual and operational triennial grants and the registered rooming house subsidy • promotes, supports and assists the development of volunteering and civic participation through the Boroondara Volunteer Resource Centre. 	<p>\$2,896</p> <p><u>\$3,043</u></p> <p>(\$147)</p>
Family and Youth Services	<ul style="list-style-type: none"> • operates the Boroondara Maternal and Child Health, Kindergarten Central Enrolment Scheme, Parent Child Mother Goose Program and the Boroondara Youth Resource Centre • undertakes strategic planning and policy development to facilitate access to active participation opportunities for the Boroondara community • facilitates training and support for service providers and voluntary committees of management for early years and youth services • advocates on behalf of young people, children and their families • provides support and information, activities and programs to young people and their families • facilitates the development of integrated and coordinated service for children, young people and their families • supports the inclusion of children into four-year old kindergarten and long day care services through the provision of the Preschool Field Officer program • facilitates long day care, occasional care and kindergarten services through the provision of 43 buildings leased to the community and volunteer committees of management • facilitates community support programs through the provision of annual funding in a deed of agreement with Access Health • supports young people's health and wellbeing. 	<p>\$3,139</p> <p><u>\$3,513</u></p> <p>(\$374)</p>

Service category	Description	Net Cost Actual Budget Variance \$'000
Health, Active Ageing and Disability Services	<ul style="list-style-type: none"> • coordinates public health services including immunisation and environmental health • provides home support services via the Active Service Model approach including home, personal and respite care, food services and property maintenance • provides volunteer and community transport, and social support (including events and planned activity groups) • coordinates emergency management (recovery) across the municipality • manages Canterbury Memorial Home Units (23 independent living units) • undertakes strategy and development with a focus on positive ageing and disability. 	<p style="text-align: right;">\$2,693 <u>\$4,506</u> (\$1,813)</p>
Arts and Cultural Services	<ul style="list-style-type: none"> • produces arts programs and events for the local community, including performing arts, visual arts and exhibitions, participatory workshops and creative professional development forums for local artists and community art groups • programs and manages Council's art facilities at the Town Hall Gallery, Kew Court House, Hawthorn Arts Centre and other community spaces • provides flexible spaces for community hire, including meetings, community events, private bookings and conference facilities • manages and acquires art work for the Town Hall Gallery Collection • manage grants support for community arts and culture groups as well as community festivals. 	<p style="text-align: right;">\$2,388 <u>\$2,285</u> \$103</p>
Economic Development	<ul style="list-style-type: none"> • strengthens the viability of local businesses, including strip shopping centres • manages the development and implementation of the Economic Development and Tourism Strategy for Council • facilitates the Boroondara Business Network, the Boroondara Farmers Market, the Hawthorn Craft Market and supports the marketing for the Camberwell Fresh Food Market and the Camberwell Sunday Market • supports new and established businesses, through training and mentor services • facilitates regular networking opportunities for the local business community • supports and promotes tourism opportunities across the municipality • delivers the City-wide Christmas in Boroondara program. 	<p style="text-align: right;">\$837 <u>\$833</u> \$4</p>

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

Service/indicator/measure	Results				Comments/Material variations
	2015	2016	2017	2018	
Libraries					
Utilisation	5	5	5	5	
Library collection usage (Number of library collection item loans / Number of library collection items)					
Resource standard	48%	52%	49%	51%	
Standard of library collection (Number of library collection items purchased in the last 5 years / Number of library collection items)					
Service cost	\$7	\$7	\$7	\$8	
Cost of library service (Direct cost of the library service / Number of visits)					
Participation	23%	24%	26%	25%	
Active library members (Number of active library members / Municipal population)					
Maternal and Child Health (MCH)					
Satisfaction	104%	104%	100%	99%	
Participation in first MCH home visit (Number of first MCH home visits / Number of birth notifications received)					

Service/indicator/measure	Results				Comments/Material variations
	2015	2016	2017	2018	
<p>Service standard</p> <p>Infant enrolments in MCH service (Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received)</p>	100%	97%	102%	101%	Since 2015 a number of Maternal and Child Health service providers have migrated to a new record system. Difficulties in transitioning to this system has affected the reporting of enrolment data in a number of Local Government Areas. As such, caution should be taken when analysing data for this indicator.
<p>Service cost</p> <p>Cost of the MCH service (Cost of the MCH service / Hours worked by MCH nurses)</p>	N/A	\$70	\$71	\$72	
<p>Participation</p> <p>Participation in the MCH service (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service)</p>	83%	80%	79%	80%	
<p>Participation in MCH service by Aboriginal children (Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service)</p>	87%	75%	100%	96%	
Food safety					
<p>Timeliness</p> <p>Time taken to action food complaints (Number of days between receipt and first response action for all food complaints / Number of food complaints)</p>	N/A	1.7	1.6*	1.7**	From 1 July 2016, this indicator is reported by calendar year. Previously this was reported by financial year.

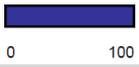
Service/indicator/measure	Results				Comments/Material variations
	2015	2016	2017	2018	
<p>Service standard</p> <p>Food safety assessments (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>)</p>	100%	100%	100%*	100%**	From 1 July 2016, this indicator is reported by calendar year. Previously this was reported by financial year.
<p>Service cost</p> <p>Cost of food safety service (Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>)</p>	\$601	\$403	\$444	\$398	
<p>Health and safety</p> <p>Critical and major non-compliance outcome notifications (Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises)</p>	91%	99%	98%*	99%**	From 1 July 2016, 'Critical and major non-compliance outcome notifications' is reported by calendar year. Previously this was reported by financial year.

* 2016 calendar year result

** 2017 calendar year result

Theme 2: Sustainable environment

Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2016-17 Result	2017-18 Target	2017-18 Result	2018-19 Forecast
Strategic Objective				
Our natural and urban environment is improved in a sustainable way.				
Tonnes of CO ₂ emissions from energy used in all Council owned and operated buildings, street lighting, Council fleet, taxi and air travel. <i>* Note: Information is reported with a one year lag.</i>	22,625 tCO ₂ e	Less than 22,900 tCO ₂ e	22,483 tCO₂e 	Less than 22,500 tCO ₂ e
Volume of harvested water (rain and stormwater) re-used within Council buildings and open space irrigation.	N/A*	5 ML	4.6ML 	5ML
<i>Comment: The volume of 4.6ML physically recorded by metering is lower than the actual volume, as some reuse of water has not been metered. The rollout of infrastructure to measure harvested water collection and reuse has been ongoing during 2017-18 and reporting in future years will capture a higher proportion of reuse.</i>				
Waste diversion from landfill, calculated as the proportion of the overall kerbside waste stream that is recycled (includes paper, bottles and green waste) instead of being disposed to landfill.	49%	48%	49% 	48%
Customer Satisfaction Survey measures user satisfaction with a range of parks in Boroondara, benchmarked with participating councils.	82%	80%	83% 	80%

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiatives		
8.2 Undertake a green waste and food organics feasibility study to investigate opportunities to further minimise waste to landfill.		
Commitments		
8.1 Foster social connection and sustainable living of residents through engaging individuals and organisations in determining the governance and design of a community garden in the Outer Circle Linear Park (Earl Street).		

Our Major Initiatives/Commitments	Responsible Directorate	Status
9.1 Conduct a review of Tree Management Guidelines consistent with the Boroondara Tree Strategy to continue Council's ongoing commitment to maintaining its rich diversity of street and park trees.		
9.2 Review Council's renewal practices for water sensitive urban design (WSUD) treatments in open spaces and implement actions to ensure water quality and visual amenity are maximised for the life of the assets.		
9.3 Implement sporting infrastructure improvements and a sportsground reconstruction at Highfield Park, Camberwell to ensure long-term sustainability of the sportsground and an improved user experience.		

Performance of services funded in the Budget:

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Environment and Sustainable Living	<ul style="list-style-type: none"> helps the Boroondara community to live more sustainably in response to emerging environmental challenges (e.g. climate change, water shortage, biodiversity conservation) promotes sustainability within built and natural environments in Boroondara develops and implements policies and strategies that set direction in environmental management, public space improvements, conservation of natural resources and sustainable development builds the capacity of Council to integrate environmental and sustainability issues into our buildings and public space improvements, daily operations and decision-making processes. 	<p>\$1,027</p> <p><u>\$1,036</u></p> <p>(\$9)</p>
Waste and Recycling	<ul style="list-style-type: none"> manages waste services, including kerbside bin based waste, green and recycling collections and hard waste collection service operates the Boroondara Recycling and Waste Centre. 	<p>\$17,512</p> <p><u>\$17,817</u></p> <p>(\$305)</p>
Horticultural & Arbor Services and Formal Gardens	<ul style="list-style-type: none"> manages and maintains Boroondara's parks, gardens and biodiversity sites provides streetscape and landscape features including garden beds, traffic management devices and shopping precincts maintains a significant and highly valued urban forest of street and park trees. 	<p>\$12,040</p> <p><u>\$ 11,105</u></p> <p>\$935</p>
Tree Protection	<ul style="list-style-type: none"> administers Council's Tree Protection Local Law and assesses applications for tree removal. 	<p>\$143</p> <p><u>\$133</u></p> <p>\$10</p>

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

Service/indicator/measure	Results				Comments/Material variations
	2015	2016	2017	2018	
Waste Collection					
Satisfaction Kerbside bin collection requests (Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x 1,000	187	180	168	197	Increase in 2017-18 is due to significant performance issues with the recycling contractor over a three week period. These issues have now been resolved.
Service standard Kerbside collection bins missed (Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts)	5	5	4	6.5	
Service cost Cost of kerbside garbage bin collection service (Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins)	\$116	\$119	\$120	\$122	
Cost of kerbside recyclables bin collection service (Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins)	\$26	\$34	\$33	\$47	There has been an increase in expenditure due to Council's recycling contract being impacted by the National Sword Policy implemented by China which restricts the import of contaminated paper, cardboard and plastics. The policy has severely disrupted recycling markets worldwide. The policy most directly impacts kerbside recycling services, as recyclables from households are usually on-sold in a mixed form.

Service/indicator/measure	Results				Comments/Material variations
	2015	2016	2017	2018	
Waste Collection					
Waste diversion	47%	48%	49%	49%	
Kerbside collection waste diverted from landfill (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins)					

Theme 3: Enhanced amenity

Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2016-17 Result	2017-18 Target	2017-18 Result	2018-19 Forecast
Strategic Objective				
Facilitate the process of urban renewal throughout the City to enhance amenity by efficient and effective permit issuing administration.				
Percentage of building permits approved within 30 days.	100%	99%	97% 	N/A*
<i>Comment: Lower than expected result is due to vacancies in quarter four. Building Services has advertised the positions and engaged a consultant to assist in assessing Building Permits to ensure expected service delivery in 2018-19.</i>				
Percentage of planning applications processed within 60 days.	79%	80%	74% 	75%
<i>Comment: The percentage of applications processed within 60 days for quarter four was 78%.</i>				
Percentage of graffiti removed from Council owned assets within one business day of notification.	N/A*	95%	95% 	95%

* Not Applicable for this year

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiatives		
10.2 Protect the City's heritage by continuing a municipal wide heritage assessment of all areas not currently subject to a heritage overlay in the Boroondara Planning Scheme.		
11.3 Maintain and enhance safety for pedestrians and cyclists using the Main Yarra Trail and the Koonung Trail, by undertaking a safety audit.		
Commitments		
10.1 Ensure occupant safety in public and high risk buildings in the City of Boroondara, by developing a building inspection and communication strategy, to encourage building owners to maintain essential safety measures in accordance with the <i>Building Regulations 2006</i> .		

Our Major Initiatives/Commitments	Responsible Directorate	Status
10.3 Undertake a study of changes to tree canopy cover to inform the effectiveness of policies and regulations relating to tree protection.		
11.1 Seek to improve community safety by continuing to advocate for the introduction of 40km/hr speed limits in specific shopping strips including Auburn Village, Burwood Village, Deepdene Shopping Centre and Greythorn Shopping Centre.		
11.2 Ensure appropriate opportunities for on and off road cycling and improvement of Boroondara's bicycle network by commencing the review of the Boroondara Bicycle Strategy.		
12.1 Encourage appropriate management of domestic animals by presenting the Domestic Animal Management Plan to Council for adoption.		
12.2 Improve the vitality of our local strip shopping centres by delivering streetscape improvements works at Hartwell Shopping Centre, Church Street, Glenferrie Hill, Fordham Village and Peate Avenue Shopping Centres.		

Performance of services funded in the Budget:

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Traffic and Transport	<ul style="list-style-type: none"> • develops, assesses and implements engineering solutions that address the amenity of residential and commercial areas • implements parking and traffic management strategies • assesses traffic and parking implications of planning permit and rezoning applications • assesses lane and parking bay occupation applications, street party applications and road closure applications • investigates black spot accident locations and develops remedial treatments • coordinates and implements sustainable transport initiatives including Car Share, green travel plans, Boroondara Active and Safe Schools and a variety of active transport programs • designs, consults and implements transport projects including on road bicycle lanes, shared paths, road safety initiatives, pedestrian and bicycle improvements, disability access and traffic treatments • advocates for improvements to public transport and sustainable transport initiatives • develops feasibility studies and grant applications to state and federal authorities for accident black spot locations and pedestrian and bicycle improvement projects • provides strategic transport planning advice and develops associated studies • assesses high and heavy vehicle route applications. 	<p style="text-align: right;">\$527 <u>\$840</u> (\$313)</p>
Landscape Architecture	<ul style="list-style-type: none"> • provides landscape design and urban design services to promote use, function and enjoyment of outdoor spaces by the community. 	<p style="text-align: right;">\$632 <u>\$541</u> \$91</p>
Strategic Planning	<ul style="list-style-type: none"> • advocates for and prepares land use policy and standards within the context of Victorian state policy • promotes sustainable design and development and heritage conservation • manages the Municipal Strategic Statement • develops policies and plans to guide land use and development. 	<p style="text-align: right;">\$1,567 <u>\$1,778</u> (\$211)</p>

Service category	Description	Net Cost Actual Budget Variance \$'000
Building Services	<ul style="list-style-type: none"> assesses building permit applications, conducts mandatory inspections and issues occupancy permits/final certificates for buildings and structures encourages desirable building design outcomes for amenity protection and to maintain consistent streetscapes provides property hazard and building permit history information to designers, solicitors, private building surveyors and ratepayers conducts property safety inspections including fire safety audits on high risk buildings and pool and spa safety barrier compliance inspections to ensure a safer built environment administers and enforces the <i>Building Act 1993</i> and Regulations including investigation of illegal and dangerous buildings to ensure public and occupant safety. 	<p>\$590</p> <p><u>\$634</u></p> <p>(\$44)</p>
Statutory Planning	<ul style="list-style-type: none"> processes and assesses planning applications in accordance with the <i>Planning and Environment Act 1987</i>, the Boroondara Planning Scheme and Council policies provides advice about development and land use proposals as well as providing information to assist the community in its understanding of these proposals investigates non-compliances with planning permits and the Boroondara Planning Scheme and takes appropriate enforcement action when necessary defends Council planning decisions at the Victorian Civil and Administrative Tribunal assesses applications to subdivide land or buildings under the <i>Subdivision Act 1988</i>. 	<p>\$2,636</p> <p><u>\$3,824</u></p> <p>(\$1,188)</p>
Local Laws	<ul style="list-style-type: none"> delivers proactive patrol programs to maintain and promote safety and harmony within the community delivers administrative and field services in parking, amenity and animal management processes and issues permits relating to traders, tradespersons, disabled parking, residential parking, animal registrations, excess animals, commercial waste bins, street furniture and other uses of Council controlled land delivers educational programs in responsible pet ownership, road safety, amenity regulation and fire prevention develops, implements and reviews appropriate local laws to achieve a safe and liveable environment delivery of the School Crossing Supervision Program through the provision of supervision at school crossings and the overall management and administration of the program. 	<p>(\$7,618)</p> <p><u>(\$6,485)</u></p> <p>(\$1,133)</p>

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

Service/indicator/measure	Results				Comments/Material variations
	2015	2016	2017	2018	
Statutory Planning					
Timeliness Time taken to decide planning applications (The median number of days between receipt of a planning application and a decision on the application)	86	78	89	105	
Service standard Planning applications decided within required timeframes (Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made)	69%	70%	64%	60%	From 1 July 2016 this indicator has been updated to include VicSmart planning applications which are required to be assessed within 10 days. This has resulted in some variances year on year.
Service cost Cost of statutory planning service (Direct cost of the statutory planning service / Number of planning applications received)	\$3,388	\$2,846	\$3,238	\$3,472	
Decision making Planning decisions upheld at VCAT (Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT Council decisions in relation to planning applications)	58%	61%	52%	52%	
Animal management					
Timeliness Time taken to action animal management requests (Number of days between receipt and first response action for all management related requests)	3	4	4	2	

Service/indicator/measure	Results				Comments/Material variations
	2015	2016	2017	2018	
Service standard Animals reclaimed (Number of animals reclaimed / Number of animals collected)	71%	43%	64%	44%	A concerted effort was made on the feral cat trapping program which resulted in more cats being collected. As these animals are unregistered, the percentage of animals not reclaimed has increased.
Service cost Cost of animal management service (Direct cost of the animal management service / Number of registered animals)	\$53	\$59	\$62	\$64	
Health and safety Animal management prosecutions (Number of successful animal management prosecutions)	23	14	3	17	In 2017-18, there was a higher incidence of serious dog attacks requiring resolution by prosecution.

Theme 4: Quality facilities and assets

Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2016-17 Result	2017-18 Target	2017-18 Result	2018-19 Forecast
Strategic Objective				
The community's current and future needs for assets and facilities are proactively managed.				
Percentage completion of six monthly defect inspections on Council roads and footpaths in higher risk locations.	100%	99%	99% 	99%
Percentage of capital projects completed at the conclusion of the financial year (based on number of projects).	97%	90%	96% 	90%
Percentage of adopted capital projects completed at the conclusion of the financial year (based on the most recent amended budget).	91%	90%	91% 	90%
Number of proactive strip shopping centre maintenance inspections completed.	232	155	202 	230
Number of visits to Boroondara's leisure and aquatic facilities	2,489,494	2,400,000	2,566,538 	N/A*

* Not Applicable for this year

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiatives		
13.2 Continue to reduce greenhouse gas emissions from Council's large buildings through investment in cost effective low emissions technologies and energy efficiency upgrades/retrofits under an Energy Performance Contract.		
13.3 Create a new public hub for services to the community by practical completion of the North East Community Hub Redevelopment Works.		
Commitments		
13.1 Review and update the existing Asset Management Policy and Strategy to ensure that Council's asset management practices adequately support provision of asset-dependent services.		

Our Major Initiatives/Commitments	Responsible Directorate	Status
14.1 Seek community input into the design of the Kew Recreation Centre aquatic renewal project to enhance future leisure and recreation opportunities.		
14.2 Support community participation in sport and leisure opportunities by implementing actions from the Sport and Recreation Strategy.		

Performance of services funded in the Budget:

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Asset Management	<ul style="list-style-type: none"> • provides proactive inspections on Council assets to ensure service standards are maintained • provides a corporate Asset Management system to support the ongoing management and renewal of the community's assets • develops and updates the five-year renewal program for assets • develops the financial forecast for assets for Council's long-term financial strategy • promotes occupational health and safety on Council worksites • manages permits relating to the asset protection local law and stormwater drainage • implements the Street Lighting Policy • implements strategies and engineering solutions for drainage issues, planning and subdivision permit referrals and development approvals. 	<p style="text-align: right;">\$3,265</p> <p style="text-align: right;"><u>\$3,274</u></p> <p style="text-align: right;">(\$9)</p>
Projects and Strategy	<ul style="list-style-type: none"> • develops, manages, reports and delivers the approved Environment and Infrastructure Capital Works and Building Renewal Programs ensuring best value for money • provides project management and technical advice on Council's projects and infrastructure assets • manages the capital works programs and reporting to successfully deliver projects on time and within budget • investigates and develops strategic solutions for major stormwater issues, Council buildings and infrastructure assets • encourages and develops innovative design into quality outcomes. 	<p style="text-align: right;">\$3,741</p> <p style="text-align: right;"><u>\$4,004</u></p> <p style="text-align: right;">(\$263)</p>
Asset Maintenance	<ul style="list-style-type: none"> • maintains the City's infrastructure including buildings, footpaths and roads, shopping centres, drains, street furniture and signs. 	<p style="text-align: right;">\$11,450</p> <p style="text-align: right;"><u>\$10,905</u></p> <p style="text-align: right;">\$545</p>

Service category	Description	Net Cost Actual Budget Variance \$'000
Leisure and Sport	<ul style="list-style-type: none"> • operates the Kew Traffic School • facilitates training and support for service providers and voluntary committees of management for sporting activities • provides support and information, activities and programs to sport and recreation clubs and organisations • facilitates participation opportunities by the community in physical activity through the provision of facilities and contract management of the Boroondara Leisure and Aquatic Centres, the Boroondara Tennis Centre and Junction Skate and BMX Park • advocates on behalf of the community to facilitate sport and recreation participation needs • leases 87 facilities to sporting clubs and early years committees of management • facilitate participation opportunities for the Boroondara community in sport and recreation. 	<p>(\$1,492) <u>(\$1,263)</u> (\$229)</p>
Sportsground and Park Assets	<ul style="list-style-type: none"> • manages bookings, events and applications associated with Boroondara's parks, gardens, reserves, sportsgrounds and pavilions • works with over 300 sports clubs, across 23 sports codes at over 100 sports facilities/grounds • manages and maintains built assets including playgrounds, barbeques, drinking fountains, park furniture, bins, fences and signs • manages and maintains the Freeway Golf Course. 	<p>\$2,714 <u>\$3,032</u> (\$318)</p>

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

Service/indicator/measure	Results				Comments/Material variations
	2015	2016	2017	2018	
Roads					
Satisfaction Sealed local road requests (Number of sealed local road requests / Kilometres of sealed local roads) x 100	55	70	92	91	
Condition Sealed local roads below the intervention level (Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads)	99%	98%	98%	97%	
Service cost Cost of sealed local road reconstruction (Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed)	\$89	\$85	\$86	\$93	
Cost of sealed local road resealing (Direct cost of sealed local road resealing / Square metres of sealed local roads resealed)	\$21	\$16	\$20	\$24	
Satisfaction Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	74	73	71	73	
Aquatic facilities					
Satisfaction User satisfaction with aquatic facilities. (Defined as the satisfaction of users with the aquatic facility)	87%	91%	87%	87%	

Service/indicator/measure	Results				Comments/Material variations
	2015	2016	2017	2018	
Service standard Health inspections of aquatic facilities (Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities)	0.25	2	2	1.75	
Reportable safety incidents at aquatic facilities (Total number of WorkSafe reportable aquatic facility safety incidents)	3	2	5	4	
Service cost Cost of indoor aquatic facilities (Direct cost of indoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities)	-\$0.57	-\$0.81	-\$1.01	-\$0.82	This is net income after expenses, and as such a higher number indicates more efficient service delivery.
Cost of outdoor aquatic facilities (Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities)	N/A	N/A	N/A	N/A	Not applicable to Boroondara. As per the LGV definition, Boroondara has no outdoor aquatic facilities.
Utilisation Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population)	15	13	14	14	

Theme 5: Responsible management

Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2016-17 Result	2017-18 Target	2017-18 Result	2018-19 Forecast
Strategic Objective Decision-making in the delivery of high quality services by capable and professional people reflects transparent, accountable and fair behaviours.				
Percentage of Freedom of Information requests responded to within prescribed timeframes.	100%	100%	100% 	100%
Average time callers wait before their call is answered.	42 seconds	=< 45 seconds	44 Seconds 	=< 45 seconds
WorkCover employer performance rating.	0.79	Less than 1 (better than industry average)	0.77 	Less than 1 (better than industry average)
Strategic Objective Sound financial and risk management practices are carried out.				
Adjusted Working Capital Ratio - measures the ability to pay existing liabilities in the next 12 months.	2.56	> 1.68 to 1	2.10 	N/A*
Percentage completion of Audit Committee annual plan.	100%	95%	100% 	N/A*

* Not Applicable for this year

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiatives		
15.1 Review the Council Plan 2017-21 to ensure alignment with community priorities as identified in the Boroondara Community Plan.		
17.2 Implement year 3 of the Digital Transformation Program to deliver services through the City of Boroondara website that are accessible and customer focused.		

Our Major Initiatives/Commitments	Responsible Directorate	Status
Commitments		
15.2 Review the nomination process for Citizen and Young Citizen of the Year to increase participation and accessibility.		
16.1 Improve Council's online service delivery through the continued implementation of the Customer Relationship Management System.		
16.2 Deliver an accurate and transparent record of Council's performance to the community through preparing the Annual Report 2016-17 and submitting to the Minister for Local Government by 30 September 2017.		
17.1 Improve Council's capacity to better meet community needs by implementing the identified 2017-18 actions from the Communications Channel Strategy.		
18.1 Continue to build and embed organisational change capability and integration into business processes and decision making through the development of a Change Management Plan.		
18.2 Maintain and enhance a customer centric workforce that has the capability to deliver on Council's strategic goals through the development of a People Strategy.		
19.1 Undertake the Municipal Revaluation as at 1 January 2018 within budget and required legislation.		
19.2 Ensure Council operates within a financially sustainable framework through preparation of the Annual Budget 2018-19 and Strategic Resource Plan in line with statutory requirements and submit for consideration by Council by 30 June 2018.		
19.3 Apply sound financial practices by completion of the Annual Financial Statements for the year ended 30 June 2017 and receive audit clearance by 30 September 2017.		
20.1 Prepare a 3-year Strategic Internal Audit Plan for consideration by the Audit Committee and adoption by Council, with reference to identified strategic risks, good corporate governance and sound financial management.		
20.2 Enhance the safety of Council's workforce and minimise risk through strengthening Council's wellbeing program and delivering the Occupational Health and Safety Strategy 2017-18 actions.		

Performance of services funded in the Budget:

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Councillors, Chief Executive Officer, Executive Management and support staff	This area includes the Mayor, Councillors, Chief Executive Officer and Executive Leadership team and associated support.	\$2,569 <u>\$2,624</u> (\$55)
Governance	<ul style="list-style-type: none"> • provides counsel to Council, Councillors, the Chief Executive Officer and the Executive Leadership Team • develops and implements strategies and policies • manages Freedom of Information, Information Privacy, protected disclosures and internal ombudsman functions • maintains statutory registers, authorisations and delegations • administers the conduct of Council elections • provides administrative and secretarial support to the elected Councillors and Council committees • provides stewarding and catering services to the Camberwell function rooms • coordinates civic events and citizenship ceremonies. 	\$1,809 <u>\$1,979</u> (\$170)
Innovation and Business Transformation	<ul style="list-style-type: none"> • encourages thinking differently about how Council delivers services to the community more efficiently and effectively • leads the delivery of the Boroondara Customer First Program to improve our customers' experiences • develops strategies and approaches to transform Council into a customer-centric organisation • develops the new digital services platform to enable Council to significantly expand the services offered online, such as online payments and service requests • implements the Process Improvement Program focusing on understanding, documenting and improving Council's processes • focuses on promoting innovation and collaboration in our work. 	\$642 <u>\$1,246</u> (\$604)

Service category	Description	Net Cost Actual Budget Variance \$'000
Finance and Corporate Planning	<ul style="list-style-type: none"> develops and delivers the annual planning cycle for the Council Plan and Budget provides financial operations services including accounts payable produces the annual Budget and Long Term Financial Strategy and manages Council's budgeting/forecasting and financial reporting systems provides payroll services manages Council's reporting system and conducts performance reporting, including the Quarterly Performance Report, Monthly Performance Report, and the Annual Report incorporating the Best Value Report provides external grant application support for significant project funding opportunities coordinates financial analysis and business cases for projects and provides advice on the pricing of services as well as National Competition Policy compliance provides financial accounting services coordinates external audit. 	<p>\$3,166</p> <p><u>\$3,140</u></p> <p>\$26</p>
People, Culture and Development	<ul style="list-style-type: none"> delivers the functions of occupational health and safety, human resources and organisation development and learning provides specialist advice, service and policy development related to human resources and organisation development coordinates recruitment, industrial relations, remuneration, award/agreement interpretation and work evaluation facilitates and coordinates staff members' professional, leadership and cultural development programs and the Health and Wellbeing Program coordinates Council's employee performance management system. 	<p>\$2,714</p> <p><u>\$2,904</u></p> <p>(\$190)</p>
Corporate Solicitor	<ul style="list-style-type: none"> monitors and reports on legislative changes and impacts for Council operations provides advice on legal and regulatory matters and ad hoc legal advice within the organisation delivers training programs to develop Council officers' knowledge of relevant legal issues. 	<p>\$195</p> <p><u>\$207</u></p> <p>(\$12)</p>
Customer service	<ul style="list-style-type: none"> delivers customer service including a translation service and multilingual communications implements the Customer Channel Strategy manages correspondence in the CRM system. 	<p>\$2,062</p> <p><u>\$1,979</u></p> <p>\$83</p>

Service category	Description	Net Cost Actual Budget Variance \$'000
Commercial and Property Services	<ul style="list-style-type: none"> • coordinates Audit Committee • manages procurement and conduct of all public tenders • manages rates and property services, including Council databases and communication of the rate payment options available to residents • administers the purchasing system and purchasing card systems including training • coordinates fleet management • coordinates the Building and Property Working Group • handles the administration and leasing of Council's property holdings including the Camberwell Fresh Food Market • manages all acquisitions and disposals of land for Council • manages the discontinuance and sales of the right of way's throughout Boroondara • manages internal audit services to Council • manages enterprise business risk for the organisation including Council's Crisis Management Plan and department Business Continuity Plans • manages public liability, professional indemnity, motor vehicle and property claims. 	<p>\$2,632</p> <p><u>\$3,100</u></p> <p>(\$468)</p>
Information Technology	<ul style="list-style-type: none"> • coordinates improvement to service delivery to the community and within Council through the use of technology • ensures effectiveness and reliability of computing and communication systems • manages Council's corporate information and archival services. 	<p>\$9,537</p> <p><u>\$9,810</u></p> <p>(\$273)</p>

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

Service/indicator/measure	Result				Comments/Material variations
	2015	2016	2017	2018	
Governance					
Transparency Council decisions made at meetings closed to the public (Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors)	7%	7%	3%	1%	
Consultation and engagement Satisfaction with community consultation and engagement (Community satisfaction rating out of 100 with how council has performed on community consultation and engagement)	62	63	60	62	
Attendance Councillor attendance at council meetings (The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)	96%	95%	99%	98%	
Service cost Cost of governance (Direct cost of the governance service / Number of councillors elected at the last council general election)	\$50,949	\$51,755	\$53,607	\$57,642	
Satisfaction Satisfaction with council decisions (Community satisfaction rating out of 100 with the performance of council in making decisions in the interest of the community)	62	61	60	60	



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Corporate Governance

Governance

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

Council's role includes:

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

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

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

Council meetings

Council meetings are open to the public and usually held on the fourth Monday of each month. Members of the community are welcome to attend and observe these meetings, and submit a question to the Council. In 2017-18, Council held 12 ordinary Council meetings and four Special Council meetings.

Councillor attendance at Council meetings and Special Council meetings during 2017-18:

Councillors	Special Council Meeting	Council Meeting	Total
Cr Jim Parke (Mayor)	4	12	16
Cr Jane Addis	4	11	15
Cr Phillip Healey	4	11	15
Cr Lisa Hollingsworth	4	12	16
Cr Steve Hurd	4	11	15
Cr Coral Ross	3	10	13
Cr Felicity Sinfield	4	11	15
Cr Garry Thompson	4	9	13
Cr Cynthia Watson	4	12	16
Cr Jack Wegman	3	10	13

Section 66B of the *Local Government Act 1989* provides councillors the opportunity to seek from Council a leave of absence. The below table reflects the Council meetings in which councillors had Council-approved leave of absence and therefore were not present at the meeting.

Councillors	Council or Special Council Meeting dates where a councillor was granted a leave of absence
Cr Jim Parke (Mayor)	Nil
Cr Jane Addis	12.06.2018
Cr Phillip Healey	Nil
Cr Lisa Hollingsworth	Nil
Cr Steve Hurd	26.02.2018
Cr Coral Ross	28.08.2017, 25.09.2017 and 18.09.2017
Cr Felicity Sinfield	Nil
Cr Garry Thompson	25.09.2017, 11.12.2017 and 28.05.2018
Cr Cynthia Watson	Nil
Cr Jack Wegman	28.05.2018

Special committees

Special committees established by Council and their purpose:

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

Code of Conduct

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

Council's Code of Conduct 2017:

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

Conflict of interest

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

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

During 2017-18, 36 conflicts of interest were declared at Council and Special Committee meetings.

Councillor allowances

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

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

Allowances paid to each councillor during the year:

Councillors	Allowance \$
Cr Jim Parke (Mayor) ¹	79,433
Cr Jane Addis	32,823
Cr Phillip Healey ¹	58,076
Cr Lisa Hollingsworth	32,823
Cr Steve Hurd	32,823
Cr Coral Ross	32,823
Cr Felicity Sinfield	32,823
Cr Garry Thompson	32,823
Cr Cynthia Watson	32,823
Cr Jack Wegman	32,823

At the Ordinary Council meeting on 24 June 2013, Council resolved to fix the allowances for the 2013-14 to 2016-17 financial years at \$26,843 per annum for Councillors and \$85,741 per annum for the Mayor, plus the equivalent of the superannuation guarantee contribution (9.5%). The Minister for Local Government approved annual adjustments of 2.5% to take effect from 24 December 2013, 1 December 2014, 1 December 2015, 1 December 2016 and an approved annual adjustment of 2.0% to take effect from 1 December 2017.

¹ Councillor Phillip Healey - Mayor up to 09 November 2017, Councillor Jim Parke - Mayor from 09 November 2017 to present.

Councillor expenses

Councillors are reimbursed for expenses incurred while performing their duties.

Expenses for 2017-18 year are set out below:

Councillors	Travel \$	Car Mileage \$	Child Care \$	Information & Communication \$	Conference & Training \$	Other expenses \$	Total \$
Cr Jim Parke (Mayor)	549	7,552	0	779	555	98	9,533
Cr Jane Addis	382	0	0	771	0	0	1,153
Cr Phillip Healey	355	4,343	0	1,213	0	257	6,168
Cr Lisa Hollingsworth	1,128	0	0	719	3,229	0	5,076
Cr Steve Hurd	281	0	0	1,109	0	5,934	7,324
Cr Coral Ross	1,818	0	0	934	1,882	0	4,634
Cr Felicity Sinfield	1,844	0	0	809	8,354	127	11,134
Cr Garry Thompson	0	0	0	809	527	0	1,336
Cr Cynthia Watson	1,938	0	0	815	4,241	0	6,994
Cr Jack Wegman	0	0	0	775	0	0	775

Other expenses

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

Fleet charges and fuel

The Councillor Support and Resources Policy provides that a fully maintained vehicle shall be available to the Mayor and relevant fleet and fuel expenses are attributed to the Mayor of the day. Total fleet charges and fuel costs for Councillor Phillip Healey, the previous Mayor, were \$4,307, and for Councillor Jim Parke, the current Mayor, were \$4,940.

Management

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

Audit Committee

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

Memberships during 2017-18:

Independent members	
Mr Alex Klos	November 2014 – current
Mr Andrew Dix (Chair)	May 2015 – current
Ms Claire Filson	May 2015 – current
Councillor members	
Cr Phillip Healey	November 2014 – October 2017
Cr Jim Parke	November 2016 – Current
Cr Jack Wegman	November 2016 – October 2017
Cr Lisa Hollingsworth	November 2017 - Current
Cr Cynthia Watson	November 2017 - Current

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

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

Internal audit

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

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

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

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

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

The following internal audit reviews were commissioned as part of the internal audit plan for 2017-18:

- Immunisation Review
- Building Services
- YMCA Contract Management
- Major Project Management North East Community Hub
- Follow Up of past Recommendations
- Parking Meters
- Traffic and Transport Permits
- Property Management for Council Properties Leased and Licenced to Third Parties
- Environmental Planning.

External audit

Council is audited externally by the Victorian Auditor General's Office (VAGO). VAGO may appoint a representative to conduct the annual external audit. For 2017-18, the annual external audit of Council's Financial and Standard Statements, and Performance Statement was conducted by HLB Mann Judd, the VAGO representative.

Risk management

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

The Risk Management Framework and Policy addresses:

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

Governance and management checklist

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

Governance and Management Items	Assessment	Outcome
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy	YES 10/12/2015
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines	YES 10/12/2015
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption	YES 25/06/2018
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption	YES 25/06/2018
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans Roads Asset Management Plan Buildings Asset Management Plan Paths Asset Management Plan Drainage Asset Management Plan Open Space Asset Management Plan	YES February 2016 August 2017 September 2016 September 2017 June 2016
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy	YES 26/06/2017
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy	YES 26/10/2015
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy	YES 25/06/2018

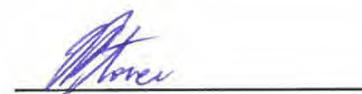
Governance and Management Items	Assessment	Outcome
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act</i> 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act</i> 1986 Date of preparation	YES 04/04/2017
10 Procurement policy (policy under section 186A the Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with Section 186A of the Act Date of approval	YES 25/06/2018
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan Building Services Commercial and Property Services Communications and Engagement Family, Youth and Recreation Payroll Governance Health, Active Ageing and Disability Services Information Technology Infrastructure Services Local Laws Parks and Gardens People, Culture and Development Statutory Planning <i>Note: All plans were reviewed in the 2016-17 year.</i>	YES 15/09/2015 23/05/2016 28/01/2016 14/04/2016 2/06/2016 30/07/2014 19/12/2014 12/12/2014 1/06/2016 9/06/2016 12/02/2016 4/05/2016 19/12/2014
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan	YES 18/08/2017
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework	YES 27/07/2015

Governance and Management Items	Assessment	Outcome
<p>14 Audit committee (Advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical and regulatory requirements)</p>	<p>Established in accordance with section 139 of the Act</p> <p>Date of establishment</p> <p><i>Note: Boroondara has had an Audit Committee from the date of its establishment.</i></p> <p><i>The Audit Committee Charter is reviewed annually. Councillor Committee members are nominated by Council on an annual basis. The current Audit Committee Charter was adopted by Council on 23 April 2018.</i></p>	<p>YES</p> <p>25/07/2011</p>
<p>15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)</p>	<p>Engaged</p> <p>Date of engagement of current provider</p>	<p>YES</p> <p>01/10/2017</p>
<p>16 Performance reporting framework (a set of indicators measuring financial and non-financial performance including the performance indicators referred to in section 131 of the act)</p>	<p>Framework</p> <p>Date of operation of current framework</p>	<p>YES</p> <p>23/06/2015</p>
<p>17 Council plan reporting (report reviewing the performance of the Council against the Council Plan including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Report</p> <p>Date of operation of current report</p>	<p>YES</p> <p>26/02/2018</p>
<p>18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Statements presented to Council in accordance with section 138(1) of the Act</p> <p>Date statements presented</p>	<p>YES</p> <p>28/08/2017</p> <p>27/11/2017</p> <p>26/02/2018</p> <p>28/05/2018</p>
<p>19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports</p> <p>Date of reports</p>	<p>YES</p> <p>29/11/2017</p> <p>28/03/2018</p>
<p>20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Reports</p> <p>Date of reports</p>	<p>YES</p> <p>28/08/2017</p> <p>27/11/2017</p> <p>26/02/2018</p> <p>28/05/2018</p>

Governance and Management Items	Assessment	Outcome
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act Date of consideration	YES 23/10/2017
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution process to be followed by all councillors)	Reviewed in accordance with section 76C of the Act Date reviewed	YES 13/02/2017
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date reviewed Council to CEO Council to Staff Council to Committees	YES 27/02/2017 27/02/2017 27/02/2017
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made	YES 27/03/2017

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


Cr Jim Parke
 Mayor
 Dated: 31/08/18


Phillip Storer
 Chief Executive Officer
 Dated: 31/08/18

Statutory information

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

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

Available for inspection at Council offices

- the certified voters' roll for a Council election – for the period beginning on the certification date and ending 30 days after election day under section 24B of the Act
Note: The certified voters' roll for the 22 October 2016 General Election was available for public inspection from 17 September 2016 until 21 November 2016.
- information about any proposed special rate, special charge or combination of both under section 163 of the Act
Note: Any proposed declaration also requires a minimum 28 days of public notice. Proposals are available for inspection during the public notice period. See public notices or contact Council's Economic Development Department for information about existing or proposed Special Rate Schemes.
- copies of any quality or cost standards which have been adopted by Council under section 208F of the Act.
- register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6) of the Act (Reg 12)
- document containing details of all leases involving land which were entered into by the Council as lessor (Reg 12)
- register maintained under section 224(1A) of the Act of authorised officers appointed under that section (Reg 12)
- list of donations and grants made by the Council within the previous 12 months. (Reg 12)
- details of overseas or interstate travel undertaken in an official capacity by councillors or Council staff in the previous 12 months (Reg 12)
- public agendas and minutes of ordinary and special Council meetings and minutes of special committee meetings held in the previous 12 months (Reg 12).

Available from Council's website

- Council's election period policy (section 93B)
- copies of election campaign donation returns (section 62A)
- Council's policy in relation to the reimbursement of expenses for councillors and members of Council committees (section 75B)
- Councillor Code of Conduct (section 76C)
- copies of Boroondara's Local Laws (section 120)
Note: Any proposed local law also requires a minimum 28 days public notice and is available for inspection during the public notice period (section 119). See public notices or contact Council for information about any proposed local laws.
- the Council Plan (section 125)
Note: The proposed Council Plan also requires a minimum 28 days of public notice and is available for inspection during the public notice period. See public notices or contact Council for information about any proposed Council Plan.
- Strategic Resource Plan (section 126)
Note: The Strategic Resource Plan is summarised in the Council Plan, and incorporated into Council's Budget.

- the Council Budget or revised budget (section 130)
Note: The proposed Budget also requires a minimum 28 days of public notice and is available for inspection during the public notice period. See public notices or contact Council for information about any proposed budget.
- the Annual Report and the associated Auditors Report on the Financial Statements (section 131)
Note: Includes Council report on Best Value Principles compliance (section 208G).
- information about any declared differential rates (section 161)
Note: Council does not have any declared differential rates. More information is available in Council's Rating Strategy 2017-21, adopted by Council on 26 June 2017.
- Council's Procurement Policy (section 186A)
- copies of the Preliminary and Final Reports from the last Electoral Representation Review (s219F).

Best Value

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

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

Continuous improvement

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

During the year the most significant continuous improvement activities included:

- An internal communications strategy has been developed to help our employees connect with our strategic and cultural priorities by delivering engaging content through accessible channels. The creation of the strategy was informed by consultation across the business and Council's strategic priorities and digital first approach.
- In response to the growing number of residents interested in skilled volunteer projects and roles, the Boroondara Volunteer Resource Centre (BVRC) launched the Boroondara Volunteer Skills Bank, a program matching resident skills with short-term volunteer opportunities, as well as Board and Committee roles within community organisations. It also held the inaugural Skilled Volunteer Meet, a networking event whereby 40 community organisations 'pitch' skilled volunteer projects and roles to 100 professionals looking for volunteer opportunities. Both initiatives have improved Council's ability to facilitate connections between local community organisations and professionals looking to volunteer their skills and experience.
- A new step-by-step digital guide has been developed for the website to make the annual Community Strengthening Grants application process more accessible. The digital guide offers simplified steps with links through to the relevant parts of the guidelines and application forms.
- The Boroondara Kindergarten Central Enrolment Scheme (BKCES) is now accessed via an online portal. Families can log in to access their child's application to update details, make changes and accept or reject a kindergarten placement offer.
- In direct response to customer feedback, Officers were able to identify ways to improve the Business Boroondara workshop series. Improvements included changes to the timing and location of workshops, presentation of new topics and repeats of previously successful workshops.
- The Paperless Office Project continued in 2017-18. The planning enquiry and Tree Local Law application processes have been made fully digital and the redevelopment of the planning counter to enable paperless meetings and self service has been completed.

- A Strategic Business Planning Board has been established to review and prioritise cross-Council projects and initiatives submitted during the Strategic Business Planning period. The Board ensured that initiatives were aligned to Council's strategic priorities, including the Boroondara Community Plan and the Customer Experience Improvement Strategy. It also considered IT and digital domain impacts which could be resourced and implemented appropriately.
- Sundry Creditor transactions have been implemented, removing the requirement for payees receiving a refund to be set up as a 'supplier', and providing a quicker turnaround for payments.
- The Health, Active Ageing and Disability Services department has been externally audited by the Australian Aged Care Quality Agency in September 2017. All policies, procedures and documentation were reviewed and employees and clients were interviewed. The external audit was a success with the department achieving the best possible score of 18 out of 18.
- A range of forms, including Change of Address and Direct Debit Requests, have been brought online via Council's website. Council also provides future rate notices electronically and online payments.
- Projects and Strategy further updated the architectural standards in order to achieve consistency for all Council buildings.
- The People, Culture and Development team completed the process of reviewing and updating more than 20 policies to ensure information was relevant, contemporary and easy to use.
- Improvements have been made to IT governance, incident management processes, security management practices and tools, and change control processes.
- Enhancements to the Citizen and Young Citizen of the Year nomination process were made to increase participation and accessibility. The nomination form has been made available online to make the process more convenient for the community.

Consultation

All departments are required to undertake internal and external consultation. Our Community Engagement Policy 2015 ensures we communicate openly and actively in response to community concerns. Meaningful community engagement is essential for Council to represent the community and provide high standards of leadership.

Engagement and consultation programs included:

- Four Pop-up Councils were conducted at community festivals, providing opportunities for the community to interact with Council.
- In October 2017, Council hosted a safety forum to celebrate Community Safety month. The community was informed about local, state and federal safety initiatives within Boroondara. In organising the successful Community Safety Forum, consultation was undertaken with Victoria Police and members of Federal and State Parliaments.
- Building Services worked closely with the Victorian Building Authority and Metropolitan Fire Brigade in relation to the State wide Cladding Audit. Building Services has been involved in the process of auditing and enforcing buildings with combustible cladding and ensuring essential safety measures are being maintained for the safety of the occupants.
- The Economic Development department has undertaken an extensive consultation with property owners and occupiers in the Ashburton, Maling Road and Greythorn shopping centres, as part of the statutory process associated with the renewal of special rate and charge schemes.
- Consultation has been undertaken with five disability service providers, the Boroondara Mental Health Alliance and members of several Council advisory committees to inform the redevelopment of Council's Access and Inclusion Plan 2013-17. The consultation focused on identifying key priorities for people with a disability in Boroondara that related to the seven themes of the Boroondara Community Plan 2017-27. The priority areas informed consultation with employees from 19 departments to identify actions for inclusion in Council's draft Disability Action Plan 2018-22.
- During National Youth Week, young people from across Boroondara enjoyed activities whilst recognising and celebrating diversity of young people. It was an opportunity to undertake consultation with young people regarding activities they would like to see introduced in Boroondara that support their wellbeing.
- Community consultation was undertaken on the Yerrin Street and Whitehorse Road projects in Balwyn. Occupiers and residents received a letter informing them of the project with an opportunity to attend an on-site consultation session with Council representatives as well as the option to provide a written submission.

- The North East Link is a planned new road linking Melbourne's Metropolitan Ring Road (M80) to the Eastern Freeway at Bulleen Road. Council is advocating for the community as the works will have a direct impact on Boroondara's liveability, placing Boroondara's parkland and green space, recreational areas and community facilities at risk.
- During the year, community feedback was sought on six playground replacements. Residents up to 500m of each playground were specifically targeted to complete a survey, which was also available to the wider public on Council's website. The outcomes were used to inform the design of each playground replacement.
- Council also engaged with community members about issues related to:
 - Heritage Gap Assessments
 - Tree Strategy 2017
 - Waste Minimisation and Recycling Strategy 2017
 - Myrtle and McLeay Parks Management Plan
 - Anniversary Trail at Camberwell High School.

Benchmarking

Benchmarking is the practice of measuring Boroondara's performance and practices in key areas and comparing them with other similar organisations to find ways of achieving better results. Comparison could be with other local governments or private sector organisations. Benchmarking our services often reveals performance gaps that need to be closed, helps find the best practices in a particular area and ultimately helps Council to become more accountable to the community.

Benchmarking activities included:

- A review of venue hire fees was completed for the Just Theatre at Kew Court House and The Basement at Hawthorn Arts Centre. The review extended to similar capacity function rooms with neighbouring local governments, and was used to inform the development of the proposed fees and charges.
- An exercise to understand how other local governments across Victoria and interstate implement their service planning and business planning activities was conducted. The outcomes of the research will influence the 2019-20 Strategic Business Planning Framework and associated activities.
- Research has been undertaken with the Eastern Metropolitan Region (EMR) councils around processes with Home Support Staff undertaking safety checks in client homes. Evaluation also occurred with respite service providers in the EMR around meeting service implementation timelines and revoking referrals. The findings confirmed the current internal process around the management of these is similar to most other service providers in the area.
- Exploring several new nature-based play and traditional playground spaces in other municipalities. This has improved the understanding of contemporary playground best practice, and the quality of built outcomes.
- Treatment types for concrete footpath defects were examined and comparisons made with nine other councils. Operational practices were changed as a result, utilising grinding as a treatment type. The process of referrals from Road Management Plan (RMP) Inspectors to the road maintenance team was also reviewed and improved. These Improvements have seen RMP compliance significantly improve in the second half of the financial year.
- A review has been conducted with a number of metropolitan councils, School Crossing Victoria and Vic Roads to understand solutions for school crossing supervisors working in extreme weather conditions. The review revealed that appropriate uniform items and protective equipment were provided to school crossing supervisors to enable them to continue to work regardless of weather conditions.
- Information was gathered from a number of councils, comprising metropolitan and rural, to inform the proposed City of Boroondara pilot pet expo event to occur in November 2018. This included budgetary requirements, the range of activities on offer, most popular activities and the extent to which Council animal management officers have a presence at the event. This information has enabled a plan and budget to be developed for the event.
- During the year, planning officers visited the Brimbank, Banyule and Cardinia councils as well as contacting the Yarra Ranges, Glen Eira and Hume councils to compare paperless office solutions and services.

- Benchmarking activities regularly occur in regards to preparation of best practice planning policy and planning controls. Recently, evaluation against other municipalities occurred in regards to New Residential Zones, Planning Scheme Review and ResCode variations.
- As part of updating and adoption of standards in Sustainable Council Buildings Policy 2016, officers reviewed policies from a number of other local governments including Frankston City Council, Moreland City Council and Hobsons Bay Council.
- Collaborative tendering opportunities were identified with Procurement Australia and six other councils in the Regional Procurement Eastern Network (RPEN) to establish a new road resurfacing contract. Through this process valuable information was gained on how these councils operate and allow comparisons of costs of services across the councils.
- Participated in a number of activities with the Municipal Association of Victoria (MAV) Governance Group. These included advisory committees, councillors as candidates in federal and state elections, citizenship ceremonies and councillor support and resources. The outcomes contribute to transparent decision making processes and high standards of integrity and accountability, reinforcing public confidence in Council's corporate governance

Contracts

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

Carers recognition

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

- promoting the principles of the Act to people (and families) in a caring relationship
- informing employees of the requirements of the Act at employee meetings
- defining the carer role and relationship to all employees 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.

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, Council has prepared an Access and Inclusion Plan 2013-17 and implemented the following actions during 2017-18:

- Partnered with six organisations working with researchers from Australian Catholic University, La Trobe University and Deakin University on an evidence-based program, FitSkills, which supports young people with a disability to become active and stay active through their local community leisure centre.
- Continued to incorporate the principles of accessible design in the upgrade of Council's laneways and playgrounds.
- Supported the Boroondara Mental Health Alliance to organise a forum for service providers about access to the National Disability Insurance Scheme by people with psychosocial conditions.
- Digital Access at Vision Australia provided training for Council's Communications and Engagement Department on accessibility awareness to assist in developing internal accessibility knowledge and strategies.
- Launched Council's new website which meets Web Accessibility Content Guidelines (WACG) version 2.0.
- Facilitated information sessions for people with a disability, their families and carers regarding transition to the National Disability Insurance Scheme.
- Held an information session for early years educators on autism presentation in girls in the early years.

- Supported the introduction of wheelchair sports at the Boroondara Sports Complex and promoted the program and the International Day of People with a Disability event.
- Submitted a grant application for a Changing Places Facility as part of the redevelopment of a community centre.
- Consulted with Council's Community Disability Advisory Committee, other relevant Council advisory committees, disability service providers and Council employees to inform development of the draft City of Boroondara Disability Action Plan 2018-22, which will be available for public consultation in the second half of 2018.

Domestic Animal Management Plan

The Domestic Animal Management Plan 2017-21 was adopted by Council on 23 October 2017. Actions implemented during 2017-18 included:

- Developed a pet registration kit for use by Domestic Animal Businesses and local veterinary practices.
- Explored the feasibility of disseminating information on the benefits of responsible pet ownership through relevant traders and Council's networks.
- Established an email publication for pet owners in Boroondara to promote the benefit of pet registration, responsible pet ownership and the reunification of local pets with their owners.
- Investigated the feasibility of using magnets on Council's patrol vehicles to display registration reminder messages.
- Promoted Barking Dog Guide Brochure at the three Pop-up displays conducted at separate events and festivals within City. The Guide was also sent to Domestic Animal Businesses and vets within Boroondara. Copies of the Guide are also available at Council Customer Service Centres and libraries.
- Reviewed and refined the information provided in registration packs.
- Undertook a review of Council's Order relating to the designated dog off leash areas.
- Investigated the feasibility of creating a dedicated enclosed off-leash dog park(s).
- Developed and introduced an investigation template form to guide officers and enable the capture of appropriate data in respect to reports of dog attacks and stray/unsecured dogs.
- Provided links to online pet welfare eLearning test (available from www.dpi.vic.gov.au/pets/care-and-welfare) and online responsible dog ownership e-learning course (available from www.dpi.vic.gov.au/pets) to Council's webpage.

Food Act Ministerial Directions

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

Road Management Act Ministerial Direction

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

Freedom of Information

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

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

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

In 2017-18 Council processed 47 Freedom of Information applications.

Protected Disclosure Procedures

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

During the 2017-18, there were no disclosures under Section 13 notified by Council to the Independent Broad-based Anti-corruption Commission (IBAC).

Charter of Human Rights and Responsibilities commitment

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

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

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

Council has developed a Human Rights Compatibility Assessment Tool to assist employees 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 employees 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 2017-18, no Charter of Human Rights-related complaints were made to Council.

Information on privacy commitment and complaints received

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

During 2017-18, no formal complaints were made to the Office of the Victorian Information Commissioner (OVIC) by Boroondara residents.

Legislation impacting Council

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

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

Local Laws

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

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



Financial Statements



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Certification of the Financial Statements

Certification of the Financial Statements

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



Greg Hall, CPA
Principal Accounting Officer

Date: 31/08/2018
Camberwell

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

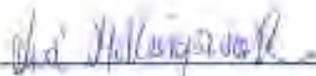
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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



Cr Jim Parke
Mayor

Date: 31/08/2018
Camberwell



Cr Lisa Hollingsworth
Councillor

Date: 31/08/2018
Camberwell



Phillip Storer
Chief Executive Officer

Date: 31/08/2018
Camberwell

Auditor General's Report on the Financial Statements



Independent Auditor's Report

To the Councillors of Boroondara City Council

Opinion	<p>I have audited the financial report of Boroondara City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2018 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
3 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria



MYRTLE RD coffee + food

LEADLIGHT



KEEP LEFT
↓



Comprehensive Income Statement

For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Income			
Rates and charges	2.1	172,058	166,712
Statutory fees and fines	2.2	16,977	15,397
User fees	2.3	13,513	14,329
Grants - operating	2.4	15,085	16,861
Grants - capital	2.4	3,524	1,360
Contributions - monetary	2.5	6,636	6,224
Contributions - non-monetary assets	2.5	1,448	12
Other income	2.7	9,203	8,732
Total income		<u>238,444</u>	<u>229,627</u>
Expenses			
Employee costs	3.1	(84,239)	(83,555)
Materials and services	3.2	(62,675)	(64,205)
Depreciation and amortisation	3.3	(32,245)	(31,833)
Bad and doubtful debts	3.4	(1,107)	(935)
Borrowing costs	3.5	(2,348)	(2,535)
Other expenses	3.6	(10,385)	(10,642)
Net loss on disposal of property, infrastructure, plant and equipment	2.6	(5,186)	(3,657)
Share of net (losses) of associates and joint ventures	5.3	(871)	(643)
Total expenses		<u>(199,056)</u>	<u>(198,005)</u>
Surplus for the year		<u>39,388</u>	<u>31,622</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increments	5.2	241,195	244,682
Total comprehensive result		<u>280,583</u>	<u>276,304</u>

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

Balance Sheet

As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	14,416	32,104
Trade and other receivables	4.1	15,813	13,528
Other financial assets	4.1	115,309	83,105
Inventories	4.2	26	33
Other assets	4.2	1,138	1,835
Total current assets		146,702	130,605
Non-current assets			
Trade and other receivables	4.1	-	12
Other financial assets	4.1	4	4
Property, infrastructure, plant and equipment	5.2	3,804,699	3,542,863
Investment property	5.4	9,164	9,260
Intangible assets	4.2	1,297	723
Total non-current assets		3,815,164	3,552,862
Total assets		3,961,866	3,683,467
Liabilities			
Current liabilities			
Trade and other payables	4.3	24,186	22,945
Trust funds and deposits	4.3	3,245	3,323
Provisions	4.5	16,428	16,314
Interest-bearing loans and borrowings	4.4	18,432	4,235
Total current liabilities		62,291	46,817
Non-current liabilities			
Provisions	4.5	1,695	1,791
Provision for investments in associates and joint ventures	5.3	2,253	1,382
Interest-bearing loans and borrowings	4.4	26,280	44,713
Total non-current liabilities		30,228	47,886
Total liabilities		92,519	94,703
Net assets		3,869,347	3,588,764
Equity			
Accumulated surplus		898,046	860,466
Reserves	8.1	2,971,301	2,728,298
Total equity		3,869,347	3,588,764

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

Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
		2018	2018	2018	2018
2018		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		3,600,829	872,531	2,715,886	12,412
Adjustment directly to equity	5.2	(12,065)	(12,065)	-	-
Adjusted balance at beginning of the financial year		3,588,764	860,466	2,715,886	12,412
Surplus for the year		39,388	39,388	-	-
Net asset revaluation increment	8.1	241,195	-	241,195	-
Transfers to other reserves	8.1	-	(2,974)	-	2,974
Transfers from other reserves	8.1	-	1,166	(883)	(283)
Balance at end of the financial year		3,869,347	898,046	2,956,198	15,103

	Note	Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
		2017	2017	2017	2017
2017		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		3,324,525	844,633	2,471,233	8,659
Surplus for the year		31,622	31,622	-	-
Net asset revaluation increment	8.1	244,682	-	244,682	-
Transfers to other reserves	8.1	-	(3,753)	-	3,753
Transfers from other reserves	8.1	-	29	(29)	-
Balance at end of the financial year		3,600,829	872,531	2,715,886	12,412

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

Statement of Cash Flows

For the year ended 30 June 2018

	2018	2017
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Rates and charges	171,009	165,780
Statutory fees and fines	15,136	13,978
User charges	13,189	15,052
Grants- operating	16,388	17,230
Grants- capital	3,524	1,360
Contributions monetary	6,634	6,449
Interest received	2,314	2,206
Trust funds and deposits taken	19,559	19,815
Other receipts	6,137	6,197
Net GST refund	11,683	10,305
Employee costs	(84,201)	(82,691)
Materials and services	(66,964)	(70,100)
Trust funds and deposits repaid	(19,636)	(19,696)
Other payments	(11,440)	(11,702)
Net cash provided by operating activities	83,332	74,183
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	5.2 (63,058)	(47,927)
Proceeds from sale of property, infrastructure, plant and equipment	-	22
Payments for investments	(114,500)	(82,500)
Proceeds from sale of investments	83,105	56,700
Payments of loans and advances	33	15
Net cash used in investing activities	(94,420)	(73,690)
Cash flows from financing activities		
Finance costs	(2,364)	(2,551)
Repayments of borrowings	(4,236)	(4,049)
Net cash used in financing activities	(6,600)	(6,600)
Net increase/(decrease) in cash and cash equivalents	(17,688)	(6,107)
Cash and cash equivalents at the beginning of the financial year	32,104	38,211
Cash and cash equivalents at the end of the financial year	14,416	32,104
Financing arrangements	7.2	
Restrictions on cash assets	4.1	

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

Statement of Capital Works

For the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
Property		
Land	-	-
Land improvements	43	2
Total land	<u>43</u>	<u>2</u>
Buildings	30,192	20,145
Building improvements	2,650	596
Total buildings	<u>32,842</u>	<u>20,741</u>
Total property	<u>32,885</u>	<u>20,743</u>
Plant and equipment		
Plant, machinery and equipment	1,289	1,238
Fixtures, fittings and furniture	304	260
Computers and telecommunications	1,269	1,664
Library books	979	984
Total plant and equipment	<u>3,841</u>	<u>4,146</u>
Infrastructure		
Roads	10,286	10,267
Bridges	35	72
Footpaths and cycleways	1,561	2,117
Drainage	3,908	4,477
Recreational, leisure and community facilities	1,963	1,805
Parks, open space and streetscapes	6,118	2,742
Off street car parks	1,024	1,159
Total infrastructure	<u>24,895</u>	<u>22,639</u>
Total capital works expenditure	<u>61,621</u>	<u>47,528</u>
Represented by:		
New asset expenditure	14,241	8,770
Asset renewal expenditure	43,265	36,782
Asset expansion expenditure	1,560	820
Asset upgrade expenditure	2,555	1,156
Total capital works expenditure	<u>61,621</u>	<u>47,528</u>

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

Notes to the Financial Report

OVERVIEW

Introduction

The City of Boroondara was established by an Order of the Governor in Council on 22 June 1994 and is a body corporate. The Council's main office is located at 8 Inglesby Road, Camberwell.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of employee provisions (refer to Note 4.5)
- other areas requiring judgments

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

Notes to the Financial Report

Note 1 - Performance against budget

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

The budget figures detailed below are those adopted by Council on 26 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and Expenditure

		Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Variance 2018 %
	Ref				
Income					
Rates and charges		171,632	172,058	426	0.2
Statutory fees and fines	1	15,059	16,977	1,918	11.3
User fees		13,622	13,513	(109)	(0.8)
Grants - recurrent operating		14,206	15,085	879	5.8
Grants - recurrent capital	2	399	797	398	49.9
Grants - non-recurrent capital		2,720	2,727	7	0.3
Contributions - monetary	3	4,965	6,636	1,671	25.2
Contributions - non monetary	4	-	1,448	1,448	100.0
Other income	5	7,472	9,203	1,731	18.8
Total income		230,075	238,444	8,369	3.5
Expenses					
Employee costs	6	86,743	84,239	(2,504)	(3.0)
Materials and services	7	65,497	62,675	(2,822)	(4.5)
Bad and doubtful debts		1,175	1,107	(68)	(6.1)
Depreciation and amortisation		32,987	32,245	(742)	(2.3)
Borrowing costs		2,349	2,348	(1)	(0.0)
Other expenses	8	11,423	10,385	(1,038)	(10.0)
Net loss on disposal of property, infrastructure, plant and equipment	9	3,000	5,186	2,186	42.2
Share of net losses of associates and joint ventures	10	-	871	871	100.0
Total expenses		203,174	199,056	(4,118)	(2.1)
Surplus for the year		26,901	39,388	12,487	

Notes to the Financial Report

Note 1 - Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Statutory fees and fines are higher than budget due to an increased number of infringements issued to the value of \$906,000 and a \$601,000 increase in town planning fees due to a high level of planning activity.
2	Grants - recurrent capital	Grants - recurrent capital variance is due to receiving part of the Roads to Recovery Program funding from the Department of Infrastructure and Regional Development for 2016-17 in the current financial year.
3	Contributions - monetary	Developer open space contributions are difficult to predict as they are based upon building activity reaching completion. The 2017-18 contributions were higher than expected due to an increase in the number of multi-dwelling developments and hence higher contributions were received. The annual budget is based on the historical level of income received over the prior five year period.
4	Contributions - non-monetary	Non-monetary contributions are difficult to predict from one year to the next. The 2017-18 non-monetary contributions relate to roads.
5	Other income	Other income is above budget due to higher than budgeted cash and other financial assets, resulting in higher interest on investments of \$744,000. Right of Way sales was \$118,000 above budget, lease income primarily from Camberwell Fresh Food Market of \$128,500 was higher than budget and traffic road closures income was \$282,000 above budget due to increased development activity.
6	Employee costs	Employee costs are lower than budget due to staff vacancies across the organisation and priority projects to be carried forward into 2018-19 financial year.
7	Materials and services	Materials and services are lower than budget due to carry forwards for priority projects, partly offset by capital works in progress write-offs of \$1.32M above budget.
8	Other expenses	Other expenses are lower than budget due to a decrease in costs relating to fleet vehicles and leased assets expenditure of \$376,000, internal audit expenditure of \$53,000 and special rates scheme of \$31,000.
9	Net loss on disposal of property, infrastructure, plant and equipment	The variance of \$2.19M above budget is primarily due to disposal of various infrastructure assets and buildings including Greythorn MCH Centre Main Building and Balwyn Bowls Club Pavilion.
10	Share of net losses of associates and joint ventures	The timing of budget information received for the landfill does not allow for its inclusion in Council's budget document.

Notes to the Financial Report

Note 1 - Performance against budget (cont.)

1.2 Capital works

		Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Variance 2018 %
	Ref				
Property					
Land improvements	1	100	43	(57)	(57.0)
Total land		100	43	(57)	
Buildings	2	33,482	30,192	(3,290)	(9.8)
Building improvements	3	2,271	2,650	379	16.7
Total buildings		35,753	32,842	(2,911)	(8.1)
Total property		35,853	32,885	(2,968)	(8.3)
Plant and equipment					
Plant, machinery and equipment		1,303	1,289	(14)	(1.1)
Fixtures, fittings and furniture	4	578	304	(274)	(47.4)
Computers and telecommunications	5	1,673	1,269	(404)	(24.1)
Library books		985	979	(6)	(0.6)
Total Plant and equipment		4,539	3,841	(698)	(15.4)
Infrastructure					
Roads		10,887	10,286	(601)	(5.5)
Bridges	6	58	35	(23)	(39.7)
Footpaths and cycleways	7	2,934	1,561	(1,373)	(46.8)
Drainage	8	4,370	3,908	(462)	(10.6)
Recreational, leisure and community facilities		1,993	1,963	(30)	(1.5)
Parks, open space and streetscapes	9	5,328	6,118	790	14.8
Off street car parks	10	610	1,024	414	67.9
Total infrastructure		26,180	24,895	(1,285)	(4.9)
Total capital works expenditure		66,572	61,621	(4,951)	(7.4)
New asset expenditure	11	17,386	14,241	(3,145)	(18.1)
Asset renewal expenditure	12	45,534	43,265	(2,269)	(5.0)
Asset expansion expenditure		1,519	1,560	41	2.7
Asset upgrade expenditure	13	2,133	2,555	422	19.8
Total capital works expenditure		66,572	61,621	(4,951)	(7.4)

Notes to the Financial Report

Note 1 - Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land improvements	A component of the proposed expenditure identified in the Budget was determined to be of an operating nature and was transferred to a non capital account.
2	Buildings	Buildings variance is primarily due to a delay in delivering significant projects including Camberwell Community Centre, Balwyn Tennis and former Park Bowls Club Pavilion, Markham Reserve Pavilion, Kew Recreation Centre and Boroondara Tennis Centre Stage 2. Some of these projects have been deferred to 2018-19 while others are multi year projects. The construction phase of these projects required extensive consultation with user groups to finalise the scope of the works before tenders are called.
3	Building improvements	Building improvements expenditure is higher than budget due to Council approved expenditure for upgrade of the Hawthorn Arts Centre.
4	Fixtures, fittings and furniture	Fixtures, fittings and furniture expenditure was lower than budget as a result of works that were not completed in the 2017-18 financial year including the new Radio Frequency Identification technology project which has been transferred to the 2018-19 financial year as a carry forward.
5	Computers and telecommunications	Computers and telecommunications is lower than budget due to \$274,000 for the Paperless Office project being transferred to priority projects-operating and the carry forward to 2018-19 for the automated time and attendance project.
6	Bridges	Bridge expenditure was lower than budgeted due to works for Walmer Street Bridge being less than anticipated.
7	Footpaths and cycleways	Footpaths and cycleways expenditure was lower than budget primarily due to the \$706,000 Yerrin Street Improvements project being rescheduled for completion in early 2018-19.
8	Drainage	Drainage expenditure was lower than budget due the cost of drainage works at Hislop and Gordon Reserves, Balwyn North being lower than estimated. Expenditure for Medlow Reserve and Surrey Hills of \$200,000 has been carried forward to 2018-19 financial year.
9	Parks, open space and streetscapes	Parks, open spaces and streetscapes variance is primarily due to Council approved higher than budgeted expenditure on the shopping centre improvement project.
10	Off street car parks	Capital expenditure relating to off street car parks was above budget due to works at Junction West car park, Craig Family Centre access works and Burke Avenue car park improvements.

Notes to the Financial Report

11	New asset expenditure	Expenditure was lower than budget as a result of works that were not completed in the 2017-18 financial year primarily due to \$3.50M being transferred to the 2018-19 financial year as a carry forward. These projects include Camberwell Community Centre, Yerrin Street Improvements, Honour Avenue Shared Zone works, Kew Junction Parking Guidance System (KJPGS).
12	Asset renewal expenditure	The expenditure was lower than budget as a result of works that were not completed in the 2017-18 financial year financial year primarily due to \$2.43M being transferred to the 2018-19 financial year as a carry forward. These projects include Balwyn Tennis and former Park Bowls Club Pavilion, Markham Reserve Pavilion, Boroondara Tennis Centre Stage 2 and Kew Recreation Centre.
13	Asset upgrade expenditure	Expenditure was higher than budget primarily due to Low Carbon Strategy Implementation- facility upgrades which is a multi year project.

Notes to the Financial Report

2018
\$'000

2017
\$'000

Note 2 - Funding for the delivery of our services

2.1 - Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all improvements. The valuation base used to calculate general rates for 2017-18 was \$106.76 billion (2016-17: \$105.51 billion). The 2017-18 rate in the CIV dollar was 0.001381 (2016-17: 0.001354).

General rates	146,463	141,905
Cultural and recreational	51	50
Supplementary rates and rate adjustments	1,328	1,204
Waste management charge	22,335	21,793
Special rates and charges	1,339	1,380
Interest on rates and charges	542	380
Total rates and charges	172,058	166,712

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

Annual rates and charges are recognised as revenues when Council issues annual rates notices.

Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

2.2 - Statutory fees and fines

Infringements and costs	10,978	10,586
Court recoveries	1,210	1,073
Town planning fees	3,420	2,518
Land information certificates	188	186
Permits	1,181	1,034
Total statutory fees and fines	16,977	15,397

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

2.3 - User fees

Aged and health services	2,004	2,131
Building services	1,065	1,038
Road occupancy, traffic and drainage	709	687
Child care/children's program	240	228
Parking	1,934	1,961
Leisure centre and recreation	3,832	4,320
Registrations and other permits	1,192	1,153
Waste management services	1,399	1,376
Other fees and charges	1,138	1,435
Total user fees	13,513	14,329

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

Notes to the Financial Report

	2018 \$'000	2017 \$'000
2.4 - Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	12,485	12,201
State funded grants	6,124	6,020
Total grants received	18,609	18,221
(a) Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission	4,705	6,630
Aged care	4,488	4,327
Community safety	269	-
Senior citizen centres	186	184
Volunteer services	92	68
Recurrent - State Government		
Aged care	1,868	2,104
Libraries	1,071	1,055
Maternal and child health	1,062	1,073
School crossing supervisors	634	523
Family and children	237	235
Volunteer services	60	84
Community safety	22	276
Senior citizen centres	14	13
Total recurrent operating grants	14,708	16,572
Non-recurrent - Commonwealth Government		
Environmental planning	28	24
Other	-	18
Non-recurrent - State Government		
Recycling	203	-
Community health	20	30
Community safety	19	69
Family and children	-	3
Maternal and child health	41	-
Environmental planning	11	47
Libraries	35	28
Sports and recreation	17	40
Other	3	30
Total non-recurrent operating grants	377	289
Total operating grants	15,085	16,861
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	797	920
Total recurrent capital grants	797	920

Notes to the Financial Report

	2018 \$'000	2017 \$'000
2.4 - Funding from other levels of government (cont.)		
<i>Non-recurrent - Commonwealth Government</i>		
Community health	1,920	-
Environment planning	-	30
<i>Non-recurrent - State Government</i>		
Community safety	500	10
Environment planning	221	275
Sport and recreation	86	90
Plant, machinery and equipment	-	35
Total non-recurrent capital grants	2,727	440
Total capital grants	3,524	1,360

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

Balance at start of year	410	123
Received during the financial year and remained unspent at balance date	111	410
Received in prior years and spent during the financial year	(410)	(123)
Balance at year end of unspent grants	111	410

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

2.5 - Contributions

Monetary	6,636	6,224
Non-monetary	1,448	12
Total contributions	8,084	6,236

Contributions of non-monetary asset were received in relation to the following asset classes

Roads	1,435	-
Drains	10	-
Footpath	3	-
Other	-	12
Total non-monetary contributions	1,448	12

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

2.6 - Net loss on disposal of property, infrastructure, plant and equipment

Proceeds of sale	-	22
Written down value of assets sold, replaced and disposed	(5,186)	(3,679)
Total net loss on disposal of property, infrastructure, plant and equipment	(5,186)	(3,657)

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

Notes to the Financial Report

	2018 \$'000	2017 \$'000
3.2 - Materials and services		
Contract payments and trade services	30,777	32,995
Building maintenance	3,880	3,834
General maintenance	2,681	3,043
Plant and equipment maintenance	2,127	2,063
Utilities	4,058	3,650
Consultants	7,188	7,380
Office and administration	4,502	4,691
Financial and legal	1,889	1,773
Information technology	3,869	3,251
Insurance	1,564	1,388
Other	140	137
Total materials and services	62,675	64,205

3.3 - Depreciation and amortisation

Property	11,816	11,600
Plant and equipment	3,640	3,918
Infrastructure	15,780	15,584
Investment property	185	177
Total depreciation	31,422	31,279
Intangible assets	823	554
Total depreciation and amortisation	32,245	31,833

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

3.4 - Bad and doubtful debts

Parking fine and local laws debtors	1,047	879
Other debtors	60	56
Total bad and doubtful debts	1,107	935

Movement in provisions for doubtful debts

Balance at the beginning of the year	1,295	1,247
New provisions recognised during the year	1,130	922
Amounts already provided for and written off as uncollectible	(866)	(874)
Balance at end of year	1,559	1,295

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

Notes to the Financial Report

	2018 \$'000	2017 \$'000
3.5 - Borrowing costs		
Interest on borrowings	2,348	2,535
Total borrowing costs	<u>2,348</u>	<u>2,535</u>

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

3.6 - Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	67	69
Auditors' remuneration - internal	120	166
Councillors' allowances	400	379
Operating lease rentals	4,317	4,706
Community grants and contributions	2,657	2,531
Training and professional development	1,199	1,119
Special rate scheme expenditure	1,339	1,381
Other expenditure	286	291
Total other expenses	<u>10,385</u>	<u>10,642</u>

Note 4 - Our financial position

4.1 - Financial assets

(a) Cash and cash equivalents

Cash on hand	8	9
Cash at bank	6,591	8,261
Term deposits	7,817	23,834
Total cash and cash equivalents	<u>14,416</u>	<u>32,104</u>

(b) Other financial assets

Term deposits - current	115,309	83,105
Unlisted shares - at cost	4	4
Total other financial assets	<u>115,313</u>	<u>83,109</u>
Total financial assets	<u>129,729</u>	<u>115,213</u>

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

- Trust funds and deposits (Note 4.3)	3,245	3,323
Total restricted funds	<u>3,245</u>	<u>3,323</u>
Total unrestricted cash and cash equivalents	<u>11,171</u>	<u>28,781</u>

Notes to the Financial Report

2018
\$'000

2017
\$'000

4.1 - Financial assets (cont.)

Intended allocations

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

- Cash held to fund carried forward capital works	5,975	6,058
- Cash held to fund carried forward priority projects	3,216	3,236
- Reserves	15,103	12,412
Total funds subject to intended allocations	24,294	21,706

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

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

The unlisted shares are held with Procurement Australia Limited.

(c) Trade and other receivables

Current

Rates debtors	5,692	4,777
Parking infringement debtors	7,149	6,150
Provision for doubtful debts - parking infringements	(1,474)	(1,228)
Loans and advances to community organisations	12	33
Other debtors	2,934	2,340
Provision for doubtful debts - other debtors	(86)	(67)
Net GST receivable	1,586	1,523
	15,813	13,528

Non-current

Loans and advances to community organisations	-	12
	-	12
	15,813	13,540

Total trade and other receivables

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

a) Ageing of receivables

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	2,075	1,799
Past due by up to 30 days	161	263
Past due between 31 and 180 days	419	127
Past due between 181 and 365 days	110	51
Past due by more than 1 year	181	145
Total trade and other receivables	2,946	2,385

b) Ageing of individually impaired receivables

At balance date there were no other debtors representing financial assets that were impaired (2016-17 Nil).

Notes to the Financial Report

	2018 \$'000	2017 \$'000
4.2 - Non - financial assets		
(a) Inventories		
Inventories for distribution	12	17
Inventories held for sale	14	16
Total inventories	<u>26</u>	<u>33</u>

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments	1,138	1,835
Total other assets	<u>1,138</u>	<u>1,835</u>

(c) Intangible assets

Software	1,297	723
Total intangible assets	<u>1,297</u>	<u>723</u>

	Software
Gross carrying amount	
Balance at 1 July 2016	2,753
Additions from internal developments	527
Balance at 1 July 2017	<u>3,280</u>
Additions from internal developments	1,397
Balance at 30 June 2018	<u>4,677</u>
Accumulated amortisation and impairment	
Balance at 1 July 2016	(2,013)
Amortisation expense	(544)
Balance at 1 July 2017	<u>(2,557)</u>
Amortisation expense	(823)
Balance at 30 June 2018	<u>(3,380)</u>
Net book value at 30 June 2017	<u>723</u>
Net book value at 30 June 2018	<u>1,297</u>

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

4.3 - Payables

	2018 \$'000	2017 \$'000
(a) Trade and other payables		
Trade and other payables	19,349	19,528
Accrued expenses	4,755	3,354
Prepaid income	82	62
Total trade and other payables	<u>24,186</u>	<u>22,944</u>
(b) Trust funds and deposits		
Refundable deposits	2,594	2,704
Fire services levy	418	409
Refundable contract deposits and retention monies	10	7
Balwyn Rotary Sunday Market trust funds	154	134
Sportsgrounds trust funds	69	69
Total trust funds and deposits	<u>3,245</u>	<u>3,323</u>

Notes to the Financial Report

4.3 - Payables (cont.)

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

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

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

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

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.

Trust funds collected from cessation of sportsground committees - Expenditure is restricted to the relevant sportsground.

4.4 - Interest-bearing liabilities

	2018 \$'000	2017 \$'000
Current		
Borrowings - secured	18,432	4,235
Non-current		
Borrowings - secured	26,280	44,713
Total	44,712	48,948

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

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

Not later than one year	18,432	4,235
Later than one year and not later than five years	6,530	23,174
Later than five years	19,750	21,539
	44,712	48,948

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

Notes to the Financial Report

4.5 - Provisions

	Annual leave	Long service leave	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2018				
Balance at beginning of the financial year	5,294	12,515	296	18,105
Additional provisions	6,544	2,785	1,770	11,099
Amounts used	(6,484)	(2,941)	(1,739)	(11,164)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	3	82	-	85
Balance at the end of the financial year	5,357	12,441	327	18,123
2017				
Balance at beginning of the financial year	4,941	12,012	307	17,260
Additional provisions	5,986	2,598	1,599	10,183
Amounts used	(5,633)	(2,286)	(1,610)	(9,529)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	191	-	191
Balance at the end of the financial year	5,294	12,515	296	18,105

	2018 \$'000	2017 \$'000
(a) Employee provisions		
Current provisions expected to be settled within 12 months		
Annual leave	4,185	4,158
Long service leave	1,404	1,414
Other	327	296
	5,916	5,868
Current provisions expected to be settled after 12 months		
Annual leave	1,171	1,135
Long service leave	9,341	9,311
	10,512	10,446
Total current provisions	16,428	16,314
Non-current		
Long service leave	1,695	1,791
Total non-current provisions	1,695	1,791
Aggregate carrying amount of employee provisions:		
Current	16,428	16,314
Non-current	1,695	1,791
Total aggregate carrying amount of employee provisions	18,123	18,105
(b) Other		
Provision for rostered days off		
Current	327	296
	327	296

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

Wages and salaries and annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

Notes to the Financial Report

Key assumptions:

- discount rate	2.64%	2.61%
- inflation rate	2.55%	3.50%
- settlement rate (years)	7	7

4.6 - Financing arrangements

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

	2018 \$'000	2017 \$'000
Credit card facilities	300	300
Borrowing facilities	44,713	48,948
Total facilities	45,013	49,248
Used facilities	44,866	49,063
Unused facilities	147	185

Notes to the Financial Report

4.7 - Commitments

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

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
30 June 2018					
<i>Operating</i>					
Recycling	2,323	2,128	4,914	-	9,365
Garbage collection	446	381	316	25	1,168
Open space management	10,577	9,551	8,815	674	29,617
Consultancies	2,308	1,868	2,167	-	6,343
Home care services	324	190	-	-	514
Cleaning contracts for council buildings	1,328	931	1,112	-	3,371
Information systems and technology	3,947	1,323	2,094	156	7,520
Other	4,576	4,209	4,747	1,298	14,830
Total operating commitments	25,829	20,581	24,165	2,153	72,728
<i>Capital</i>					
Buildings	15,541	3,490	3,266	153	22,450
Roads	6,791	6,810	13,539	-	27,140
Footpaths, laneways and car parks	8,465	8,489	19,807	-	36,761
Drainage	4,303	3,741	7,154	-	15,198
Library materials	2,242	2,249	2,310	-	6,801
Other	290	-	-	-	290
Total capital commitments	37,632	24,779	46,076	153	108,640
Total commitments after 30 June 2018	63,461	45,360	70,241	2,306	181,368

Notes to the Financial Report

4.7 - Commitments (cont.)

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
30 June 2017					
<i>Operating</i>					
Recycling	2,053	2,053	6,165	686	10,957
Garbage collection	1,136	446	652	70	2,304
Open space management	14,081	8,891	11,296	485	34,752
Consultancies	3,078	1,922	2,712	-	7,713
Home care services	140	140	6	-	286
Cleaning contracts for council buildings	1,245	1,212	1,614	-	4,071
Information systems and technology	6,891	5,359	1,009	-	13,259
Other	644	537	529	-	1,710
Total operating commitments	29,268	20,560	23,983	1,241	75,052
<i>Capital</i>					
Buildings	17,129	7,184	1,036	257	25,607
Roads	1,661	536	1,009	7	3,213
Drainage	1,987	951	789	-	3,727
Other	2,067	554	-	-	2,621
Total capital commitments	22,844	9,225	2,834	264	35,168
Total commitments after 30 June 2017	52,112	29,785	26,817	1,505	110,220

Operating lease commitments

	2018 \$'000	2017 \$'000
(a) Operating lease commitments		

At the reporting date, the Council had the following obligations under non-cancellable 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	2,352	3,227
Later than one year and not later than five years	3,739	4,268
Later than five years	121	313
	6,212	7,808

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

Note 5 - Assets we manage

5.1 - Non current assets classified as held for sale

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification. Council has no non-current assets held for sale at reporting date.

Notes to the Financial Report

5.2 - Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2017	Additions	Contributions	Revaluations	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2018
Land	2,710,927			246,753					2,957,680
Buildings	265,278			6,307	(11,816)	(2,150)		34,683	292,301
Plant and Equipment	16,845				(3,640)	(705)		4,339	16,838
Infrastructure	523,291		1,448	(11,865)	(15,780)	(2,331)		22,215	516,978
Work in progress	26,521	61,620					(4,517)	(62,722)	20,902
	3,542,862	61,620	1,448	241,195	(31,236)	(5,186)	(4,517)	(1,485)	3,804,699

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	14,659	32,884	(36,474)	(1,594)	9,475
Plant and Equipment	1,773	3,841	(4,194)	(1,110)	310
Infrastructure	10,089	24,895	(22,054)	(1,813)	11,117
Total	26,521	61,620	(62,722)	(4,517)	20,902

* The \$1.48M is additions for Investment Property and Intangibles shown in Note 5.4 and Note 4.2 respectively

Notes to the Financial Report

5.2 - Property, infrastructure, plant and equipment (cont.)

Asset recognition thresholds and depreciation periods

	Years	\$'000
Property		
Land	N/A	-
Buildings		
Buildings	2-55	2
Plant and Equipment		
Plant, machinery and equipment	5-30	0.5
Arts and heritage	100	0.5
Fixtures, fittings and furniture	10	1
Computers and telecommunications	3-5	1
Library books	6	0
Infrastructure		
Road pavements and seals	30-100	7
Road substructure	100-150	7
Road kerb, channel and minor culverts	75	7
Bridges deck	50-130	7
Bridges substructure	50-130	7
Footpaths and cycle ways	20-85	7
Drainage	20-100	7
Recreational, leisure and community facilities	15-80	1
Parks, open space and streetscapes	15-100	1
Off street car parks	30-100	7
Intangible assets	3	1

Notes to the Financial Report

5.2 - Property, infrastructure, plant and equipment (cont.)

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Total Land \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work in Progress \$'000	TOTAL PROPERTY \$'000
At fair value 1 July 2017	2,358,666	352,260	2,710,926	422,399	422,399	14,659	3,147,984
Accumulated depreciation at 1 July 2017	-	-	-	(157,120)	(157,120)	-	(157,120)
	2,358,666	352,260	2,710,926	265,279	265,279	14,659	2,990,864
Movements in fair value							
Additions				34,683	34,683		34,683
Contributions			-				-
Revaluation	214,702	32,051	246,753	(2,323)	(2,323)		244,430
Disposals				(5,441)	(5,441)		(5,441)
Write-offs	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	(5,184)	(5,184)
	214,702	32,051	246,753	26,919	26,919	-	268,488
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	-	(11,816)	(11,816)	-	(11,816)
Accumulated depreciation of disposals	-	-	-	3,292	3,292	-	3,292
Revaluation				8,629	8,629		8,629
Transfers in (out)	-	-	-	-	-	-	-
	-	-	-	105	105	-	105
At fair value 30 June 2018	2,573,368	384,311	2,957,679	449,318	449,318	9,475	3,416,472
Accumulated depreciation at 30 June 2018	-	-	-	(157,016)	(157,016)	-	(157,016)
	2,573,368	384,311	2,957,679	292,302	292,302	9,475	3,259,456

Notes to the Financial Report

5.2 - Property, infrastructure, plant and equipment (cont.)

(b) Plant and Equipment

	Plant, machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecommunication \$'000	Library books \$'000	Work in Progress \$'000	TOTAL PLANT AND EQUIPMENT \$'000
At fair value 1 July 2017	31,215	8,008	6,127	3,722	1,773	50,845
Accumulated depreciation at 1 July 2017	(19,839)	(5,277)	(4,646)	(2,465)	-	(32,227)
	11,375	2,731	1,481	1,257	1,773	18,618
Movements in fair value						
Additions	1,798	1,032	588	920	-	4,339
Contributions	-	-	-	-	-	-
Disposals	(529)	(182)	(166)	(2,011)	-	(2,889)
Write-offs	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	(1,463)	(1,463)
	1,269	850	422	(1,091)	(1,463)	(13)
Movements in accumulated depreciation						
Depreciation and amortisation	(2,088)	(511)	(603)	(439)	-	(3,640)
Accumulated depreciation of disposals	523	170	159	1,332	-	2,184
	(1,565)	(341)	(444)	893	-	(1,456)
At fair value 30 June 2018	32,484	8,858	6,549	2,631	310	50,833
Accumulated depreciation at 30 June 2018	(21,405)	(5,618)	(5,090)	(1,572)	-	(33,685)
	11,079	3,240	1,460	1,059	310	17,148

Notes to the Financial Report

5.2 - Property, infrastructure, plant and equipment (cont.)

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Parks open spaces and streetscapes	Off street car parks	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	587,133	13,074	150,077	198,492	46,992	25,966	35,470	10,089	1,067,294
Accumulated depreciation at 1 July 2017	(324,712)	(8,037)	(82,237)	(82,023)	(15,398)	(9,053)	(12,455)		(533,914)
	262,421	5,037	67,840	116,469	31,594	16,913	23,015	10,089	533,380
Movements in fair value									
Additions	10,244	-	2,188	5,008	1,326	2,252	1,197	-	22,215
Contributions	1,540	-	10	10	-	-	-	-	1,560
Revaluation	(18,026)	1,244	(12,002)	6,990	-	-	2,087	-	(19,706)
Disposals	(3,898)	(107)	(406)	(206)	(407)	(236)	-	-	(5,260)
Write-offs	-	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	1,028	1,028
	(10,140)	1,137	(10,210)	11,802	919	2,016	3,284	1,028	(163)
Movements in accumulated depreciation									
Depreciation and amortisation	(7,561)	(141)	(1,788)	(2,397)	(1,999)	(1,197)	(696)	-	(15,780)
Accumulated depreciation for Contributions	(104)	-	(7)	-	-	-	-	-	(111)
Accumulated depreciation of disposals	2,137	7	284	198	189	114	-	-	2,929
Revaluation	6,662	(332)	5,846	(4,084)	-	-	(251)	-	7,841
	1,134	(466)	4,335	(6,283)	(1,810)	(1,083)	(947)	-	(5,121)
At fair value 30 June 2018	576,993	14,211	139,867	210,294	47,911	27,982	38,754	11,117	1,067,129
Accumulated depreciation at 30 June 2018	(323,578)	(8,503)	(77,902)	(88,306)	(17,208)	(10,136)	(13,402)	-	(539,034)
	253,415	5,708	61,965	121,988	30,703	17,846	25,352	11,117	528,095
Total property, infrastructure, plant and equipment									3,804,699

Notes to the Financial Report

5.2 - Property, infrastructure, plant and equipment (cont.)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

Land under roads

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

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Finance leases

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

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Leasehold improvements

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

Notes to the Financial Report

5.2 - Property, infrastructure, plant and equipment (cont.)

Valuation of land and buildings

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 1 January 2018 are as follows:

	Level 1	Level 2	Level 3	DoV
Land		384,311		Jan-18
Specialised land			2,573,368	Jan-18
Buildings			292,302	Jan-18
Total		384,311	2,865,670	

Valuation of infrastructure

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

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

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

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

	Level 1	Level 2	Level 3	DoV
Roads			253,414	Jun-18
Bridges			5,707	Jun-18
Footpaths and cycleways			61,965	Jun-18
Drainage			121,990	Jun-18
Recreational, leisure and community facilities			30,702	Jun-18
Parks, open space and streetscapes			17,847	Jun-18
Off Street Car Parks			25,354	Jun-18
Total			516,979	

Notes to the Financial Report

5.2 - Property, infrastructure, plant and equipment (cont.)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$38 and \$11.370 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 25 years to 55 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2018	2017
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	1,922	2,054
Parks and reserves	1,112,019	1,025,780
Sports Grounds	905,618	842,289
Other	553,809	488,544
Total specialised land	2,573,368	2,358,667

Adjustments directly to equity

In 2017-18 financial year, an accounting policy change at Council determined that the asset class-Trees would be removed from Councils asset register prior to the current financial year. The adjustments to equity occurred in the 2016-17 financial year and were to the following accounts:

	2018	2017
	\$'000	\$'000
Infrastructure		
Parks, open space and streetscapes	-	12,065
	-	12,065

Notes to the Financial Report

	2018	2017
	\$'000	\$'000

5.3 - Investments in associates and joint arrangements

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	(3,022)	(2,379)
Reported surplus/(deficit) for year	<u>(871)</u>	<u>(643)</u>
Council's share of accumulated deficit at end of year	<u>(3,893)</u>	<u>(3,022)</u>

Movement in carrying value of specific investment

Carrying value of investment at start of year	(1,382)	(739)
Share of surplus/(deficit) for year	<u>(871)</u>	<u>(643)</u>
Carrying value of investment at end of year	<u>(2,253)</u>	<u>(1,382)</u>

Council's share of expenditure commitments

Commitments	<u>14</u>	<u>95</u>
	<u>14</u>	<u>95</u>

Associates are all entities over which Council has significant influence but not control or joint control.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint. For joint operations, Council recognises its direct right to its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Council continues to account for Clayton Landfill under the equity method on the basis that Clayton Landfill operating results, assets and liabilities are not material individually or in aggregate.

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

Notes to the Financial Report

	2018	2017
	\$'000	\$'000
5.4 - Investment property		
Gross carrying amount		
Balance at beginning of financial year	10,318	9,621
Additions	89	857
Disposals	-	(160)
Balance at end of financial year	10,407	10,318
Accumulated amortisation and impairment		
Balance at beginning of the year	(1,058)	(908)
Depreciation expense	(185)	(150)
Balance at end of financial year	(1,243)	(1,058)
Net book value	9,164	9,260

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

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. Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement on a straight line basis over the lease term. AASB 140 paragraph 53 states that if an entity determines that the fair value of an investment property is not reliably determinable on a continuing basis, the entity shall measure that investment property using the cost model in AASB 116.

Notes to the Financial Report

Note 6 - People and relationships

6.1 Council and key management remuneration

(a) Related parties

Parent entity
City of Boroondara is the parent entity.

Subsidiaries and Associates
Interests in subsidiaries and associates are detailed in Note 5.3.

(b) Key management personnel

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

Councillors	Councillor Phillip Healey (Mayor from 8 Nov 2016 to 8 Nov 2017) Councillor Jim Parke (Mayor from 8 Nov 2017 to current) Councillor Coral Ross Councillor Steve Hurd Councillor Jack Wegman Councillor Jane Addis Councillor Lisa Hollingsworth Councillor Cynthia Watson Councillor Felicity Sinfield Councillor Garry Thompson
Other KMPs	Director Environment and Infrastructure - Bruce Dobson Director Corporate Services - Marilyn Kearney Director Community Development - Carolyn McClean Director City Planning - Shiran Wickramasinghe Executive Manager People Culture and Development and Acting Executive Manager Communications and Customer Experience - Carolyn Terry
Chief Executive Officer	Phillip Storer

	2018	2017
Total Number of Councillors	10	14
Chief Executive Officer and other Key Management Personnel	<u>6</u>	<u>6</u>
Total Key Management Personnel	<u>16</u>	<u>20</u>

(c) Remuneration of key management personnel

Total remuneration of key management personnel was as follows *:

Short-term benefits	2,107	2,087
Post-employment benefits	162	162
Long-term benefits	<u>45</u>	<u>43</u>
Total	<u>2,314</u>	<u>2,292</u>

Notes to the Financial Report

6.1 Council and key management remuneration (cont.)

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

		2018	2017
		No.	No.
\$1 -	\$9,999	-	4
\$20,000 -	\$29,999	-	4
\$30,000 -	\$39,999	8	4
\$50,000 -	\$59,999	1	1
\$70,000 -	\$79,999	1	1
\$260,000 -	\$269,999	1	1
\$270,000 -	\$279,999	1	-
\$310,000 -	\$319,999	3	4
\$420,000 -	\$429,999	1	1
		<u>16</u>	<u>20</u>

(d) Senior Officer Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$145,000

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

Income range:		2018	2017
		No.	No.
<	\$144,999	-	-
\$145,000 -	\$149,999	2	6
\$150,000 -	\$159,999	13	7
\$160,000 -	\$169,999	4	7
\$170,000 -	\$179,999	2	3
\$180,000 -	\$189,999	6	3
\$190,000 -	\$199,999	5	5
\$200,000 -	\$209,999	1	1
\$210,000 -	\$219,999	4	5
\$220,000 -	\$229,999	3	4
\$230,000 -	\$239,999	-	2
		<u>40</u>	<u>43</u>

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

<u>\$'000</u>	<u>\$'000</u>
<u>7,133</u>	<u>7,562</u>

Notes to the Financial Report

6.2 Related party disclosure

(a) Transactions with related parties

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

(a) Roadside Services and Solutions Pty Ltd

Councillor Jim Parke Mayor acquired a thirty percent share in Roadside Services and Solutions Pty Ltd on the 30 April 2018. For the year ended 30 June 2018, Council transactions with Roadside Services and Solutions Pty Ltd were valued at \$220,114 (excluding GST) for road line-marking.

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

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

(d) Commitments to/from related parties

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

Notes to the Financial Report

Note 7 - Managing uncertainties

7.1 - Contingent assets and liabilities

(a) Contingent assets

As of 30 June 2018, there are no potential contingent assets.

(b) Contingent liabilities

- (a) Council is a party to an agreement signed under Section 173 of the Planning and Environmental Act in relation to proposed developments in Station Street Camberwell. This agreement was signed on 5 March 1996 pursuant to Planning Permit BOR/9941 and originally imposed certain planning conditions upon the owners of the land, including a limit on future floor area. The agreement also provided that Council would undertake the demolition, removal and relocation of the Public Transport Corporation substation and equipment situated in the Council car park to the west of the subject site and to construct car parking on this land. In the 2013-14 financial year, the Victorian Civil and Administrative Tribunal (VCAT) ruled that the originally proposed developments can proceed. There have been several previous VCAT and Supreme Court proceedings (to which Council was a party) in relation to the developments in Station Street Camberwell and the Section 173 Agreement. All previous VCAT and Supreme Court Cases have been finalised, however, Council will likely be liable for costs associated with these proceedings. As of 30 June 2018, the nature timing and quantum of costs associated with these proceedings have not been reliably determined. The nature, timing and costs associated with honouring the terms of the Section 173 Agreement have also not been reliably determined.
- (b) Council is presently involved in a number of confidential legal matters, which are being conducted through Council's solicitors. The estimated potential financial effect of these matters is unknown at reporting date. The estimate of the financial liability at reporting date representing Council's maximum exposure under its public liability insurance policy for trips and falls on road reserves and footpaths total \$476,000 (2016-17 \$290,000). This amount is contingent on the outcome of the resolution of these claims.
- (c) Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, City of Boroondara has paid unfunded liability payments to Vision Super totalling \$0 (2016-17 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 are \$539,000.

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 2018, Council's maximum potential exposure is as follows:

	Amount outstanding 30-Jun-18	Year loan commenced
<u>Community organisation</u>		
Burwood Tennis Club	\$ 17,785	2007-08
	<u>\$ 17,785</u>	

As at 30 June 2018, the above sporting club has not defaulted on the required loan repayments and therefore no allowance for this contingency is required in the financial report.

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

Notes to the Financial Report

7.2 - Change in accounting standards

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

Financial Instruments - Disclosures (AASB 7) (applies 2018-19)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

Financial Instruments (AASB 9) (applies 2018-19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

Revenue from contracts with customers (AASB 15) (applies 2019-20 for LG sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019-20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019-20)

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

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

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

Notes to the Financial Report

7.3 - Financial instruments

(a) Objectives and policies

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

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

- council may require collateral where appropriate
- council only invest surplus funds with financial institutions which have a recognised credit rating

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 7.1(b).

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

Notes to the Financial Report

7.3 - Financial instruments (cont.)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 2.53%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

7.4 - Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

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

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the Financial Report

7.4 - Fair value measurement (cont.)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Land under roads

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

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

7.5 - Events occurring after balance date

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

Notes to the Financial Report

Note 8 - Other matters

8.1 - Reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Reversal of previous revaluations for assets disposed \$'000	Share of increment (decrement) on revaluation by an associate \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves					
2018					
Property					
Land	2,395,350	246,753	-	-	2,642,103
Buildings and other structures	52,532	6,307	(883)	-	57,956
	2,447,882	253,060	(883)	-	2,700,059
Infrastructure					
Roads	175,025	(11,364)	-	-	163,661
Bridges	3,846	911	-	-	4,757
Footpaths and cycleways	43,242	(6,156)	-	-	37,086
Drainage	34,030	2,907	-	-	36,937
Carparks and access roads	11,861	1,837	-	-	13,698
	268,004	(11,865)	-	-	256,139
Sub-total property and infrastructure	2,715,886	241,195	(883)	-	2,956,198
Total asset revaluation reserves	2,715,886	241,195	(883)	-	2,956,198
2017					
Property					
Land	2,150,667	244,682	-	-	2,395,350
Buildings and other structures	52,561	-	(29)	-	52,532
	2,203,228	244,682	(29)	-	2,447,882
Infrastructure					
Roads	175,025	-	-	-	175,025
Bridges	3,846	-	-	-	3,846
Footpaths and cycleways	43,242	-	-	-	43,242
Drainage	34,030	-	-	-	34,030
Carparks and access roads	11,861	-	-	-	11,861
	268,004	-	-	-	268,004
Sub-total property and infrastructure	2,471,232	244,682	(29)	-	2,715,886
Total asset revaluation reserves	2,471,232	244,682	(29)	-	2,715,886

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

Notes to the Financial Report

8.1 - 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
<i>(b) Other reserves</i>				
2018				
Drainage contributions reserve	283	-	(283)	-
Strategic acquisition fund	434	-	-	434
Defined Benefit future call up fund	4,000	1,000	-	5,000
Open space development fund	7,695	1,974		9,669
Total other reserves	12,412	2,974	(283)	15,103
2017				
Drainage contributions reserve	283	-	-	283
Strategic acquisition fund	434	-	-	434
Defined Benefit future call up fund	3,000	1,000	-	4,000
Open space development fund	4,942	2,753	-	7,695
Total other reserves	8,659	3,753	-	12,412

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

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

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

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

Notes to the Financial Report

	2018 \$'000	2017 \$'000
8.2 - Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus for the period	39,388	31,622
Depreciation/amortisation	32,245	31,833
(Profit) /loss on disposal of property, infrastructure, plant and equipment	5,186	3,657
Share of joint venture (profits) / losses net of distributions	871	643
Impairment losses & reversals of impairment losses		-
Works in progress not capitalised (expensed)	4,518	4,773
Contributions of non-monetary assets	(1,448)	(12)
Finance costs	2,348	2,535
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(2,936)	(1,840)
Increase in prepayments	697	(542)
(Increase)/decrease in inventories	7	1
Increase/(decrease) in trust funds and deposits	(78)	119
Increase/(decrease) in trade and other payables	2,531	547
Increase in other liabilities	20	(41)
Increase in provisions	(17)	888
Net cash provided by operating activities	83,332	74,183

8.3 - Superannuation

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

Accumulation

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

Defined Benefit

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

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

Funding arrangements

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

As at 30 June 2017, an full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 6.5% pa

Salary information 3.5% pa

Price inflation (CPI) 2.5% pa.

Notes to the Financial Report

8.3 - Superannuation (cont.)

Vision Super has advised that the estimated VBI at 30 June 2018 was 106.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5% of members' salaries (9.5% in 2016-17). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

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

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

2017 Triennial actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$69.8 million;

A total service liability surplus of \$193.5 million.

A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to the investigation date.

2018 Interim triennial actuarial investigation

A interim actuarial investigation is being conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

Performance Statement



Performance Statement

For the year ended 30 June 2018

Description of municipality

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

Boroondara has an estimated residential population of **179,446 people (at 30 June 2017)**. Compared with greater Melbourne, we have a smaller proportion of young children and people aged 30 to 39, but a larger proportion of 10 to 19 year olds and people over 50 years. Of all 79 Victorian local government areas, Boroondara has the fifth largest population of people aged 85 years and over. At the 2016 Census 3.8% of the population needed assistance with daily living tasks.

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

By area, Boroondara has one of the highest concentrations of schools of all Victorian local government areas, with 58 secondary, primary and special education schools, including 12 combined primary and secondary schools, as well as Swinburne University, Swinburne TAFE, the Hawthorn-Melbourne English Language Centre and two Universities of the Third Age. The City also has 11 neighbourhood and community centres where residents can participate in programs focussing on health and wellbeing, languages, creative pursuits, the arts, cooking and technology.

Sustainable Capacity Indicators
For the year ended 30 June 2018

Results

Indicator/measure	2015	2016	2017	2018	Material Variations
Own-source revenue <i>Own-source revenue per head of municipal population</i> (Own-source revenue/Municipal population)	\$1,019.62	\$1,133.54	\$1,160.91	\$1,180.03	
Recurrent grants <i>Recurrent grants per head of municipal population</i> (Recurrent grants/Municipal population)	\$94.71	\$73.84	\$98.97	\$86.40	The 2015-16 to 2017-18 results are higher than expected as Council received 50% of the following years Victorian Grants Commission (VGC) \$2.3 million in advance in the respective years mentioned. Boroondara receives the minimum level of VGC grants and is therefore more reliant on rate revenue. Excluding the brought forward payment the result would be \$73.16 for 2017-18.
Population <i>Expenses per head of municipal population</i> (Total expenses/Municipal population)	\$984.87	\$1,038.02	\$1,120.37	\$1,109.28	
<i>Infrastructure per head of municipal population</i> (Value of infrastructure/Municipal population)	\$4,608.90	\$4,790.26	\$4,775.59	\$4,720.19	
<i>Population density per length of road</i> (Municipal population/Kilometres of local roads)	296.58	311.04	314.50	318.59	
Disadvantage <i>Relative Socio-Economic disadvantage</i> (Index of Relative Socio-Economic Disadvantage by decile)	10	10	10	10	

Definitions

"adjusted underlying revenue" means total income other than -
(a) non-recurrent grants used to fund capital expenditure; and
(b) non-monetary asset contributions; and
(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)
"infrastructure" means non-current property, plant and equipment excluding land
"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

"population" means the resident population estimated by council

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

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its internet website "unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2018

Results

Indicator/measure	2015	2016	2017	2018	Material Variations
Governance Satisfaction <i>Satisfaction with council decisions</i> (Community satisfaction rating out of 100 with the performance of council in making decisions in the interest of the community)	62	61	60	60	
Statutory Planning Decision making <i>Planning decisions upheld at VCAT</i> (Number of VCAT decisions that did not set aside council's decision in relation to a planning application/Number of VCAT decisions in relation to planning applications)	58%	61%	52%	52%	
Roads Satisfaction <i>Satisfaction with sealed local roads</i> (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	74	73	71	73	
Libraries Participation <i>Active library members</i> (Number of active library members/municipal population)x100	23%	24%	26%	25%	
Waste collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> (Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins) x 100	47%	48%	49%	49%	
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities/Municipal population)	15	13	14	14	
Animal management Health and safety <i>Animal management prosecutions</i> (Number of successful animal management prosecutions)	23	14	3	17	In 2017-18, there was a higher incidence of serious dog attacks requiring resolution by prosecution.
Food safety Health and safety <i>Critical and major outcome non-compliance notifications</i> (Number of critical non-compliance outcome notifications and major outcome non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises) x 100	91%	99%	99%	99%	

Service Performance Indicators

For the year ended 30 June 2018

Results

Indicator/measure	2015	2016	2017	2018	Material Variations
Home and community care					
Participation <i>Participation in HACC service</i> (Number of people that received a HACC service/Municipal target population for HACC services) x 100	25%	26%	N/A	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Participation <i>Participation in HACC service by CALD people</i> (Number of CALD people who receive a HACC service/Municipal target population in relation to CALD people for HACC services)	23%	24%	N/A	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Maternal and child health					
Participation <i>Participation in the MCH service</i> (Number of children who attend the MCH service at least once in the year/Number of children who enrolled in the MCH service) x 100	83%	80%	79%	80%	
Participation <i>Participation in the MCH service by Aboriginal children</i> (Number of Aboriginal children who attend the MCH service at least once in the year/Number of Aboriginal children enrolled in the MCH service) x 100	87%	75%	100%	96%	

Definitions

"Aboriginal child" means a child who is an Aboriginal person
 "Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006
 "active library member" means a member of a library who has borrowed a book from the library
 "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act
 "class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act
 "class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act
 "Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth
 "critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health
 "food premises" has the same meaning as the Food Act 1984

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

Financial Performance Indicators

For the year ended 30 June 2018

Dimension/Indicator/measure	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> (Adjusted underlying surplus (deficit)/Adjusted underlying revenue) x 100	11.75%	14.19%	11.19%	12.66%	6.02%	9.61%	8.14%	6.53%	This measure indicates Council's sustainable operating position which is required to fund renewal capital works in the municipality.
Liquidity Working capital <i>Current assets compared to current liabilities</i> (Current assets/Current liabilities) x 100	191.42%	243.59%	284.19%	235.51%	244.17%	234.05%	191.58%	136.30%	Reduction in 2017-18 and 2021-22 is due to the movement of Councils loans to current liabilities in preparation for full payment in 2018-19 and 2022-23. The reduction in unrestricted cash is due to higher levels of funding held in investments with a term of greater than 90 days maturity in order to maximise interest income. At the end of 30 June 2018 Council held \$114.5 million in investments with a maturity date greater than three months. During 2018-19 term deposits will be redeemed and transferred to cash and cash equivalents. For 2018-19 onwards, Council does not forecast the level of funds held in greater than 90 day maturity term deposits. Hence prior years actual are not comparable with forecast years.
Unrestricted cash Unrestricted cash compared to current liabilities (Unrestricted cash/Current liabilities) x 100	0.94%	53.51%	31.51%	-7.36%	182.55%	174.46%	131.81%	94.52%	
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> (Interest bearing loans and borrowings/Rate revenue) x 100	37.71%	33.09%	29.61%	26.19%	14.71%	13.42%	12.14%	26.25%	The decrease in 2018-19 relates to a 20 year loan refinanced in 2014-15 which will be repaid in full in 2018-19.
Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> (Interest and principal repayments on interest bearing loans and borrowings/Rate revenue) x 100	18.33%	4.12%	3.99%	3.87%	11.24%	1.58%	1.52%	1.49%	The increase in 2018-19 is due to Council retiring existing debt which primarily relates to a 20 year loan refinanced in 2014-15 which will be repaid in full in 2018-19.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> (Non-current liabilities/Own source revenue) x 100	31.97%	26.08%	23.34%	14.28%	12.90%	11.81%	10.71%	13.64%	Reduction in 2017-18 is due to the movement of one of Councils loans to current liabilities in preparation for full payment in 2018-19. The reduction shows the scheduled and planned repayment of principal on Council's existing borrowings.
Asset renewal <i>Asset renewal compared to depreciation</i> (Asset renewal expense/Asset depreciation) x 100	144.83%	137.21%	117.56%	137.69%	125.97%	113.34%	145.51%	153.20%	Based on Asset Renewal budgets and the timing of major projects. Increase in 2020-21 & 2021-22 due to planned major project expenditure.

Financial Performance Indicators

For the year ended 30 June 2018

Dimension/Indicator/measure	Results					Forecasts			Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> (Rate revenue/Adjusted underlying revenue) x 100	78.28%	75.76%	74.16%	74.91%	77.37%	76.78%	76.76%	77.01%	
Rates effort									
<i>Rates compared to property values</i> (Rate revenue/Capital improved value of rateable properties in the municipality) x 100	0.19%	0.15%	0.16%	0.16%	0.14%	0.13%	0.13%	0.12%	
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i> (Total expenses/Number of property assessments)	\$2,300	\$2,422	\$2,601	\$2,578	\$2,793	\$2,772	\$2,901	\$3,001	
Revenue level									
<i>Average residential rate per residential property assessment</i> (Residential rate revenue/Number of residential property assessments)	\$2,061	\$2,153	\$2,200	\$2,234	\$2,311	\$2,371	\$2,432	\$2,494	
Workforce turnover									
<i>Resignations and terminations compared to average staff</i> (Number of permanent staff resignations and terminations/Average number of permanent staff for the financial year) x 100	8.40%	12.61%	12.11%	11.4%	12.0%	12.0%	12.0%	12.0%	

Definitions

"adjusted underlying revenue" means total income other than -

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Certification of the Performance Statement

Certification of Performance Statement

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



Greg Hall, CPA
Principal Accounting Officer

Date: 31/07/2018
Camberwell

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

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

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

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



Cr. Jeff Parke
Mayor

Date: 31/08/2018
Camberwell



Cr. Lisa Hollingsworth
Councillor

Date: 31/08/2018
Camberwell



Phillip Storer
Chief Executive Officer

Date: 31/08/2018
Camberwell

Auditor General's Report on the Performance Statement

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Boroondara City Council

Opinion	<p>I have audited the accompanying performance statement of Boroondara City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2018 • sustainable capacity indicators for the year ended 30 June 2018 • service performance indicators for the year ended 30 June 2018 • financial performance indicators for the year ended 30 June 2018 • other information and • the certification of performance statement. <p>In my opinion, the performance statement of Boroondara City Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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

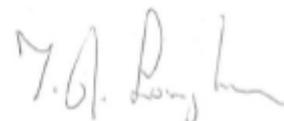
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
3 September 2018



Tim Loughnan

Glossary

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

Glossary of terms

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

Glossary of terms

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

Glossary of terms

Risk management	A logical and systematic method of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable organisations to achieve objectives and maximise business opportunities. Risk management is as much about identifying opportunities as avoiding or mitigating losses.
Services	Assistance, support, advice and other action undertaken by a council for the benefit of the local community.
Service outcome indicators	The prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved.
Service performance indicators	A prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes.
Statement of changes in equity	Summarises the movement in equity accounts during the year.
Strategic objectives	The outcomes a council is seeking to achieve over the next four years and included in the Council Plan.
Strategic Resource Plan	A plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the Council Plan. It is also referred to as a long term financial plan.
Strategies	High level actions directed at achieving the strategic objectives in the Council Plan.
Surplus (deficit)	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Sustainability	Meeting present day needs without compromising future generations ability to meet their needs.
Sustainable capacity indicators	A prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management
Ward	Subdivision of the Council area into sections with an elected Councillor to represent the different sections.

Abbreviations

AAS	Australian Accounting Standards	km/hr	kilometre per hour
AASB	Australian Accounting Standards Board	LAWAs	Local Area Work Agreements
ATO	Australian Tax Office	LGV	Local Government Victoria
AUD	Australian Dollar	LG	Local Government
BBN	Business Boroondara Network	LSL	Liability for Long Service Leave
BC1	Boroondara Customer First	MAV	Municipal Association of Victoria
BCP	Boroondara Community Plan	MCH	Maternal and Child Health
BKCES	The Boroondara Kindergarten Central Enrolment Scheme	ML	Megalitres
BMX	Bicycle Motocross	MSS	Municipal Strategic Statement
BVRC	Boroondara Volunteer Resource Centre	N/A	Not Applicable
CSS	Community Satisfaction Survey	OHS	Occupational Health and Safety
CEO	Chief Executive Officer	OVIC	Office of the Victorian Information Commissioner
CRM	Customer Relationship Management	RMP	Road Management Plan
CIV	Capital Improved Value	RPEN	Regional Procurement Eastern Network
CO₂	Carbon Dioxide	RSL	Returned and Services League Australia
CPA	Certified Practising Accountant	SG	Super Guarantee
CPI	Consumer Price Index	SIAP	Strategic Internal Audit plan
EEO	Equal Employment Opportunity	SLT	Senior Leadership Team
EMR	Eastern Metropolitan Region	tCO₂e	Tonnes of Carbon Dioxide equivalent
EPC	Energy Performance Contract	TAFE	Technical and Further Education
FTE	Full Time Equivalent	VCAT	Victorian Civil and Administrative Tribunal
GST	Goods and Services Tax	VAGO	Victorian Auditor- General's Office
IBAC	Independent Broad-based Anti-corruption Commission	VBI	Vested Benefit Index
IT	Information Technology	U3A	University of the Third Age
IBAC	Independent Broad-based Anti-Corruption Commission	WACG	Web Accessibility Content Accessibility Guidelines
KJPGS	Kew Junction Parking Guidance System	WSUD	Water Sensitive Urban Design
km	kilometre		

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MB240R

Contact us

Telephone: 9278 4444

After hours emergencies: 9278 4444

Email: boroondara@boroondara.vic.gov.au

Website: www.boroondara.vic.gov.au

Twitter: @Boroondara

Facebook: /boroondaracouncil

Instagram: @cityofboroondara

Postal address:

Private Bag 1
Camberwell VIC 3124

Customer Service Centres

Camberwell office
8 Inglesby Road, Camberwell

Hawthorn Arts Centre
360 Burwood Road, Hawthorn

Kew Library
Corner Cotham Road and Civic Drive Kew

Copies

For a copy of the City of Boroondara 2017-18 Annual Report, please call Customer Service on 9278 4444 or visit www.boroondara.vic.gov.au

Feedback

Feedback on this document is welcome.

Please write to:

City of Boroondara

Private Bag 1

Camberwell VIC 3124

or email: boroondara@boroondara.vic.gov.au

Acknowledgments

Council would like to thank all those who contributed to the development of the 2017-18 Annual Report.

For speech or hearing impaired

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Translation needed?

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Mandarin

如果您希望我们翻译本文档的某部分，请联系议会的免费普通话口译服务，电话：8692 2945。

Cantonese

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Greek

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

Italian

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

Vietnamese

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