

Annual Report
2010-2011

Contents

Highlights

Welcome	3
Why we have an Annual Report	3
About Yarra	4
Mayor's message	6
CEO's message	8
Financial overview	10
Capital Works	11
Major projects	12
Sustainability initiatives	15
Advocacy	18
Consulting and engaging with our community	20
Snapshot of major festivals and events	22
Grants, awards and funding	24

Governance

What Council does	27
Council Plan 2009–2013	27
Councillors	28
Councillor allowances	32
Council meetings	32
Audit Committee	34
Local Laws	35
Documents available for inspection	35
Risk management	36
Legislative Compliance/Privacy Act	37

Our Organisation

Organisation chart	38
Executive Management	40
Our values	41
Staff profile	42
Equal opportunity	42
Employee relations	43
Workplace accidents and incidents	43
Workplace safety	43

Our performance

Making Yarra more liveable	45
Ensuring a sustainable Yarra	51
Serving Yarra's community	57
Supporting a diverse and dynamic Yarra	65
Building Council's capacity and performance	71

Official statements

National Competition Policy Statement	75
Victorian Local Government Indicators	76
Performance Statement	77
Certification of Performance Statement	79
Auditor-General's Report on Performance Statement	80

Financials

Financial contents	83
Understanding the Financial Report	84
Financial Reports	86
Certification of Financial Report	123
Standard Statements	125
Certification of the Standard Statements	133
Auditor General's Report on the Financial Statements	134

Other information

Glossary	137
Financial Glossary	138
Index	140



The next generation

Yarra is home to about 14,000 young people aged between 10 and 25.

They are tomorrow's community leaders, workers, parents and custodians of our environment.

Council's Youth Strategy links young people in Yarra with more than 100 services focused on health and wellbeing, arts, recreation and education.

Acknowledgement

Council acknowledges the Wurundjeri as the first owners of this country. Today, they are still the custodians of the cultural heritage of this land. Further to this, Council acknowledges there are other Aboriginal and Torres Strait Islander people who have lived, worked and contributed to the cultural heritage of Yarra.

Welcome

Yarra City Council is pleased to present its 2010–11 Annual Report which provides a comprehensive account of our performance from 1 July 2010 to 30 June 2011.

This report demonstrates the range of services and programs that Council provides to the community and shows our commitment to accountability and good democratic governance.

We have divided the report into seven parts to make it easier for readers to navigate.

PART 1 (PAGE 04)

Summarises Yarra's major highlights and achievements for 2010–11, including a profile of the Yarra community, messages from the Mayor and Chief Executive Officer, a financial overview, a snapshot of major capital works, sustainability initiatives, advocacy, grants and awards, and an overview of how we engage with our community.

PART 2 (PAGE 27)

Has information on Governance, including Councillors and how they make decisions, as well as statutory information such as Freedom of Information requests, risk management and privacy.

PART 3 (PAGE 38)

Focuses on the Council organisation including our staff, Occupational Health and Safety and Equal Opportunity.

PART 4 (PAGE 45)

Details how Council has met its strategic objectives set out in the Council Plan 2009–13, as well as some of our achievements outside the Council Plan.

PART 5 (PAGE 75)

Contains Yarra's official performance statements.

PART 6 (PAGE 82)

Provides the financial statements.

PART 7 (PAGE 137)

Has other useful information including a glossary, index and key contacts.

Highlights

Why we have an Annual Report

The Victorian Local Government Act 1989 requires all Councils to present an Annual Report to the Minister for Local Government by 30 September each year.

As well as meeting this statutory requirement, Yarra City Council sees the Annual Report as an important way of informing our residents, businesses, community groups, State and Federal Members of Parliament, government agencies and peak bodies about Council's performance during 2010–11 against the objectives set out in the Council Plan 2009–13.

Hard copies of our 2010–11 Annual Report are available from Yarra's Customer Service Centres at Richmond and Collingwood, and at our libraries in Richmond, Collingwood, Carlton, Fitzroy and North Fitzroy. For further information, telephone Council on 9205 5555. An electronic version of the Annual Report can be accessed via Council's website at: www.yarracity.vic.gov.au

79,540

POPULATION
(AS AT 30 JUNE 2010)

47.7%

OF RESIDENTS RENT
THEIR HOMES

>8700

BUSINESSES
LOCATED IN YARRA

40,137

TOTAL LABOUR FORCE

65.5%

OF THE POPULATION
IS IN FULL TIME WORK

235

HECTARES OF OPEN SPACE

49%

OF PEOPLE LIVE IN MEDIUM
DENSITY HOUSING

27%

OF THE POPULATION
WAS BORN OVERSEAS

39%

OF PEOPLE 15 YEARS AND
OLDER HOLD A TERTIARY
QUALIFICATION

About Yarra

Yarra is a vibrant inner city municipality located five kilometres from the Melbourne Central Business District. Our neighbours to the north are the Cities of Moreland and Darebin; to the east we are bounded by the Yarra River and the City of Boroondara; the City of Stonnington is to our south, and the City of Melbourne is to our west.

The City of Yarra comprises the suburbs of Abbotsford, Alphington (part), Burnley, Carlton North, Clifton Hill, Collingwood, Cremorne, Fairfield (part), Fitzroy, Fitzroy North, Princes Hill and Richmond. Each suburb has its own unique identity and characteristics.

History

The name “Yarra” is thought to have originated from the Aboriginal words “Yarra Yarra”, meaning ever flowing (river). The Yarra River is one of the most striking natural features of our municipality. The traditional owners of the land are the Wurundjeri Aboriginal people of the Kulin Nation who are still regarded today as the custodians of the cultural heritage of land in Yarra.

European settlement in the area dates back to 1835 when settlers lived along the Yarra River. Significant development occurred in Yarra in the 1880s and 1890s when the area had a strong industrial and working class focus. The post war period saw further development with many migrants moving into the area and public housing estates (including high-rise) built to accommodate the growing population.

The City of Yarra was formed in 1994 following the State Government’s major restructure of Local Government in Victoria. Yarra was the amalgamation of the former cities of Richmond, Fitzroy and Collingwood and parts of Northcote and the City of Melbourne. We were governed by Commissioners from December 1994 until 1996 when Councillors were democratically elected.

Where our residents live

Many of Yarra’s residents (49%) live in medium density housing such as terrace or town houses, low rise apartments and housing over commercial spaces.

Approximately 23.1% of residents live in high density multi-storey apartments and 17.5% live in a single detached house. The value of the average residential property in Yarra rose by 10% (from \$565,000 to \$622,000) in the two years to January 2010, according to Council’s last biennial revaluation. The suburbs which experienced above average growth in residential value were Fairfield (15.97%), Collingwood (15.08%), Alphington (14.81%), Fitzroy (13.93%) and Richmond (11.03%). Overall, 39.6% of households in Yarra are paying high mortgage repayments and 16.2% are paying low repayments. This compares to the Melbourne metropolitan average of 20.8% and 24.3% respectively.

Yarra also has 47.7% of residents renting compared to 24.5% for the Melbourne metropolitan average. A further 21.6% are buying their property and 19.1% own their home, compared to the Melbourne metropolitan average of 34.6% and 33.1% respectively.

People who call Yarra home

As at 30 June 2010, Yarra’s estimated population was 79,540. This was a 1.86% increase on the previous year. The residential population has steadily increased by 10,000 people (or 15%) over the past decade and is predicted to reach 97,855 by 2026.

The increasing number of young professionals and middle to high income earners living in Yarra is progressively changing the makeup of Yarra from what was predominantly a working class, industrial area to a city with the second highest median wage in Victoria.

Yarra’s total labour force is 40,137 people with 26,286 (65.5%) people in full time work. The three most common occupations are professionals (15,600 persons or 41%), managers (5441 persons or 14.3%) and clerical and administrative workers (4997 persons or 13.1%).

Yarra residents are well educated with 39% of people 15 years or older holding a tertiary qualification, which is higher than the Melbourne average of 34%.

We also have a diverse multicultural community with 27% of our residents born overseas in countries including Vietnam, Thailand, Greece, Italy and China. Yarra also has a significant Aboriginal population with strong ties to Victoria’s urban Indigenous culture and history.



Popular Attractions

Yarra has a diverse range of unique and exciting attractions to keep locals and visitors entertained, from art galleries, to parks, the Yarra River and the historic Abbotsford Convent. Major Yarra attractions include:

- Collingwood Children's Farm
- Abbotsford Convent
- Dights Falls
- Fairfield Boathouse and Amphitheatre
- Merri Creek lookout and footbridge
- Edinburgh Gardens in North Fitzroy
- Yarra Bend Park

A number of historically significant landmarks are also located within Yarra including:

- Skipping girl sign in Abbotsford
- Nylex sign in Cremorne
- Dimmeys clock tower in Cremorne
- Pelaco sign in Richmond
- Shot Tower in Clifton Hill
- Slade Knitwear sign in Richmond
- Olympic Tyre sign in Collingwood

Yarra Fast Facts

- Situated five kilometres from the heart of Melbourne.
- At 19.5 square kilometres, Yarra is one of Australia's smallest inner city municipalities.
- The Yarra community is represented by nine Councillors, who will serve the community until October 2012 when elections will be held.
- In 2010-2011, Council's total expenditure on operating and capital programs was about \$149 million.
- Council allocated \$36 million for capital works in 2010-2011, the highest amount in the Council's history.

Businesses

Yarra boasts one of the largest economies in metropolitan Melbourne with more than 8700 businesses based in the municipality. While the majority of these (80%) are small businesses employing up to four staff, large businesses employ the most people in Yarra. Local businesses employ about 58,000 people. The major industry sectors are property and business services (20%), health and community services (11%), manufacturing (10%) and education (9%).

Council is committed to building and supporting a strong local economy that provides for an innovative and sustainable community, and promoting the municipality as a tourist and visitor destination. Business owners and operators are kept informed through Council's website, business e-bulletins, Council's monthly newsletter Yarra News, information stands and new business kits. Programs, services and events to educate and keep businesses up with the latest trends are also provided.

Yarra is also home to some of Melbourne's most popular and well-known shopping strips, featuring everything from boutiques to factory outlets, fine dining to cafes and casual bistros. This mix of outlets attracts shoppers from all over Melbourne who flock to shopping and dining precincts in Bridge Road, Swan, Victoria and Church streets in Richmond; Smith, Brunswick, Johnston and Gertrude streets in Collingwood and Fitzroy, as well as shopping villages in Rathdowne and Nicholson streets, St. Georges Road and Queens Parade.

Open Space

Yarra has 235 hectares of open space, which constitutes about 34 square metres of open space per person. We are fortunate to have the Yarra River, Merri Creek and Darebin Creek form our boundaries to the south, east and north. The Merri Creek and Yarra River have delightful open space reserves that are highly regarded for their recreational and conservation values.

Several large historical gardens are situated in Yarra with the most popular ones being Edinburgh Gardens in North Fitzroy and Darling Gardens in Clifton Hill.

Council operates three leisure centres being Collingwood (currently undergoing a major redevelopment, see P12), Fitzroy and Richmond, as well as the Burnley Golf Course. There are also 17 sports grounds, an athletics track and three bowling clubs in our municipality providing residents with a range of recreation, leisure and sporting facilities.

SOURCES:

Australian Bureau of Statistics
Census data from 2006-10.

City of Yarra's 2008-10 revaluation.

Mayor's Message



It gives me great pleasure to present Yarra City Council's Annual Report for 2010–11.

This Annual Report covers a 12-month period that saw significant progress on several long-standing projects that will benefit the community.

Here are some highlights of what we have achieved:

Opening up spaces and creating new places

Yarra continues to be a popular destination for people relocating to or within Melbourne.

Ten thousand new residents have moved into Yarra over the past decade, placing greater demand on Council's services and facilities.

We have embarked on several major infrastructure projects to meet that demand and open up new spaces for the community.

One of the year's major highlights was the ongoing transformation of Victoria Park.

The \$7.2 million redevelopment of Collingwood Football Club's former home ground into a community recreation space took shape during the year and is on track to be completed by the end of 2011.

A new park was opened on the corner of Peel and Oxford streets in Collingwood, delivering on Council's commitment to create one new park for Yarra each year.

Works also began in late 2010 on the \$7.8 million upgrade of the Collingwood Leisure Centre's aquatic facilities, which will allow us to accommodate 40,000 more visits each year.

Council approved extra funding for the project so roof solar panels and other energy saving features could be included in the renovations.

The new pool area is on track to be re-opened in January 2012.

Meanwhile, significant progress was made on the North Fitzroy Community Hub, which will include a new library, maternal and child health services and community meeting room.

In April 2011, Council became the official owner of the site at 182–186 St Georges Road following a compulsory acquisition process.

Collingwood-based architects Whitefield, McQueen, Irwin and Alsop were appointed to manage the project, and a Design Reference Group involving North Fitzroy residents was also established by Council to provide advice on a final design for the building.

Council is hoping to apply for a planning permit for the Hub in the first half of 2012.

Public health and the community's expectations

Council adopted a decisive position on public health issues in 2010–11, emphasising health promotion, disease prevention and harm minimisation.

In March 2011, Council resolved to seek the community's views on a proposal to make public places like playgrounds and outdoor dining areas smoke-free.

Due to the complexities involved with implementing and enforcing smoking bans, we opted to conduct a wide ranging consultation that involved community meetings and online discussion forums.

Council will consider whether to introduce a local law to enforce any agreed smoking bans in late 2011.

Unease about public drug use around Victoria Street in Richmond also generated debate about how to manage the problem.

Victoria Police asked Council to look at installing CCTV cameras in an effort to combat open drug dealing around Victoria Street.

Council agreed to investigate the idea but also advocated for a trial of a Supervised Injecting Facility (SIF). A 10-year trial of a SIF in Sydney resulted in less discarded syringes, and less public injecting and overdoses. It has saved lives and referred thousands of injecting drug users for treatment.

Strategies to reduce problem gambling were also on Council's agenda in 2010–11.

In November 2010, Council's Local Gaming Policy was introduced into the Yarra Planning Scheme.

The policy gives Council greater power to decide where pokie machines go in Yarra, ensuring we can help stop new machines from going into sections of our community that are more vulnerable to their influence.

Icons become the face of change

Two local landmarks were the focus of key planning applications in Yarra in 2010–11.

Developer Lend Lease submitted a draft development plan for the former Channel Nine site in Bendigo Street in September 2010.

The proposal – for up to 550 dwellings, with two to three level townhouses around the edge of the site and taller apartments of four to eight storeys towards the centre of the site – attracted more than 100 public submissions during public consultation in early 2011.

In May 2011, Council requested the Minister for Planning Matthew Guy to appoint an independent panel to consider the submissions.

The panel is expected to provide its report – which will include recommendations – to Council and the Minister for Planning by October 2011.

A proposal to redevelop Cremorne's heritage-registered Dimmeys building, with its renowned clock tower, was also the subject of great public interest.



Council rejected an application for a 10-storey residential tower in February 2011, citing concerns about the bulk and height of the tower and the potential traffic and safety impacts linked to the development.

Developer Richmond Icon appealed the decision at VCAT.

VCAT was expected to release its decision in October 2011.

Making Yarra sustainable for future generations

Council bears a great responsibility for ensuring that sustainable practices are introduced and encouraged across our community.

In April 2011, the Yarra Energy Foundation (YEF) was officially launched.

The YEF was set up to operate independently of Council, working with residents and businesses to reduce their carbon footprint and promote local renewable energy generation.

Making Yarra a carbon neutral municipality by 2020 is the principal aim, and to date Council has provided \$600,000 in funding, and committed to provide a further \$600,000 over two years, to help the YEF achieve that aim.

Incorporating water saving designs into open space projects was another important achievement for Council.

New street trees planted on Smith Street are in special Water Sensitive Urban Design tree pits that catch stormwater and filter pollutants from it. The water is then used to irrigate the trees before flowing into nearby waterways.

In Edinburgh Gardens, work began on a large raingarden that will capture and filter stormwater, supplying 50% of the water needed for the park's trees and improving the quality of runoff entering the Merri Creek and Yarra River.

These forward thinking projects, and many more, earned Yarra the Victorian Sustainable City of the Year award at the annual Sustainable Cities and Clean Beach Awards promoted by the Victorian Government.

On behalf of my fellow Councillors and Council staff, I thank local residents, community groups and business representatives for working with us to make Yarra more liveable, sustainable, affordable, accessible, prosperous and just.

Cr Alison Clarke,
Mayor, Yarra City Council

CEO's Message



Council has continued to focus on delivering community services and programs more efficiently and sustainably.

Two key benchmarking reports indicated that Council's level of service to its community is improving.

But these reports also showed us where more work needs to be done.

This summary explains the steps we've taken to improve our service, strengthen our financial position and provide vital infrastructure for the Yarra community.

Council's major achievements for 2010–11 included:

Maintaining our financial strength

Council's financial position remained strong, even with the requirement for higher spending on a number of key infrastructure projects.

Through responsible financial management, Council further increased its operating surplus in 2010–11, raising the balance to \$10.96 million and reducing debt by over \$0.9 million to remain on track to be debt free in 2011–12.

However, the surplus came in below starting year projections of \$17.4 million, mainly due to additional depreciation charges, additional superannuation liability and land sales that did not proceed.

Our \$36 million capital works budget was the largest in Yarra's history, bolstered with external funding to help us deliver important infrastructure upgrades to cater for our growing population.

The surplus was underpinned by an income strategy that included a rate rise of 4.5% for the second consecutive year, raising total rate income to \$71.66 million.

In the face of these increases, Council also provided a \$125 rates waiver for eligible pensioners and limited the increase in concession fees for Council services.

Sustainable strategies for the future

We came into the 2010–11 year having set the foundations for a number of projects and initiatives that will deliver sustainable benefits for Yarra in years to come.

In April 2011, the Yarra Energy Foundation (YEF) was officially launched at the Richmond Housing Estate.

Council recognised the need for an organisation that had the flexibility and independence to efficiently implement projects that could help us make Yarra a carbon neutral municipality by 2020.

It was also pleasing to see the completion of a municipal-wide project to install energy efficient globes in more than 4000 street lights.

The project was carried out between September 2010 and March 2011, costing \$1.5 million.

Council expects to cut annual electricity use by about 9% and carbon emissions by an estimated 1500 tonnes as a result of the switch over.

Investing in infrastructure

After significant planning, it was pleasing to see work start on several major infrastructure projects.

In a year where we allocated a record \$36.09 million capital works budget, \$30.33 million (84%) was realised as actual expenditure.

Highlights included the beginning of works to transform Victoria Park in Abbotsford into public open space.

Assisted with a \$3.5 million funding commitment from the Federal Government, Council expects to spend about \$7.2 million on the project.

The upgrade of the Collingwood Leisure Centre also began in late October 2010.

Additional funding for roof solar panels, new change rooms and other improvements to customer service and aquatic facilities pushed the budget for this project from \$6.3 million to \$7.8 million.

The new facilities are expected to be open to the public in January 2012.

Continued focus on customer service

Our Customer Service Guarantee continued to act as an internal benchmark for improving our service to the community.

The Guarantee provides 63 measurable targets to give us an indication on our performance.

These range from our response times in fixing potholes to how regularly our health officers inspect local eateries.

In 2010–11, we met or exceeded 35 targets and came within 3% of achieving another seven targets.

Improving turnaround times for 'simple' planning assessments and ensuring at least 90% of calls to our customer service centre are answered within 45 seconds were singled out as areas for improvement.

The continued focus on customer service was reflected in Council's performance in the statewide Annual Community Satisfaction Survey.

Satisfaction with Council's performance - as judged by local residents - increased to an indexed mean of 68 (up from 67 last year and 64 the previous year). Yarra's score is consistent with that recorded by similar Councils and is higher than the average for Victorian Councils.

Improved results in consecutive years indicate we are heading in the right direction.

Andi Diamond
Chief Executive Officer



Financial Overview

This financial overview is designed to provide a summary of Council's financial activities over the past year, from 1 July 2010 to 30 June 2011 as outlined from page 83 of this report.

Council is on target to achieve the objectives of its Council Plan, particularly the maintenance and improvement of our infrastructure assets and reducing debt.

Income

Full income statement on page 86

	\$'000
Revenue	130,728
Expenses	119,765
Surplus for the year	10,963

This year Council achieved an operating surplus of \$10.963 million.

This surplus is lower than budget by \$6.413 million mainly due to additional depreciation charges, additional superannuation liability and land sales that did not proceed. Some expenditure incurred in the capital program was also required to be transferred to operating expenditure which contributed to the lower surplus for the year.

Equity

Full statement of changes in equity on page 88

	\$'000
Balance at the beginning of year	1,397,214
Surplus for the year	10,963
Net Reserves movement (incl. revaluation)	36,785
Balance at end of financial year	1,444,962

Council continued to build its equity and increase its overall value over the last financial year to \$1.444 billion. This is mainly due to the revaluation of infrastructure assets and also the surplus for the year.

Cash

Full statement of cash flows on page 89

	\$'000
Net cash provided by operating activities	30,425
Net cash used in investing activities	(28,485)
Net cash used in financing activities	(937)
Net increase in cash held	1,003
Cash at the beginning of the financial year	14,131
Cash at the end of the financial year	15,134

Cash levels increased marginally due to the high level of operating activities which was partly offset by capital works activities for the year.

Balance Sheet

Full balance sheet on page 87

	\$'000
Current assets (incl. cash assets \$15.1M)	25,390
Non-current assets	1,446,671
Total assets	1,472,061
Current liabilities	24,352
Non-current liabilities	2,747
Total liabilities	27,099
NET ASSETS	1,444,962
Accumulated surplus	557,476
Reserves	887,486
EQUITY	1,444,962

Council reduced its debt by more than \$0.9 million over the past financial year and no new borrowings were entered into as was originally anticipated in the 2010-11 Budget. Council has however incurred additional superannuation 'defined benefit' liability which will be paid in future financial years.

At the same time, Council delivered a \$29.2 million Capital Works program, including \$8.6 million on road infrastructure, including footpaths, kerb and channel, \$4.2 million on open space improvements, and \$13.3 million on Council's buildings and facilities.

A further \$1.095 million was spent in the capital program, bringing total expenditure for the year to \$30.33 million.



Capital Works

Council allocated \$36.09 million for capital works in its 2010–11 budget which was the largest in Yarra's history. It was also significantly higher than the 2009–10 Capital Works budget which was \$27.7 million. The 2010–11 budget included more external funding than other years, for example, a \$3.5 million Federal Government grant towards the redevelopment of Victoria Park.

Capital works projects typically involve the provision of new community infrastructure and upgrades of existing facilities such as libraries, leisure centres and child care centres, as well as undertaking improvements to parks and reserves, sporting facilities, roads, footpaths and drainage.

Major projects in the 2010–11 Capital Works program included:

- Over \$4 million for the upgrade of the Collingwood Leisure Centre.
- \$2.2 million to purchase land for a permanent North Fitzroy Library and Community Hub.
- \$4.2 million for open space improvements.
- \$485,000 to replace existing residential street light globes with energy efficient ones.
- \$2.3 million to improve road surfaces and laneways, with an additional \$770,000 to improve drainage using water sensitive urban design solutions.
- \$2.1 million to replace and upgrade footpaths across the municipality.
- \$980,000 to renew kerb and channel infrastructure in Yarra.
- More than \$700,000 towards the creation of a new park at the corner of Peel and Oxford Streets, Collingwood.
- \$1.06 million on shared pathways for cyclist and pedestrian use, including a major project to provide new pathways in Linear Park and along the Main Yarra Trail.
- More than \$150,000 to upgrade small local parks in Collingwood, North Fitzroy and Abbotsford.
- \$945,000 on transport and road safety projects, particularly on-road pedestrian safety devices.

Looking ahead

Some important projects are planned in the \$31.6 million Capital Works budget for 2011–12 including:

- \$3.18 million to complete the upgrade of the Collingwood Leisure Centre. Council hopes to finish this project in January 2012.
- The completion of the Victoria Park Master Plan which will cost a total of \$7.2 million.
- Continuing the planning and design component for the new North Fitzroy Community Hub.
- \$2.3 million for road resurfacing and \$1.8 million for footpath upgrades.
- \$1.85 million to start the restoration works at the Collingwood Town Hall precinct which will include modern office facilities for Council staff and improved community access to meeting space.
- \$1.2 million to build a new sports pavilion at Ramsden Street Reserve in Clifton Hill.



Major Projects

Victoria Park redevelopment

Work continues on the \$7.2 million project to transform Victoria Park in Abbotsford into a major community recreation space. Walls have been lowered around Victoria Park and two new public plazas (with trees, garden beds, and barbecues) are being created. The 1966 non-operational scoreboard and time clock were removed following approval by Heritage Victoria. A new digital scoreboard and time clock are to be erected on the Bob Rose stand. The exterior of the Sherrin Stand and Social Club has been refurbished and work continues on the exterior of the Ryder Stand and inside the Sherrin Stand. The Collingwood Football Club Foundation (CFCF) has been selected to lease the Social Club building with the view to offering employment and educational programs for disadvantaged young people and Indigenous people. The Victoria Park redevelopment is being funded by Council and the Australian Government and is due for completion in December 2011.

North Fitzroy Community Hub

Council secured a permanent home for the \$13.2 million North Fitzroy Community Hub in late April 2011 when it compulsorily acquired a former service station site and adjacent house at 182–186 St Georges Road. An independent panel established by the Minister for Planning had earlier supported Council's moves to acquire the site by applying a Public Acquisition Overlay to the 950 m² of land. The site will house a community hub with a permanent, purpose-built library, maternal and child health services, a multicultural centre, community meeting space and a rooftop garden. Collingwood-based architects Whitefield, McQueen, Irwin and Alsop have been appointed to manage the project. Council has established a Design Reference Group (DRG), which includes seven community members, to guide the detailed design phase of the hub. Community feedback will be sought on the proposed design in the second half of 2011, with construction expected to begin by late 2012.

Collingwood Leisure Centre redevelopment

Work on the \$7.8 million redevelopment of the Collingwood Leisure Centre started in October 2010. The project was originally estimated to cost \$6.3 million but Council approved additional funding to expand the scope of the project. Council is funding the majority of the work, with \$1.239 million also provided by the State Government. The first phase of construction involved the erection of the steel structure in the new aquatic area. In April 2011, work started on building new change rooms, a new reception area and staff offices. Once the redevelopment is complete, the Centre is expected to be able to accommodate an additional 40,000 visits a year. The redeveloped Centre will feature a larger seven lane lap pool, larger Learn to Swim and toddlers pools, a new ramp to improve accessibility, and a new pool hall, roof structure, pool concourse and crèche. The new facilities are expected to be open for community use in January 2012.



Planning Matters including Dimmeys and Channel 9

Council dealt with a number of significant planning applications during 2010–11 and has continued to advocate for appropriate development in the City of Yarra. Below are some of the major proposals considered by Council:

Dimmeys – In February 2011, Council unanimously refused an application from developer Richmond Icon Pty Ltd to build a 10-storey oval-shaped residential tower on the south west corner of the Dimmeys site in Cremorne. The proposal included a total of 83 dwellings. The clock tower and Swan Street facade would be retained and refurbished and the ground floor would be used for retail and a supermarket. Council received 370 objections to the application which it refused on the grounds that the 10-storey tower would detract from the visual prominence of the 100-year-old clock tower, which is a much-loved, heritage-listed landmark that should be protected. Council also said the proposed vehicle access into and out of the site would create an unreasonable impact on traffic, car parking and safety. The developer took the case to VCAT and a hearing was held at the end of May 2011 where senior legal counsel argued Council's case for refusing the permit application. A decision was expected in October 2011.

Channel 9 – In May 2011, Council resolved to ask the Minister for Planning to establish a planning panel/advisory committee to consider more than 100 submissions received on Lend Lease's proposed redevelopment of the former Channel 9 site in Richmond. Council had sought community feedback on an amendment to the Planning Scheme which would facilitate the site's redevelopment and a draft Development Plan for the site. The development proposal provides for up to 550 dwellings, with two to three level townhouses around the edge of the site and taller apartments of four to eight storeys towards the centre. The Plan also includes a 400m² community meeting space (which is proposed to be owned and operated by Council), retention of the heritage Wertheim building and a commitment to meet a 5-star Green Star rating for the residential buildings. The independent panel/advisory committee heard submissions from Council, Lend Lease and the community in August 2011.

677 Victoria Street – In April 2010, Council approved a 586 apartment development at 677–679 Victoria Street, Abbotsford (the former Honeywell site). Following appeals against Council's decision by several objectors, the matter was heard at VCAT in August and September 2010. The main points discussed at the VCAT hearing were the height of the buildings, setbacks from the river, landscaping, architectural quality and cultural heritage management.

On 21 October 2010, VCAT ordered that a planning permit be granted for the proposed development.

Peel Street carpark converted to a park

Council has created a park the size of about three house blocks by converting a car park near the corner of Peel and Oxford streets in Collingwood and demolishing an unused Council building. About \$700,000 was spent on the works, using funding from developer contributions towards open space. An open lawn area, mature trees, a raingarden and a drinking fountain now provide a pleasant place for socialising and relaxing. The Peel Street Park, which is part of Council's commitment to create five new parks across Yarra by 2013, was officially opened in July 2011.

Ramsden Pavilion upgrade

In April 2011, Council approved plans for a new pavilion at Ramsden Street Reserve, Clifton Hill. Construction was expected to begin in late 2011, with the project cost estimated at \$1.3 million.



Raingarden at Edinburgh Gardens

Council is constructing a raingarden in North Fitzroy's Edinburgh Gardens with the support of Melbourne Water. Work began on the \$920,000 project in March 2011 and was expected to be completed in July 2011. However, an extended period of wet weather delayed the completion of the project until October 2011. The raingarden replaced an original proposal to develop a wetland in the gardens as it was considered safer and more effective. The raingarden will create a water harvesting system to provide a natural irrigation source for Edinburgh Gardens, supplying 50% of the water needed for the park's historic trees. It will also improve the quality of water flowing into the Merri Creek by filtering out pollutants. Melbourne Water has committed \$690,000 towards the project.

Lourdes Community Hub

Council's proposal to build a community hub in Abbotsford was put on hold in August 2010 while a traffic and parking study was undertaken in the Abbotsford Convent precinct. The study addressed concerns about high traffic volumes and limited parking in the area. In March 2011, Council adopted a Traffic and Parking Plan for the precinct on the proviso that it did not interfere with the delivery of the Lourdes project. In July 2011, Council reaffirmed its support for locating the community hub in the Abbotsford Convent precinct and resolved to resume planning for its design and construction. Other significant decisions Council made on the Lourdes project in 2010 included:

- Appointing KU Children's Services – Australia's largest not-for-profit child care provider – to operate the proposed child care centre.
- Abandoning proposals to include affordable housing and supported group accommodation following State Government advice that housing was not an acceptable use of the site.

Brunswick Street affordable housing project

The 239 Brunswick Street affordable housing project was completed during 2010–11 with residents moving in during April and May 2011. This 14 unit multi storey apartment building is located in the heart of the Brunswick Street shopping strip in Fitzroy and provides desperately needed rental housing for singles and couples on low and moderate incomes. This was a partnership project between Council and Yarra Community Housing (YCH) a non-profit, non-government affordable housing association with a long history of providing housing and support for single persons who struggle to achieve stable housing. In mid-2007, Council adopted a feasibility study which it had commissioned YCH to conduct on developing a shop front in busy Fitzroy into affordable housing. Council provided the site through a 40-year lease agreement which enabled this socially responsible project to be financially viable and sustainable in the long term.

See also:

YARRA ENERGY
FOUNDATION
LAUNCH PAGE 15

ENERGY EFFICIENT
STREET LIGHTS
INSTALLATION PAGE 15

VICTORIA STREET
GATEWAY FUNDING
PAGE 25

Sustainability Initiatives (Environmental, Economic And Social)

Council is committed to making Yarra a more sustainable place to live and in 2010–11 introduced a number of practical initiatives to reduce the municipality's environmental footprint.

Extended recycling times

Since mid-2009, a recycling drop-off point has been operating from Council's Clifton Hill depot on the corner of Roseneath and Gray Streets from Monday to Friday, 8.30am to 3pm. In September 2010, Council extended the opening hours at this recycling drop-off point to include the first Saturday of the month from 8am to midday. In addition to this, from March 2011, Council created an all-day recycling drop off point outside the depot fence providing people with the opportunity to recycle a wide range of goods outside of business hours. The extra monthly recycling day is one of a range of initiatives in Council's five-year Waste Management Plan adopted in December 2009. It is hoped extending the opening hours of the centre will help increase the amount of waste diverted from landfill in Yarra from 45% to 57% by 2014.

Yarra Energy Foundation (YEF) launch

The Yarra Energy Foundation (YEF) was officially launched in April 2011. A not-for-profit organisation, the YEF will drive the changes required for the municipality to be carbon neutral by 2020. The YEF's first major project is to retrofit one of Yarra's housing estates to make it more energy efficient. Council spent \$600,000 setting up the YEF and has committed a further \$600,000 over the next two financial years. Council will work closely with the YEF to make Yarra more sustainable for this generation and for generations to come.

Change to energy efficient street lighting

Energy efficient globes were installed in 4000 Yarra street lights between September 2010 and March 2011. The project cost \$1.5 million and is expected to reduce Council's annual electricity use by about 9%. Carbon emissions will be cut by an estimated 1500 tonnes, while Council is expecting to save more than \$200,000 a year in electricity and maintenance costs. An additional 166 street lights in the Alphington/Fairfield area (under the control of a different electricity supplier) will be upgraded subject to future budget approval. Council has helped initiate a Municipal Association of Victoria campaign which calls on State and Federal governments to provide Victorian councils with funding to help pay for the changeover to energy efficient globes.

New Environmentally Sustainable Design (ESD) requirements

In March 2011, Council introduced the Sustainable Design Assessment in the Planning Process (SDAPP) program for planning applications to reduce the environmental footprint of new developments. This initiative addresses the need for ESD to be considered during the early phases of a project when it achieves the greatest benefits at the lowest cost. Participation in the program requires applicants to address 10 Key Sustainable Building Categories, including indoor environment quality, energy efficiency, water resources and building materials. Applications for large developments are required to include a detailed Sustainable Management Plan (SMP), while applications for medium developments are requested to include a Sustainable Design Assessment (SDA). Council's website provides program details, sustainable design guidelines and links to free web-based tools that facilitate participation in the program.

Council has joined the Green Building Council of Australia (GBCA) to engage with the green building industry and influence the development of guidelines that help to reduce the environmental impacts of new buildings. The Green Star rating system, developed by the GBCA, provides holistic sustainability guidance for building projects and can award Council official certification for projects that meet either "Best Practice", "Australian Excellence" or "World Leader" sustainability standards. Since joining the GBCA, Council has contributed \$10,000 towards the development of the new Public Building rating tool which will be used in Yarra to guide the design and construction of future Council buildings, such as child care centres, libraries and community halls. This tool will be trialled at the new North Fitzroy Community Hub.



Sustainability Initiatives (cont.)

Yarra Sustainability Awards

Several community sustainability initiatives were recognised in the 2011 Yarra Sustainability Awards. These Awards were launched in 2010 to celebrate and showcase projects that make positive and sustainable changes, both locally and globally. More than 30 high quality entries were received for the 2011 awards and the winners announced in June were: The University of Melbourne Early Learning Centre and Content Studio – Eco-Cubby Project (Children’s Centres), Melbourne Girls’ College (Secondary School) and Princes Hill Primary School (Primary School), Beyond Zero Emissions and Permablitz Melbourne (Community Action), Alby Clark and Frank Fisher (Home and Garden), Hudson’s Famous Catering (Business), and L House Extension by Ande Bunbury Architects (Innovation in Sustainable Design). An exhibition of posters illustrating the shortlisted nominations toured libraries and other Council and community venues.

CitySwitch program

This new energy saving program assists businesses to better measure and reduce their environmental impact. It was launched in Yarra in October 2010 and eight Yarra businesses had signed up as at 30 June 2011. CitySwitch works by estimating the annual greenhouse gas emissions produced by participating businesses, based on 12 months of their utility bills. Businesses are challenged to reduce and maintain their emissions to a level set by the National Australian Built Environment Rating System (NABERS). This national energy management program is run in partnership between Councils and State Government agencies such as Sustainability Victoria. The Yarra Energy Foundation is working on the program in Yarra and the program is coordinated by Sustainability Victoria and the City of Melbourne.

Garage Sale Trail

Council promoted the national Garage Sale Trail on 10 April 2011 by encouraging residents to hold simultaneous garage sales to promote the reuse of goods to divert them from landfill. Council encouraged residents to either hold a garage sale on the day, or to visit and support other garage sales being held as part of the event. Yarra was one of only a few Victorian municipalities taking part in the trail this year, with 47 garage sales registered for the event locally.

Gleadell Street Market becomes plastic bag free

Richmond’s popular Gleadell Street Market became a plastic bag-free zone from 28 August 2010. Council initiated the move to phase out around 30,000 plastic bags that were being distributed at the market each Saturday. It was introduced over several weeks and Council ran an extensive education campaign for market traders and users. As part of this, Council gave away thousands of environmentally-friendly reusable bags and purchased a further 40,000 reusable bags, some of which were sold at cost price to market customers and stall holders. Stall holders were also encouraged to provide reusable bags to their customers. While this initiative has not totally eliminated single-use biodegradable bags at the market, it is seen as a productive step in promoting change to shopping habits and reducing local litter.

Urban Agriculture guidelines

Council has created a valuable checklist for residents wanting to establish a community garden in Yarra. The Urban Agriculture Guidelines set out a step-by-step process that community members need to follow before Council will grant permission for a community gardening initiative. The process for developing the guidelines began in 2010 after Council heard from residents who expressed a desire to see additional community gardens and neighbourhood planting across the municipality. Council subsequently formed a committee involving residents to develop the guidelines. The wider community was invited to provide feedback on the draft guidelines in March 2011 and the guidelines were subsequently endorsed by Council in June 2011. Residents interested in community gardening now have the support of Council's Community Gardens Facilitator who can provide advice and guidance on the steps they must follow.

Reducing speed limits on local roads

Council continues to advocate for reducing the speed limit on local streets to 40km/h to make Yarra safer for residents and road users. In April 2011, Council received VicRoads' approval to introduce a 40km/h speed limit on local streets in the Fitzroy precinct bounded by Johnston Street, Nicholson Street, Alexandra Parade and Smith Street. The City of Yarra now has 40km/h speed limits in 80% of streets across the municipality, with plans to introduce the lower limits in other areas to create a safer environment for local residents.

Debt free Council

Being financially sustainable and responsible is very important to Council. Council aims to be debt free by June 2012, for the first time in its nearly 20-year history. However, Council still has a superannuation liability of about \$2.1 million which it plans to pay off in \$300,000 annual instalments until it is able to make a final larger pay out in 2015–16.

Programs promoting sustainability

During 2010–11, Council promoted a range of programs encouraging residents to live a more sustainable lifestyle. Some of these included:

- **Bicycle education program:** This 15-week program encouraged residents of the Richmond Housing Estate to consider cycling as a form of transport. The program developed participants' knowledge of the road rules and gave them experience riding in traffic, so they could confidently and safely ride around local streets and beyond. The program is funded by Council and the Department of Transport and delivered by North Yarra Community Health.
- **Solar energy scheme:** This community bulk-buy program is open to Yarra residents considering installing solar panels or a solar hot water system. It aims to make the switch to solar easier by providing a one-stop shop for quotes and installations. People participating save money through the bulk-purchasing of solar panels and solar hot water systems. Yarra is one of nine councils participating in the Delivering Clean Energy Solutions (DCES) project which is managed by the Moreland Energy Foundation.

Improved access in Yarra

Council gave much consideration to creating a more accessible and inclusive community through internal planning and lobbying the State and Federal Governments. A new Disability Access Parking Bays (DAPB) policy has been adopted and it guides the upgrades of bays near the main retail precincts and the development of new bays that meet international standards. The newly adopted Urban Design Strategy promotes excellence in accessibility design and under this strategy Council agreed to establish an internal Accredited Access Auditors Panel to ensure that capital works projects exceed the minimum accessibility standards. Under the National Disability Strategy – Accessible Communities program, Council was successful in securing a Commonwealth Grant of \$75,000 for the Abbotsford Convent to conduct works that ensure universal access to the central part of the precinct.

Council lobbied the State Government to uphold the Disability Standards for Accessible Public Transport and build more level access trams and tram stops. Its representatives attended an easy access tram stop trial in an off road environment and Council has been working with the Department of Transport, VicRoads and Yarra Trams to further develop the project and construct accessible tram stops on Bridge Road in 2012. These tram stops will benefit people of all abilities by providing safe and easy access to tram services for the elderly, people with disabilities, Epworth Hospital patients, and passengers with prams and shopping trolleys.

Advocacy

Council sees that it has a major advocacy role to play in projects and issues that have an impact on the lives of our community. Where possible, we speak out and represent the views of our community to other levels of government. Below are some key projects that Council has been involved in during 2010–11.

Supervised injecting facility trial

In May 2011, Council called on the State Government to trial a supervised injecting facility in Yarra in a bid to reduce the rates of public injecting, overdoses and discarded syringes, particularly around West Richmond and Abbotsford. This followed complaints from local residents who told Council they felt unsafe when regularly witnessing drug injecting and dealing, and coming across discarded syringes. There is clear evidence that a supervised injecting facility which has been operating in Kings Cross, Sydney, for more than a decade has helped to reduce drug-related problems in that neighbourhood. A trial in Yarra would require legislative change as well as change in State Government policy. Council continues to lobby the State Government to reconsider its position.

Clearways

Council's long-standing fight against clearways being extended along several of Yarra's major roads had a successful resolution in December 2010 when the new State Government announced that extended clearways in Victoria Street and Victoria Parade would be removed before Christmas. It also announced that a proposal to extend clearways in Bridge Road, Swan Street, and St Georges Road in early 2011 would not go ahead. Yarra and Stonnington Councils initiated Supreme Court proceedings in early 2010 due to their concern about the social and economic impact the proposed extended clearways would have on local traders. In mid-October 2010, the Supreme Court found the Minister for Roads and Ports had acted within his power in directing VicRoads to implement the clearways strategy, and that there was no obligation for him to consult with the Councils. While Council's Supreme Court action against extended clearways was unsuccessful, it delayed the introduction of extended clearways on three local arterial roads for several months until the eve of the State Election, with the end result being that the streets were not impacted. Council incurred about \$330,000 in legal costs fighting the extended clearways. These costs were met by Council without any impact on Council services or programs.

Circus Oz relocation to Yarra

Circus Oz is set to return to Collingwood after the State Government announced a \$15 million grant in May 2011 as part of the State Budget for the relocation of the internationally-renowned performing troupe. This followed representations made by Council to the Premier on the eve of the 2010 State Election urging him to support Circus Oz's move back to its original home in Collingwood. The funding will be used to create a world-class circus arts centre at the former Collingwood TAFE site on the corner of Johnston and Wellington streets. The State Government has also proposed a conservation management plan to care for the deteriorated Keith Haring mural, which is heritage-listed. Collingwood has developed a strong artistic community and Circus Oz moving back to the area will provide more opportunities for local artists to collaborate and support each other.

Doncaster Rail Link

Council supports the State Government's commitment in the 2011–12 Budget to spend \$6.5 million over the next two years on a planning study for the Doncaster rail link. Yarra has campaigned for years for the creation of a rail line to Doncaster as the only real, long-term way to ease traffic congestion in Hoddle Street and this side of the Melbourne Central Business District. This project has long been one of the missing links in Melbourne's public transport network. Providing this rail link into the CBD for the 600,000-plus people who live in the Doncaster corridor will greatly reduce traffic in the inner-city and improve the liveability of inner-city neighbourhoods, including Yarra.

Hoddle Street traffic congestion

Council continues to argue that replacing a car lane in Hoddle Street with a dedicated bus lane and improving public transport are the best short-term solutions for reducing congestion along this major road. The State Government has completed its \$5 million investigation into how to improve future traffic flows along Hoddle Street and Yarra participated in the stakeholder advisory group set up for that project. As part of that study, VicRoads held a series of community meetings in Yarra in September 2010 to seek feedback and suggestions from the community on how to improve traffic congestion along this busy road. In May 2011, VicRoads and the Department of Transport announced a proposal for a part-time bus lane on the left-hand outbound route of Hoddle Street and Victoria Parade. That lane was proposed to be created by widening Hoddle Street, removing kerbside parking that some traders rely upon, and pulling out some trees. Council opposed the proposal and has asked the Department to come up with a better option that would reallocate road space to buses, and also to consider reducing the speed limit along Hoddle Street from 70kph to 60kph.

New policies to support environmental sustainability

In collaboration with the Councils of Banyule, Moreland and Whitehorse, Yarra Council has prepared an Environmentally Sustainable Development Policy for inclusion in its Planning Scheme. This would reinforce Council's commitment to achieving best practice in environmentally sustainable development, and provide objectives for assessing planning permit applications. The four Councils have sought authorisation from the Minister for Planning to prepare and exhibit an amendment to their Planning Schemes to include such a policy, but as yet no response has been received. Yarra has also submitted an amendment to the Yarra Planning Scheme to the Minister for approval to introduce a Water Sensitive Design Policy.

National Disability Insurance Scheme

Council has been advocating for adoption of the National Disability Insurance Scheme (NDIS) and in April 2011 forwarded its submission on Disability Care and Support in response to the Productivity Commission's Report of February 2011. In the submission Council recommended a set of improvements to the disability service system to ensure adequate funding and support for people living with disability. Council informed local Parliamentarians about its position and the recommendations for the NDIS.



Consulting and engaging with our community

Council engages and communicates with our community as widely as possible. The community plays an important role in helping us live up to our values and we do our best to give them a say on important local issues.

Yarra News

Yarra News is Council's monthly newsletter distributed to 42,600 households, businesses and other community members each month. It contains articles about Council decisions, services and events and encourages everyone to have a say about matters affecting their neighbourhood.

Council's website

In August 2010, Council launched its upgraded website. The new site has greatly enhanced accessibility and usability standards and is kept up-to-date with the latest information so that members of our community have all the information they need to know about Yarra. In June 2011, we launched Twitter sites for Yarra Libraries and Yarra Leisure for a 12 month trial to improve the way we communicate with our community and to provide the latest updates and information about our library and leisure centres. Really Simple Syndication (RSS) is used to publish frequently updated information such as news, events and community notices. This enables users to subscribe to specific information, without having to search the website.

Some of the other ways in which we engage with our community include:

- A number of electronic newsletters targeting different sectors of the community.
 - Placing weekly advertisements in local newspapers about neighbourhood issues and events.
 - Coordinating the Yarra Matters Panel and advisory groups that invite community feedback.
 - Implementing and updating plans, policies and strategies to improve life for all who live, work and play in Yarra.
 - Organising events throughout the year for our community to enjoy.
 - Acknowledging the achievements of our community leaders with our Australia Day Awards.
 - Providing grants for local groups to provide services and programs in our community.
 - Disseminating information at Yarra's five branch libraries and at the Richmond and Collingwood town halls.
-

Customer Service Guarantee

As part of our commitment to improving our service delivery, we introduced a Customer Service Guarantee containing 60 targets in October 2009. In October 2010, a 12 month progress report card was released which showed a solid performance, but with room for improvement. Thirty-three of the 60 targets were met or exceeded. Twenty seven items did not meet the standards set by Council, but six of these were within 3% of their target and many had shown improvement throughout the year. In early 2011, three new targets were added, to bring the total to 63. Council continues to compile quarterly reports showing the progress on meeting the targets in the Guarantee and these are available on our website at www.yarracity.vic.gov.au

Community consultation

Council regularly consults the community on issues that affect them. For example:

Curtain Square Community Advisory Committee – This committee was set up in late 2010 to help map out the best approach for managing the welfare of trees and possums in North Carlton's Curtain Square and to provide input into a Draft Site Management Plan for the park. The Committee included community members, representatives of animal and plant conservation groups, consulting ecologists and Yarra Councillors.

Making outdoor areas smoke free – In early 2011, Council sought community feedback on a proposal to make many outdoor areas in Yarra smoke free zones. The community was asked what they considered were the best ways to stop people smoking near playgrounds and in outdoor dining areas, amongst other places. Feedback was sought via Yarra News, through an online forum and at an information session. Council will consider the feedback received and decide on what action to take in the last few months of 2011.

Safer Yarra Plan – The community was invited to share its views on improving safety in Yarra as part of public feedback on the draft Safer Yarra Plan. This plan addresses key issues including reducing the negative impacts of alcohol and of drugs, reducing violence against women and children, and reducing discrimination and exclusion.

Outdoor heater fees – Yarra businesses and residents were asked in late 2010 and early 2011 to have their say on a Council proposal to charge businesses a fee for using outdoor heaters on footpaths. The aim was to reduce carbon emissions by discouraging the use of outdoor gas heaters. In June 2011, Council decided not to introduce the proposed fee after strong opposition from local businesses.

Open space in Collingwood – Residents and other interested people were invited to an informal community meeting in February 2011 to discuss options on how to develop a new area of open space which is proposed to be created by the closure of part of Oxford Street, between Derby and Langridge streets. Following consideration of community feedback a concept plan for the space has been endorsed by Council. Detailed design of the space is now underway, with construction expected to begin in 2011–12.

Social housing developments – In July 2010, Fitzroy and Richmond residents were invited to comment on two major social housing developments proposed by the State and Federal Governments. One was a 152-unit development proposed for the corner of Brunswick and King William streets, Fitzroy, replacing a car park in the Atherton Gardens Estate. The other was 207 units proposed across four buildings in Richmond. Both projects are being funded by the Federal Government under the Housing Affordability Fund.

The Yarra Matters Panel – This was formed in 2007 to provide Council with feedback, ideas and information from residents on issues in our community. There are currently 1035 households on the panel that closely match the Yarra demographics. They are surveyed approximately six times a year on specific topics such as attitudes to public drinking, sport and recreation activities and Council Budget priorities. In 2010–11 members of the panel were invited to participate in focus groups for specific projects including the Swan Street Structure Plan and a Tourism Strategy for the City of Yarra. They were asked to take part in online discussion forums for the Safer Yarra Plan and on options to reduce smoking in Yarra.

Community Gardens Advisory Committee – Due to the potentially divisive nature of locating community gardens on public land, Council established a community committee comprising residents, Councillors and Council officers to produce draft guidelines that could be used to manage urban agriculture activities. The group met several times in 2010, and developed draft guidelines for managing demand for community gardens, planter boxes and traffic bed gardens in Yarra. Following wider public consultation on the draft document in early 2011, the guidelines were adopted by Council on 28 June 2011.

Ward Councillor Meetings – Informal meetings are held periodically in each of Council's three Wards to allow the community to raise and discuss local issues with their three Ward Councillors. Ward Meetings were held in October 2010 and March 2011.

Several major plans, policies and strategies were initiated or adopted by Council in 2010–11 to improve the general liveability of Yarra residents. These included:

Parking Management Strategy – In September 2010, Council endorsed a parking vision, goals and principles as part of a strategy to manage parking systems in Yarra. This strategy included seven actions that collectively align the parking system towards certain outcomes agreed to in the vision. Four of the actions have been completed and the remainder will be completed in 2011–12.

Yarra's 'Difference is More' Disability Action Plan – This was adopted by Council in July 2010. The Plan aims to achieve greater participation by, and inclusion of, people with disabilities in all aspects of life. The Plan focuses on improving access to built environment, information and services and increasing employment opportunities for people with disabilities both within Council and in other work places.

Tourism Strategy 2011–16 – This strategy outlines an approach for residents, businesses and Council to work together to manage visitation into and around Yarra. The Strategy ensures the benefits that visitors contribute to the local community are maximised and the negative impacts minimised.

Swan Street Structure Plan – This draft plan was released for community comment in May and June 2011. It was developed with community input including a stakeholder group comprising local businesses, residents, public transport providers and relevant government departments. The draft Structure Plan will guide decision-making on new development, plan traffic and transport measures and changes to streetscapes, coordinate improved community services and be used to advocate for action by government departments and agencies.

Yarra Gaming Strategy – In May 2011, Council invited community feedback on this draft strategy which takes a community wellbeing approach and has an emphasis on electronic gaming machines. The Strategy aims to reduce the negative social and economic impacts of gambling on individuals, families, workplaces and the wider community. Community consultation was undertaken in October 2010.

Aboriginal Partnerships Plan 2011–14 – This plan was adopted by Council in November 2010 to drive Council's efforts to achieve reconciliation and social justice. Strengthening partnerships in the community and promoting Aboriginal culture are among the key strategies in this new plan. Council has also committed to creating a Reconciliation Action Plan that will ensure that Yarra leads the way towards reconciliation.

Snapshot of major festivals and events

2010

July

NAIDOC Family Day at Collingwood Children's Farm included damper making, boomerang painting and throwing, storytelling and Indigenous plant tours.

Gertrude Street Projection Festival where digital works were projected onto buildings, pavements and laneways along Gertrude Street.

Broadband for seniors kiosk opened at the Finbar Neighbourhood House in Richmond. This free kiosk helps seniors connect to the wealth of information available online.

\$1 million pavilion opening at Burnley Park Oval. The pavilion was funded by Council with support from Sport and Recreation Victoria.

August

Chinese Reading Month at Yarra Libraries.

National Tree Day activities held as part of Australia's largest community tree-planting event.

Yarra Business Networking Breakfast for the local business community with guest speakers.

September

Public Transport Forum for Yarra residents to put public transport questions to candidates in the State Election.

Overload Poetry Festival was held at venues across Yarra.

Moon Lantern Festival in the grounds of the North Richmond Housing Estate including lantern making workshops, contemporary and traditional music and dance, food and a fireworks finale.

October

Yarra Fresh and Affordable Food Forum at the Fitzroy Town Hall for residents to share their experiences with food.

Ride to Work Day featuring a free breakfast and coffee in Edinburgh Gardens, and free bike maintenance advice and bike engraving.

Children's Week picnic at the Collingwood Children's Farm where children were able to milk a cow, have their face painted and make damper.

Detox Your Home for residents to dispose of chemical waste at Council's drop-off point in Clifton Hill.

Victorian Seniors Festival where seniors were encouraged to join in a range of activities in Yarra including a fun run and art exhibition.

November

Book tastings at the Carlton and Richmond libraries where people could share their favourite books and discover new ones.

Yarra Remembrance Day celebrations with a wreath laying ceremony on the steps of Richmond Town Hall.

Johnston Street Fiesta showcasing the culture, heritage and traditions of Spanish-speaking nations.

White Ribbon Day celebrations in Yarra with some of the municipality's landmark buildings sporting white ribbons.



December

Art at Burnley Harbour Festival presenting a great range of contemporary art.

Opening Line public art project held at the Carlton Library. Local artist Chay-Ya Clancy created a unique artwork in the library foyer based on the theme of books and reading.

Yarra's annual Carols by Candlelight concert in Citizens Park, Richmond featuring the acclaimed Australian Children's Choir.

Yarra's Senior Residents Christmas Celebration with over 550 older residents attending the annual Christmas celebration held at San Remo Ballroom. The event recognises the many cultural groups who provide activities for older residents and encourages residents who are supported through the Home and Community Care services to come together and enjoy an end of year multicultural celebration.

Celebrating the International Day of People with Disability saw Council launch the 'Difference is More' Disability Action Plan 2010-13 and conduct a community BBQ with live music and free circus workshops. The Richmond Recreation Centre conducted an Open Day offering free entry including aqua aerobics and fitness classes.

2011

January

Midsumma Festival celebrating the pride and diversity of Victoria's lesbian, gay and allied communities.

Movies Under the Stars, a series of unique films screened at dusk at the Fairfield Amphitheatre as part of the Melbourne Queer Film Festival.

Victoria Street Lunar Festival, the 10th anniversary of this vibrant Lunar New Year Festival on Victoria Street to celebrate Vietnamese culture.

Yarra Australia Day celebrations featuring the announcement of the Yarra Australia Day Award winners.

February

Fairfield Amphitheatre Summer Concert Series featuring music from across the globe.

Lunar New Year celebrations at the Collingwood Library including lion dancing and Vietnamese music performances.

Library Lovers Week at all Yarra Libraries offering the chance to borrow a 'blind date' book from the collection.

SoundWaves 2011 at the Fitzroy Pool featuring DJs.

Eco-demonstration House Open Day at North Fitzroy's Holden Street Neighbourhood House which has been retrofitted with sustainable features.

Fitzroy Outdoor Cinema at Fitzroy's Atherton Gardens including film, music, dancing and food.

March

Clean up Australia Day activities in Cremorne.

International Women's Day Lunch at the Richmond Town Hall.

Black Harmony Gathering at the Fairfield Amphitheatre celebrating the music and dance of Indigenous and multicultural communities.

Music from the Wetlands Festival and Expo at the Yarra River Flats and Alphington Wetlands featuring performances by community and professional artists, interactive environmental displays and tours and children's activities.

April

Forum at the Richmond Town Hall to explore the rights of older people and the issue of elder abuse.

Collingwood Harvest Festival celebrating the rich cultural diversity and vibrant community of the Collingwood Housing Estate.

National Garage Sale Trail event promoted throughout Yarra.

The Block filming of this popular Channel Nine home renovation show started in Richmond.

May

CitySwitch Program launched to help businesses cut their bills and help the environment.

Neighbourhood House celebrations at Finbar Neighbourhood House in Richmond.

Dame Nellie Melba 150th birthday anniversary events to celebrate the birth of Richmond born and internationally acclaimed opera singer Dame Nellie Melba.

Responsible Gambling Awareness Week event in Yarra to promote recreational activities as a healthy and social alternative to gambling.

My Place Tours: launch at Fitzroy Town Hall where the triage live art collective created a virtual library of resident-authored, self-guided walking tours to form a snapshot of Yarra.

Vietnamese Reading Month activities conducted at Yarra Libraries.

June

Refugee Realities event at the Collingwood Town Hall event to simulate the life of a refugee.

Emerge Festival at Fitzroy Town Hall to commemorate United Nations World Refugee Day.

World Environment Day celebrations including announcing the winners of the Yarra Environment Awards.

Koorie Songs and Stories event held at Fitzroy Library to celebrate NAIDOC Week and launch the Aboriginal Partnerships Pan.



Grants, awards and funding

Community Grants

Council provided more than \$1.7 million in support to community groups in 2010–11 through grants and in kind support.

About \$1.68 million was provided in grants, while Council subsidised community groups using town halls to the value of \$73,258. The grants were provided over the five funding programs outlined in the following table:

Grant funding by program in 2010–11

Annual Grants	\$599,848
Emerging Issues Grants	\$129,210
Small Unexpected Project Grants	\$13,000
Community Partnership Grants	\$657,347
Investing in Community Grants	\$281,873
Total Grants	\$1,681,278

Council's Annual Grants program provided \$599,848 in funding to 122 local not-for-profit groups in 2010–11. This amount included money provided by the Neighbourhood Justice Centre for programs addressing community justice issues. Annual Grants are provided to a range of community groups running programs and activities in the areas of arts and culture, environment, community development, sport and recreation and youth services. These grants support community initiatives and projects that address local issues, increase community resilience, build social capital and enhance the wellbeing of the local community.

A celebration was held for the successful 2010–11 Annual Grant recipients at the Richmond Town Hall in December 2010.

Australia Day Awards

Yarra's Australia Day Awards recognise individuals and groups who have made an outstanding contribution to the local community whether through community service, or service in the fields of sport, arts and culture and environment or business and economic development.

Each year Awards are made at the Yarra Australia Day celebrations for the Citizen of the Year, Community Service of the Year and Young Citizen of the Year. In 2011, a new category was added for Woman of the Year.

Meca Ho was named Yarra's 2011 Citizen of the Year for his tireless commitment to his local community and countless hours of volunteer work. The 33-year-old, who works in his family's Victoria Street restaurant, also volunteers as Trader Liaison for the Richmond Asian Business Association (RABA), which represents more than 200 local businesses. Yarra's Lunar New Year Festival would not have grown into the state's largest annual Vietnamese community event without Meca's dedication and hard work.

Winners of Yarra's other 2011 Australia Day honours were:

Community Service of the Year – Anthony Brown

Woman of the Year – Thanh Kham Tran Dang

Young Citizen of the Year – Brendan Davey

Grants

Council relies on grants from governments and other agencies to complete many projects across the municipality. Some of the grants received in 2010 –11 included:

Victoria Street gateway project –

The State Government has committed \$1 million and the Federal Government \$500,000 towards this project which recognises the cultural significance of this street. Council has also committed \$250,000 towards the new gateway streetscape improvements which are proposed to be designed and constructed over the next three years.

Sustainability Victoria grant – A grant of \$269,000 was announced in April 2011 to install recycling bins in parks and sports grounds and to help Council with our ongoing commitment to reduce the amount of waste going to landfill.

Community hub – Broadmeadows Uniting Care, Brotherhood of St Laurence and Council are jointly providing \$2.1 million towards development of a \$5.2 million hub at Fitzroy's Atherton Gardens Housing Estate. The State and Federal Governments are funding the remainder of the project. Construction of the Hub, which will include an early learning and child care centre and maternal and child health and family support services, started in February 2011.

Graffiti removal project – The Department of Justice provided a \$60,000 grant towards a graffiti removal project in Yarra titled "Graffiti removal – it all starts at home". The project aims to prevent ongoing vandalism by encouraging residents and businesses to remove graffiti from their properties as soon as it occurs.

Council and Staff Awards

Council's Health and Wellbeing Program was named the best in Australia at the Heart Foundation Local Government Awards in August 2010. The program, which is working towards a smoke-free and healthy workplace, had earlier taken out the Victorian award.

Council received Waste Wise Gold Star accreditation for its campaign to make the Gleadell Street market plastic bag free. This put Yarra among Victoria's top six local governments for waste management and recycling.

Three Yarra Leisure staff members won accolades in the 2010 Aquatic and Recreation Victoria Industry Awards. Community Development Worker, Heather Chapman, was named Most Valuable Employee of the Year for her work promoting health and fitness, especially to people from disadvantaged backgrounds. Sam Carroll took out the Customer Service Officer of the Year Award, and Anthony Perkins was named Duty Manager of the Year.





Fostering creativity

Arts should be an everyday experience in Yarra.

In 2010–11, Council updated its four-year Arts and Cultural Strategy to provide a vision for ensuring arts-based activities continue to be prominent and accessible in our community.

What Council Does

Council performs a range of functions including:

- Considering the diverse needs of the community in decision making.
- Establishing strategic objectives and monitoring their achievement.
- Managing resources (including staff) in a safe, responsible and accountable manner.
- Advocating for the interests of the Yarra community.
- Working with other levels of government and considering the needs of other communities.
- Fostering community cohesion and encouraging participation.

Making decisions

Councillors have the power to make important decisions affecting the entire municipality, and in doing so, they consider the views of, and consult with, the community. However, they only have the authority to make decisions as a group when they are acting as 'Council'. Council decisions are made on a majority vote. In the event of a tied vote, the Mayor has the casting vote.

Council committees, which include the Finance and Human Service Committee and the Planning, Environment and Infrastructure Committee, do not have any formal decision-making power. However, the Internal Development Approvals Committee (IDAC) has specific delegated authority to determine applications for planning permits.

Governance

Council sees effective good governance as the key to meeting our community's expectations. Council strives to operate effectively, efficiently, impartially and with integrity and compassion and ensures that proper processes and systems are in place to help us make informed decisions.

Council also has strong working relationships with other tiers of government, local authorities and neighbouring councils to ensure the best outcomes for our community.

This section outlines how Council operates, and includes a range of statutory information which is required under the Local Government Act.

Council Plan 2009–13

The Council Plan 2009–13 is Yarra's major strategic document which sets out Council's aims and objectives and the outcomes that the elected Councillors want to achieve during this period.

This Plan contains two dominant themes – Liveability and Responsiveness, and these themes are reflected in the following five key Strategic Objectives which relate to different aspects of Council's service delivery:

1. Making Yarra More Liveable
2. Ensuring a Sustainable Yarra
3. Serving Yarra's Community
4. Supporting a Diverse and Dynamic Yarra
5. Building Council's Capacity and Performance

Actions relating to the Council Plan's major strategies are updated annually. These actions originate from department plans and are informed by a variety of sources including community consultation and Councillor priorities.

Council also has a Strategic Resource Plan which indicates how Council is going to manage its financial and human resources to achieve the initiatives outlined in the Council Plan.

Each year, Council produces an Annual Plan identifying how Council will work towards achieving its key Strategic Objectives. Council priorities, major projects, capital works, service improvements, as well as actions in response to Council strategies and plans are set out in the Annual Plan.

The 2010–11 Plan contained 67 projects and activities and these were reported against during 2010–11 in quarterly reports to Council. In the 'Performance' section of this report (starting on page 45) we outline those projects and activities and how Council performed against them in 2010–11.



Councillors

The City of Yarra is divided into three Wards – Nicholls, Langridge and Melba, with three Councillors elected to represent each Ward. Councillors work together with the community, the Chief Executive Officer and the Council administration to set Yarra's strategic direction.

As part of their role, the Mayor and Councillors are members of Council's Internal Development Approvals Committee (IDAC) on a rotational basis. Councillors also serve on one of the other two committees – Finance and Human Services, and Planning, Environment and Infrastructure. The Mayor sits on all Committees.

Council also has several consultative and advisory committees which enable community members to have input into Council policies, directions and activities. Councillor membership of internal and external committees is decided in December each year.

Committees on which Councillors sat during 2010–11 are listed below.

Nicholls Ward

Nicholls Ward includes the suburbs of North Carlton, North Fitzroy, Princes Hill, and parts of Clifton Hill, Fitzroy and Collingwood. It was named after Sir Doug Nicholls (1906–1988), Aboriginal community leader, a revered sportsman, pastor and statesman.



COUNCILLOR JACKIE FRISTACKY was first elected to Council in 2002 to represent the former Nicholson Ward.

T 0412 597 794.

E jackie.fristacky@yarracity.vic.gov.au

Internal Committee Memberships

- Internal Development Approvals Committee
- Planning, Environment and Infrastructure Committee
- Active Ageing Advisory Committee
- Bicycle Advisory Committee (from December 2010)
- Business Advisory Group
- Curtain Square Community Advisory Committee
- Environment Consultative Committee
- Municipal Public Health Plan Advisory Committee
- North Fitzroy Community Hub Community Design Reference Group
- Sustainability Awards Panel

External Committee Memberships

- Metropolitan Transport Forum
- Road Safe – Inner Melbourne Community Road Safety Council
- Victorian Local Governance Association (VLGA)
- VLGA representative on the Victorian Bicycle Advisory Council
- MAV Transport and Infrastructure Advisory Group



COUNCILLOR JANE GARRETT was first elected to Council in November 2008, and served as Yarra's Mayor in 2009-2010. She resigned from Council in late 2010 when she stood successfully for election to State Parliament as the Member for Brunswick.

Internal Committee Memberships

- Internal Development Approvals Committee
- Finance and Human Services Committee
- Planning, Environment and Infrastructure Committee
- Audit Committee
- Business Advisory Group
- Committee For Women
- Early Years Reference Group
- Environment Consultative Committee
- Performance Review Sub Committee
- Live Music Working Group

External Committee Memberships

- Inner Melbourne Action Plan (IMAP) Implementation Committee
- Mayors For Peace



COUNCILLOR SAM GAYLARD was first elected to Council in November 2008.

T 0448 586 884.

E sam.gaylard@yarracity.vic.gov.au

Internal Committee Memberships

- Internal Development Approvals Committee
- Finance and Human Services Committee (Chair until December 2010)
- Planning, Environment and Infrastructure Committee (from December 2010)
- Audit Committee (until December 2010)
- Bicycle Advisory Committee
- Community Gardens Advisory Committee
- Curtain Square Community Advisory Committee
- North Fitzroy Community Hub Community Design Reference Group
- Sustainability Awards Panel

External Committee Memberships

- Merri Creek Management Committee
- Yarra Energy Foundation



COUNCILLOR ANTHONY MAIN was elected to Council in January 2011, filling the vacancy resulting from the election of Councillor Jane Garrett to State Parliament. He has served on the committees listed below since his election to Council.

T 0407 529 658

E anthony.main@yarracity.vic.gov.au

Internal Committee Memberships

- Internal Development Approvals Committee
- Finance and Human Services Committee
- North Fitzroy Community Hub Community Design Reference Group

Langridge Ward

Langridge Ward includes the suburb of Abbotsford, and parts of Alphington, Clifton Hill, Collingwood, Fairfield and Fitzroy. It was named after George Langridge (1829–1891) who supported affordable housing through building societies including the Langridge Mutual Permanent Building Society.



COUNCILLOR GEOFF BARBOUR was first elected to Council in February 2008 and was re-elected in November 2008

T 0438 034 241
E geoff.barbour@yarracity.vic.gov.au

Internal Committee Memberships

- Internal Development Approvals Committee
- Finance and Human Services Committee (Chair from December 2010)
- Planning, Environment and Infrastructure Committee (until December 2010)
- Business Advisory Group (from December 2010)
- Early Years Reference Group
- Municipal Public Health Plan Advisory Committee
- Yarra Arts Advisory Committee
- Sustainability Awards Panel

External Committee Memberships

- Collingwood Children's Farm Management Committee
- Victorian Local Governance Association



COUNCILLOR STEPHEN JOLLY was first elected to Council in November 2004.

T 0437 856 713
E stephen.jolly@yarracity.vic.gov.au

Internal Committee Memberships

- Internal Development Approvals Committee
- Planning, Environment and Infrastructure Committee
- Aboriginal Advisory Committee
- Community Gardens Advisory Committee (until December 2010)
- Live Music Working Group

COUNCILLOR AMANDA STONE was first elected to Council in November 2008.

T 0429 358 170
E amanda.stone@yarracity.vic.gov.au

Internal Committee Memberships

- Internal Development Approvals Committee
- Finance and Human Services Committee
- Aboriginal Advisory Committee
- Business Advisory Group (until December 2010)
- Performance Review Sub Committee
- Sustainability Awards Panel
- Environment Consultative Committee (until December 2010)
- Live Music Working Group (from December 2010)

External Committee Memberships

- Collingwood Children's Farm Management Committee
- Metropolitan (Local Government) Waste Management Forum
- Northern Alliance for Greenhouse Action



Melba Ward

Melba Ward includes the suburbs of Burnley, Cremorne and Richmond. It was named after singer Dame Nellie Melba (1861–1931) who grew up in Richmond.



MAYOR ALISON CLARKE was first elected to Council in November 2008 and has served as Mayor since December 2010.

T 0428 509 943
E alison.clarke@yarracity.vic.gov.au

Internal Committee Memberships

- Internal Development Approvals Committee
- Finance and Human Services Committee (from December 2010)
- Planning, Environment and Infrastructure Committee (Chair until December 2010)
- Audit Committee
- Business Advisory Group
- Yarra Committee For Women
- Disability Advisory Committee
- Environment Consultative Committee
- Performance Review Sub Committee
- Sustainability Awards Committee

External Committee Memberships

- Mayors For Peace
- Inner Melbourne Action Plan (IMAP) Implementation Committee
- Metropolitan (Local Government) Waste Management Forum
- Metropolitan Transport Forum
- Municipal Association of Victoria
- Friends of Baucau



COUNCILLOR JOSH FUNDER was first elected to Council in November 2008.

T 0428 386 337
E josh.funder@yarracity.vic.gov.au

Internal Committee Memberships

- Internal Development Approvals Committee
- Finance and Human Services Committee (until December 2010)
- Planning, Environment and Infrastructure Committee (Chair from December 2010)
- Audit Committee
- Performance Review Sub Committee

External Committee Memberships

- Yarra Energy Foundation



COUNCILLOR DALE SMEDLEY was first elected to Council in November 2008.

T 0409 174 747
E dale.smedley@yarracity.vic.gov.au

Internal Committee Memberships

- Internal Development Approvals Committee
- Finance and Human Services Committee
- Yarra Arts Advisory Committee

Councillor Allowances

Pursuant to the Local Government Act 1989 (The Act), Council sets the following allowances: Mayoral – \$64,062 plus 9% (\$5,765), being the equivalent of the Superannuation Guarantee levy and Councillors \$20,705 plus 9% (\$1,863), being the equivalent of the Superannuation Guarantee levy.

Council Meetings

Council holds Ordinary Council meetings on the third Tuesday of every month alternating between the Fitzroy and Richmond town halls. These meetings are open to the public and Council encourages the community to attend and participate in the decision making process. Ordinary Council meetings include a Public Question Time which provides an opportunity for individuals to have their say and present questions on issues of interest to them.

Council's Finance and Human Services; Planning, Environment and Infrastructure; and Internal Development Approvals Committee are convened regularly to enable Councillors to spend more time assessing and consulting on issues and considering feedback before making important decisions that affect the community.

Council's meeting schedule, and agendas and minutes are available on the Yarra website at www.yarracity.vic.gov.au

The following Ordinary Council, Special Council and Committee meetings were held in 2010–11:



Ordinary Council Meetings

Councillor	Meetings held	Meetings attended
Cr Barbour (Acting Mayor from 28 November 2010 to 14 December 2011)	11	11
Cr Clarke (Mayor from 14 December 2010 to 30 June 2011)	11	11
Cr Fristacky	11	11
Cr Funder	11	10.5*
Cr Garrett (Mayor from 1 July 2010 to 28 November 2010)	5	3
Cr Gaylard	11	10
Cr Jolly	11	10
Cr Main	5	5
Cr Smedley	11	11
Cr Stone	11	11

* the 0.5 relates to the May 2011 Council Meeting, which was divided into two sessions, one of which the indicated Councillor attended

Special Council Meetings

Councillor	Meetings held	Meetings attended
Cr Barbour (Acting Mayor from 28 November 2010 to 14 December 2011)	7	7
Cr Clarke (Mayor 14 December 2010 to 30 June 2011)	7	7
Cr Fristacky	7	6
Cr Funder	7	5
Cr Garrett (Mayor from 1 July 2010 to 28 November 2011)	2	2
Cr Gaylard	7	6
Cr Jolly	7	5
Cr Main	4	3
Cr Smedley	7	7
Cr Stone	7	7

Finance and Human Services Committee Meetings

Councillor	Meetings held	Meetings attended
Cr Barbour (Chairperson from 21 December 2010 to 30 June 2011)	7	7
Cr Clarke	5	5
Cr Funder	6	3
Cr Garrett	5	3
Cr Gaylard (Chairperson from 1 July 2010 to 21 December 2010)	11	6
Cr Main	5	4
Cr Smedley	11	10
Cr Stone	11	11

Planning, Environment and Infrastructure Committee Meetings

Councillor	Meetings held	Meetings attended
Cr Barbour	6	6
Cr Clarke (Chairperson from 1 July 2010 to 21 December 2010)	10	9
Cr Fristacky	10	8
Cr Funder (Chairperson 21 December 2010 to 30 June 2011)	4	3
Cr Garrett	5	3
Cr Gaylard	4	3
Cr Jolly	10	6

Councillor committee memberships are decided half way through the reporting year. The numbers in the Committee Meeting tables above represent the number of committee meetings held while the Councillor was a committee member.

Audit Committee

A key objective of Council is to ensure effective corporate governance through the implementation and application of strong and appropriate internal policies, procedures and controls. This encompasses all areas of risk management, Council's control framework, its external accountability responsibilities, Council's compliance with legislation and its internal and external audit activities, and in particular the implementation of audit recommendations.

To assist in the ongoing achievement of this objective, Council has established an Audit Committee, in accordance with Best Practice Guidelines for Local Government Entity Audit Committees and Internal Audit. The Committee comprises three independent external members and two appointed Councillors.

This committee provides independent assurance and assistance to the Chief Executive and the Council in relation to the Council's risk, control and compliance framework, and its external accountability and legislative compliance responsibilities.

During 2010–11, the Committee met on five occasions and considered a range of issues including:

Risk Management, Fraud and Corruption Control:

- Strategic Risk Register and High Level Operational Risks.
- Risk Management Framework and Policy.
- Risk Management Review Panel (RMRP) Terms of Reference.
- Minutes of meetings of the RMRP.
- Legal actions and insurance claims update.
- Civic Mutual Plus liability insurance audit report.
- Fraud and corruption control assessment.
- Investigation into allegations of potential employee impropriety.
- Management Action Plan to address fraud and corruption risks.
- Information Systems Disaster Recovery Plan.

Internal Audit:

- Cash handling review.
- Strategic (3 year) Internal Audit Plan
- Corporate Planning review.
- Memorandum of Audit Planning (MAP) – Contract Management.
- Environmental Objectives – Sustainability Goals MAP.
- Risk Management MAP.
- Fraud and Corruption Control MAP.

Control Framework:

- Compliance Plan Scorecard.
- Consideration of Internal Control framework.

External Audit:

- Final Annual Accounts for 2009–10 and Auditor's Report.
- Victorian Auditor General's Office (VAGO) Yarra City Audit Strategy 2011.
- VAGO Final Audit Management Letter 2009–10.
- VAGO Interim Audit Management Letter 2010–11.

Other General Issues:

- Quarterly Financial Reports for 2010–11.
- Audit Committee Chairman's Report to Council.
- MAV Trends in Local Government Finance.
- VAGO Financial Sustainability Indicators 2009–10.
- Information Systems Disaster Recovery Plan.
- Asset Capitalisation Policy



Local Laws

To help maintain the amenity of the municipality and safety of the community, Council has the following five principal Local Laws:

- Meeting Procedures Local Law, No 1 of 2002.
- Roads and Council Land Local Law, No 2 of 2002 (which incorporates amendments made by the Roads and Council Land, Miscellaneous Parking and Traffic Matters Local Law, No 1 of 2004, the Validity of Parking Permits Local Law, No 1 of 2007, the Management of Large Building Sites Local Law, No 1 of 2009 and the Commercial Fitness Activity Local Law, No 2 of 2009).
- Environment Local Law, No 3 of 2002 (which incorporates amendments made by the Control of Noise in Council Parks and Gardens Local Law, No 2 of 2007, Management of Large Building Sites Local Law, No 1 of 2009 and the Environment (Protection of Significant Trees Amendment) Local Law, No 3 of 2009).
- The Consumption of Alcohol in Public Places Local Law, No 8 of 2009.
- Anti Slavery and Sexual Servitude Local Law, No 14 of 2009 (which is yet to be enacted).

Each of these principal Local Laws is available on Council's web site at www.yarracity.vic.gov.au, and at the Collingwood and Richmond town halls.

Freedom of information requests

The Freedom of Information (Fol) Act 1982 provides the opportunity for public access to Council documents. In 2010–11 Yarra received 51 Fol requests compared with 43 Fol requests in 2009–10.

The Fol Act allows a 45 day turn-around time for Council to respond to Fol applications. The average time Council took to respond to requests in 2010–11 was 14 days. This 14 day turnaround has been maintained by Council for the past three years.

Documents available for inspection

Pursuant to the Local Government Act 1989 and Local Government (General) Regulations 2004, the following documents are available for inspection by any member of the public upon request:

- Statement of Financial Performance, Financial Position and notes to the Financial Report.
- Mayoral and Councillor allowances.
- Senior officers' total salary packages for the current and previous year.
- Overseas or interstate travel (excepting interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any Council staff in the previous 12 months.
- Names of Council officers required to submit a return of interest during the financial year and the dates the returns were submitted.
- Names of Councillors who submitted returns of interest during the financial year and the dates returns were submitted.
- Agendas and minutes of Ordinary and Special Council meetings except confidential items.
- Special committees established by Council and the purpose of each.
- Special committees established by Council which were abolished or ceased to function during the financial year.
- Register of Delegations kept under Section 87 and 98 of the Act.
- Submissions received under Section 223 of the Act during the previous 12 months.
- Agreements to establish regional libraries.
- Property, finance and operating leases involving land, buildings, plant, computer equipment and vehicles entered into by the Council as lessor or lessee.
- Register of authorised officers.
- Donations and grants made by Council during the financial year.
- Names of organisations of which Council was a member during the financial year.
- Contracts valued at \$100,000 or more which the Council entered into during the financial year without first engaging in a competitive process.

Risk Management

Council continues to develop and improve its enterprise risk management framework and processes to identify, evaluate, and reduce exposure to strategic and operational risks. During 2010–11, the Risk Management and Insurance Unit made progress across a number of areas, as outlined below:

Risk Management Framework

The Risk Management Framework and Risk Management Policy were reviewed and presented to Council's Audit Committee which endorsed both policy documents in 2010–11.

Enhancements were made to Council's risk management software to enable improved reporting and audit functionality. This allows Managers and Coordinators to maintain and update their own risk registers and risk action plans.

Risk Management Review Panel

The Risk Management Review Panel (RMRP), a committee of Council's executive management and risk management personnel, meets each month to review strategic and operational risk registers and other risk related topics.

Operational risk registers, including actions to mitigate risks, are presented to the RMRP on an ongoing cyclical basis. The registers are presented by each Risk Owner (usually a Branch Manager) and are discussed, considered and minuted to record any recommended improvements by the RMRP. The RMRP has now completed risk register reviews of around 80% of the operational areas of Council.

Additional risk matters and issues related to risk control failures are also presented to the RMRP for consideration and action.

The minutes of the RMRP form part of the quarterly risk management report to Council's Audit Committee along with relevant insurance and legal matters.

Strategic Risks

Strategic risks were reviewed by the RMRP with updated actions and additional risks added to the register. The results of the Strategic Risk Register review were reported to the Audit Committee and included mitigation strategies to reduce the risk exposure for Council.

Fraud and Corruption Control

A major review of Council's Fraud and Corruption Control Policy and related policies and procedures was initiated by Council's CEO in November 2010 after a Council staff member was interviewed by police in relation to accepting bribes from operators of illegal brothels. The staff member resigned from Council and later pled guilty to bribery offences in Court. Council's CEO engaged Ernst & Young to conduct the review. Council accepted all of Ernst & Young's recommendations for improvement. As a result Council's Risk Management Unit, in conjunction with other areas of Council, has undertaken the following work:

- A comprehensive review and update of Council's Fraud and Corruption Control Policy to comply with Australian standards and industry best practice.
- Amendments to the Whistleblowers Protection Procedures.
- Updates to the Staff Code of Conduct.
- Operational fraud and corruption specific risk assessments of higher risk areas across Council, and updates to Operational Risk Registers, including risk mitigation action plans.
- Information sessions for Council staff on fraud and corruption and Council's updated policy documents.
- Establishment of a mandatory e-learning training program for fraud and corruption control, which will be rolled out in 2011–12.
- Contracting with an external disclosure service provider "Your Call" to support and enhance Council's existing internal whistleblower / disclosure process.
- Executive endorsement for the establishment of an Ethics Committee.

Insurance

A comprehensive annual review and assessment of Council's insurance portfolio was undertaken and the policy renewal process completed prior to 30 June 2011.

Council is subject to regular audits by its major insurers. In 2010–11, Civic Mutual Plus (CMP) conducted an audit of Council's operational procedures and systems to assess the ability of Council to control and mitigate risk. Focusing on public and professional liability, the audit, which ranks Council using established risk criteria, resulted in an overall compliance score of a favourable 90%. This elevated Council from "Bronze" to "Gold" status in the CMP rating system, an outstanding improvement of 15% on the previous year's score.

Asset management system

This project went through a re-scoping process in 2010–11 to align the capabilities of the Asset Management System (AMS) with a new asset management policy adopted by Council. The new policy is based on the National Asset Management Framework for Local Government endorsed by the Local Government and Planning Ministers' Council (LGPMC) in May 2009. This re-scoping process has resulted in a revised plan to complete the project that will include significant enhancements to the AMS software and the introduction of mobile technology into field operations to improve data accuracy and efficiency of service delivery. The project is about 60% complete and there was no further roll-out of the AMS while the re-scoping process was undertaken. The revised roll-out plan will commence in 2011–12.

Legislative Compliance/Privacy Act

Information Privacy Act 2000

Victorians are protected by three pieces of privacy legislation. These are the:

- Victorian Information Privacy Act 2000 (IPA).
- Victorian Health Records Act 2001 (HRA).
- Federal Privacy Act 1988.

Council has successfully implemented its Privacy Plan and is continuing to monitor and review compliance. Council is committed to ensuring full compliance with the privacy principles under the legislation and seeks to responsibly manage any personal information or health information it handles.

Yarra City Council's privacy policies may be viewed on Council's website www.yarracity.vic.gov.au or a copy can be obtained from the Collingwood and Richmond town halls or by contacting Council's Privacy Officer, Ivan Gilbert on 9205 5110.



Whistleblowers Protection Act 2001

In accordance with the Whistleblowers Protection Act 2001 (WPA), Council has developed procedures for dealing with whistleblower disclosures. These procedures are available from Council's website www.yarracity.vic.gov.au

For the year ending 30 June 2011, the status of relevant procedures under the WPA was as follows:

Whistleblower Protection Activity	Number
The number and types of disclosures made to the Council during the year.	1
The number of disclosures referred during the year by the Council to the Ombudsman for determination as to whether they are public interest disclosures.	1
The number and types of disclosed matters referred to the Council during the year by the Ombudsman.	Nil
The number and types of disclosed matters referred during the year by the Council to the Ombudsman to investigate.	Nil
The number and types of investigations of disclosed matters taken over by the Ombudsman from the Council during the year.	Nil
The number of requests made under Section 74 of the WPA during the year to the Ombudsman to investigate disclosed matters.	1
The number and type of disclosed matters that the Council has declined to investigate during the year.	Nil
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation.	Nil
Any recommendations of the Ombudsman under the WPA that relate to the Council.	Nil

CHIEF EXECUTIVE OFFICER

Andi Diamond

CITY DEVELOPMENT DIVISION

Bruce Phillips

Manager of Major Projects

Ian Hatfield

Manager Building & Regulatory Services

Steven McMurray

- Public Health
Mark Hoyne
- Community Amenity
Vacant
- Local Laws and Animal Management
Russell Colquhoun
- Systems and Business Support
Dominica Graham
- Yarra Building Services
Dan Curlis

Manager Statutory Planning

Mary Osman

- Planning Customer Service
Violetta Bekiaris
- Statutory Planning
Danielle Connell, Mathew Cohen, Tarquin Leaver

Manager Parking Services

Damien Patterson

- Yarra Parking Services
Grant Kelly

Manager Strategic & Economic Planning

Vivien Williamson

- Urban Design
Richa Swarup
- Economic Development
Helen Ruddell
- Strategic Planning
Sherry Hopkins

Manager Strategic Transport & Environment

Jane Waldock

- Environmental Management
Michael Oke (acting)

INFRASTRUCTURE SERVICES DIVISION

Vito Albicini

Manager Engineering Operations

Kim O' Connor

- Services Contract
Enzo Valente
- Yarra Road Services
David McKinnon
- Fleet Management
Bill Johnston

Manager Recreation & Open Space

Justin Hanrahan

- Recreation Services
Stuart Grant
- Open Space Maintenance
Jason Hocking
- Open Space Project Design
Joanna Bush
- Arboriculture & Streetscapes
Michael Rogers

Manager Infrastructure & Special Projects

Richard Young

- Engineering Services
John Ghasperidis
- Traffic
Ross Evans

Sustainable Asset Management

Bill Sharpe

- Asset Management
Vacant

Manager Buildings & Property

(Vacant)

- Building Management
Gordon McVittie
- Building Projects
Vacant
- Property Management
Karen Hayes

COMMUNITY PROGRAMS DIVISION

Craig Kenny

Manager Aged & Disability Services

Adrian Murphy

- Home Care Services
Nargis Ali
- Food Services
Sandie Vaskess
- Services & Planning
Ro Roberts
- Community Development
Frances Moloney

Manager Community Planning & Advocacy

Ross Goeman (acting)

- Community Advocacy
Aldo Malavisi
- Community Planning
Clare Murrell

Corporate Planning

Julie Wyndham

Manager Cultural & Library Services

Jenny Ruffy

- Arts & Cultural Services
Siu Chan
- Yarra Libraries – Collections & Services
Lesley Fell
- Yarra Libraries – Library Development
Judy Bell

Manager Family & Children Services

Jocelyn Fuller

- Family Services
Wendy Jones
- Early Years Services
Jodi Spratling
- Service Planning & Development
Vacant
- Youth & Middle Years
Cherry Grimwade

Manager Leisure Service

Peter Watson

- Collingwood Leisure Centre
Vacant
- Richmond Recreation Centre
Tara Choudari
- Fitzroy Swim Centre
Collin McKibbin
- Burnley Golf Course
Michelle Scerri
- Civic Facilities
Jay Rogan

CORPORATE & FINANCIAL SERVICES DIVISION

Jack Crawford

Manager Contracts & Procurement

John Cowles

- Contracts & Tendering
Graham Millar
- Purchasing
Damian Michaels

Manager Finance

Philip Mason

- Revenue Services
David Slater
- Valuation Services
Bill Graham
- Payroll Services
Louise Bleize
- Management Accounting
Scott Jennings
- Financial Accounting
Zeeshan Qureshi

Chief Information Officer

Peter Kaczmarek

- Business Analysis
Robert Healy
- IS Service Delivery
Stephen Peatling
- Corporate Records
Stephen Hyde
- GIS Administrator
John Cole
- MATE Project
Graham Davis
- Data Warehouse
Thu Ho
- Web Admin & Development
Mark Powney

Coordinator Risk Management & Insurance

Alan Lowe

Our Organisation
Organisational Structure
as at 30 June 2011

EXECUTIVE MANAGER COMMUNICATIONS & CUSTOMER SERVICE

Alex Messina

- Communications & Marketing
Ainslie Gowan
- Access Yarra
Lee-anne Graham

EXECUTIVE MANAGER GOVERNANCE

Ivan Gilbert

- Office of the
Mayor & Councillors
Barb Higgins
- Council Business Papers
Erin Nairn-Marcon

EXECUTIVE MANAGER HUMAN RESOURCES

Frank Rog

- Occupational Health & Safety
Stuart Cross
- HR Services
Scott Glover
- Leadership & Development
Matthew Burns



Life cycle

More Yarra residents per capita ride bicycles to work than in any other Melbourne municipality.

Council has significantly raised the bar on bicycle infrastructure spending – from \$4.49 per resident in 2007–08 to \$20.04 per resident in 2010–11 – to meet the demands of those swapping four wheels for two.

Executive Management Team

Council's Executive Management Team comprises a Chief Executive Officer, four Directors and three Executive Managers. They, along with Council's more than 800 staff, are responsible for implementing the actions in the Council Plan and delivering services and programs across the municipality.

Andi Diamond – Chief Executive Officer

The Chief Executive Officer is responsible for the implementation of Council policies, providing strategic advice to Council, staffing and the day to day management of operations. See page 8 for CEO's Report.

Vito Albicini – Director Infrastructure Services

The Infrastructure Services Division is responsible for providing strategic direction for the management of Council's assets, as well as delivering a wide range of services to the community. Assets managed include public swimming pools, libraries, child care centres, parks and gardens, local road networks, drains, footpaths, cycling tracks and bridges. Services provided include Domestic Waste and Recycling Collection, Street Cleaning, Traffic Management, Recreation Planning and management of Council's parks, gardens, reserves and sports grounds. Routine maintenance of roads, drains, footpaths and delivery of the capital works program also form part of the responsibilities of the division.

Note: Early in 2011 the Traffic Management function was transferred from the City Development Division to the Infrastructure Services Division

Jack Crawford – Director Corporate and Financial Services

The Corporate and Financial Services Division is responsible for managing Council's financial performance, corporate business processes and information systems. It also provides strategic procurement and risk management support to the organisation. Services include: Finance, Information Services, Risk Management and Insurance, and Contracts and Procurement.

Craig Kenny – Director Community Programs

The Community Programs Division promotes and enhances community wellbeing through funding programs, service provision and community partnerships. Services include: Aged and Disability Services, Leisure Facilities, Cultural and Library Services, Community Planning and Advocacy, Family and Children's Services and Corporate Planning.

Bruce Phillips – Director City Development

The City Development Division is responsible for the protection and enhancement of the municipality's economic, social and physical environment. The services provided by the Division are Building Services, Economic Development, Environmental Management, Local Laws and Animal Management, Parking Services, Planning Enforcement, Public Health, Statutory Planning, Strategic Planning, Strategic Transport, Urban Design and implementation of the Inner Melbourne Action Plan.

Note: Early in 2011 the Environment Advocacy role was transferred from the Infrastructure Services Division to the City Development Division

Alex Messina – Executive Manager Communications and Customer Service (Note: Joanne Mulcahy was appointed to this role in July 2011)

Communications and Customer Service is responsible for providing residents and visitors with information about Council services and decisions, as well as responding to public inquiries and requests for service. Key areas of responsibility are Communications (media relations, publications, online communications and civic events) and Customer Service (Access Yarra call centre and customer service centres).

Ivan Gilbert – Executive Manager Governance

Governance provides overall governance support to the organisation and manages Freedom of Information requests and administration. Services include: Office of the Mayor and Councillors and Council Business Papers.

Frank Rog – Executive Manager Human Resources

Human Resources is responsible for ensuring that the staff and culture of the City of Yarra are aligned with the organisation's vision and values so its strategic objectives can be achieved in the most effective, efficient and sustainable way. It covers the following areas: Industrial Relations, Learning and Development, Occupational Health, Safety and Staff Wellbeing, Organisational Development, Recruitment and Selection and Workforce Planning and Performance.

Our values

Council is guided by the following values and agreed behaviours. These values underpin our efforts to deliver the Council Plan and build a service culture based on positive relationships among staff and with the community.

- Integrity
- Accountability
- Teamwork
- Respect
- Innovation

During 2010–11, these values have been further integrated into Human Resources strategies and initiatives including Staff Performance Development Reviews and team workshops relating to organisational culture and customer responsiveness.



Staff profile

As at 30 June 2011, Council employed 852 people comprising 419 full time, 224 part time, and 208 casual employees (with one employee on Work Cover).

Employees Full Time Equivalent

Division	Full Time	Part Time	Casual	Work Cover	Total
City Development	108.16	16.41	10.95		135.52
Community Programs	144.70	100.57	34.59		279.86
Corporate and Financial Services	47.26	4.74			52.00
Executive	32.67	5.81	1.20		39.68
Infrastructure Services	82.90	3.97	1.61		88.48
WorkCover				0.03	0.03
Grand Total	415.69	131.51	48.35	0.03	595.58

Number of Employees

Division	Full Time	Part Time	Casual	Work Cover	Total
City Development	109.00	30.00	47.00		186.00
Community Programs	146.00	171.00	153.00		470.00
Corporate and Financial Services	48.00	8.00			56.00
Executive	33.00	8.00	5.00		46.00
Infrastructure Services	83.00	7.00	3.00		93.00
WorkCover				1.00	1.00
Grand Total	419.00	224.00	208.00	1.00	852.00

Equal opportunity

Council has a strong commitment to Equal Opportunity (EO) which is incorporated into all Council activities. EO principles are part of our recruitment and selection processes, general employment issues, induction and training, health and safety, grievance processes, and dispute resolution. For the purpose of Schedule 6 of the Local Government Act 1989, the Staff Consultative Committee acts as the Equal Employment Consultative Committee for the development and implementation of the Equal Opportunity Program.

We have 17 Equal Employment Opportunity Contact Officers (EEOs) on our staff and during June 2011 they all participated in training in preparation for the new Equal Opportunity Act which commences from August 2011. EEO Officers are located across seven sites and all receive EEO training based upon Yarra's updated EEO guidelines.

Our organisation's Enterprise Agreement 2010-13 committed to establish "Equal Opportunity for Women in the Workplace Programs" at Yarra. To meet this commitment we will be forming a Gender Equity Committee which will oversee implementation of the Yarra Gender Equity Strategy. The proposed objectives of this strategy are:

- To improve the gender balance by increasing the number of women in senior decision making roles and in non-traditional women's roles across the organisation.
- In collaboration with the Yarra Cultural Change program, to develop a culture which embraces gender equality, and provides an environment where every person can fully contribute, where work/life needs are valued, and where women's and men's career aspirations are supported.
- To be recognised as an employer of choice for women as measured against the EOFCW (Employer of Choice for Women) criteria as set out by EOWA (Equal Opportunity for Women Agency).



One of the key areas where Council addressed an internal review of EO implementation in 2010–11 was to pursue options to upgrade the Collingwood Town Hall to make it a safe and accessible workplace. This started in 2009–10 with installation of an upgraded air conditioning plant, and has continued in 2010–11 with the commencement of the Collingwood Town Hall Accommodation project. The primary objective of this project is to upgrade and refurbish the Collingwood Town Hall offices to meet modern standards, and provide a fully accessible building and modern reception for Council business operations.

Employee relations

With the introduction of the Fair Work Act from 1 July 2009, Council began negotiations in March 2010 for a new Enterprise Agreement under the provisions of the new employment legislation. The Enterprise Agreement was approved by Fair Work Australia in December 2010, replacing the previous City of Yarra Enterprise Bargaining Agreement which expired on 30 June 2010.

Workplace accidents and incidents

Staff reported 138 workplace incidents, including near misses and accidents, in 2010–11. This compared with 152 incidents being reported in 2009–10. In 2008–09, 43 incidents were reported. The sustained increase in reporting levels over the past two years indicates that staff are feeling more encouraged to report incidents. Increased reporting levels enable workplace hazards to be addressed and also raise the awareness of health and safety for all staff.

Workers' Compensation claims increased from 10 in 2009–10 to 14 accepted claims in 2010–11. However, the number of days lost to workplace injuries dropped from 348 in 2009–10 to 175 in 2010–11. Additionally, when benchmarked against Municipal Association of Victoria statistics, Yarra is placed better than average when comparing lost time injuries, total days lost due to injury and duration of lost time due to injury. Consequently, Council's WorkCover premium is expected to decrease significantly in the coming year.

Workplace safety

Council maintains a proactive approach to Occupational Health and Safety in a bid to prevent injuries and ensure a safe and healthy workplace.

During 2010–11 Council:

- Continued accreditation for the Safety Management Achievement Program at Yarra Road Services.
- Maintained accreditation for ISO9001:2000, Quality Management Systems at Yarra Leisure Services.
- Continued statutory training in relevant OH&S areas such as OH&S Representative courses, First Aid, CPR, and Manual Handling.
- Finalised updated and improved emergency procedures, in conjunction with the MFB, for our three Town Halls including MFB training of the emergency warden group.

Active for all ages

With its beautiful parks, picturesque river walks, extensive bike and walking path networks, sports grounds, a nine hole golf course and three multi-functional leisure centres – including new pool facilities at Collingwood Leisure Centre – Yarra offers plenty of healthy options for people of all ages.



Services covered in this Strategic Objective

- Sustainable Transport
 - Parking Services
 - Community Infrastructure
 - Strategic and Economic Planning
 - Statutory Planning
 - Environmental Services
 - Building and Amenity
-

Introduction

Council works hard to make Yarra more liveable and ensure that the community has easy access to the best possible amenities. We achieve this by improving services such as town planning, roads, transport and waste management, all of which impact on local amenity.

Strategic Objective

Making Yarra more liveable

Interesting Facts about these services in 2010–11

Sustainable Transport

- 23% of Yarra residents used public transport to get to work.*
- More than 12% of Yarra residents walked to work.*
- More than 6% of Yarra residents cycled to work.*
- \$560,000 spent on traffic management measures.
- \$945,000 spent on transport projects (ie: Local Area Traffic Management Schemes (LATMS), bicycle paths, pedestrian safety).

**Source: 2006 Census figures*

Community Infrastructure

- \$1.8 million spent on road pavement reconstruction and repairs.
- \$2.09 million spent on maintaining Yarra's 455kms of footpaths.

Statutory Planning

- Council determined 1424 planning applications and amendments in 2010–11 (1135 applications and 289 amendments).

Building and Amenity

- 3256 inspections conducted on 1405 premises under the Food Act.
- 349 inspections conducted on 269 premises under the Public Health and Wellbeing Act (formerly the Health Act).
- 3815 dogs and 2167 cats registered in Yarra in 2010–11

Strategies

The following Strategies will be implemented to achieve this Strategic Objective:

- Ensure appropriate land use planning.
- Advocate for public transport improvements.
- Increase bicycle use through improved access and infrastructure for cyclists and pedestrians.
- Promote improved community amenity and liveability in the context of the late night economy and other contested factors.
- Ensure access to, and improve, public space activity and neighbourhood centres.

Initiatives listed in 2009-13 Council Plan	Actions in 2010-11 Annual Plan to meet initiative	Status For 2010-11
Streamline planning applications	<ul style="list-style-type: none"> — A new system called Proclaim was successfully implemented to chart planning applications, specifically the turnaround time of Fast Track applications and simple applications. The applications that pre-date the system still have to be charted manually. — KPIs for average and complex applications are being reviewed. — Of 606 applications, a decision had not been made on 48 within 100 days. The number of files over 100 days has been decreasing steadily and continues to be a focus. — The number of Failure to Determine appeals decreased by 22% from the March 2011 to June 2011 quarter. — The new Environmentally Sustainable Design process called Sustainable Design Assessment in the Planning Process (SDAPP) went live in March 2011. Since then the ability to capture information on the number of SDAPP reports that have been received has been built into Proclaim to allow reporting that will indicate uptake of the process. 	80% The finalisation of the Proclaim rebuild has been delayed. It is anticipated that the system will be 100% finalised by the beginning of 2012.
Implement structure plans, urban design frameworks and the Open Space Strategy	<ul style="list-style-type: none"> — A draft Structure Plan for the Swan Street Major Activity Centre was developed and endorsed by Council for consultation. It went on public exhibition for a six week period finishing on 1 July 2011. It has progressed, working through a number of difficult issues such as building height and is expected to be considered by Council in September. — The draft Urban Design Strategy was released for public consultation early in 2011 before being adopted by Council in June 2011. It will act as a guide for planners, designers and decision-makers to help improve Yarra's urban design. 	75% 100%
Clear communication of Local Laws dealing with amenity issues	<ul style="list-style-type: none"> — A Draft Local Law Procedural Manual is being reviewed to ensure compatibility with the Systems and Business Support Procedural Manual which is being developed. — Mobility in the field for Local Laws Officers has been provided via live 'real time' lap tops. — A campaign to increase community awareness of Local Laws was developed and is being implemented. — An information package on responsible pet ownership has been developed for schools. — Council's Animal Management Officer has become qualified to microchip animals. 	85% – Review is continuing. 40% – Two Animal Management Officers have laptops. Local Laws Officers still to be done. 70% – working with Communications to complete campaign. Building flyer complete. Fact sheet for residents and businesses to follow. 80% – Information package completed. Planned to present to schools in 2012. 100% – Animal Management Officer is qualified.

Initiatives listed in 2009–13 Council Plan	Actions in 2010–11 Annual Plan to meet initiative	Status For 2010–11
Advocate to State and Commonwealth Governments on public transport	<p>Council actively advocated on the following key transport projects in 2010–11:</p> <ul style="list-style-type: none"> — Improved bus service along Eastern Freeway, Hoddle Street and Victoria Parade. The Department of Transport (DoT) commenced community consultation on bus service improvements along Hoddle Street and Victoria Parade in February 2011 and discussions continued with the DoT in relation to the development of more accessible tram stops in Bridge Road, Richmond. — VicRoads study to ease traffic congestion on Hoddle Street. Recommendations of the study have been impacted by the new State Government's support for public transport along the Eastern Freeway. The way forward is yet to be confirmed. — Efficiency of trams and tram services travelling through Yarra. Discussions were held on planning opportunities along tram route 109 (Victoria Street) but ceased following the change of State Government. 	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>
Produce and implement a Parking Management Strategy	<p>Council endorsed the Parking Management Strategy in September 2010. It includes a Parking Action Plan containing six items. Three of these were completed in 2010–11:</p> <ul style="list-style-type: none"> — On Street Parking hierarchy. — User Pays approach to parking. — Disability Access Parking Policy, which was endorsed by Council in March 2011. 	<p>76%</p> <p>The remaining three items in the Action Plan will be completed in 2011–12.</p>
Implement further traffic calming measures through Local Area Traffic Management Schemes (LATMS)	<p>Key activities undertaken by Council in Local Area Traffic Management Schemes (LATMS), identifying traffic calming measures and safety improvements this year are:</p> <ul style="list-style-type: none"> — Consultation and conceptual designs for LATMS 5 (West Clifton Hill) and LATMS 14 (North Richmond). — Completed construction of the treatments proposed in LATMS 5 (West Clifton Hill). 	<p>100%</p>

Initiatives listed in 2009-13 Council Plan	Actions in 2010-11 Annual Plan to meet initiative	Status For 2010-11
Review and implement the Waste Management Strategy	<ul style="list-style-type: none"> — Yarra received accreditation as a Waste Wise Gold Council and is one of only six Councils in Melbourne to do so. — A mobile recycling trailer was built and has been placed in prominent areas since June 2011. As a result 500kg of cardboard has been diverted from landfill. — Waste education has included composting programs and events, a face-to-face education program with residents, multi-unit development and businesses, the Prepare your Bin to Win campaign, the Resource Smart Schools program, the Gleadell Street Market plastic bag free program and Waste Wise programs. These programs have diverted more than 224.08 tonnes of waste from landfill. — The Collingwood Depot started opening one Saturday a month for the receipt of recyclables and now also has an all day recycling drop off point. — The Compost Mates program was implemented in Clifton Hill where residents are picking up 270kg of food organics per week. Since December 2010, the program has diverted 8.1 tonnes of compostable material. 	99% Not all of the actions of the plan were completed by 30 June 2011.
Develop and implement a Bike Management Strategy	<ul style="list-style-type: none"> — Council continued to implement the Bicycle Strategy 2010-15 which contains a long term vision for cycling in Yarra. Progress was made on the design of two stages of separated bike lanes on the Clifton Hill – Abbotsford Route and on the Wellington Street Bike Route. 	82% In order to assist with the transition from the City of Melbourne Albert Street route, priority was given to designing and implementing improvements to Yarra's Elizabeth Street route ahead of the other projects.
Review the amount of road pavement in Yarra that can be made available for other uses, with a view to increase open space, porous surfaces and bike paths	<ul style="list-style-type: none"> — Council continued to investigate ways of using existing road space to improve Yarra's environment. — The Community Garden Advisory Committee developed Urban Agriculture Guidelines for people wanting to set up a community garden. These were adopted by Council in June 2011. — A tool for assessing potential sites for community gardens was presented to Council. — In June 2011, Council also received a report on the progress of converting roads to open space. Works will continue into 2011-12 and future projects have been identified. 	100%
Complete a Heritage Review and seek to incorporate these controls in the Planning Scheme	In September 2010, the Minister for Planning approved an Amendment to the Yarra Planning Scheme which improved the heritage controls in the scheme. Council had adopted the Amendment, which resulted from an extensive review of the City of Yarra's heritage precincts, in 2008.	100%

Other Highlights and Actions in 2010–11 in addition to those listed in the Council Plan

Richmond-Kew Transport Study

This study aims to understand the transport issues facing Richmond, particularly in the Victoria Street East Precinct where it is likely some 3000 apartments will be built within the next few years. Council is advocating for lead agencies to conduct a transport study to determine the likely impacts and what options can be pursued to optimise integrated transport outcomes.

Status for 2010–11: 72%

Explanation: As yet Council has received no formal advice from VicRoads concerning the funding bid for the study.

Abbotsford Convent precinct traffic and parking management

In March 2011, following extensive community and stakeholder consultation, Council adopted a Traffic and Parking Plan for the Clarke Street/St Heliers Street area in order to create a safer precinct around the Abbotsford Convent and Collingwood Children's Farm. Several actions within the adopted plan have already been implemented, including a 20km/h shared zone and additional speed hump in St Heliers Street, provision for bus parking in Johnston Street, installation of wayfinding signage and advertising of proposed permanent road closures in the precinct. Other actions to be implemented include installation of additional bicycle parking hoops, a new shared pathway to improve pedestrian access to the precinct from Johnston Street, revised parking restrictions in St Heliers Street and investigation of vehicle access to the Convent car park from Johnston Street.

Status for 2010–11: 100%

Housing Strategy

Council adopted the Housing Strategy in October 2010. It provides a strategic approach to planning for, and managing housing growth and change across the municipality up to 2026. The strategy considers Yarra's capacity for housing growth and identifies areas capable of accommodating increased residential development. It contains a range of strategies and actions with a focus on issues that Council can influence through its land-use planning and functions. It is structured around three key themes – built environment, social environment and sustainability. The Implementation Plan has been prepared and priority projects are being scoped.

Status for 2010–11: 100%

Redevelopment of the Channel 9 site

In May 2011, Council resolved to ask the Minister for Planning to establish a planning panel/advisory committee to consider more than 100 submissions received on Lend Lease's proposed redevelopment of the former Channel 9 site in Richmond. Council had sought community feedback on a draft Development Plan for the site and an amendment to the Planning Scheme which would facilitate the site's redevelopment. The Panel Hearing was to be held in August, with a report from the Panel likely to be received in October. Council was not expected to consider the amendment and related Development Plan before December 2011.

Status for 2010–11: 56%

Explanation: Council was not expected to consider the amendment and related Development Plan before December 2011.

Strategic Indicators

Council will measure its success in meeting this Strategic Objective against the five Strategic Indicators below that are listed in the Council Plan 2009–13. Under each Indicator is an explanation on whether the Indicator has been met in 2010–11 or is on track to be met by 2013 when this Plan ends. If further explanation is required it is given.

1. Sustained decrease in the number of amenity complaints to Council (both new and repeat complaints).

Results in 2010–11: This indicator is measured by the number of complaints Council received relating to Animals, Local Laws and Planning. While Council received a 9% increase in complaints in 2010–11, this was significantly less than the 40% increase recorded the previous year. Council has continued to encourage Local Laws officers to have a stronger focus on obtaining compliance and to proactively detect non-compliance. This resulted in 1728 proactive issues being identified by officers. The ability to achieve this indicator is also impacted by population growth.

2. Significantly rejuvenate at least four key public places (urban spaces) across Yarra.

Results in 2010–11: Council completed a further significant rejuvenation at the intersection of Smith and Otter Street, Collingwood, in late 2010. Council is on track to meet this indicator by 2013.

3. Reduction in 'failure to determine' planning appeals to 10% or below by 2011.

Results in 2010–11: The percentage of appeals by applicants against Council's failure to determine their applications within 60 days was 12% in 2010–11. This increase from the previous year can be attributed to increased workloads in the unit due to a greater volume of applications and staff vacancies. In addition to this, part way through the year the Major Cases list at VCAT was dissolved which meant that the certainty in timeframes for VCAT hearings and decisions was lessened. Quarterly monitoring of failure appeals will continue, with the planning department maintaining its focus on reducing turnaround times.

4. Achievement of at least five separated on-road bike routes and five major off-road bike route upgrades by 2013.

Results in 2010–11: An upgrade of sections of the Main Yarra Trail off-road bike route was completed. This was the only planned off-road route this financial year. Stages A and C of the on-road Clifton Hill – Abbotsford bicycle route started, while the Elizabeth Street route has been re-prioritised to 2011–12 and the Wellington Street upgrade will follow in 2012–13. Council is on track to meet this indicator.

5. Complete at least three Structure Plans.

Results in 2010–11: Preparation of the Swan Street Structure Plan commenced this year but was not adopted by Council in June 2011 as planned. The Victoria Street Structure Plan was adopted in 2009–10. Council is on track to meet this indicator by 2013.



Starting our future today

Council is committed to reducing Yarra's impact on climate change and has set an ambitious target to achieve carbon neutral status.

From farmers' markets selling locally grown produce to tree planting and bicycle groups, Council promotes dozens of initiatives aimed at making Yarra sustainable.

Strategic Objective

Ensuring a sustainable Yarra

Introduction

Council has a vision for Yarra to be a vibrant, liveable and sustainable city of which the community can be proud.

We are working on a number of fronts to improve the sustainability of the local environment by reducing the use of limited resources such as energy and water, minimising waste and pollution, and increasing and improving local open space and biodiversity.

Services covered in this Strategic Objective

- Environmental Management
- Open Space

Interesting Environmental Facts in 2010–11

- The Yarra River and Merri and Darebin Creeks form Yarra's boundaries to the south, east and north. Merri Creek and the Yarra River have adjoining open space reserves which are highly valued for their recreation and conservation values.
- Council maintains 122 parks, 39 playgrounds and 18 sporting fields.
- Council maintains 235 hectares of open space.
- 64,674 plants were planted and established in bushland and habitat sites (including planting through the Green Jobs fund project), and 24,424 new plants were planted in parks and gardens across Yarra.
- Approximately 4500 plants were planted in garden beds at 100 traffic treatments across Yarra to make them look more attractive.
- 1027 street trees were planted, including 372 new trees.

Strategies

The following Strategies will be implemented to achieve this Strategic Objective:

- Ensure access to a high quality 'green' open space network aiming for fully accessible features.
- Reduce Yarra's negative environmental impacts, with a focus on maximising early improvements.
- Encourage local food production and community gardens.
- Enhance Yarra's environmental performance.
- Promote Yarra as a leader in environmental programs including responding to climate change and engaging residents in such programs as Greener Houses Growing Greener Neighbourhoods through the neighbourhood house network.
- Work to increase the proportion of planning applications that incorporate Environmentally Sustainable Design and Accessibility Design principles.

Initiatives listed in 2009–13 Council Plan	Actions in 2010–11 Annual Plan to meet initiative	Status in 2010–11
Develop and set up an Energy Foundation to undertake energy audits and retrofits of residential dwellings	<ul style="list-style-type: none"> — A review of Council’s Environmental Strategy was completed and presented to Council. — The Yarra Energy Foundation was officially launched in April 2011. — Council is providing ongoing support to the Foundation. 	100%
Introduce five new parks by 2013	<ul style="list-style-type: none"> — A new park in Peel Street, Collingwood was completed in June 2011 at a cost of \$700,000 and officially opened in July. Progress was made on converting road pavement in Oxford Street, Collingwood into a park. The proposal for this park was put to Council in July 2011 for endorsement with design documentation expected to start in August 2011. This project should be completed in 2011–12. Funding for new parks comes from the Open Space Developer Contributions. 	96% The report for Oxford Street was presented at the June Council meeting but Council deferred the report to July which meant we could not achieve 100%.
Build Water Sensitive Urban Design (WSUD) projects including wetlands, rain gardens, street tree pits and tanks, and provide support for residents to introduce their own water tanks and grey water systems	<ul style="list-style-type: none"> — Council adopted the Water Sensitive Urban Design (WSUD) policy for infrastructure assets in June 2011. The policy aims to embed WSUD in the creation of new assets and the rehabilitation of existing infrastructure assets. — WSUD treatments in Stanley Street, Collingwood were completed in mid June 2011 to help reduce storm water pollution. — Work on the Edinburgh Gardens Raingarden was not completed in June 2011 as expected. The budget for the project was supplemented by \$350,000 in additional funding received from Melbourne Water. 	100% 100% 80% There were delays early in the project and further wet weather delays during construction.



**Initiatives listed in
2009–13 Council Plan**

**Actions in 2010–11
Annual Plan to meet initiative**

**Status
in 2010–11**

Implement the other actions from, and reach the targets set, in the Environment Strategy

- The project to replace 75% of Yarra's street lights with energy efficient lighting was completed on time. The total changeover cost was \$1.5 million which allowed 4000 globes to be replaced and is expected to reduce Council's carbon footprint by 9.2%.
- A discussion paper was provided to the Yarra Energy Foundation on community greenhouse programs. This effectively transfers responsibility for development of the Community Greenhouse Action Plan to the Energy Foundation.
- A review on how to make Council's outdoor sporting facilities more sustainable was presented to Councillors in June 2011 and City West Water has begun assessing the suitability for storm water harvesting and re-use at three sites across the municipality.
- Council considered a review of the Environment Community Consultative Committee in March 2011 and resolved to continue the Committee with bi-monthly meetings.

100%

100%

100%

100%

Other Highlights and Actions in 2010–11 in addition to those listed in the Council Plan

Engaging the community in sustainability

Council continued to actively encourage the community to live more sustainably through programs that were developed as part of the 10 community sustainability initiatives in 2009–10. The longer term aim is for these programs to be self-sustaining at the end of Council Plan 2009–13. Other ways Council promoted sustainability to the community were:

- In the quarterly Environmental e-news. The mailing list has grown to almost 400 members.
- Greenhouse Savers Program. This is a pilot behaviour change program being conducted in Abbotsford which aims to achieve a permanent reduction in the environmental footprint of over 50 residents participating. Stage 2 of the program has now been completed and a final report is expected in September 2011.
- 2011 Yarra Sustainability Awards. More than 30 entries were received in the awards which were presented in June. Nine winners and seven commendations were announced. Feedback from the event has been positive.
- The creation of Sustainability Awards for Council staff. These will be awarded for the first time in August 2011.
- Council's Community Grants. These grants included an environment stream again this year.
- The adoption of Urban Agriculture guidelines to help promote and manage community gardening activities in Yarra.
- 23 street trees were planted in water sensitive urban design pits in Smith Street, between Victoria Parade and Alexandra Parade, in October and November 2010. This was an action of the Smith Street Structure Plan and was partially funded with \$140,000 from Melbourne Water.

Status completed in 2010–11: 100%

Carbon Neutral Action Plan

Council adopted the Carbon Neutral Action Plan in September 2010 and implementation of the plan is well underway. Many capital works actions have been completed and the following policy development and programs are underway:

- Environmentally Sustainable Design Buildings Policy for Council.
- Thermal Comfort Policy.
- GreenPower / Offsets Purchasing Policy.
- Fleet Purchasing Policy.
- Green Travel Plan.

Status completed in 2010–11: 90% – Council had not resolved its GreenPower / Offsets Purchasing Policy before 30 June 2011.

Edinburgh Gardens Works

Returfing and irrigation of the Alfred Crescent Oval was completed in November 2010. Widening and re-construction of the north-south shared pathway was not completed in June 2011 as expected and continued into July. The project lost time early in the year and this was not made up due to poor weather during construction. It was due for completion in late September 2011.

Status completed in 2010–11: 90% as the project was delayed during construction due to bad weather.

Strategic Indicators

Council will measure its success in meeting this Strategic Objective against the seven Strategic Indicators below that are listed in the Council Plan 2009–13. Under each Indicator is an explanation on whether the Indicator has been met in 2010–11 or is on track to be met by 2013 when this Plan ends. If further explanation is required it is given.

1. Increase in residents living within 400 metres walking distance to open space.

Results in 2010–11: The indicator is measured by the introduction of five new parks in Yarra by 2013 and Council is on track to meet this target. The park at the corner of Peel Street and Oxford Street, Collingwood, is finished and was opened by the Mayor in July 2011 and the park proposed for Oxford Street, Collingwood, was presented to Council for endorsement in July 2011.

2. 40% reduction in potable water consumption in Council operations by 2013 (below 2000–01 baseline).

Results in 2010–11: The target for this indicator has been exceeded. By June 2010, Council had reduced water consumption across its operations by 49% from its base year of 2000–01. Preliminary figures for 2010–11 indicate further reductions. This has been achieved through a combination of adhering to water restrictions and improved management and operations. The target will further be exceeded by the storm water harvesting project at Edinburgh Gardens for irrigation re-use, as well as rainwater harvesting as part of the Collingwood Leisure Centre redevelopment.

3. Council to be carbon neutral by the end of 2012.

Results in 2010–11: After reducing energy usage and producing renewable energy, this target will be achieved through calculating remaining emissions and the purchase of GreenPower and/or Offsets to cover this. Council is on track to meet this target with funding for the purchase of 80% of greenhouse liabilities in 2010–11. The purchase will occur once all emissions have been calculated and the purchasing process is confirmed.

4. Reduction in Council's energy consumption by 30% below the 2000–01 baseline by 2012.

Results in 2010–11: Initial indications are that emissions will have reduced by around 12–13% for 2010–11 compared to the base year, although figures are yet to be finalised. This is expected to further reduce in the 2011–12 target year to around 16–20% (compared to the 30% target) with a full 12 month benefit from reduced electricity use from the street lighting changeover, some benefits from the implementation of two cogeneration units at Fitzroy Pool and Richmond Recreation Centre and other greenhouse reduction actions implemented by June 2012.

5. Increase Yarra's street trees by at least 250 per annum.

Results in 2010–11: The annual target was exceeded with a total of 1027 trees planted, of which 372 trees were new.

6. Treat storm water runoff to the 10% of Best Practice Performance Objectives for storm water quality improvement as set out in Melbourne Water's 'Water Sensitive Urban Design Guidelines'.

Results in 2010–11: Under the Water Sensitive Urban Design Policy for Council Infrastructure, Council aims to capture a total of 64,800 kilograms of suspended solids by 2020, which is 10% of Best Practice.

7. Implement at least 10 community sustainability initiatives.

Results in 2010–11: Council implemented four new community sustainability initiatives in 2010–11. These included a project to develop sustainability materials in Vietnamese in partnership with the Vietnamese Women's Association and City of Darebin, small scale retrofits of some Council-owned facilities, training of home maintenance staff so they can help make clients homes more sustainable and comfortable and sustainable workshops at Council libraries. The initiatives introduced in 2009–10 also continued, apart from the pilot project Greenhouse Savers which now sits with the Yarra Energy Foundation. In addition, Council funded six community-led environmental projects through the Community Grants program. They included a community fruit and vegetable market, clean up days and the installation of a rainwater tank and community garden. Council is on track to meet this indicator by 2013.



Our place, your place

More than 10,000 new residents have settled in Yarra in the past decade.

With these residents establishing new homes and businesses, Council is working to ensure vital infrastructure and services are provided and maintained to meet demand.

Strategic Objective

Serving Yarra's community

Interesting Facts about these services in 2010 –11

Family and Children's Services

- 346 kindergarten places provided for three and four year olds.
- 335 children and their families used Council's childcare and education programs.
- 1159 babies registered with the Yarra Maternal Child Health Service.

- 886 young people aged 10–25 accessed Council's Youth Programs.
- 2100 hours of home maintenance services.
- 12,795 hours of Willowview Centre programs.
- 605 assessments for Home Care services.
- 247 residents supported through community transport.
- 105 residents supported through case management services (Linkages program and the Treatment, Response and Assessment for Aged Care program).

Aged and Disability Services

- 23,288 hours of home care provided.
- 4992 hours of respite care provided.
- 18,668 hours of personal care provided.
- 52,321 delivered meals provided.

Leisure Services

- Work continued on the \$7.8 million redevelopment of the Collingwood Leisure Centre.
- 2189 students enrolled at swim schools at Yarra leisure centres each term.
- 9900 fitness classes were held at Yarra Leisure Centres.
- Yarra's leisure centres had 880,000 visits. This was down on previous years due to the cool summer and the closure of the Collingwood Pool for redevelopment.

Strategies

The following Strategies will be implemented to achieve this Strategic Objective:

- Create community hubs including children's services and facilities for parents and children.
- Be a leader in Local Government, ensuring social justice principles are fundamental to our community services.
- Deliver accessible and integrated services to support our community.
- Improve community facilities to support local services and community activity.
- Ensure access to a range of quality recreational and sporting places, spaces and activities.
- Review and improve Council's services to ensure they are cost-effective, accessible and appropriately targeted.
- Encourage social inclusion through understanding and addressing local need.
- Advocate for, and participate in, affordable housing initiatives.

Introduction

Council provides a range of services and programs to improve the health and wellbeing of our community. We want Yarra to be a great place to live where the community has access to services that meet their expectations. These services target all ages from babies, young children, youth, families, older people and people with a disability.

Services covered in this Strategic Objective

- Family and Children's Services
- Aged and Disability Services
- Leisure Services

Initiatives listed in 2009–13 Council Plan	Actions in 2010–11 Annual Plan to meet initiative	Status in 2010–11
Completed the planned upgrade of the Collingwood Leisure Centre	<p>Work on this project began in October and as at 30 June 2011 the following was completed:</p> <ul style="list-style-type: none"> — 25m pool and learning pool shells. — Pools' plumbing and pipes works. — Balance tank structure (base and walls). — Roof deck to pool hall. — Steel frame over the crèche. <p>Council increased the 2010–11 expenditure for this project by \$200,000. These funds were brought forward from 2011–12.</p>	100%
Deliver affordable housing as part of Council's three year project	<p>The affordable housing project at 239 Brunswick Street was completed with residents moving in during April and May 2011. This project has delivered 14 additional units of affordable housing to people on low incomes and will assist them to stay in the area. The building is of high quality and will support tenants' wellbeing in a range of ways.</p>	100%
	<p>The Gertrude Street and Flockhart Street properties were completed with tenants starting to move in. The third and final year of funding to the Affordable Housing Development Trust project has been paid following the achievement of milestones.</p>	100%
	<p>Council adopted the draft Social and Affordable Housing Strategy and Background Paper for community consultation in April 2011. It identifies strategies to:</p> <ul style="list-style-type: none"> — Support an increase in affordable housing. — Support participation by social and affordable housing tenants in the broader community. — Ensure Yarra's community services are accessible and appropriate. — Build a cohesive community that understands the role of diversity in creating successful places. <p>Council consulted the community on the draft strategy and organised a Housing Forum for August 2011. The final Strategy and an Implementation Plan were expected to be presented to Council in November 2011.</p>	100%

Initiatives listed in 2009–13 Council Plan	Actions in 2010–11 Annual Plan to meet initiative	Status in 2010–11
Work with the State Government and service providers to develop the Atherton Gardens Hub	Construction of the Hub commenced in February 2011. During 2010–11, Council formed an organisational entity with the consortium partners and prepared a Business Plan and Risk Assessment which was approved by the Minister's office. The Atherton Gardens Family and Children's Community Hub Limited formed and registered in March 2011. Planning for the establishment and transition of services and the processes to engage with agencies and providers operating in the precinct has commenced and will continue throughout 2012.	100%
Plan for the development and operation of the Lourdes Children's Centre	<p>This project was put on hold in August last year while a traffic and parking study was undertaken in the Abbotsford Convent precinct. The study addressed concerns about high traffic volumes and limited parking in the area. In March 2011, Council adopted a Traffic and Parking Plan for the precinct with the proviso that it did not interfere with the Lourdes project. Other significant decisions Council made on the Lourdes project in 2010–11 included:</p> <ul style="list-style-type: none"> — Appointing KU Children's Services – Australia's largest not-for-profit child care provider – to operate the proposed child care centre. — Abandoning proposals to include affordable housing and supported group accommodation on the site. 	17% This project was put on hold while a traffic and parking study was completed. It was reinstated in July 2011 when Council reaffirmed that the Lourdes Site was the preferred site for the Hub.
Contribute to the redevelopment of the North Richmond Community Health Centre which will include a new Maternal and Child Health Centre	This is an external project, with North Richmond Community Health having responsibility for project management. Council is actively supporting the project and contributing where appropriate. A Council-run Maternal and Child Health Service will operate from the site. Stage one construction was completed in June 2011. The Maternal Child Health Centre component is scheduled for stage two and expected to be completed in mid 2012. Council continues to provide design input as the preparation for stage two construction proceeds.	100%

Initiatives listed in 2009–13 Council Plan	Actions in 2010–11 Annual Plan to meet initiative	Status in 2010–11
Work with service providers and the local community to review and update Council strategies including the Municipal Health Plan, Municipal Early Years Plan and Youth Strategy	Significant work went into developing an evaluation strategy for the Health Plan that Council adopted in December 2009. The final evaluation strategy will be completed in 2011–12. Work was also done on reviewing the Health Status Report but this is dependent on when data sources are updated. A plan for how the Health Status Report will be kept current will be developed in 2011–12.	90% The focus on the specific projects mentioned in the Annual Plan changed over the year as more valuable opportunities arose including the Reducing Smoking consultation and an application for the Federal Healthy Communities Initiative program.
	Implementation of The Yarra Early Years Strategy and Action Plan 2009–13 continued. Highlights for 2010–11 included: <ul style="list-style-type: none"> — Full implementation of Universal Access pilots across all Council operated kindergarten services. — Consultation with families to inform communication regarding access to Children’s Services. — Activation of the third Local Area Planning group. — Active engagement with Government regarding the Council of Australian Government (COAG) reform agenda and National Quality Framework. 	62% Achievement of actions for Early Years and Youth Strategy and Action Plans has been delayed due to extended recruitment processes to fill key planning and leadership positions in the branch. This is close to resolution and outstanding actions will be achieved in the first half of the 2011–12 year.
	Year one actions in the Yarra Youth Services Strategy and Action Plan were completed and planning for Year Two is underway. Highlights in 2010–11 included: <ul style="list-style-type: none"> — Establishing the Youth Reference Group, Youth Providers Network, Yarra Youth Education Commitment Network. — The review and enhancement of programs and services to focus on the health and well being of young people in Yarra. 	94%
	Following a review of the Safer Yarra Plan in 2009–10, a revised plan was endorsed by Council early in 2011 and then printed, launched and distributed. The plan was developed in conjunction with the Local Safety Committee, co-chaired by Council and the Victoria Police.	100%
Council will plant new trees next to all playgrounds for long-term natural shade and construct shade sails where no current shade is provided for playgrounds	The Shade Policy was endorsed by Council in May 2011. Three shade structures were installed at Charles Evans Reserve (Cubitt Street), Park Street Reserve and Holden Byrne Reserve. More than 1000 trees were planted in 2010–11, of which 372 were new, exceeding the Council Plan target of 250 new trees per annum.	100%
Continue to advocate for accessible housing and other disability provisions in the planning scheme	Council continued to support the Universal Housing Alliance in its campaign to achieve regulation of accessibility features in the Victorian Building Regulations. This reform has not proceeded beyond the Regulatory Impact Statement stage at State Government level.	Ongoing

Other Highlights and Actions in 2010–11 not listed in the Council Plan

Victoria Park Master Plan

Implementation of this master plan centres around a \$7.2 million project to transform Victoria Park in Abbotsford into a major community recreation space. Work began late in 2010 but progress has been delayed due to poor weather. Key achievements on the project as at 30 June 2011 included:

- The exterior of the Sherrin Stand and Social Club have been refurbished.
- Work started on the exterior of the Ryder Stand and the interior of the Sherrin Stand.
- Walls around Victoria Park were lowered and two new public plazas (with trees, garden beds, and barbecues) are being created.
- The 1966 non-operational scoreboard and time clock were removed following approval by Heritage Victoria. A new digital scoreboard and time clock will be erected on the Bob Rose stand.
- The Collingwood Football Club Foundation (CFCF) was selected to lease the Social Club building with the view to sub-leasing part of the building to the Collingwood Toy Library, Merri District Girl Guides, AFL Sportsready (a not-for-profit employment and training service for young people) and Evolve (a national not-for-profit organisation that delivers early intervention programs for disadvantaged youth).
- The installation of facilities to capture rainwater started in June 2011.
- The restoration of the heritage ticket box on the corner of Turner and Bath Streets was initiated.
- Five public art projects have been commissioned. The artists have been appointed and installation is due to commence in August 2011.

Status completed in 2010–11: 63% The project was delayed by 100 days due to rain.

Municipal Wide Infrastructure Grant (MWIG)

This is a 10-year master plan to guide the progression of neighbourhood-based integrated care and education services for families and children. The plan has been completed and referred to the Department of Education and Early Childhood Development (DEECD) for consideration. Remaining DEECD funding has been released and received, enabling the progression of planned infrastructure developments. Council has received confirmation of funding under the MWIG of \$900,000 to contribute to the development of three capital projects including Lourdes, Gold Street and North Carlton Children's Services.

Status completed in 2010–11: 100%

Supporting social housing – post Neighbourhood Renewal

The state funded Neighbourhood Renewal projects in Collingwood and Fitzroy have concluded after eight years. The Community Planning process that occurred in 2009–10 has now transitioned in 2010–11 to include the establishment of new decision making structures for residents of the public housing estates.

With the change of State Government the new Minister for Housing has still not appointed a representative for each estate committee. There is minimal resident activity through formal committees so there has been nothing reported to Council.

Status completed in 2010–11: 100%

Smith Street Community Plan implementation

This plan was developed as part of a broader coordination of effort around public behaviour and social issues in Smith Street in Fitzroy and Collingwood. It primarily aims to support the establishment of MAYSAR (Melbourne Aboriginal Youth Sport and Recreation) as a community cultural centre for the Aboriginal community including the Parkies. The Aboriginal Partnerships Plan 2011–14 includes links to the Smith Street Community Plan by endorsing some actions and providing context and understanding. One of the actions in the Aboriginal Partnerships Plan is about supporting the partnership with MAYSAR and this is best done through the Community Partnerships Grants program. Council has recommended MAYSAR for inclusion in this program.

Status completed in 2010–11: 100%

Review of Annual Grants program

The evaluation of the Annual Grants has led to improvements in the following years' programs and is documented in the Initiation Report for the 2012 Community Grants Program which was endorsed by Council in April 2011. Some of the improvements listed in the report were: the introduction of Smarty Grants, an on-line grants management system; funding projects to the amount that has been requested, and additional promotion of the grants through the GLBTIQ (Gay, Lesbian, Bisexual, Transgender, Intersex and Queer) media.

Status completed in 2010–11: 100%

Gaming Policy

Council requested a social policy on gambling be developed to complement and enhance Planning Scheme Amendment C109, Local Gaming Policy. The feedback will be incorporated into the revised Strategy and, along with Year One actions, will be presented to Council in August 2011. Council also conducted a successful awareness-raising event at the Richmond Recreation Centre during Responsible Gambling Week in May 2011.

Status completed in 2010–11: 100%

River of Life: Positive Ageing Strategy

This 'whole of Council' strategy was developed to respond to both the opportunities and the challenges of an ageing population in the City of Yarra. Key activities undertaken in 2010–11 in relation to this strategy were:

- Introduction of the Companion Animal Support program at North Richmond Community Health. Two staff were appointed on a part time basis to facilitate the service, and coordinate and support volunteers.
- Several activities were held at the Richmond and Collingwood Seniors Community Hubs.
- Staging of the Salon Scheherazade writing competition as part of Seniors Week, attracting 27 submissions and involving a successful launch at the Fitzroy Reading Room.
- More than 200 residents attended a successful Celebration of Life Event at the Collingwood Town Hall in April 2011.

Status completed in 2010–11: 100%

Active Service Model (ASM) – Aged Care

The Home and Community Care Active Service Model (ASM) is an initiative that focuses on promoting capacity building and improving service delivery. Over the next 12 months, Council will develop a local implementation plan, progress staff training and development, improve information for residents and continue piloting the new approach in specific services at the Willowview Centre. Three key staff at Willowview have taken on responsibilities for implementing the ASM program and client planning at the centre. An evaluation framework has been agreed to and the implementation of good practice will be reviewed bi-monthly, leading to an annual review in December 2012.

Status completed in 2010–11: 90% The main area still requiring action is the development of the publications and Council is awaiting release of statewide guidelines and resources.

Home Care Traineeship and Intake Service

In conjunction with the Active Service Model initiative, the Home Care Traineeship and Intake Service initiatives aim to build the capacity of Council to support older people and people living with a disability to either access services or ensure appropriate referral to other support. The Intake Service will provide a dedicated and appropriately skilled worker to receive initial referrals and to work in identifying the appropriate care and support pathway for these referrals. The traineeship program aims to increase the number of available carers to support and provide home care services within Yarra. The Information and Referral position has been implemented for nine months and evaluation is now being undertaken to determine the future of role. This will be reported on in August 2011. Apprenticeships Plus is continuing the process of recruitment and selection of people to undertake the traineeship program.

Status completed in 2010–11: 88% Not completed due to inability to recruit trainees.

Regional Kitchen Project

The Regional Kitchen Project is a partnership of 20 local councils, including Yarra, who have formed a new entity – RFK Pty Ltd trading as Community Chef to produce meals for community care programs (most commonly known as the Delivered Meals Service provided to older people). The service uses new technology that offers longer shelf life and increased flexibility for clients in both delivery times and delivery days. Yarra residents commenced receiving meals from Community Chef in February 2011.

Status completed in 2010–11: 100%

Strategic Indicators

Council will measure its success in meeting this Strategic Objective against the four Strategic Indicators below that are listed in the Council Plan 2009–13. Under each Indicator is an explanation on whether the Indicator has been met in 2010–11 or is on track to be met by 2013 when this Plan ends. If further explanation is required it is given.

1. Timelines of delivery of Council's home care, personal care and respite care services for older people and people with a disability: target 95%.

Results in 2010–11: This indicator measures the percentage of care service visits that occur at the scheduled time and on the nominated day, based on an audit sample each quarter. Based on the quarterly results, the overall result for 2010–11 was 92.5%. Council continues to work with contractors to improve this result while recognising that a range of variables impact on its achievement.

2. Council long day care places occupied by Yarra residents: target 85%.

Results in 2010–11: Council did not meet this target in 2010–11 with 79% of Council long day care places occupied by Yarra residents. There are no obvious reasons why this occurred. However, improvements to the reporting capacity of the registration system in 2011–12 will help to address this.

3. Targets for key age and stage visits as per Department of Education and Early Childhood Development requirements: 12 months – 80%, 18 months – 88%, 2 years – 81% and 3.5 years – 77%.

Results in 2010–11: The 80% target for 12 month visits was met with 87.60% achieved.

The 88% target for 18 month visits was not met with 79.40% achieved.

The 81% target for 2 year visits was not met with 79.60% achieved.

The 77% target for 3.5 year visits was not met with 74.30% achieved.

Service planning in 2011–12 is expected to result in an improvement in performance.

4. At least 25 rental units available through Council's affordable housing projects: 239 Brunswick Street project and the Affordable Rental Housing Development Fund.

Results in 2010–11: This target has been exceeded.

The affordable housing project at 239 Brunswick Street was opened early in 2011, providing 14 rental units to complement other affordable housing projects in Gertrude and Flockhart streets in Fitzroy and Abbotsford respectively. Council provided \$600,000 funding over a three-year period to Yarra Community Housing to contribute toward building and managing affordable housing in Yarra.





Bringing people together

Yarra loves a street party. Council-sponsored events like the Johnston Street Fiesta in November and Victoria Street's Lunar New Year celebrations have grown from small cultural events into two of Melbourne's largest community-based street festivals.

Strategic Objective

Supporting a diverse and dynamic Yarra

Introduction

Council supports Yarra's vibrant and diverse neighbourhood and activity centres through arts and cultural activities and events, libraries and economic development. We assist these centres to achieve a dynamic mix of galleries, retail and hospitality businesses, cultural events as well as education, and recreation activities.

Services covered in this Strategic Objective

- Cultural and Library Services
- Strategic and Economic Planning
- Community Planning and Advocacy

Interesting Facts about these services in 2010–11

Cultural and Library Services

- 930,223 items were borrowed from Yarra Libraries.
- 48,731 people were members of Yarra Libraries.
- Yarra Libraries' 352 storytime sessions were attended by an average of 50 toddlers and preschoolers per session.
- Yarra Libraries had 558,597 visits.
- 4779 culturally and linguistically diverse (CALD) items were added to the Yarra Library collection.
- The City of Yarra Art and Heritage Collection includes 754 items and is valued at more than \$4 million.
- Council provided more than \$400,000 in art and cultural funding to support the development and delivery of 39 arts and cultural events and projects.
- 21 cultural festivals and events were held in Yarra.

Strategic and Economic Development

- 1698 businesses received Council's monthly business e-bulletin.
- 1121 people attended the BRAINfoodforbusiness training and network program in 2010–11.
- The development of a Tourism Strategy for the City of Yarra 2011–16 was a significant initiative for businesses.

Community Planning and Advocacy

- \$1.7 million worth of support was provided to community groups by Council. This included:
 - \$599,848 was provided in Annual Grants.
 - \$657,347 was provided in Community Partnership Grants.
 - \$129,210 was provided in Emerging Issue Grants.
 - \$73,258 was provided in subsidies to groups using Yarra Town Halls.
- 1035 Yarra households participated in the Yarra Matters Panel. They were asked for their feedback six times during 2010–11.

Strategies

The following Strategies will be implemented to achieve this Strategic Objective:

- Enhance local employment activities.
- Support vibrant and diverse neighbourhoods and centres.
- Foster and promote vibrant arts, cultures and communities.
- Contribute to developing and maintaining the local and regional economy.
- Support lifelong learning, including through libraries and Neighbourhood Houses.
- Recognise and celebrate our cultural heritage and diversity.

Initiatives listed in 2009–13 Council Plan	Actions in 2010–11 Annual Plan to meet initiative	Status in 2010–11
Complete the design and construction of the North Fitzroy Library	<p>Council made progress on the design and development of the North Fitzroy Library and Community Hub. This important community facility will include the North Fitzroy Library, Maternal and Child Health Centre, a multicultural group and community meeting spaces. Progress in 2010–11 included:</p> <ul style="list-style-type: none"> — Appointment of Whitefield McQueen Irwin Alsop as the architect. — Schematic design phase started. — Feedback on the concept design phase was sought and the concept design outcomes were reviewed. — The Design Reference Group was formed and held its first two meetings in May and June 2011. — Land was acquired with Council taking possession on May 31, 2011. 	100% This project progressed according to plan in 2010–11.
Review the Arts and Cultural Strategy	Council endorsed the Arts and Cultural Strategy 2011–15 in February 2011. It provides direction for Council's work supporting arts and cultural activities, events and businesses across the municipality. The strategy has been designed, printed and distributed to the community.	100%
Review the Aboriginal Partnerships Plan	Council adopted the Yarra Aboriginal Partnerships Plan 2011–14 in November 2010. The partnerships between Council, the Wurundjeri, MAYSAR, Parkies and other Aboriginal organisations are central to the plan's development and implementation. The Aboriginal Advisory Group will be the reference group for the plan's implementation. The plan was officially launched at a successful Reconciliation Week activity in June 2011.	100%
Implement actions from the Economic Development Strategy	<p>Council implemented actions for year one and year two of the Economic Development Strategy including:</p> <ul style="list-style-type: none"> — A survey of local businesses to complement Yarra's existing Community Survey. The results of the survey will be reported to Council. Surveying of BRAINfoodforBusiness attendees will also continue in 2011. — Guidelines for developing, promoting and marketing sustainable Business Associations have been completed. 	65% The business survey was delayed until June/July 2011.

Initiatives listed in 2009–13 Council Plan	Actions in 2010–11 Annual Plan to meet initiative	Status in 2010–11
Promote local activities where people can meet with neighbours such as street parties	Council continued to support a range of festivals and events to provide social opportunities for neighbours to meet and to encourage an improved sense of community and stronger social networks. Council supported more than 20 cultural festivals and events in 2010–11, as well as many local grassroots community celebrations.	100%
Review and develop the Disability Access and Inclusion Strategy	<p>The Disability Action Plan was launched in December 2010 at a successful community event. The plan is available in a range of accessible formats. Actions completed since the launch include:</p> <ul style="list-style-type: none"> — A way-finding audit for Fitzroy Town Hall. Actions from the audit will be implemented in 2011–12. — Council obtained a grant under the Increasing Accessibility Library Initiative to improve access for people with print disability to print material in a digital format. — A usability and accessibility audit of Council’s website was conducted and found it met 25 of 38 criteria in the Conformance Level AA of the Web Content Accessibility Guidelines (WCAG) 2.0. Work started in July 2011 to implement the report’s recommendations. — Information on access for people with a disability has been placed on Council Notice Papers and on the website to encourage attendance and participation of people with disabilities. — A review of Council’s Recruitment Policy is underway in line with established best practice recruitment policies. This will be completed by September 2011. — Council endorsed a proposal to install a public toilet facility in Queens Parade near the intersection with Michael Street in North Fitzroy. The Disability Advisory Committee has been actively advocating for access to public toilets in this retail precinct. 	90% Several actions have been delayed due to change in staff across the organisation.

Other Highlights and Actions in 2010–11 not listed in the Council Plan

Tourism Strategy and Action Plan:

The Tourism Strategy 2011–2016 was adopted by Council in October 2010. It contains five key strategic goals including: positioning Yarra as an outstanding visitor experience, maximising the ease of movement of visitors into and around the municipality, strengthening the value of Yarra's character and amenity, fostering an active, progressive and collaborative tourism industry in Yarra, and inspiring the Melbourne community to become ambassadors for the City of Yarra visitor experiences.

Status Completed in 2010–11: 100%

Multicultural Policy and Action Plan:

Council adopted the Multicultural Policy and Action Plan 2010–2014: 'Yarra – We All Belong', in July 2010. This followed several months of development and extensive consultation. It is based on six strategic directions for Council around Multicultural Affairs: communication and engagement, customer service, partnerships, celebrations and events, advocacy, and governance.

Status Completed in 2010–11: 100%

Yarra Volunteer Week Event

This event, held during National Volunteer Week in May 2011, was a new initiative in 2010–11. More than 220 people attended the successful event held at the Fitzroy Town Hall. More than 1400 people registered for a certificate through approximately 80 groups and organisations.

Status Completed in 2010–11: 100%

Yarra Libraries Strategic Plan 2008–2012 implementation

Year Three of the Yarra Libraries Strategic Plan 2008–2012 was implemented during 2010–11. This was a year of consolidation and policy establishment for Yarra's public library service in preparation for the development of a new Yarra Libraries Strategic Plan during 2011–12. The development of the North Fitzroy Library was the major project of Yarra Libraries for 2010–11.

Status Completed in 2010–11: 91%

A small decrease of -0.1% in loans and visits contributed to this outcome.

Strategic Indicators

Council will measure its success in meeting this Strategic Objective against the three Strategic Indicators below that are listed in the Council Plan 2009–13. Under each Indicator is an explanation on whether the Indicator has been met in 2010–11 or is on track to be met by 2013 when this Plan ends. If further explanation is required it is given.

1. Increase library use by 5% by 2013 (including website use and loans).

Results in 2010–11: This indicator, which comprises loans and visits (physical and virtual), was not met in 2010–11. There was a small decrease (- 0.1%) from 1.99 million in 2009–10 to 1.96 million in 2010–11. These results are consistent with the trend of the Victorian public library sector.

2. Maintain the diversity of community groups applying for and receiving grants through Yarra's Community Grants Program.

Results in 2010–11: This indicator was met in 2010–11 with the diversity of grant applications being maintained.

3. Maintain business participation in Council's business training and development program.

Results in 2010–11: This indicator was met in 2010–11 with Council significantly increasing participation in its business training and development programs from 764 attendees in 2009–10 to 1121 attendees in 2010–11. This is an annual increase of 46.7% and a 190.4% increase from the 2008–09 baseline of 386 attendees.





Space for your family

More young families are choosing to stay in Yarra as the inner-city experiences a baby-boom.

Council is committed to providing more child care and maternal and child health services, including a new facility in Abbotsford, near the popular Collingwood Children's Farm.

Services covered in this Strategic Objective

- Capital Works
 - Customer Service
 - Finance
-

Strategic Objective

Building Council's capacity and performance

Introduction

Council continues to work to improve its services and respond to the changing needs of the community, while delivering cost effective and quality local services. Council's internal services including Finance, Human Resources and Information Systems, are committed to continuous improvement and are continually looking for innovative ways to better meet the needs of the Yarra community.

Interesting Facts about these services in 2010–11

Capital Works

- Council has \$1.444 billion worth of assets (before depreciation).
- A record \$36 million was budgeted for Capital Works in 2010–11. Of this \$30.33 million was expended and the remainder was carried over to 2011–12.

Customer Service

- Council scored 74 for Customer Contact in the Annual Community Satisfaction Survey, a result which is consistent with 2010 and falls within the median result for similar councils against which Yarra is benchmarked.
- 155,550 calls were received by Yarra's Customer Service Centre.
- 25,000 in-person inquiries were handled by staff at the Richmond and Collingwood town halls. Approximately 68% of inquiries were resolved by staff who were the first point of contact for the customer.

Finance

- Still on target to be debt free by 30 June 2012.
- Council's operating surplus for the 2010–11 year was \$10.96 million.

Strategies

The following Strategies will be implemented to achieve this Strategic Objective:

- Encourage broad community engagement in Council's planning and decision making.
- Ensure efficient and effective services.
- Ensure a financially sustainable Council through a balanced budget and by maintaining Yarra's infrastructure.
- Develop responsive services.
- Develop our people and improve our systems and processes.
- Focus the organisational workload to deliver on agreed Council priorities.
- Encourage and support a workforce that reflects our community's diversity.
- Ensure that our systems and processes are accessible and inclusive.

Initiatives listed in 2009-13 Council Plan	Actions in 2010-11 Annual Plan to meet initiative	Status 2010-11
Roll out the Customer Response Management system	To better manage customer requests, Council is working towards replacing its 13 individual customer recording systems with a single system, Merit. In late 2010, the rollout of Merit was put on hold until it was fully implemented across the MCR (Mayor and Councillor Requests) system. However, several external contractors (in the areas of waste management and parks and gardens) started using the Merit system. Then, in the first half of 2011, Merit was implemented in the City Development division (excluding Building Services and Community Amenity).	26% Much of the rollout of Merit across the organisation was put on hold until the implementation of the Merit MCR (Mayor and Councillor Requests) system which was undertaken in 2010-11.
Develop a Customer Service Guarantee across the organisation	The Customer Service Guarantee was developed and launched in August 2009. It included 60 targets that cover a wide range of commonly requested services. Progress against targets is monitored and reported to the community on a quarterly basis. In 2010-11 all Customer Service Guarantee targets were reviewed in consultation with the Executive team. As a result three additional indicators were added, targets were revised, and indicators with multiple targets were split for clearer reporting and clarification of ambiguous wording. In 2010-11 there was a total of 63 targets.	100%
Improve the integration, capacity and performance of IT systems	Two projects were undertaken in 2010-11 to improve the integration, capacity and performance of Council's IT systems. These were: <ul style="list-style-type: none"> - Completion of integration of the Contract Management System with the Corporate Financial System to streamline and automate data transfer to enable better monitoring of compliance levels with existing procurement policies and to improve reporting functionality. - Implementation of the Grants Management System, which will improve the process for management of Council grants. Phase one of this project went live in April 2011 and phase two is scheduled for the 2011-12 year. 	100%
Complete the staff accommodation review	Redevelopment of the Collingwood Town Hall is a major project to come out of a review of office accommodation for staff. The timelines for the project were adjusted to accommodate the extended staff consultation process.	68% The project was delayed to accommodate the extended staff consultation process.

Other Highlights and Actions in 2010–11 not listed in the Council Plan

Implementation of Capital Works program

Council exceeded its target of 80% by delivering 84% of the 2010–11 Capital Works program. Key projects that progressed included the redevelopment of both Victoria Park and the Collingwood Leisure Centre. Also delivered during the year was \$4.2 million in open space projects, including the creation of a new park in Peel Street, Collingwood.

Status completed in 2010–11: 100%

Strategic Asset Management

Council's Asset Management System supports asset management business processes and provides an integrated view of asset data across Yarra. A review of Council's Buildings Asset Management Plan identifying improvements was completed and presented to Councillors in June 2011.

Status completed in 2010–11: 100%

Improving Risk Management and Insurance systems and processes

Council has made a concerted effort to gather and report information on its strategic and operational risks. To improve the efficiency of monitoring risks and support consistent and focused reporting of risk over time, Council is implementing the Interplan Risk Management software solution system. The system is being used to produce reports for the Risk Management Review Panel and the Audit Committee. The Strategic Risk Register and all Operational Risk Registers have now been established in the new software.

Status completed in 2010–11: 100%

Strategic Indicators

Council will measure its success in meeting this Strategic Objective against the four Strategic Indicators below that are listed in the Council Plan 2009–13. Under each Indicator is an explanation on whether the Indicator has been met in 2010–11 or is on track to be met by 2013 when this Plan ends. If further explanation is required it is given.

- 80% of Capital Works completed within one year.**

Results for 2010–11: Council achieved a better than target result for this indicator with 84% of the scheduled capital works completed within the year. This is based on a capital budget of \$36.09M and an actual expenditure of \$30.33M.
- Council's overall performance rating > 65 (measured in the Department of Planning and Community Development survey).**

Results for 2010–11: Council achieved a better than target result for this indicator scoring 68 for overall performance in the Department of Planning and Community Development's 2011 Community Satisfaction Survey.
- Successful achievement of Customer Service Guarantee targets.**

Results for 2010–11: The target was not met for this indicator. Preliminary Customer Service Guarantee results for 2010–11 indicate that 35 out of the 63 indicators were either on, or exceeded target. This is a result of 55.60%. A further seven indicators, or 11.1%, were within 3% of target. The balance of 21 indicators, or 33%, was off target.

Reasons for not meeting the target for each of the 21 indicators are detailed in the annual Customer Service Guarantee report on Council's website.
- Debt Servicing Cost Ratio 2% (the ratio of debt repayments to Council's total revenue).**

Results for 2010–11: Council achieved a better than target result for this indicator. The debt servicing cost ratio for 2010–11 was less than 1%. This is based on debt servicing costs of \$62,000 compared to \$130,728,000 revenue. Council is on target to be debt free by June 2012.



A place for everybody

Yarra's five libraries are much more than quiet places to read.

They provide important meeting spaces and free learning activities, specialist language collections for new migrants and computer access for people to stay connected locally and beyond.

Official Statements

National Competition Policy Compliance 2010–11 Certification by Chief Executive Officer

Yarra City Council has complied with the requirements of the National Competition Policy (NCP) for the period 1 July 2010 to 30 June 2011, in accordance with the requirements outlined in *National Competition Policy and Local Government (Revised 2011)* as set out below:

A. Trade Practices Compliance <i>State whether the Council is compliant or non-compliant.</i>	Compliant
B. Local Laws Compliance <i>State whether the Council is compliant or non-compliant.</i>	Compliant
C. Competitive Neutrality Compliance <i>State whether the Council is compliant or non-compliant for all significant businesses.</i>	Compliant

I certify that:

- a) this statement has been prepared in accordance with the 2010-11 National Competition Policy reporting guidelines; and
- b) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed:



Andi Diamond
Chief Executive Officer

Date: 22 September 2011

Victorian Local Government Indicators

Victorian Local Government Indicators	Actual 2010–11	Actual 2009–10	Actual 2008–09
Community satisfaction rating for overall performance	68	67	64
Community satisfaction rating for Council's advocacy and representation on key local issues	62	63	61
Community satisfaction rating for Council's engagement in decision making on key local issues	63	63	62
Average rates and charges per assessment	\$1,635	\$1,576	\$1,523
Average rates and charges per residential assessment	\$1,320	\$1,252	\$1,182
Average liabilities per assessment	\$619	\$539	\$610
Operating result per assessment	\$251	\$201	\$84
Average operating expenditure per assessment	\$2,737	\$2,703	\$2,590
Average capital expenditure per assessment	\$668	\$559	\$525
Infrastructure renewal	99%	107%	121%
Infrastructure renewal and maintenance	99%	105%	115%

Key Strategic Activity	Performance Measure	How data is Reported	Performance Target	Performance Actual	Comment
Making Yarra More Liveable					
Bicycle Strategy	Progress design of two stages of separated bike lanes on the Clifton Hill Abbotsford Route as identified in Bicycle Strategy.	Council Report	June 2011	Complete	<i>Comments as reported in the Annual Plan Quarterly Progress Report–June 2011, to be presented to Council in the August cycle:</i> Construction for Clifton Hill – Abbotsford Bicycle Route stages A & C has been commenced. Splitter island and kerb extension work completed. Line-marking awaiting satisfactory weather conditions.
Parking Management Strategy	Progress process towards formal Council adoption of 'vision, goals and principles' for Strategy to Manage Parking.	Council Report	December 2010	Complete	At its September 2010 meeting Council resolved to adopt the Vision, Goals and Principles for managing parking in the City of Yarra.
Waste Management Strategy	Implementation of Action Plan outcomes of the waste management plan. Three key projects are: 1. Expand the Compost Mates program to capture nutrients that would end in landfill. Involves linking café staff, patrons, residents and school gardeners by June 2011.	Council Report	June 2011	Complete	<i>Comment as reported in the Annual Plan Quarterly Progress Report–June 2011, to be presented to Council in August cycle:</i> Compost mates program was implemented in Clifton Hill with two cafes and 12 residents participating. The 12 residents are picking up 270kg of food organics per week, and since December 2010 the program has diverted 8.1 tonnes of compostable material. The program has since engaged with a further 15 traders, however, the barrier to expanding has been that small backyards do not allow for large capacity composting systems. Compost Mates is currently investigating other systems e.g. Trialling a bio-digester, chook runs or larger compost system in open space areas such as Collingwood Children's Farm and schools.
	2. Create and Install signage on street litter bins to advise the public that the waste is recycled by March 2011.			Complete	<i>Comment as reported in the Annual Plan Quarterly Progress Report –March 2010 presented to Council:</i> By December 2010 signage was created and placed on all street litter bins informing members of the public that "All Material in the Bin is Recycled".
	3. Open the Collingwood Depot on one Saturday per month for the receipt of recyclable material by September 2010.			Complete	<i>Comment as reported in the Annual Plan Quarterly Progress Report –September 2010 presented to Council:</i> Collingwood Depot is now open one Saturday each month for the receipt of recyclable materials.
Ensuring a Sustainable Yarra					
Energy Foundation	Support the establishment of the Energy Foundation with the appointment of the Board, CEO and associated staff.	Council Report	December 2010	Complete	<i>Comment as reported in the Annual Plan Quarterly Progress Report –March 2011 presented to Council:</i> The Board, CEO and staff of the Energy foundation have been appointed and a Business Plan prepared. Ongoing support to the Foundation is being provided and regular meetings with the CEO of the Foundation are occurring on a monthly basis.
Waterway protection	Develop a Water Sensitive Urban Design Policy that supports the organisation aim to meet adopted storm water quality targets.	Council Report	June 2011	Complete	Council adopted the Water Sensitive Urban Design(WSUD) policy for infrastructure assets at the June 2011 meeting.
Serving Yarra's Community					
Natural shade	Plant at least 250 trees	Council Report	June 2011	Complete	<i>Customer Service Guarantee Report March 2011</i> A total of 620 trees had been planted at the end of March 2011.
Affordable Rental Housing in Yarra Project	Year 3 of 3-year funding agreement with Yarra Community Housing to provide new affordable housing units in Yarra.	Funding provided in accordance with Agreement	June 2011	Complete	<i>Comment as reported in the Annual Plan Quarterly Progress Report –March 2011 presented to Council:</i> The third and final year of funding to the Affordable Housing Development Trust project has been paid following achievement of milestones.
Victoria Park Master Plan	Complete demolition of the Rush Stand, including reducing the walls along Turner Street, and associated landscaping.	Council Report	June 2011	Complete	<i>Comment as reported in the Annual Plan Quarterly Progress Report – March 2011 presented to Council:</i> The Rush Stand has been demolished including toilet blocks and the earthworks have been completed. The existing perimeter walls have been lowered allowing a tiered landscape to be provided and planted with trees.

Key Strategic Activity	Performance Measure	How data is Reported	Performance Target	Performance Actual	Comment
River of Life : Positive Ageing Strategy	Key projects: Continued implementation of HomeShare program in partnership with Wesley Australia. Develop intergenerational programs linking older people and local schools in skill based activities.	Annual Report to Council via the Active Ageing Advisory Group/Officers	June 2011	Incomplete	<i>Comment as reported in the Annual Plan Quarterly Progress Reports presented to Council:</i> <i>September 2010:</i> First year of the HomeShare project has been completed and the evaluation report is being concluded with Wesley Mission Australia. Due to a change in strategic direction at Wesley, Year Two of this project will focus on seeking regional interest in implementing the project and advocacy at the regional level. <i>December 2010:</i> Discussions have been held with Wesley Australia evaluating 2009/10 HomeShare project and recommendations made to cease the program. <i>March 2011 presented to Council:</i> The intergenerational project did not progress due to changes in the availability of external resources.
Lourdes Family and Childrens	Council approval of Schematic Design and Development Model.	Council Report	September 2010	Incomplete	<i>Comment as reported in the Annual Plan Quarterly Progress Report – March 2011 presented to Council:</i> Further action on the approval of schematic design and development has been deferred by Council to allow review of the Traffic and Parking Precinct Study. Schematic and detailed design anticipated to progress in 2011-2012 year.
Supporting a Diverse and Dynamic Yarra					
Aboriginal Partnerships Plan	Aboriginal Partnerships Plan adopted by Council.	Council Report	August 2010	Incomplete	<i>Comment as reported in the Annual Plan Quarterly Progress Report – March 2011 presented to Council:</i> The Yarra Aboriginal Partnerships Plan 2011 - 2014 was completed and adopted by Council in November 2010. The Plan acknowledges the partnerships between Council and the Wurundjeri, MAYSAR, Parkies and other Aboriginal organisations. These partnerships were central to the Plan's development and modelled a way for the plan to be implemented. The Aboriginal Advisory Group will be the reference group for the Plan's implementation.
North Fitzroy Library and Community Hub Development	Seek to acquire land.	Council Report	December 2010	Complete	Council resolved to proceed with the compulsory acquisition of the site located at 182 – 186 St Georges Road North Fitzroy. Council took possession of the site in April 2011.
Disability Action Plan	Implementation of two key actions: 1. Design and plan for improved accessibility within Collingwood Leisure Centre redevelopment 2. Develop a Disability Parking policy	Council Report	June 2011	Complete	<i>Comment as reported in the Annual Plan Quarterly Progress Report – September 2010 presented to Council:</i> Accessibility improvements have been included in the redesign of Collingwood Leisure Centre and works progressing. <i>Comment as reported in the Annual Plan Quarterly Progress Report – March 2011 presented to Council:</i> The Disability Access Parking Policy was endorsed by council at the February 2011 meeting. The Council endorsed dedicated funding to complete the works program bringing all bays to Australian Standard.
Building Council's Capacity and Performance					
Implementation of Capital Works Program	At least 80% of the capital works program expenditure completed.	Report to Council	June 2011	Complete	<i>Comment as reported in the Annual Plan Quarterly Progress Report – June 2011, to be presented to Council in the August cycle:</i> Council has completed over 80% of the Capital Works program as 85% of the program was delivered. Key projects that progressed during the year were Victoria Park redevelopment and the Collingwood Leisure Centre redevelopment. Also delivered during the year was \$8M in road projects, \$4.2M in Open Space projects including the creation of a new park in Peel St Collingwood.
Improving systems and processes - Risk Management and Insurance	Implement an Enterprise Risk Management software solution.	Report to Review Panel and Audit Committee	September 2010	Complete	<i>Comment as reported in the Annual Plan Quarterly Progress Report – September 2010 presented to Council:</i> The Interplan Risk Management software solution has been acquired and implemented. The system is being used to produce reports for the Risk Management Review Panel and the Audit Committee. The Strategic Risk Register and all Operational Risk Registers have now been established in the new software.

Certification of the Performance Statement

In our opinion, the accompanying performance statement of Yarra City Council in respect of the 2010-11 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievements in Council's Business Plan and Council's 2010-11 Budget and describes the extent to which the business plan was met in that year having regard to those targets and measures.

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

On 16 August 2011, we were authorised by the Council to certify the performance statement and its accompanying notes in their final form on behalf of the Council.



Alison Clarke
Mayor

17 August 2011
Richmond



Geoff Barbour
Chairman Finance and Human Services Committee

17 August 2011
Richmond

Auditor General's Report

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Yarra City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2011 of the Yarra City Council which comprises the statement, the related notes and the Accountable Officers' and Principal Accounting Officer's declaration has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Yarra City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor General's Report (continued)

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Auditor's Opinion

In my opinion, the performance statement of the Yarra City Council in respect of the 30 June 2011 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Yarra City Council for the year ended 30 June 2011 included both in the Yarra City Council's annual report and on the website. The Councillors of the Yarra City Council are responsible for the integrity of the Yarra City Council's website. I have not been engaged to report on the integrity of the Yarra City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
24 August 2011


D D R Pearson
Auditor-General

Financials



Financial Report

Understanding the Financial Report	84
Comprehensive Income Statement	86
Balance Sheet	87
Statement of Changes in Equity	88
Cash Flow Statement	89

Notes to the Financial Report

	Introduction	90	Note 22	Property, infrastructure, plant and equipment	102
Note 1	Significant accounting policies	91	Note 23	Opening balance adjustment	108
Note 2	Pending accounting standards	95	Note 24	Payables	108
Note 3	Rates	96	Note 25	Trust funds	108
Note 4	Parking revenue	96	Note 26	Income in advance	108
Note 5 (a)	User charges, fees, and other fines	96	Note 27	Employee benefits	109
Note 5 (b)	Other Income	96	Note 28	Interest-bearing liabilities	109
Note 6	Government grants	97	Note 29	Reserves	110
Note 7	Contributions	98	Note 30	Reconciliation of operating result to net cash from operations	111
Note 8	Reimbursements	98	Note 31	Reconciliation of cash at year-end to cash and cash equivalents	111
Note 9	Net gain /(loss) on disposal of property, plant and equipment	98	Note 32	Financing arrangements	111
Note 10	Employee expenses	99	Note 33	Restricted assets	111
Note 11	Contract payments	99	Note 34	Superannuation	112
Note 12	Materials and services	99	Note 35	Contingent liabilities and contingent assets	113
Note 13	Bad and doubtful debts	99	Note 36	Commitments	114
Note 14	Depreciation	100	Note 37	Financial instruments	115
Note 15	Borrowing costs	100	Note 38	Auditors' remuneration	118
Note 16	Cash and cash equivalents	101	Note 39	Operating lease commitments	118
Note 17	Receivables	101	Note 40	Related party transactions	118
Note 18	Accrued income	101	Note 41	Revenue, expenses and assets by function/activities	120
Note 19	Prepayments	101	Note 42	Financial ratios (performance indicators)	121
Note 20	Inventories	101	Note 43	Events occurring after balance date	122
Note 21 (a)	Non-current assets	101		Certification of the Financial Report	123
Note 21 (b)	Investments	101			

Standard Statements

Basis of preparation of Standard Statements	124
Standard Income Statement	125
Standard Balance Sheet	126
Standard Cash Flow Statement	127
Standard Capital Works Statement	128
Notes Accompanying the Standard Statements	129
Certification of the Standard Statements	133
Auditor-General's Report on the Financial Report and Standard Statements	134

Understanding the Financial Report

Council's Financial Report is presented in accordance with the Australian Equivalents to International Financial Reporting Standards, and therefore particular terms required by the Standards may not be familiar to some readers. Furthermore, as Council is a 'not for profit' organisation, some of the generally recognised terms used in private sector company reports are not appropriate to Council's reports.

Council is committed to accountability, and it is in this context that this simple guide has been developed to assist readers understand and analyse the Financial Report.

What does the Annual Financial Report contain?

Council's Financial Report has two main sections: the Report and the Notes. There are four Statements and 43 Notes. These are prepared by Council staff, examined by Council's Audit Committee and by Council itself, and then audited by the Victorian Auditor-General.

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

- Comprehensive Income Statement.
- Balance Sheet.
- Statement of Changes in Equity.
- Cash Flow Statement.

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

Income Statement

The Income Statement shows:

- Sources of Council's revenue under various income headings.
- Expenses incurred in running the Council during the year.

These expenses relate only to the 'operations' and do not include the cost associated with the purchase or building of assets. While asset purchase costs are not included in the expenses there is an item for 'depreciation'. This value is the value of the assets consumed during the year. The key figure to look at is the net result for the reporting period which is the equivalent to the profit or (loss) of Council for the year. A positive result means that the revenues were greater than expenses.



Balance Sheet

This is the most important of the Financial Statements.

This one page summary is a snapshot of Council's financial situation as at 30 June. It shows what the Council owns as assets and what it owes as liabilities. The bottom line of this Statement is net assets. This is the net worth of Council, which has been built up over many years. The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due in the next 12 months.

The components of the Balance Sheet are described below.

Current and Non-Current Assets

- Cash assets include cash and investments, i.e. cash held in the bank and in petty cash, and the market value of Council's investments.
- Receivables are monies owed to Council by ratepayers and other service users.
- Accrued income represents revenue due to Council, which had not been received.
- Prepayments reflect accounts which have been prepaid.
- Inventories represent Council's stock of merchandise and fuels.
- Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years.

Current and Non-Current Liabilities

- Payables are monies owed to creditors by Council as at 30 June.
- Trust funds represents monies held in trust by Council.
- Income in advance represents revenue received by Council, which relates to future periods, e.g. prepaid leisure centre fees.
- Employee benefits is the accounting term for accrued annual leave and long service leave entitlements.
- Interest-bearing liabilities represent the loan borrowings held by Council.

Net Assets

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

Equity

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

- Accumulated surplus – the value of all net assets accumulated over time.
- Asset revaluation reserve – the difference between the previously recorded value of assets and their current valuations.
- Other reserves – allocations of the accumulated surplus for specific purposes.

Statement of Changes in Equity

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

- 'Profit or loss' from operations, described in the statement as result for the year.
- Revaluation of the assets – this takes place every two years in accordance with Council policy. It also occurs when existing assets are 'taken up' in Council's financial records for the first time.
- Transfer of monies to or from Council's reserves.

Cash Flow Statement

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year. This Statement is presented according to a very specific accounting standard and requires careful analysis. The values may differ from those shown in the Income Statement because the Income Statement is prepared on an accrual accounting basis. Cash in this Statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash, such as cash invested with fund managers.

Council's cash arises from, and is used in, three main areas:

Cash flows from operating activities:

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

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

Cash flows from investing activities:

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

Cash flows from financing activities:

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

Notes to the Financial Report

The Notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in relation to much detail. Therefore, to enable the reader to understand the basis on which the values shown in the Statements are established, it is necessary to provide an explanation of Council's accounting policies. These are described in Note 1.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the Statements. The Note numbers are shown beside the relevant items in the Income Statement, Balance Sheet and the Cash Flows Statement. Where Council wishes to disclose other information, which cannot be incorporated into the Statements, this is shown in the Notes. The Notes include the cost of the various functions of Council, the break down of expenses, revenues, reserves and other assets, transactions with persons related to Council and financial ratios (performance indicators). The Notes should be read together with the other parts of the Financial Report to get a clear picture of Council's financial performance and position.

Statements by Principal Accounting Officer and Councillors

The certification by the Principal Accounting Officer is made by the person responsible for the preparation of the Financial Report. It certifies that in their opinion, the report has met all the statutory and professional reporting requirements.

The certification of Councillors is made by two Councillors on behalf of Council that, in their opinion, the Financial Report is presented fairly and is not misleading or inaccurate

Auditor-General's Report

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

Comprehensive Income Statement

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Income			
Rates	3	71,668	68,561
Parking revenue	4	21,899	19,200
User charges, fees, and other fines	5(a)	16,562	16,874
Government grants	6	14,702	9,490
Contributions	7	3,402	5,251
Reimbursements	8	787	806
Interest	-	749	486
Rent	-	840	697
Net gain on disposal of non-current assets	9	119	211
Other income	5(b)	-	2,564
Total Income		<u>130,728</u>	<u>124,140</u>
Expenses			
Employee expenses	10	51,023	45,974
Contract payments	11	16,800	16,704
Materials and services	12	32,341	32,884
Bad and doubtful debts	13	1,869	2,989
Depreciation	14	17,670	16,870
Borrowing costs	15	62	134
Total Expenses		<u>119,765</u>	<u>115,555</u>
Surplus/(deficit)		10,963	8,585
Other comprehensive income			
Net asset revaluation increment(decrement)	29	36,785	14,963
Comprehensive result for the year		<u>47,748</u>	<u>23,548</u>

The accompanying notes form part of this financial report.

Balance Sheet

As at 30 June 2011

	Note	2011 \$'000	2010 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	16	15,134	14,131
Receivables	17	8,812	6,686
Accrued income	18	1,181	456
Prepayments	19	156	158
Inventories	20	107	97
Non-current assets held for sale	21(a)	-	978
Total current assets		<u>25,390</u>	<u>22,505</u>
Non-current assets			
Investments	21(b)	200	200
Receivables	17	20	20
Other financial assets	-	5	5
Property, infrastructure, plant and equipment	22	1,446,446	1,397,525
Total non-current assets		<u>1,446,671</u>	<u>1,397,750</u>
TOTAL ASSETS		<u>1,472,061</u>	<u>1,420,255</u>
LIABILITIES			
Current liabilities			
Payables	24	13,578	11,486
Trust funds	25	877	853
Income in advance	26	209	232
Employee benefits	27	8,902	7,771
Interest-bearing liabilities	28	786	936
Total current liabilities		<u>24,352</u>	<u>21,278</u>
Non-current liabilities			
Employee benefits	27	947	1,277
Interest-bearing liabilities	28	1,800	486
Total non-current liabilities		<u>2,747</u>	<u>1,763</u>
TOTAL LIABILITIES		<u>27,099</u>	<u>23,041</u>
NET ASSETS		<u>1,444,962</u>	<u>1,397,214</u>
Represented by:			
Accumulated surplus		557,476	549,005
Asset revaluation reserves	29 (a)	879,460	842,675
Other reserves	29 (b)	8,026	5,534
TOTAL EQUITY		<u>1,444,962</u>	<u>1,397,214</u>

The accompanying notes form part of this financial report.

Statement of Changes in Equity

For the year ended 30 June 2011

	Note	Total 2011 \$'000	Accumulated Surplus 2011 \$'000	Asset Revaluation Reserves 2011 \$'000	Other Reserves 2011 \$'000
2011					
Balance at beginning of the financial year		1,397,214	549,005	842,675	5,534
Surplus for the year		10,963	10,963	-	-
Asset revaluation	29	36,785	-	36,785	-
Transfers to other reserves	29	-	(4,614)	-	4,614
Transfers from other reserves	29	-	2,122	-	(2,122)
Balance at end of the financial year		1,444,962	557,476	879,460	8,026

		Total 2010 \$'000	Accumulated Surplus 2010 \$'000	Asset Revaluation Reserves 2010 \$'000	Other Reserves 2010 \$'000
2010					
Balance at beginning of the financial year		1,373,667	539,764	827,712	6,191
Surplus for the year		8,585	8,585	-	-
Asset revaluation	29	14,963	-	14,963	-
Transfers to other reserves	29	-	(2,343)	-	2,343
Transfers from other reserves	29	-	3,000	-	(3,000)
Balance at end of the financial year		1,397,214	549,005	842,675	5,534

The accompanying notes form part of this financial report

Cash Flow Statement

For the year ended 30 June 2011

	Notes	2011 Inflows/ (Outflows) \$'000	2010 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Receipts from ratepayers		72,005	69,435
Parking revenue		20,640	18,154
User charges, fees and other fines		14,200	16,009
Government grants		15,240	10,065
Contributions		3,402	5,528
Reimbursements		812	645
Interest received from other entities		749	486
Rent		840	697
Payments to suppliers		(53,265)	(57,723)
Payments to employees		(47,845)	(45,648)
Borrowing costs		(62)	(134)
Net GST refund		3,709	4,262
Net cash provided by operating activities	30	<u>30,425</u>	<u>21,776</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(29,021)	(23,661)
Proceeds from sale of property, plant and equipment	9	536	1,310
Net cash (used in) investing activities		<u>(28,485)</u>	<u>(22,351)</u>
Cash flows from financing activities			
Repayment of Borrowings		(937)	(1,364)
Net cash (used in) financing activities		<u>(937)</u>	<u>(1,364)</u>
Change in cash and cash equivalents		1,003	(1,937)
Cash at the beginning of the financial year		14,131	16,068
Cash and cash equivalents at the end of the financial year	31	<u><u>15,134</u></u>	<u><u>14,131</u></u>

The accompanying notes form part of this financial report.

Notes to the Financial Report

For the year ended 30 June 2011

Introduction

- (a) The City of Yarra was established by an Order of the Governor in Council on 22 June 1994 and is a body corporate. The Council's main office is located at 333 Bridge Road Richmond.
- (b) The purpose of the Council is to:
- provide for the peace, order, and good government of its municipal district;
 - promote the social, economic and environmental viability and sustainability of the municipal district;
 - ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - improve the overall quality of life of people in the local community;
 - promote appropriate business and employment opportunities;
 - ensure that services and facilities provided by the Council are accessible and equitable;
 - ensure the equitable imposition of rates and charges; and
 - ensure transparency and accountability in Council decision making.

External Auditor - Victorian Auditor-General

Internal Auditor - Crowe Horwath

Solicitors - Maddocks

Bankers - National Australia Bank

Website address - www.yarracity.vic.gov.au

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the Local Government (Finance and Reporting) Regulations 2004.

Notes to the Financial Report

For the year ended 30 June 2011

Note 1 Significant Accounting Policies

(a) Basis of Accounting

This financial report has been prepared on an accrual and going concern basis.

The financial report has also been prepared under the historical cost convention except where specifically stated in Note 1(b) and 1(g).

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

(b) Recognition and measurement of assets

Acquisition

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

The following classes of assets have been recognised in Note 22. In accordance with Council policy, the threshold limits listed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

Class of Asset	2011 Threshold limit
Land & Buildings	
Land	Nil
Land under roads acquired after 30 June 2008	Nil
Buildings	\$10,000
Land improvements	\$10,000
Heritage Assets	
Heritage assets	Nil
Plant & Equipment	
Plant & machinery	\$500
Furniture, equipment & computers	\$500
Infrastructure	
Roads	\$50,000
- substructure	\$50,000
- seal	\$15,000
Footpaths	\$25,000
- substructure	\$25,000
- seal	\$15,000
Kerb and channel	\$25,000
Drains	\$25,000
Bridges	\$25,000
Lanes	\$50,000
- substructure	\$50,000
- seal	\$15,000
Other	
Mobile garbage bins/recycling crates	\$500
Irrigation & sprinkler systems	\$500
Street furniture	\$500
Parks & gardens furniture & equipment	\$500
Playground equipment	\$500
Fencing	Nil
Trees	Nil
Library books	Nil
Library audio and visual	Nil

Note 1 Significant Accounting Policies (continued)**(b) Recognition and measurement of assets (continued)****Revaluation**

Subsequent to the initial recognition of assets, land, buildings, and infrastructure assets are measured at fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At each balance date, the Council reviews the carrying value of the individual classes of assets within land, buildings, and infrastructure assets to ensure that each asset materially approximates its fair value. Where the carrying value materially differs from the fair value the class of assets is revalued.

In addition, Council undertakes a formal revaluation (either by experienced council officers or independent experts) of land and buildings and infrastructure assets every 2-3 years.

Where assets are revalued, the revaluation increments are credited directly to the applicable 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 value 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

Any land under roads acquired after 30 June 2008 will be brought to account using the deemed cost basis.

No land under roads has been acquired since 30 June 2008.

Council does not recognise land under roads that it controlled prior to 30 June 2008 in its financial report.

(c) Change in Accounting Policy

Council's Enterprise Bargaining Agreement (EBA) requires a change to Long Service Leave (LSL) entitlements for employees who have 7+ completed years of service who are now eligible to take LSL (pro-rata) between 7-10 completed years of service. Employees with 7+ completed years of service are now provided at 100% in the leave provision this financial year. There have been no other revisions to existing or new accounting standards implemented during the financial year that have required a change in accounting policy that has had an impact on the income and other statements for 2010/11.

(d) Depreciation of non-current assets

Buildings, infrastructure, plant and equipment, and other assets (except trees) 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 have distinct useful lives and/or residual values a separate depreciation rate is determined for each component.

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

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	2011 Periods
Land & Buildings	
Buildings	100 years
Heritage Assets	
Heritage Assets	100 years
Plant & Equipment	
Plant & machinery	7-10 years
Furniture, equipment & computers	3-10 years
Infrastructure	
Roads	120 years
- substructure	120 years
- seal	20 years
Footpaths	75 years
- substructure	75 years
- seal	30 years
Kerb and channel	50 years
Drains	120 years
Bridges	120 years
Lanes	120 years
- substructure	120 years
- seal	50 years
Other	
Mobile garbage bins/recycling crates	10 years
Irrigation & sprinkler systems	10 years
Street furniture	20 years
Parks & gardens furniture & equipment	20 years
Playground equipment	10 years
Fencing	10 years
Library books	6-7 years
Library audio and visual	4 years

Note 1 Significant Accounting Policies (continued)

(e) Repairs and maintenance

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

(f) Leases

Finance leases

Council does not have any finance leases.

Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

(g) Employee benefits

Wages and salaries

Liabilities for wages and salaries are recognised and are measured as the amount unpaid at balance date. Entitlements include oncosts that are calculated using employee remuneration rates as at balance date.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date, having regard to expected rates to apply at settlement and oncosts. Annual leave entitlements are provided for at their nominal value and classified as a current liability.

Long service leave

All unconditional vested LSL representing 7+ years of continuous service is :

- (i) disclosed in accordance with AASB 101, as a current liability even where the Council does not expect to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months;
- (ii) measured at:
 - nominal value under AASB 119 where a component of this current liability is expected to fall due within 12 months after the end of the period; and
 - present value under AASB 119 where the entity does not expect to settle a component of this liability within 12 months.

LSL representing less than 7 years of continuous service is:

- (i) disclosed in accordance with AASB 101 as a non-current liability; and
- (ii) measured at present value under AASB 119 where the entity does not expect to settle this non-current liability within 12 months.

Superannuation

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plans which provide benefits to its employees. Details of those arrangements are set out in Note 34.

(h) Revenue recognition

Rates, grants, and contributions

Rates, grants, and contributions (including developer contributions) are recognised as revenue when the municipality obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year or, where earlier, upon receipt of the rates. A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenue during the financial year were obtained on condition that they would be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6 and Note 7. These notes also disclose the amount of unused grant or contribution from prior years that were expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

Notes to the Financial Report

For the year ended 30 June 2011

Note 1 Significant Accounting Policies (continued)

(h) Revenue recognition (continued)

User charges, fees, and fines

User charges, fees, and fines (including parking fees and fines) are recognised as revenue when the penalty has been applied, the service has been provided, or payment is received, whichever first occurs. A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, plant and equipment

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

Interest and rentals

Interest and rentals are recognised as revenue when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

(i) Cash and cash equivalent assets

For the purposes of the Cash Flow Statement, cash assets include cash on hand and highly liquid investments with short periods to maturity that are readily convertible to cash on hand at the Council's option and are subject to insignificant risk of changes in values, net of outstanding bank overdrafts.

(j) Other financial assets

Other financial assets are measured at cost.

(k) Borrowing costs

Borrowing costs are recognised as expenses and include interest on bank overdrafts, interest on borrowings, and finance lease charges.

(l) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be settled within the next twelve months, or Council does not have an unconditional right to defer settlement beyond twelve months.

(m) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed.

(n) Rounding

Unless otherwise stated, amounts in the report have been rounded to the nearest thousand dollars.

(o) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust Funds until they are returned or forfeited (refer to Note 25).

(p) Inventories

Inventories of saleable items and consumable stores have been valued at the lower of cost or net realisable value.

Notes to the Financial Report

For the year ended 30 June 2011

Note 2 Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended which may be relevant to Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; * removing the tainting rules associated with held-to-maturity assets; * simplifying the requirements for embedded derivatives; * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and * reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ul style="list-style-type: none"> a. the objective of the entity's business model for managing the financial assets; and b. the characteristics of the contractual cash flows. 	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments
AASB 124: Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.

Notes to the Financial Report

For the year ended 30 June 2011

Note 3 Rates	2011	2010
	\$'000	\$'000
<p>Council uses Net Annual Value (NAV) as the basis of valuation of all properties within the municipal district. The NAV of a property is its imputed rental value.</p> <p>The valuation base used to calculate general rates for 2010/11 was \$1,675.696 million (2009/10 \$1,514.177 million) with the increase in the rate base resulting from the return of supplementary valuations for properties constructed and/or building works completed since the return of the previous general revaluation of land for rating purposes as at 1 January 2010.</p> <p>The 2010/11 rate in the NAV dollar of 4.197 cents generated a 4.5% increase in rate income. The 2009/10 rate in the NAV dollar was 4.448 cents.</p>		
Residential	47,525	44,175
Commercial	17,224	16,717
Industrial	5,819	6,294
Supplementary rates and rate adjustments	631	908
Garbage bin charge	19	9
Interest on rates	450	458
	<u>71,668</u>	<u>68,561</u>

A general revaluation of land for rating purposes within the municipal district was undertaken as at 1 January 2010 and was first applied to the rating period commencing 1 July 2010.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2012 and the valuation will be first applied in the rating year commencing 1 July 2012.

Note 4 Parking revenue

Infringements & costs	9,780	8,449
PERIN court recoveries	1,695	1,523
Fees - ticket machines	9,152	8,018
Fees - parking meters	206	148
Permits	1,066	1,062
	<u>21,899</u>	<u>19,200</u>

Note 5(a) User charges, fees and other fines

Leisure centre fees	6,661	6,983
Child care/children's program fees	2,876	2,792
Town planning fees	1,128	1,079
Insurance refunds	32	28
Registration fees	895	815
Pre schools	260	380
Aged services fees	365	428
Road occupation permit fees	1,179	978
Library fees and fines	74	77
Golf course fees	337	359
Footpath advertising & display	480	512
Building services fees	210	227
Valuation fees/supplementary charges	371	367
Kerb market fees	176	172
Land information certificates	76	65
Local laws fines	723	769
Other fees and charges	719	843
	<u>16,562</u>	<u>16,874</u>

Note 5(b) Other Income

Walker Street Land and Building*	-	2,564
	<u>-</u>	<u>2,564</u>

* During the 2009/10 financial year Council acquired a donated building and land which vested in Council subsequent to a road discontinuance. The land and building were revalued and this was the first time recognition of such property.

Notes to the Financial Report

For the year ended 30 June 2011

Note 6 Government grants	2011	2010
Government grants were received in respect of the following:	\$'000	\$'000
Victoria Grants Commission - general purpose	1,556	1,509
Victoria Grants Commission - local roads	367	278
Environmental Management	30	54
Aged Services Assessment and Planning	862	823
Community Amenity and Health	125	121
Children Services	1,672	1,692
Family Services	1,035	1,228
Aged Services - Home Care Services	1,813	1,821
Library Development	450	444
Aged Services - Meals Services	91	88
Open Space and Recreation	380	857
Aged Services - Social Support Service	155	139
Youth Information Resourcing	10	-
Regional and Local Community Infrastructure	500	352
Capital grants	5,036	-
Other	620	84
Total	14,702	9,490
Victoria Grants Commission	1,923	1,787
Government grants	12,778	7,703
Total	14,702	9,490
Recurrent	9,166	8,545
Non-recurrent	5,536	945
Total	14,702	9,490
 Conditions on grants		
Grants recognised as revenue during the year which were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:		
Family & Children Services	900	17
Community Development	500	60
Aged & Disability	-	573
	<u>1,400</u>	<u>650</u>
Grants recognised as revenue in prior years which were expended during the current year in the manner specified by the grantor were:		
Family & Children Services	17	355
Community Development	60	45
Aged & Disability	573	149
Library	-	36
Walk to School	-	12
Heatwave Project and Melbourne 2030 Implementation	-	26
	<u>650</u>	<u>623</u>
Net increase/(decrease) in restricted assets resulting from grant revenues for the year	<u>750</u>	<u>27</u>

Notes to the Financial Report

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 7 Contributions		
Government capital contributions	152	1,023
Open space	-	29
Drainage contributions	67	222
Transport planning	102	471
Resort and recreation fees*	2,210	2,343
Road inspection	247	260
Road reinstatements	50	56
Library resources	107	134
Domestic waste	340	444
Environmental sustainability	60	186
Other	67	83
	<u>3,402</u>	<u>5,251</u>

Conditions on contributions

Contributions recognised as revenue during the year that were obtained on the condition that they be expended in a specified manner that had not occurred at balance date were:

Contribution Open Space	-	29
Contribution Road Works	-	220
Resort and Recreation fees*	2,210	2,343
	<u>2,210</u>	<u>2,592</u>

Contributions recognised as revenue in prior years which were expended during the current year in the manner specified:

Contribution Open Space	29	26
Contribution Road Works	220	16
Resort and Recreation fees*	555	918
	<u>804</u>	<u>960</u>

Net increase/(decrease) in restricted assets resulting from contributions for the year

	<u>1,406</u>	<u>1,632</u>
--	--------------	--------------

* Resort and recreation fees received during the year are transferred to reserves pursuant to section 18 of the Subdivision Act 1988, (Resort and Recreation Reserve) (Note 29(b)).

Note 8 Reimbursements

Road maintenance/works (VicRoads)	84	-
Road maintenance/works (other)	703	806
	<u>787</u>	<u>806</u>

Note 9 Net gain/(loss) on disposal of property, plant and equipment

Plant & Equipment

Proceeds from sale of assets	536	480
Written down value of assets sold/disposed	417	454
Profit/(loss) on sale/disposal of property, plant and equipment	<u>119</u>	<u>26</u>

Land & Buildings

Proceeds from sale of assets	-	830
Written down value of assets sold/disposed	-	645
Profit/(loss) on sale/disposal of property, plant and equipment	<u>-</u>	<u>185</u>

Summary

Proceeds from sale of assets	536	1,310
Written down value of assets sold/disposed	417	1,099
Profit/(loss) on sale/disposal of property, plant and equipment	<u>119</u>	<u>211</u>

Notes to the Financial Report

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 10		
Employee expenses		
Wages and salaries	38,454	36,837
Oncosts*	8,019	4,802
Overtime	1,083	959
Temporary staff costs	3,220	3,129
Mayoral/Councillors' allowances	247	247
	<u>51,023</u>	<u>45,974</u>
	*Oncosts have increased due to the additional provision of long service leave entitlements for employees with 7+ completed years of service	
Note 11		
Contract payments		
Street sweeping	2,372	2,351
Waste management	3,907	4,166
Open space	5,121	4,628
Aged services & public health	2,517	2,501
Family & childrens services	118	113
Leisure services	635	623
Valuations	209	375
Parking meter maintenance	529	555
Information systems & asset management	200	260
Road maintenance	925	1,020
Other	267	112
	<u>16,800</u>	<u>16,704</u>
Note 12		
Materials and services		
Community grants and contributions	4,906	4,538
Maintenance	5,175	5,450
Professional services	7,280	7,221
Utilities	2,767	3,134
Insurances	1,106	1,061
Materials	3,206	3,336
External lease charges	680	1,463
Motor vehicle expenses	850	794
Printing & stationery	958	1,001
Tipping fees	1,552	1,032
Aged, linkages and food services	716	651
Bank charges	331	397
Fringe benefits tax	311	380
Licences, permits and registrations	69	59
Postage	251	244
Advertising & promotion	780	714
Vic Roads search fees	170	165
Training	264	298
Other	969	946
	<u>32,341</u>	<u>32,884</u>
Note 13		
Bad and doubtful debts		
Parking infringement debtors	1,862	2,386
Other debtors	7	603
	<u>1,869</u>	<u>2,989</u>

Notes to the Financial Report

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 14 Depreciation		
Buildings	2,283	2,013
Heritage assets	16	15
Plant and machinery	956	918
Furniture, equipment, and computers	2,022	1,902
Roads	4,223	4,085
Footpaths	2,751	2,453
Kerb and channel	2,064	2,035
Drains	818	811
Bridges	22	20
Lanes	1,086	1,078
Mobile garbage bins/recycling crates	108	173
Irrigation and sprinkler systems	110	117
Street furniture	323	422
Parks and gardens furniture and equipment	195	199
Playground equipment	34	39
Fencing	78	70
Library books	440	380
Library audio visual	141	138
Total depreciation	<u>17,670</u>	<u>16,870</u>
Note 15 Borrowing costs		
Interest - capital borrowings	62	134
	<u>62</u>	<u>134</u>

Notes to the Financial Report

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 16 Cash and Cash Equivalents		
Cash at bank*	774	1,722
Cash on hand*	10	9
Term deposit investments*	14,350	12,400
	<u>15,134</u>	<u>14,131</u>
*Council has assets of \$9.343m (\$7.468m in 2009/10) that are subject to restriction (refer to Note 33).		
Note 17 Receivables		
<i>Current</i>		
Rates debtors	2,628	2,358
Parking infringement debtors	11,966	9,929
Provision for doubtful debts - parking infringements	(9,769)	(7,958)
Other debtors	3,870	2,295
Provision for doubtful debts - other debtors	(1,279)	(1,272)
Workcover	38	25
GST clearing	1,358	1,309
	<u>8,812</u>	<u>6,686</u>
<i>Non-current</i>		
Park Place Child Care Centre Inc. - Loan	20	20
	<u>20</u>	<u>20</u>
Total Receivables	<u>8,832</u>	<u>6,706</u>
Note 18 Accrued income		
Government grants and other income	1,046	425
Interest	135	31
	<u>1,181</u>	<u>456</u>
Note 19 Prepayments		
Vehicle registrations	93	92
Contributions and insurance	63	66
	<u>156</u>	<u>158</u>
Note 20 Inventories		
Merchandise	99	92
General	8	5
	<u>107</u>	<u>97</u>
Note 21(a) Non-current assets held for sale		
Land and Building at valuation 2008	-	978
	<u>-</u>	<u>978</u>
Note 21(b) Investments		
Council's carrying value of investment in RFK P/L (trading as Community Chef) and Regional Kitchen P/L is at cost	200	200
	<u>200</u>	<u>200</u>

Notes to the Financial Report

For the year ended 30 June 2011

Note 22 Property, infrastructure, plant and equipment

Summary	2011	2010
	\$'000	\$'000
<i>Balance at beginning of financial year:</i>	1,397,525	1,374,414
Acquisition of assets	29,247	23,884
Depreciation (Note 14)	(17,670)	(16,870)
Disposal of property, plant & equipment (Note 9) - WDV of disposals	(417)	(1,099)
Donated assets (Note 5b)	-	2,564
Land held for sale reclassified from current assets	978	(333)
Increment/(decrement) on revaluation June 2011 (Note 29)	36,785	14,963
<i>Balance at end of financial year:</i>	<u>1,446,446</u>	<u>1,397,525</u>

Property, infrastructure, plant and equipment

- at Cost	86,545	83,809
- at Independent valuation as at 1 July 1996	384	384
- at Council valuation as at 30 June 2004	5,651	5,651
- at Council valuation as at 30 June 2006	1,845	1,845
- at Council valuation as at 30 June 2008	-	673,722
- at Council valuation as at 30 June 2010	900,826	899,848
- at Council valuation as at 30 June 2011	715,048	-
Less: accumulated depreciation	263,853	267,734
	<u>1,446,446</u>	<u>1,397,525</u>

Land and buildings

Land		
- at Council valuation as at 30 June 2010	<u>672,890</u>	<u>672,026</u>
	672,890	672,026

Land Improvements

- Land Improvements at cost	<u>3,293</u>	-
	3,293	-

Buildings

- at Cost	7,511	-
- at Council valuation as at 30 June 2010	227,936	227,822
Less: accumulated depreciation	<u>82,478</u>	<u>80,195</u>
	152,969	147,627

Valuations of land and buildings were undertaken by Westlink Consulting under the supervision of William J Graham, City Valuer, A.V.L.E (Vals), Qualified Valuer. The valuation of buildings was replacement cost less accumulated depreciation and was first applied as at 30 June 2010.

Notes to the Financial Report

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 22 Property, infrastructure, plant and equipment (continued)		
Heritage assets		
Heritage assets		
- at Independent valuation as at 1 July 1996	384	384
- at Cost	1,388	1,242
Less: accumulated depreciation	225	209
	<u>1,547</u>	<u>1,417</u>
<i>Council's heritage assets were independently valued at current cost, by George Loton & Co Pty Ltd. The valuations were first applied in the financial year ended 30 June 1997.</i>		
Plant and equipment		
Plant and machinery		
- at Cost	9,216	8,361
Less: accumulated depreciation	3,700	3,316
	<u>5,516</u>	<u>5,045</u>
Furniture, equipment and computers		
- at Cost	21,573	20,821
Less: accumulated depreciation	16,348	14,326
	<u>5,225</u>	<u>6,495</u>
Library Books and Audio Visual		
- at Cost	3,999	3,535
Less: accumulated depreciation	1,985	1,404
	<u>2,014</u>	<u>2,131</u>
Infrastructure		
Road Substructure		
- at Cost	-	1,056
- at Council valuation as at 30 June 2011	279,299	-
- at Council valuation as at 30 June 2008	-	263,733
Less: accumulated depreciation	44,970	46,394
	<u>234,329</u>	<u>218,396</u>
Road Seal		
- at Cost	-	6,003
- at Council valuation as at 30 June 2011	36,828	-
- at Council valuation as at 30 June 2008	-	34,643
Less: accumulated depreciation	5,903	9,019
	<u>30,925</u>	<u>31,627</u>

Notes to the Financial Report

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 22 Property, infrastructure, plant and equipment (continued)		
Footpaths substructure		
- at Cost	-	974
- at Council valuation as at 30 June 2011	69,534	-
- at Council valuation as at 30 June 2008	-	64,936
Less: accumulated depreciation	9,546	9,895
	<u>59,988</u>	<u>56,015</u>
Footpaths seal		
- at Cost	-	4,753
- at Council valuation as at 30 June 2011	45,443	-
- at Council valuation as at 30 June 2008	-	42,343
Less: accumulated depreciation	6,365	5,544
	<u>39,078</u>	<u>41,551</u>
Kerb and channel		
- at Cost	-	2,373
- at Council valuation as at 30 June 2011	108,924	-
- at Council valuation as at 30 June 2008	-	100,317
Less: accumulated depreciation	16,010	19,147
	<u>92,914</u>	<u>83,543</u>
Drains		
- at Cost	-	2,287
- at Council valuation as at 30 June 2011	97,372	-
- at Council valuation as at 30 June 2008	-	96,330
Less: accumulated depreciation	41,850	42,958
	<u>55,522</u>	<u>55,659</u>
Bridges		
- at Cost	912	740
- at Council valuation as at 30 June 2006	1,845	1,845
Less: accumulated depreciation	318	296
	<u>2,439</u>	<u>2,289</u>
Lanes - substructure		
- at Council valuation as at 30 June 2011	31,714	-
- at Council valuation as at 30 June 2008	-	29,984
Less: accumulated depreciation	5,613	6,029
	<u>26,101</u>	<u>23,955</u>
Lanes - seal		
- at Council valuation as at 30 June 2011	45,934	-
- at Council valuation as at 30 June 2008	-	41,436
Less: accumulated depreciation	8,345	9,652
	<u>37,589</u>	<u>31,784</u>
<p><i>Valuation of Road infrastructure was undertaken by Dimitrios Vokolos, B.Eng (Civil), Qualified Engineer. The valuations are at replacement costs less accumulated depreciation and were first applied as at 30 June 2011.</i></p>		
Other		
Mobile garbage bins/recycling crates		
- at Cost	2,262	2,206
Less: accumulated depreciation	1,959	1,851
	<u>303</u>	<u>355</u>

Notes to the Financial Report

For the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 22 Property, infrastructure, plant and equipment (continued)		
Irrigation and sprinkler systems		
- at Cost	1,546	1,547
Less: accumulated depreciation	1,204	1,095
	<u>342</u>	<u>452</u>
Street furniture		
- at Cost	13,874	11,893
Less: accumulated depreciation	9,476	9,153
	<u>4,398</u>	<u>2,739</u>
Parks and gardens furniture and equipment		
- at Cost	7,112	7,012
Less: accumulated depreciation	5,090	4,895
	<u>2,022</u>	<u>2,117</u>
Playground equipment		
- at Cost	1,107	1,107
Less: accumulated depreciation	1,029	995
	<u>78</u>	<u>112</u>
Fencing		
- at Cost	1,829	1,819
Less: accumulated depreciation	1,440	1,362
	<u>389</u>	<u>457</u>
Trees and Tree Infrastructure		
- at Council valuation as at 30 June 2004	5,651	5,651
- at Cost	1,611	1,611
	<u>7,262</u>	<u>7,262</u>
Works in progress - at cost	<u>9,311</u>	<u>4,469</u>
Total property, infrastructure, plant and equipment	<u>1,446,446</u>	<u>1,397,525</u>

Notes to the Financial Report

For the year ended 30 June 2011

22 Property, Infrastructure, Plant and Equipment (cont.)

2011	Balance at beginning of financial year	Acquisition of assets	Transfer from current assets	Depreciation	WDV of disposals	Revaluation	Capitalisation	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	672,025	-	864	-	-	-	3,293	676,183
Buildings	147,627	-	114	(2,283)	-	-	7,511	152,969
Heritage assets	1,417	-	-	(16)	-	-	146	1,547
Plant and equipment	5,045	-	-	(956)	(417)	-	1,843	5,516
Furniture, equipment and computers	6,495	-	-	(2,022)	-	-	752	5,225
Mobile garbage bins/ recycling crates	354	-	-	(108)	-	-	57	303
Irrigation and sprinkler systems	452	-	-	(110)	-	-	-	342
Street furniture	2,739	-	-	(323)	-	-	1,982	4,398
Parks and gardens furniture and equipment	2,117	-	-	(195)	-	-	100	2,022
Playground equipment	112	-	-	(34)	-	-	-	78
Fencing	457	-	-	(78)	-	-	10	389
Trees and Tree infrastructure	7,262	-	-	(440)	-	-	-	7,262
Library books	1,862	-	-	(440)	-	-	390	1,812
Library Audio Visual	269	-	-	(141)	-	-	74	203
Road substructure	218,396	-	-	(2,208)	-	17,652	489	234,329
Road seal	31,627	-	-	(2,015)	-	(915)	2,230	30,926
Bridges	2,289	-	-	(22)	-	-	172	2,439
Footpaths substructure	56,015	-	-	(881)	-	4,394	460	59,988
Footpaths seal	41,551	-	-	(1,871)	-	(3,529)	2,927	39,078
Lanes substructure	23,956	-	-	(250)	-	2,395	-	26,101
Lanes seal	31,784	-	-	(836)	-	6,641	-	37,589
Kerb and channel	83,543	-	-	(2,064)	-	10,474	961	92,914
Drains	55,659	-	-	(818)	-	(328)	1,009	55,622
Works in progress	4,469	29,247	-	-	-	-	(24,405)	9,311
Total property, plant & equipment	1,397,525	29,247	978	(17,670)	(417)	36,785	-	1,446,446

Notes to the Financial Report

For the year ended 30 June 2011

Property	2010		Balance at beginning of financial year	Acquisition of assets	Transfer to current assets	Asset Disposal Adjustment	Depreciation	WDV of disposals	Revaluation	Capitalisation	Balance at end of financial year
	\$'000	\$'000									
Land	669,005	-	-	-	(219)	2,110	-	-	(6,071)	7,847	672,025
Land improvements	-	-	-	-	-	-	-	(645)	-	-	0
Buildings	122,259	-	-	-	(114)	454	(2,013)	-	21,033	6,007	147,627
Heritage assets	1,350	-	-	-	-	-	(15)	-	-	82	1,417
Plant and equipment	4,645	-	-	-	-	-	(918)	(454)	-	1,772	5,045
Furniture, equipment and computers	7,090	-	-	-	-	-	(1,902)	-	-	1,308	6,495
Mobile garbage bins/ recycling crates	528	-	-	-	-	-	(173)	-	-	-	354
Irrigation and sprinkler systems	568	-	-	-	-	-	(117)	-	-	-	452
Street furniture	3,069	-	-	-	-	-	(422)	-	-	92	2,739
Parks and gardens furniture and equipment	2,162	-	-	-	-	-	(199)	-	-	155	2,117
Playground equipment	98	-	-	-	-	-	(39)	-	-	53	112
Fencing	442	-	-	-	-	-	(70)	-	-	84	457
Trees and Tree infrastructure	7,262	-	-	-	-	-	-	-	-	-	7,262
Library books	1,879	-	-	-	-	-	(360)	-	-	360	1,862
Library Audio Visual	324	-	-	-	-	-	(138)	-	-	86	269
Road substructure	220,091	-	-	-	-	-	(2,194)	-	-	498	218,396
Road seal	30,692	-	-	-	-	-	(1,891)	-	-	2,825	31,627
Bridges	2,159	-	-	-	-	-	(20)	-	-	150	2,289
Footpaths substructure	56,474	-	-	-	-	-	(871)	-	-	411	56,015
Footpaths seal	40,968	-	-	-	-	-	(1,582)	-	-	2,165	41,551
Lanes substructure	24,204	-	-	-	-	-	(249)	-	-	-	23,956
Lanes seal	32,613	-	-	-	-	-	(829)	-	-	-	31,784
Kerb and channel	84,646	-	-	-	-	-	(2,035)	-	-	932	83,543
Drains	55,559	-	-	-	-	-	(811)	-	-	911	55,659
Works in progress	6,325	23,884	-	23,884	-	-	-	-	-	(25,740)	4,469
Total property, plant & equipment	1,374,414	23,884	(333)	2,564	(16,870)	(1,099)	14,963	1,397,525			

Notes to the Financial Report

For the year ended 30 June 2011

		2011 \$'000	2010 \$'000
Note 23	Opening balance adjustment		
	Write back adjustment to original investment in RFK P/L (trading as Community Chef) and Regional Kitchen P/L.	-	(842)
		<u>-</u>	<u>(842)</u>
Note 24	Payables		
	Current		
	Trade creditors	8,969	7,230
	Superannuation	165	137
	Accrued expenses	4,444	4,119
		<u>13,578</u>	<u>11,486</u>
Note 25	Trust funds		
	Refundable building deposits	142	142
	Other refundable deposits	189	188
	Other trust items	221	221
	Refundable contract deposits	160	161
	Refundable civic facilities deposits	104	106
	Leased properties security deposit	9	-
	Building permits	5	5
	Unclaimed monies	47	30
		<u>877</u>	<u>853</u>
Note 26	Income in advance		
	Leisure Centre fees	209	232
		<u>209</u>	<u>232</u>

Notes to the Financial Report

For the year ended 30 June 2011

	2011	2010
	\$'000	\$'000
Note 27 Employee benefits		
Current		
Annual leave	3,556	3,441
Long service leave (Notes 1(g), 33)	5,346	4,330
	<u>8,902</u>	<u>7,771</u>
<p>Current employee benefits include all annual leave and LSL entitlements representing 7+ years of service. Short-term employee benefits that fall due within 12 months after the end of the period are measured at nominal value.</p>		
Non-current		
Long service leave (Notes 1(g), 33)	947	1,277
	<u>947</u>	<u>1,277</u>
<p>LSL representing less than 7 years of continuous service is measured at present value.</p>		
Aggregate carrying amount of employee entitlements		
Current	8,902	7,771
Non-current	947	1,277
	<u>9,849</u>	<u>9,048</u>
Sum of full-time equivalent staff numbers	596	587
<p>The following assumptions were adopted in measuring the present value of long service leave:</p>		
Weighted average increase in employee costs (as per Enterprise Bargaining Agreement)	4.0%	4.0%
Weighted average discount rates	5.10%	4.48%
Note 28 Interest-bearing liabilities		
<p>The maturity profile for Council's borrowings and other liabilities is as follows:</p>		
Not later than one year	786	936
Later than one year and not later than five years	1,200	486
Later than five years	600	-
	<u>2,586</u>	<u>1,422</u>
Current		
Loans - secured	486	936
LASF defined benefit plan liability	300	-
Non-current		
LASF defined benefit plan liability*	1,800	-
Loans - secured	-	486
	<u>2,586</u>	<u>1,422</u>
Total	<u>2,586</u>	<u>1,422</u>
<p>Borrowings are secured by way of mortgages over the general rates of the Council.</p>		
Aggregate carrying amount of interest-bearing liabilities		
Current	786	936
Non-current	1,800	486
Total	<u>2,586</u>	<u>1,422</u>

*Council has elected to settle its LASF defined benefit plan liability through instalment payments and this component is the remaining liability expected to be settled beyond 12 months.

Notes to the Financial Report

For the year ended 30 June 2011

Note 29 Reserves

	Balance at beginning of Year	Increment (decrement)	Balance at end of Year	
(a)	\$'000	\$'000	\$'000	\$'000
2011				
Property				
Land	498,224	-	498,224	
Buildings	75,176	-	75,176	
	<u>573,400</u>	<u>-</u>	<u>573,400</u>	
Infrastructure				
Road Substructure	78,854	17,652	96,506	
Road Seal	9,699	(915)	8,784	
Footpaths Substructure	31,580	4,394	35,974	
Footpaths Seal	32,311	(3,529)	28,782	
Drains	8,257	(328)	7,929	
Bridges	729	-	729	
Lane Substructure	8,908	2,395	11,303	
Lane Seal	27,807	6,641	34,448	
Kerb and channel	71,116	10,474	81,590	
Trees	13	-	13	
	<u>269,275</u>	<u>36,785</u>	<u>306,060</u>	
Total Asset revaluation reserves	842,675	36,785	879,460	
2010				
Property				
Land	504,295	(6,071)	498,224	
Buildings	54,143	21,033	75,176	
	<u>558,438</u>	<u>14,963</u>	<u>573,401</u>	
Infrastructure				
Road Substructure	78,854	-	78,854	
Road Seal	9,699	-	9,699	
Footpaths Substructure	31,580	-	31,580	
Footpaths Seal	32,311	-	32,311	
Drains	8,257	-	8,257	
Bridges	729	-	729	
Lane Substructure	8,908	-	8,908	
Lane Seal	27,807	-	27,807	
Kerb and channel	71,116	-	71,116	
Trees	13	-	13	
	<u>269,274</u>	<u>-</u>	<u>269,274</u>	
Total Asset revaluation reserves	827,712	14,963	842,675	
(b) Other reserves				
	Balance at beginning of Year	Transfer to accumulated surplus	Transfer from accumulated surplus	Balance at end of Year
	\$'000	\$'000	\$'000	\$'000
2011				
Resort and recreation	2,389	(555)	2,210	4,044
Parking	79	-	-	79
Community Infrastructure Fund	-	-	2,404	2,404
Victoria Park Redevelopment	1,567	(1,567)	-	-
NRHC Reserve (Lennox St sale)	1,500	-	-	1,500
	<u>5,534</u>	<u>(2,122)</u>	<u>4,614</u>	<u>8,026</u>
Total Other reserves	5,534	(2,122)	4,614	8,026
2010				
Resort and recreation	3,046	(3,000)	2,343	2,389
Parking	79	-	-	79
Victoria Park Redevelopment	1,567	-	-	1,567
NRHC Reserve (Lennox St sale)	1,500	-	-	1,500
	<u>6,191</u>	<u>(3,000)</u>	<u>2,343</u>	<u>5,534</u>
Total Other reserves	6,191	(3,000)	2,343	5,534

Resort and Recreation reserve relates to contributions received as Public Open Space Levies pursuant to the provisions of Section 18 of the Subdivision Act 1988. The reserve will be used to fund eligible open space capital works projects.

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

Victoria Park redevelopment reserve was established as a result of the contributions from the AFL and the Collingwood Football Club for the redevelopment of the Victoria Park sporting stadium. The reserve was used on capital works required to return the stadium into a fully useable condition.

Council resolved to provide funding for the North Richmond Community Health Centre development from the sale of 23 Lennox Street Richmond. This amount has been placed in reserve to be applied to future development works.

Council resolved to provide funding for a Community Infrastructure Fund which includes funding for an indoor sporting facility in the future. Council's Long Term Financial Plan (LTFP) has allocated further fund transfers to the Community Infrastructure Fund in future years.

Notes to the Financial Report

For the year ended 30 June 2011

Note 30 Reconciliation of operating result to net cash from operations	2011	2010
	\$'000	\$'000
Surplus/(deficit)	10,963	8,585
Depreciation	17,670	16,870
(Net gain)/loss on disposal of property, plant and equipment (refer to Note 9)	(119)	(211)
Change in assets and liabilities:		
(Increase)/decrease in receivables	(2,125)	722
(Increase)/decrease in prepayments	2	500
(Increase)/decrease in accrued income	(725)	(266)
Increase/(decrease) in payables	1,992	(2,622)
Increase/(Decrease) in accrued expenses	325	1,092
Increase/(Decrease) in other liabilities	1,652	(2,872)
(Increase)/decrease in inventories	(11)	(10)
Increase/(Decrease) in employee benefits	801	(12)
Net cash provided by operating activities	<u>30,425</u>	<u>21,776</u>

Note 31 Reconciliation of cash at year-end to cash and cash equivalents

Cash and Cash equivalents (refer to Note 16)	15,134	14,131
Less bank overdraft	-	-
	<u>15,134</u>	<u>14,131</u>

Note 32 Financing arrangements

Bank overdraft*	5,000	5,000
Used facilities	-	-
Unused facilities	<u>5,000</u>	<u>5,000</u>

*Bank Overdraft is not used until "net" cash position is negative.

Note 33 Restricted assets

Council has Cash assets (refer to Note 16) that are subject to restriction. As at the reporting date Council had legislative restrictions in relation to employee entitlements (long service leave) and reserve funds (recreational lands reserves) and accordingly only these two categories have been included in this note.

Long service leave (Note 27)	5,299	5,079
Resort and recreation (Note 29)	4,044	2,389
	<u>9,343</u>	<u>7,468</u>

The restricted asset for long service leave is based on Local Government (Long Service Leave) Regulations 2002 and does not equate to the long service leave liability disclosed in Note 27 due to a different basis of calculation prescribed by the regulation.

Note 34 Superannuation**Post-employee Benefit**

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

Defined Benefit Plan*

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Plan's assets and liabilities are pooled and are not allocated by employer, the Fund's Actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, Council does not use defined benefit accounting for these contributions.

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2008, Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year).

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the council's financial statements. AAS 25 requires that the present value of the defined benefit liability to be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Following an actuarial review conducted by the Trustees in late 2010, as at 31 December 2008, a funding shortfall of \$71 million for the Fund was determined. A call to Employers for additional contributions was made for the financial year ended 30 June 2011 with commitment from Employers from 1 July 2011. A further actuarial review will be undertaken as at 31 December 2011 by mid 2012. Based on the result of the review, a detailed funding plan will be developed and implemented to achieve the target of full funding by 31 December 2013. Council will be notified of any additional required contribution by late 2012.

Council's share of the LASF defined benefit plan liability as advised by Vision Super is \$2.1M. The minimum annual instalment for Council over ten years is \$0.3M. Council has elected to settle the LASF defined benefit plan liability through instalment payments. The component expected to be settled within 12 months (\$0.3M) has been classified as a current liability and the remaining liability expected to be settled beyond 12 months (\$1.8M) has been classified as a non-current liability. This is according to the advice received regarding accounting treatment from the Department of Planning and Community Development in April 2011.

Accounting Standard Disclosure

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	31-Dec-08
	\$'000
Net Market Value of Assets**	3,630,432
Accrued Benefits (per accounting standards)**	3,616,422
Difference between Assets and Accrued Benefits**	14,010
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)**	3,561,588

** this information has been provided by Vision Super and has not been audited by the Victorian Auditor General

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.50% p.a
Salary Inflation	4.25% p.a
Price Inflation	2.75% p.a

	2011	2010
	\$,000	\$,000
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	610	624
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	-

Accumulation Funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,100	2,061
Employer contributions to other Funds	840	815
	<u>2,940</u>	<u>2,876</u>

Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	-
Employer contributions payable to other Funds at reporting date	-	-
	<u>-</u>	<u>-</u>

Other Superannuation Funds

Hesta, AGEST, AMP Super, ANZ Super Advantage, Aust. Ethical Super, ARF, AXA, BT Financial, Colonial First State, Construction First State, Health Super, Host Plus, Just Super, LG Super, MJ Pease, MLC Masterkey, MTA Super, REST Super, Spectrum Super, Sunsuper, Superannuation Trust Aust., VIC Super, Virgin Super, and YMCA Super Fund.

* information contained in this note regarding the defined benefit scheme is provided by Vision Super

Notes to the Financial Report

For the year ended 30 June 2011

Note 35 Contingent liabilities and contingent assets

(a) arising from Public Liability

As a local authority with ownership of numerous parks, reserves, roads, and other land holdings, the Council regularly receives claims and demands allegedly arising from incidents which occur on land belonging to Council. There are a number of outstanding claims against Council in this regard. Council carries \$400 million of public liability (\$300 million in 2009/10) insurance and had an excess of \$10,000 on this policy in 2010/11. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is MAV Insurance. There are no claims of which Council is aware which would fall outside the terms of Council's policy.

(b) arising from Professional Indemnity

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permits and approvals, Council receives claims and demands for damages allegedly arising from actions of Council or its officers. Council carries \$300 million of professional indemnity insurance (\$200 million in 2009/10) and had an excess of \$10,000 on this policy in 2010/11. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is MAV Insurance. There are no instances or claims of which Council is aware which would fall outside the terms of Council's policy.

(c) arising from Legal Matters

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

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

(d) arising from LAS Defined Benefits Fund

Council has an ongoing obligation to share in the future experience of the Fund. Favourable or unfavourable variations may arise should the experience of the Fund differ from the assumptions made by the Fund's actuary in estimating the Fund's accrued benefits liability.

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. Council will be notified of any additional required contribution by late 2012 (Refer Note 34).

Notes to the Financial Report

For the year ended 30 June 2011

Note 36 Commitments

The Council has entered into the following contracts:

2011	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
Operating					
Street cleaning services	665	665	-	-	1,330
Garbage collection and recycling	1,151	858	2,575	-	4,584
Open space management	2,352	735	500	-	3,587
Consultancies *	374	159	320	-	853
Information systems & technology	1,406	1,124	1,728	-	4,258
Home care & maintenance services	127	-	-	-	127
Family Services	1,713	-	-	-	1,713
Parking meter maintenance	1,199	328	53	-	1,580
Audit	176	109	109	-	394
Professional services	2,407	558	479	-	3,444
Bioremediation	40	-	-	-	40
Cleaning contracts for Council buildings	344	-	-	-	344
Community services	522	-	-	-	522
Capital					
Construction works	8,590	2,908	2,077	-	13,575
Plant and equipment	227	6	20	-	253
Total	21,293	7,450	7,861	-	36,604

2010	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
Operating					
Street cleaning services	665	665	665	-	1,995
Garbage collection and recycling	976	858	858	2,575	5,267
Open space management	1,711	261	755	-	2,727
Consultancies *	586	163	20	-	769
Information systems & technology	1,335	940	1,498	-	3,773
Home care & maintenance services	180	-	-	-	180
Family Services	1,828	113	-	-	1,941
Parking meter maintenance	1,192	1,046	53	-	2,291
Animal pound services	41	-	-	-	41
Professional services	2,684	453	290	-	3,427
Bioremediation	749	40	-	-	789
Cleaning contracts for Council buildings	344	344	-	-	688
Community services	402	300	-	-	702
Capital					
Construction works	3,934	415	-	-	4,349
Plant and equipment	2,225	227	20	-	2,472
Total	18,852	5,825	4,159	2,575	31,411

* The description of these various contracts has not been disclosed separately due to the commercial confidentiality concerning the awarding of these contracts.

Notes to the Financial Report

For the year ended 30 June 2011

Note 37 Financial Instruments

(a) Accounting policy, terms, and conditions

Recognised financial instruments	Note	Accounting policy	Terms and conditions
Financial assets			
Cash and cash equivalents	16	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Term Deposits / Bills are valued at cost and are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	On call deposits returned a floating interest rate of 4.80% (4.40% in 2009/10). The interest rate at balance date was 4.80% (4.40% in 2009/10). Funds returned fixed interest rate of between 4.00% and 5.80% (3.75% and 6.00% in 2009/10) net of fees.
Other debtors and receivables	17	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and arrears may attract an interest rate of 12% (12% in 2009/10) Credit terms are based on 30 days.
Financial liabilities			
Payables	24	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing liabilities	28	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and reported as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average on borrowings is 6.15% during 2010/11 (6.45% in 2009/10). Interest-bearing liabilities (current and non-current) include Council's Vision Super LASF Defined Benefit plan addition contribution which will attract interest at 8.50%.
Bank overdraft	32	Overdrafts are recorded at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. The Interest Rate on utilised overdraft was 9.76% (9.30% in 2009/10) during 2010/11. The interest rate as at balance date was 9.76% (9.30% in 2009/10).

Notes to the Financial Report

For the year ended 30 June 2011

Note 37 Financial instruments (continued)

(b) Interest rate risk

The exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

2011	Fixed interest maturing in :					Non-interest bearing \$,000	Total \$,000
	Floating interest rate \$,000	1 year or less \$,000	Over 1 to 5 years \$,000	More than 5 years \$,000			
Financial assets							
Cash assets	774	14,350	-	-	10		15,134
Other financial assets	-	-	-	-	5		5
Receivables	-	-	-	-	5,266		5,266
Total financial assets	774	14,350	-	-	5,281		20,405
Weighted average interest rate	4.80%	6.15%	-	-	-		-
Financial liabilities							
Payables	-	-	-	-	13,578		13,578
Interest-bearing liabilities*	-	786	1,200	600	-		2,586
Total financial liabilities	-	786	1,200	600	13,578		16,164
Weighted average interest rate	-	6.15%	8.50%	8.50%	-		-
Net financial assets/(liabilities)	774	13,564	(1,200)	(600)	(8,297)		4,241

*Interest-bearing liabilities (current/non-current) includes Council's Vision Super LASF defined benefit plan additional contribution which attracts an interest charge of 8.5%.

2010	Fixed interest maturing in :					Non-interest bearing \$,000	Total \$,000
	Floating interest rate \$,000	1 year or less \$,000	Over 1 to 5 years \$,000	More than 5 years \$,000			
Financial assets							
Cash assets	1,722	12,400	-	-	9		14,131
Other financial assets	-	-	-	-	5		5
Receivables	-	-	-	-	3,629		3,629
Total financial assets	1,722	12,400	-	-	3,643		17,765
Weighted average interest rate	4.40%	6.45%	-	-	-		-
Financial liabilities							
Payables	-	-	-	-	11,486		11,486
Interest-bearing liabilities	-	936	486	-	-		1,422
Total financial liabilities	-	936	486	-	11,486		12,908
Weighted average interest rate	-	6.45%	6.45%	-	-		-
Net financial assets/(liabilities)	1,722	11,464	(486)	-	(7,843)		4,857

(c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows :

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2011 \$,000	2010 \$,000	2011 \$,000	2010 \$,000
Financial assets				
Cash assets	15,134	14,131	15,134	14,131
Other financial assets	5	5	5	5
Receivables	5,266	3,629	5,266	3,629
Total financial assets	20,405	17,765	20,405	17,765
Financial liabilities				
Payables	13,578	11,486	13,578	11,486
Interest-bearing liabilities	2,586	1,422	2,586	1,422
Total financial liabilities	16,164	12,908	16,164	12,908

(d) Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

(e) Risks and mitigation

The risks associated with Council's main financial instruments and it's policies for minimising these risks are detailed below.

Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes

Note 37 Financial instruments (continued.)

in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that Council use. Non derivative interest bearing assets are predominantly short term liquid assets. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes it to fair value interest rate risk.

Council's loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

Council manage the interest rate exposure on it's net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Australian Loan Council each year.

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

- conformity with State and Federal regulations and standards;
- adequate safety;
- appropriate liquidity;
- diversification by credit rating, financial institution and investment product;
- monitoring of return on investment;
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Credit risk

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

- Council may require collateral where appropriate; and
- Council only invest surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal.

Council do not have any significant credit risk exposure to a single customer or groups of customers.

Ongoing credit evaluation is performed on the financial condition of Council customers and, where appropriate, an allowance for doubtful debts is raised.

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

Liquidity risk

Liquidity risk includes the risk that, as a result of Council operational liquidity requirements:

- Council will not have sufficient funds to settle a transaction on the date;
- Council will be forced to sell financial assets at a value which is less than what they are worth; or
- Council may be unable to settle or recover financial assets at all.

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
- monitor borrowings in relation to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia):

A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 7%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year end, if the above movements were to occur.

Market risk exposure

2011

Financial assets:

Cash and cash equivalents

Other financial assets

Trade and other receivables

Financial liabilities:

Interest-bearing loans and borrowings*

* Interest rates are fixed for all interest bearing loans and borrowings

Carrying amount subject to interest	Interest rate risk			
	2% 200 basis points		-1% 100 basis points	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
\$'000	\$'000	\$'000	\$'000	\$'000
15,134	303	303	(151)	(151)
5	-	-	-	-
5,266	-	-	-	-
2,586	-	-	-	-

Market risk exposure

(f)

2010

Financial assets:

Cash and cash equivalents

Other financial assets

Trade and other receivables

Financial liabilities:

Interest-bearing loans and borrowings*

* Interest rates are fixed for all interest bearing loans and borrowings

Carrying amount subject to interest	Interest rate risk			
	2% 200 basis points		-1% 100 basis points	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
\$'000	\$'000	\$'000	\$'000	\$'000
14,131	283	283	(141)	(141)
5	-	-	-	-
3,629	-	-	-	-
1,422	-	-	-	-

Notes to the Financial Report

For the year ended 30 June 2011

Note 38 Auditors' remuneration	2011	2010
	\$'000	\$'000
Audit fee to conduct external audit - Victorian Auditor-General's Office	66	65
Internal audit fees - Oakton Limited, Crowe Horwath.	61	105
Fees for other services provided by internal auditor	12	7
	<u>139</u>	<u>177</u>

Note 39 Operating lease commitments	2011	2010
	\$,000	\$,000
At the reporting date, the Council had the following obligations under non-cancellable operating leases for equipment, land and buildings for use within Council activities (these obligations are not recognised as liabilities).		
Not later than one year	122	223
Later than one year and not later than five years	5	127
Later than five years	-	-
	<u>127</u>	<u>350</u>

Note 40 Related party transactions

- (i) As defined by Accounting Guideline No. 5 from the Department for Victorian Communities, Responsible Persons in relation to a Council are the Councillors and the Chief Executive Officer. Names of persons holding the position of a Responsible Person at the City of Yarra during the reporting year are:

Councillors		
Councillor Jane Garrett (Mayor)		01 Jul 2010 - 31 Oct 2010
Councillor Alison Clarke (Mayor)		14 Dec 2010 - 30 Jun 2011
Councillor Alison Clarke		01 Jul 2010 - 13 Dec 2010
Councillor Amanda Stone		01 Jul 2010 - 30 Jun 2011
Councillor Stephen Jolly		01 Jul 2010 - 30 Jun 2011
Councillor Geoff Barbour*		01 Jul 2010 - 30 Jun 2011
Councillor Jackie Fristacky		01 Jul 2010 - 30 Jun 2011
Councillor Josh Funder		01 Jul 2010 - 30 Jun 2011
Councillor Sam Gaylard		01 Jul 2010 - 30 Jun 2011
Councillor Dale Smedley		01 Jul 2010 - 30 Jun 2011
Councillor Anthony Main		11 Jan 2011 - 30 Jun 2011

* Councillor Barbour Acting Mayor 01/11/2010 - 13/12/2010

Chief Executive Officer	Andi Diamond	01 Jul 2010 - 30 Jun 2011
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Notes to the Financial Report

For the year ended 30 June 2011

Note 40 Related party transactions (continued)

(ii) Remuneration of Responsible Persons

Remuneration of responsible persons was within the following bands:	2011 No	2010 No
\$10,001 - \$20,000	3	-
\$20,001 - \$30,000	6	7
\$40,001 - \$50,000	1	2
\$260,001 - \$270,001	-	1
\$280,001 - \$290,001	1	-
	<u>11</u>	<u>10</u>
	\$'000	\$'000
Total remuneration (including redundancy payments) for the reporting year for responsible persons included above amounted to:	518	517

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2009/10, Nil).

(iv) No loans have been made, guaranteed, or secured by the Council to a Responsible Person during the reporting year (2009/10, Nil).

(v) Other transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with responsible persons, or related parties of such responsible persons, during the reporting year (2009/10, Nil).

(vi) Senior officers remuneration

Senior Officers include any officer who has management responsibilities and reports directly to the Chief Executive Officer or receives annual remuneration of \$120,000 or greater.

The number of Senior Officers, whose total remuneration exceeded \$120,000 during the reporting year, are shown below in their relevant income bands:

Income range:	2011 No.	2010 No.
\$120,001 - \$130,000	11	12
\$130,001 - \$140,000	8	6
\$140,001 - \$150,000	3	2
\$150,001 - \$160,000	3	1
\$160,001 - \$170,000	-	1
\$170,001 - \$180,000	-	1
\$190,001 - \$200,000	1	2
\$200,001 - \$210,000	3	-
	<u>29</u>	<u>25</u>
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to:	4,162	3,457

Notes to the Financial Report

For the year ended 30 June 2011

Note 41 Revenue, expenses and assets by function/activities

	Infrastructure Services		City Development		Community Programs		Corporate Services		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
REVENUE										
Government grants	4,806	810	266	497	8,486	6,131	1,144	2,052	14,702	9,490
Other	1,801	3,893	29,208	26,377	11,762	12,182	73,255	72,198	116,026	114,650
TOTAL	6,607	4,703	29,474	26,874	20,248	18,313	74,399	74,250	130,728	124,140
EXPENSES										
	30,262	31,055	20,590	18,027	32,344	32,278	36,569	34,195	119,765	115,555
SURPLUS/(DEFICIT) FOR THE YEAR	(23,655)	(26,352)	8,884	8,847	(12,096)	(13,965)	37,830	40,055	10,963	8,585
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	1,448,446	1,397,525	2,197	1,971	1,309	573	22,109	20,186	1,472,061	1,420,255

*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

Infrastructure Services Division

The Infrastructure Services Division is responsible for providing strategic direction for the management of Council's assets as well as delivery of a wide range of services to the community. Assets managed include public swimming pools, libraries, childcare centres, parks and gardens, local network of roads, drains, footpaths, cycling tracks and bridges. Services provided include domestic refuse and recycling collection, street cleaning, traffic management, environmental management, recreation planning and management of Council's parks, gardens, reserves and sportsgrounds. Routine maintenance of roads, drains, footpaths, and delivery of the capital works program also form part of the responsibilities of this division.

The division includes the following branches :

Sustainable Asset Management	Recreation and Open Space
Infrastructure and Operations	Buildings and Property

City Development Division

The City Development Division is responsible for protecting and enhancing and developing the Yarra City Council's social and physical environment. The broad objective is achieved primarily through planning, coordination and delivery of a diverse range of high quality, cost-efficient community and environmental services which are responsive to the needs of

The division includes the following branches :

Building and Regulatory Services	Strategic and Economic Planning and Development
Statutory Planning	Customer Service & Parking
Strategic Transport and Environment	

Community Programs Division

The Community Programs Division promotes and enhances community wellbeing through funding programs, advocacy, service provision, community partnerships and regulatory activity.

The division includes the following branches :

Aged and Disability Services	Cultural and Library Services
Family and Children's Services	Leisure Facilities
Community Planning and Advocacy	

Corporate Services Division

The Corporate Services Division is responsible for providing a range of strategic and operational financial services to business units and to the Council as a whole.

The division includes the following branches :

Chief Executive Office	Governance
Financial Services	Human Resources
Information Services	Contracts and Procurement

Notes to the Financial Report

For the year ended 30 June 2011

Note 42 Financial ratios (performance indicators)

	2011	2010	2009
	\$,000	\$,000	\$,000
	(%)	(%)	(%)

(a) **Debt servicing costs ratio** (to identify the capacity of Council to service its outstanding debt)

<u>Debt servicing costs</u>	62	134	234
<u>Total revenue</u>	130,728	124,140	113,018
	= 0.05%	= 0.11%	= 0.21%

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease interest and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue. Total revenue includes other items' separately detailed in the income statement.

(b) **Debt commitment ratio** (to identify Council's debt redemption strategy)

<u>Debt servicing & redemption costs</u>	999	1,497	2,048
<u>Rate revenue</u>	71,668	68,561	65,110
	= 1.39%	= 2.18%	= 3.15%

The strategy involves the payment of loan principal and interest and finance lease principal and interest. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

(c) **Revenue ratio** (to identify Council's dependence on rate income)

<u>Rate revenue</u>	71,668	68,561	65,110
<u>Total revenue</u>	130,728	124,140	113,018
	= 54.82%	= 55.23%	= 57.61%

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

Notes to the Financial Report

For the year ended 30 June 2011

Note 42 Financial ratios (performance indicators) (continued)

	2011 \$'000	2011	2010 \$'000	2010	2009 \$'000	2009
(d) Debt exposure ratio (to identify Council's exposure to debt)						
<u>Total indebtedness</u>	27,099	= 1: 16.05	23,041	= 1: 18.13	26,092	= 1: 14.55
<u>Total realisable assets</u>	435,073		417,685		379,560	

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use. Any liability represented by a restricted asset (Note 33) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets: land - other controlled; buildings on other controlled land; restricted assets; heritage assets; roads and lanes; footpaths; kerb and channel; drains; trees; and bridges.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.

(e) Working capital ratio (to assess Council's ability to meet current commitments)

<u>Current assets</u>	25,390	= 1.04:1	22,505	= 1.06:1	25,120	= 1.07:1
<u>Current liabilities</u>	24,352		21,278		23,539	

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)

<u>Current assets</u>	25,390	= 1.34:1	22,505	= 1.33:1	25,120	= 1.31:1
<u>Current liabilities</u>	19,006		16,948		19,145	

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, but is likely to fail due within 12 months after the end of the period.

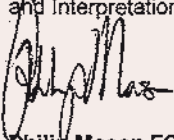
Note 43 Events occurring after balance date

2011 \$,000	2010 \$,000
-	-

There were no events that occurred after balance date that impact on the financial result.

Certification of the Financial Report

In my opinion, the accompanying financial report has been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*, Australian Accounting Standards and Interpretations, and other mandatory professional reporting requirements.



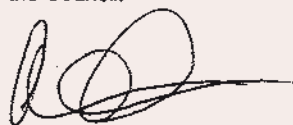
Philip Mason FCPA
Principal Accounting Officer

17 August 2011
Richmond

In our opinion, the accompanying financial report presents fairly the financial transactions of Yarra City Council for the year ended 30 June 2011 and the financial position of the Council as at that date.

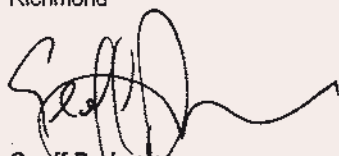
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial report to be misleading or inaccurate.

On 16 August 2011, we were authorised by the Council to certify the financial report in its final form on behalf of the Council.



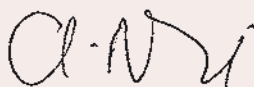
Alison Clarke
Mayor

17 August 2011
Richmond



Geoff Barbour
Chairman Finance and Human Services Committee

17 August 2011
Richmond



Andi Diamond
Chief Executive Officer

17 August 2011
Richmond

Basis of preparation for the Standard Statements

Basis of preparation for the Standard Statements

The Annual Financial Report shows the audited actual results for the year.

The following Standard Statements and explanatory notes form a special purpose financial report prepared specifically to meet the requirements of the *Local Government Act 1989* and the Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements provide information in relation to an aspect of Council's financial management. They should be read in conjunction with one another to obtain an overall understanding of Council's financial position and management.

The Standard Comprehensive Income Statement, Balance Sheet, Cash Flow Statement and Capital Works Statement are consistent with the 2010/11 Budget and are prepared on bases consistent with the Financial Report.

This report is a summary of the information found in the Budget and the Financial Reports and as such cannot be expected to provide as full an understanding of financial performance as the complete report from which it is derived. The Budget and Financial Report together with their detailed notes should be examined for further detailed information.

The Standard Statements are not a substitute for the general purpose financial report presented separately in the Annual Report, as they have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government Act 1989* requires explanation of any material variances. Council has adopted a materiality threshold of ten per cent where items are greater than \$250K variation to budget. 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 included in the Standard Statements are those adopted by Council on 29 June 2010. The budget was based on assumptions that were relevant at the time of adoption. Council sets 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.

Detailed information on the actual financial results are contained in the general purpose financial report presented separately in the Annual Report. The detailed budget can be obtained by contacting Council or through Council's web site. The Standard Statements must be read with reference to these documents.

Standard Income Statements

For the year ended 30 June 2011

	Budget 2010/11 \$'000	Actual 2010/11 \$'000	Variance \$'000	Variance %	Note
Revenues from ordinary activities					
Rates	70,966	71,668	702	0.99	1.1
Parking Revenue	19,651	21,899	2,248	11.44	1.2
Charges, Fees, Other Fines, and Rent	11,037	10,741	(296)	(2.68)	1.3
Leisure Centre Fees	7,107	6,661	(446)	(6.28)	1.4
Grants Commission	1,465	1,556	91	6.21	
Government Grants	6,939	6,490	(449)	(6.48)	1.5
Capital Grants	5,119	6,656	1,537	30.03	1.6
Reimbursements & Contributions	4,376	4,190	(186)	(4.25)	
Interest on Investments	880	749	(131)	(14.94)	
Net gain (loss) on disposal of property, plant and equipment	2,723	119	(2,604)	(95.62)	1.7
Total revenues	130,263	130,728	465		
Expenses from ordinary activities					
Employee Expenses	48,339	51,023	(2,684)	(5.55)	1.8
Contract Payments	17,530	16,800	730	4.16	1.9
Maintenance	5,292	5,175	117	2.21	
Materials and Services	23,831	27,166	(3,335)	(13.99)	1.10
Bad and Doubtful Debts	1,330	1,869	(539)	(40.55)	1.11
Depreciation	16,503	17,670	(1,167)	(7.07)	1.12
Borrowing Costs	62	62	-	-	
Total expenses	112,887	119,765	(6,878)		
Net Result before Transfers to Reserves	17,376	10,963	(6,413)		
Transfers to Reserves	(5,260)	(4,614)	646	12.28	1.13
Transfers from Reserves	3,757	2,122	(1,635)	(43.52)	1.14
Net Result after Transfers to Reserves	15,873	8,471	(7,402)		

The accompanying notes form part of this financial report

Standard Balance Sheet

As at 30 June 2011

	Budget 2010/11 \$'000	Actual 2010/11 \$'000	Variance \$'000	Variance %	Note
Current Assets					
Cash and Cash Equivalents	16,522	15,134	(1,388)	(8.40)	2.1
Receivables - Rates	1,845	2,628	783	42.44	2.2
Receivables Parking Fines	2,290	2,197	(93)	(4.06)	
Receivables - Other	2,823	3,987	1,164	41.22	2.3
Accrued Income	354	1,181	827	233.67	2.4
Prepayments	200	156	(44)	(22.02)	
Inventories	100	107	7	7.49	
Total Current Assets	24,134	25,390	1,256	5.20	
Non-Current Assets					
Investments	1,105	200	(905)	(81.90)	2.5
Receivables	20	20	-	-	
Other Financial Assets	6	5	(1)	(15.67)	
Property, Infrastructure, Plant and Equipment	1,404,132	1,446,446	42,314	3.01	2.6
Total Non-Current Assets	1,405,263	1,446,671	41,408	2.95	
Total Assets	1,429,397	1,472,061	42,664	2.98	
Current Liabilities					
Payables	8,232	13,578	(5,346)	(64.94)	2.7
Trust Funds	1,338	877	461	34.42	2.8
Income in Advance	549	209	340	61.87	2.9
Employee benefits	6,743	8,902	(2,159)	(32.02)	2.10
Interest Bearing Liabilities	486	786	(300)	(61.63)	2.11
Total Current Liabilities	17,348	24,352	(7,004)		
Non-Current Liabilities					
Employee benefits	953	947	6	0.63	
Interest Bearing Liabilities	-	1,800	(1,800)	(100.00)	2.12
Total Non-Current Liabilities	953	2,747	(1,794)		
Total Liabilities	18,301	27,099	(8,798)		
Net Assets	1,411,096	1,444,962	33,866		
Equity					
Accumulated Surplus	568,045	557,476	(10,569)	(1.86)	2.13
Asset Revaluation Reserves	830,548	879,460	48,912	5.89	2.14
Other Reserves	12,503	8,026	(4,477)	(35.81)	2.15
Total Equity	1,411,096	1,444,962	33,866		

The accompanying notes form part of this financial report.

Standard Cash Flow Statement

For the year ended 30 June 2011

	Budget 2010/11 \$'000	Actual 2010/11 \$'000	Variance \$'000	Variance %	Note
Cash Flows from Operating Activities					
Receipts from Ratepayers	70,541	72,005	1,464	2.08	3.1
Parking Revenue	16,679	20,640	3,961	23.75	3.2
Interest Received	880	749	(131)	(14.94)	
Government Grants Received	13,524	15,240	1,716	12.69	3.3
User Charges, Fees and Fines Received	18,143	15,040	(3,103)	(17.10)	3.4
Reimbursements & Contributions Received	4,376	4,214	(162)	(3.69)	
Net GST Refund	-	3,709	3,709	100.00	3.5
Payments to Suppliers	(47,948)	(53,265)	(5,317)	(11.09)	3.6
Payments to Employees	(48,115)	(47,845)	270	0.56	
Borrowing Costs	(62)	(62)	-	-	
Net Cash Inflow (Outflow) from Operating Activities	28,018	30,425	2,407		
Cash Flows from Investing Activities					
Proceeds from Sale of Property, Plant and Equipment	3,223	536	(2,687)	(83.35)	3.7
Payments for Infrastructure, Property, Plant and Equipment	(17,335)	(17,285)	50	(0.29)	
New Works	(13,339)	(11,736)	1,603	12.02	3.8
Net Cash Inflow (Outflow) from Investing Activities	(27,451)	(28,485)	(1,034)		
Cash Flows from Financing Activities					
Repayment of Borrowings	(937)	(937)	-	-	
Net Cash Inflow (Outflow) from Financing Activities	(937)	(937)	-	-	
Net Increase (Decrease) in Cash Held	(370)	1,003	1,373	(371.05)	
Cash at the Beginning of the Year	16,892	14,131	(2,761)	(16.35)	
Cash at the End of the Year	16,522	15,134	(1,388)		

The accompanying notes form part of this financial report.

Standard Capital Works Statement

For the year ended 30 June 2011

	Budget 2010/11 \$'000	Actual 2010/11 \$'000	Variance \$'000	Variance %	Note
Capital Works Areas					
Roads, Footpaths, Kerb and Channel	7,453	6,428	1,025	13.75	4.1
Drains	300	555	(255)	(85.00)	4.2
Bridges	-	172	(172)	(100.00)	
Transport and Road Safety	1,584	1,452	132	8.33	
Information Systems	1,833	919	914	49.86	4.3
Open Space Improvements	3,697	4,234	(537)	(14.53)	4.4
Buildings	18,047	13,288	4,759	26.37	4.5
Plant and Equipment	2,771	1,727	1,044	37.68	4.6
Library	402	463	(61)	(15.17)	
Total Capital Works	36,087	29,238	6,849		4.7
Types of Capital Works:					
Asset - Renewal	15,925	13,101	(2,824)	(17.73)	
Asset - Upgrade	4,469	4,401	(68)	(1.52)	
Asset - New	15,693	11,736	(3,957)	(25.22)	
Total Capital Works	36,087	29,238	(6,849)		

The accompanying notes form part of this financial report.

Notes accompanying the Standard Comprehensive Income Statement

For the year ended 30 June 2011

Material Variance Explanation		
Note	Item	Explanation
1.1	Rates	Rates revenue is \$0.702m (0.99%) favourable to budget mainly due to additional supplementary valuation income and interest charged on outstanding rates for the year.
1.2	Parking Revenue	Parking revenue is \$2.248m (11.44%) favourable to budget due to increased traffic infringements issued, additional ticket machine income receipts and unexpected Perin Court recoveries during the year.
1.3	Charges, Fees and Other Fines	Charges, Fees and Other Fines are \$0.296m (2.68%) unfavourable to budget mainly due to a decrease in litter infringements and footpath advertising and display income. Also, valuation fees were received in June 2010 which were budgeted for 2010-11.
1.4	Leisure Centre Fees	Leisure Centre fees are \$0.446m (6.28%) unfavourable to budget due to the impact on membership fees by the closure of the Collingwood Leisure Centre for redevelopment works which was higher than expected. There were also some offsetting salary and operational expenditure savings due to the closure.
1.5	Government Grants	Government Grants are \$0.449m (6.48%) unfavourable to budget which mainly relates to lower than expected Child Care benefit funding grants received.
1.6	Capital Grants	Capital Grants are \$1.537m (30.03%) favourable to budget due to additional funding received for Childcare Centres, Edinburgh Gardens Wetland, Inner Circle Railway Reserve and Linear Park Bicycle Path.
1.7	Net gain (loss) on disposal of property, plant and equipment	Net gain (loss) on disposal of property, infrastructure, plant and equipment is \$2.604m (95.62%) unfavourable compared to budget due to Council's resolution not to sell 49 Tudor Street and 67 Coppin Street (Loughnan Hall). Also contributing to the unfavourable variance is the delay in vehicle trade-ins.
1.8	Employee Expenses	Employee Expenses are unfavourable compared to budget by \$2.684m (5.55%) mainly due to Council's additional Vision Super Defined Benefit superannuation liability of \$2.1m. This is required to be recognised as an expense in 2010-11. Additional oncost expenditure for workcover and long service leave liability have also been incurred.
1.9	Contract Payments	Contract Payments are favourable compared to budget by \$0.730m (4.16%) due to savings in valuations, waste management and open space drought contracts.
1.10	Materials and Services	Materials and Services are unfavourable compared to budget by \$3.335m (13.99%) mainly due to the reclassification of expenditure in the capital program which could not be classified as an asset - \$1.1m. There were also major variances in legal fees (\$771k) which included ongoing claims advice and also additional planning applications legal consultation. Consultancy fees were also unfavourable (\$729k) which included key projects at Atherton Gardens and the Indoor Sports Facility.
1.11	Bad and Doubtful Debts	Doubtful debts were \$0.539m (40.55%) unfavourable to budget due to additional provision made for parking debtors as at 30 June 2011.
1.12	Depreciation	Depreciation is \$1.167m (7.07%) unfavourable to budget due to the building assets revaluation in June 2010 and also the high level of asset capitalisation in the 2009-10 capital program which caused depreciation to be significantly higher than budget.
1.13	Transfers to Reserves	Transfers to Reserves were \$0.646m (12.28%) lower than budget due to transfers to the Community Infrastructure Fund for the Indoor Sporting Facility being amended during the year due to asset sales not proceeding.
1.14	Transfers from Reserves	Transfers from Reserves were \$1.635m (43.52%) lower than budget due to less than anticipated capital works projects being funded from the Open Space Reserve.

Notes accompanying the Standard Balance Sheet

For the year ended 30 June 2011

Material Variance Explanation

Note	Item	Explanation
2.1	Cash and cash equivalents	Cash and cash equivalents at year end is \$15.134m which is unfavourable by \$1.388m (8.40%) to budget. The budgeted level of cash at year end allowed for a similar cash outflow on capital works projects as in previous years but the actual outflow was higher. Asset sales were also budgeted which did not occur.
2.2	Receivables - Rates	Receivables - Rates are \$0.783m (42.44%) favourable to budget due to additional rate charges raised for the year.
2.3	Receivables - Other	Receivables - Other are \$1.164m (41.22%) favourable to budget mainly due to large invoices raised for the Victoria Park development project (\$700K) and the Edinburgh Gardens project (\$350K) towards the end of the financial year.
2.4	Accrued Income	Accrued income is \$0.827m (233.67%) favourable to budget due to income grants accrued for the Collingwood Leisure Centre and Victoria Park projects which are well advanced. Other income accruals relate to valuation data and rate charges for property information.
2.5	Investments	Investments are \$0.905m (81.90%) unfavourable to budget as Council has adjusted its accounting treatment for its share in Community Chef P/L and Regional Kitchen P/L to the original contribution.
2.6	Property, Infrastructure, Plant and Equipment	Property, Infrastructure, Plant and Equipment is \$42.314m (3.01%) favourable to budget mainly due to revaluation of Infrastructure assets caused by new contract schedules of rates for infrastructure asset replacement which were entered into during the year.
2.7	Payables	Payables are \$5.346m (64.94%) unfavourable to budget mainly due to the high volume of invoices received for payment in the capital program in June 2011. The level of Payables anticipated in the budget was expected to be lower as the capital program was forecast to be further advanced. Payables also include the current component of the Vision Super LASF defined benefit plan contribution of \$300K.
2.8	Trust Funds	Trust Funds are \$0.461m (34.42%) lower than budget mainly due to the Inner Circle Railway Linear Park fund which has been expended on various capital and maintenance programs which was adjusted last financial year.
2.9	Income in advance	Income in advance is \$0.340m (61.87%) lower than budget due to the closure of the Collingwood Leisure Centre for redevelopment which raised lower membership income for the year.
2.10	Employee benefits	Employee benefits are \$2.159m (32.02%) unfavourable to budget. These provisions include EBA increases due on 01/07/2011 and reflect interest discount rates used in the long service leave liability calculation which were forecast to be higher at the start of the year. Also the legislative change in regard to long service leave applying after 7 completed years of service for employees has caused additional provision.
2.11	Interest Bearing Liabilities (current)	Interest Bearing Liabilities (current) are \$0.3m (61.63%) unfavourable to budget due to the classification of the Vision Super LASF defined benefit plan liability of \$0.3m as an interest bearing liability.
2.12	Interest Bearing Liabilities (non-current)	Interest Bearing Liabilities (non-current) is \$1.800m (100%) unfavourable to budget due to the Vision Super LASF defined benefit plan liability call made on Council during the year which will be paid over time and this is the non-current liability component.
2.13	Accumulated Surplus	Accumulated surplus is \$10.569m (1.86%) unfavourable to budget as the surplus for the year and reserve transfers are lower than expected.
2.14	Asset Revaluation Reserves	Asset Revaluation Reserves are \$48.912m (5.89%) favourable to budget due to the revaluation of infrastructure assets which occurred during the year.
2.15	Other Reserves	Other Reserves consist of Open Space, Parking, Community Projects and the Community Infrastructure Fund. The unfavourable variance of \$4.477m (35.81%) is mainly due to Council transferring a lower amount to reserves than what was budgeted which relates to the Indoor Sporting Facility and asset sales which did not proceed during the year.

Notes accompanying the Standard Cash Flow Statement

For the year ended 30 June 2011

Material Variance Explanation

<u>Note</u>	<u>Item</u>	<u>Explanation</u>
3.1	Receipts from Ratepayers	Receipts from Ratepayers are \$1.464m (2.08%) favourable to budget due to additional rate income raised for the year via supplementary valuations performed in June/July 2010. Some additional interest on rates was also raised.
3.2	Parking Revenue	Parking Revenue is \$3.961m (23.75%) favourable to budget due to additional parking infringements raised for the year. Parking meter fees were also favourable as were recoveries from the Perin court system.
3.3	Government Grants Received	Government grants received are \$1.716m (12.69%) favourable to budget due to additional grants received for the year which include Early Childhood grants and also income for the Edinburgh Gardens project.
3.4	User Charges, Fees and Fines Received	User Charges, Fees and Fines Received are \$3.103m (17.10%) unfavourable to budget mainly due to Building and Regulatory services income below budget for the year and also valuation fees received in June 2010.
3.5	Net GST Refund	Net GST refund is \$3.709m (100%) favourable which represents the net GST refund for the financial year. GST refunds are not a budgeted item.
3.6	Payments to Suppliers	Payments to suppliers are \$5.317m (11.09%) unfavourable to budget mainly due to the reclassification of expenditure included in the capital program which could not be classified as an asset. Other components of this unfavourable variance relate to additional legal fees, consultants, waste disposal and road reinstatement costs incurred during the year.
3.7	Proceeds from Sale of Property, Plant and Equipment	Proceeds from Sale of Property, Plant and Equipment are \$2.687m (83.35%) unfavourable to budget due to land sales not proceeding this financial year.
3.8	New Works	New Works are \$1.603m (12.02%) favourable to budget due to the Victoria Park Redevelopment project which will be completed next financial year.

Notes accompanying the Standard Capital Works Statement

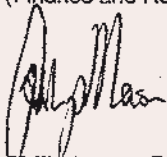
For the year ended 30 June 2011

Material Variance Explanation

<u>Note</u>	<u>Item</u>	<u>Explanation</u>
4.1	Roads, Footpaths, Kerb and Channel	Roads, Footpaths, Kerb and Channel are \$1.025m (13.75%) favourable to budget as project budgets were reallocated to the Drains and Bridges categories for emergency works.
4.2	Drains	Drains assets are \$0.255m (85.00%) unfavourable compared to budget mainly as a result of emergency or unscheduled works identified during the year which required additional expenditure.
4.3	Information Systems	Information Systems are \$0.914m (49.86%) favourable compared to budget as a result of \$0.752m being transferred to operating expenditure as it did not meet capitalisation requirements.
4.4	Open Space Improvements	Open Space Improvements are \$0.537m (14.53%) unfavourable compared to budget as a result of additional works completed at Victoria Park and also the Edinburgh Gardens projects.
4.5	Buildings	Buildings assets are \$4.759m (26.37%) favourable compared to budget due to major works such as Collingwood Town Hall, Lourdes project and Hosie Street being behind schedule or deferred.
4.6	Plant & Equipment	Plant & Equipment is \$1.044m (37.68%) favourable to budget due to a delay in purchasing vehicles, a decrease in furniture and replacement of ticket machines being deferred.
4.7	Total Capital Works	Total Capital program expenditure of \$29.238m and the expenditure component of \$1.1m transferred to operating represent an 84.1% completion of the 2010/11 capital works program budget.

Certification of the Standard Statements

In my opinion, the accompanying standard statements have been prepared on accounting bases consistent with the annual financial report and in accordance with the *Local Government Act 1989* and the Local Government (Finance and Reporting) Regulations 2004.



Philip Mason FCPA
Principal Accounting Officer

17 August 2011
Richmond

In our opinion, the accompanying standard statements have been prepared on accounting bases consistent with the annual financial report and in accordance with the *Local Government Act 1989* and the Local Government (Finance and Reporting) Regulations 2004.

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

We were authorised by the Council on 16 August 2011 to certify the standard statements in their final form.



Alison Clarke
Mayor

17 August 2011
Richmond



Geoff Barbour
Chairman Finance and Human Services Committee

17 August 2011
Richmond



Andi Diamond
Chief Executive Officer

17 August 2011
Richmond

Auditor General's Report

For the year ended 30 June 2011

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Yarra City Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2011 of the Yarra City Council which comprises of the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Accountable Officers' and Principal Accounting Officer's declaration has been audited.

The accompanying standard statements for the year ended 30 June 2011 of the Council which comprises of the Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement, Standard Capital Works Statement the related notes and the Certification of the Standard Statements have been audited.

The Councillor's Responsibility for the Financial Report and Standard Statements

The Councillors of the Yarra City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in the statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

1

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Auditor General's Report (continued)

For the year ended 30 June 2011

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Yarra City Council as at 30 June 2011 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.


Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to the Basis of Preparation for the Standard Statements contained in the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Yarra City Council for the year ended 30 June 2011 included both in the Yarra City Council's annual report and on the website. The Councillors of the Yarra City Council are responsible for the integrity of the Yarra City Council's website. I have not been engaged to report on the integrity of the Yarra City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
24 August 2011


D D R Pearson
Auditor-General

2

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Other Information

Glossary

Access Yarra

Council's Customer Service Unit comprising of a call centre and customer service centres at the Richmond and Collingwood Town Halls.

Budget

Council's planned allocation of monetary resources for a financial year.

Environment Strategy: Towards Local Sustainability

Council's updated environmental strategy that sets the direction for environmental initiatives in Yarra.

Environmentally Sustainable Design

Environmentally Sustainable Design aims to reduce the impacts of the construction and use of buildings on the natural environment, in addition to improving the comfort of inhabitants.

Freedom of Information (FOI)

The Freedom of Information Act 1982 gives the public the right to access official government documents.

Home Share

An arrangement where an older person shares their home with someone who is willing to live with them and provide assistance where necessary.

Inner Melbourne Action Plan (IMAP)

A cooperative action plan between the municipalities of Yarra, Melbourne, Stonnington and Port Phillip to strengthen liveability, attractiveness and prosperity of the inner Melbourne region.

Key Performance Indicators

These are quantifiable measurements that can be applied to assess the success of something.

Local Area Traffic Management Schemes (LATMS)

Targeted studies in specific areas that seek to improve the flow of traffic and divert high volumes of traffic from residential streets.

Master Plan

A Master Plan describes how proposals for a site will be implemented.

Melbourne 2030

The Victorian Government's long-term planning policy to manage our growing population.

Metropolitan Transport Forum (MTF)

An advocacy group comprising members from Melbourne metropolitan Local Government, and associate members including community, environment and transport companies, and participants from State Government.

Municipal Early Years Plan (MEYP)

A framework for Council to work in partnership with the community, local service providers and other levels of government to achieve a range of education, care and health outcomes for families and children in Yarra.

Municipal Public Health Plan (MPHP)

A framework for improving community health and well-being that contains a number of specific actions and projects that will enable Council to better respond to identified health needs.

Municipal Strategic Statement (MSS)

Council's primary strategic land use planning document that forms the basis of all other controls in the Yarra Planning Scheme.

Positive Ageing Strategy

Council's 10 year framework for providing services and facilities to support our ageing population.

Strategic Resource Plan

A plan that outlines the resources required to achieve the objectives detailed in the Council Plan.

Urban Design Framework (UDF)

Strategic planning tools that set out an integrated design vision for the desired future development of urban places.

Victorian Civil and Administrative Tribunal (VCAT)

A Victorian tribunal that resolves a range of civil disputes.

Water Sensitive Urban Design (WSUD)

The integration of water cycle management into urban planning and design to aid water flow and enhance water quality.

Yarra Leisure

The unit responsible for managing Council's three leisure centres (Richmond Recreation Centre, Collingwood Leisure Centre and Fitzroy Pool) and the Burnley Golf Course.

Yarra Matters Panel

This panel of more than 1000 households provides Council with feedback, ideas and information about what matters to the Yarra community.



Financial Glossary

Annual Budget

This document is framed within Council's strategic resource plan and sets out the short-term goals and objectives as part of the overall strategic planning framework.

Annual Operating Budget

The budgeted operating result in the forthcoming year with a distinction made between revenue received for operating purposes and revenue received for capital purposes.

Capital Expenditure

Capital expenditure is relatively large (material) expenditure that produces economic benefits expected to last for more than 12 months, such as renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and upgrade expenditures, the total project cost needs are allocated accordingly.

Capital Renewal

Capital renewal is expenditure on an existing asset, which returns the service potential or the life of the asset, up to that which it had originally.

Capital Outlays / Rate Revenue

This ratio represents the capital outlays as a percentage of rate revenue and therefore Council's relative ability to convert rate revenue into Capital Works.

Current Assets / Current Liability

Otherwise known as the working capital ratio, this indicator expresses Council's short-term ability to meet its liquidity requirements within the current financial year.

Debt Servicing / Total Revenue

This ratio contrasts the amount of interest expense that Council is incurring on its interest bearing liabilities as a percentage of the total revenue base.

Financial Glossary (continued)

Financing Activities

Financing activities means those activities which relate to changing the size and composition of the financial structure of the entity, including equity, and borrowings not falling within the definition of cash.

Grants / Total Revenue

This ratio provides an indication of the percentage of total revenue that is comprised of grant income.

Indebtedness / Rate Revenue

This ratio measures the total amount of interest bearing liabilities compared to the annual rates levy.

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.

International Financial Reporting Standards

Australian reporting entities are currently addressing the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing on or after 1 January, 2005.

Investing Activities

Activities relating to the acquisition and disposal of non-current assets, including property, plant and equipment and other productive assets, and investments not falling within the definition of cash.

Key Financial Indicators

A range of ratios and comparisons of critical financial data over a period of years allowing a reader to gain a better understanding of key measures, such as indebtedness and liquidity which are often undisclosed when financial information is presented in a standard statement format.

New Assets

New assets or capital expenditure does not have any element of expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for Council and will result in an additional burden for future operation, maintenance and capital renewal.

Operating Expenses / Assessment

This ratio measures the average operational spending (as drawn from the income statement) on a per assessment basis.

Operating Activities

Operating activities means those activities that relate to the provision of goods and services.

Operating Expenditure

Operating expenditure is defined as consumptions or losses of future economic benefits, in the form of reductions in assets or increases in liabilities; and that result in a decrease in equity during the reporting period.

Operating Revenue

Operating revenue is defined as inflows or other enhancements, or savings in outflows of future economic benefits, in the form of increases in assets or reductions in liabilities; and that result in an increase in equity during the reporting period.

Rate Revenue / Total Revenue

This ratio measures Council's reliance on rate revenue as its principal source of funding.

Rate Revenue / Assessment

This ratio provides an illustration of the average rates paid on a per assessment basis across the municipality.

Standard Statements

The standard statements are the Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement, and Standard Statement of Capital Works.

Statutory Reserves

Statutory reserves are funds set aside for specified statutory purposes in accordance with various legislative and contractual requirements. These reserves are not available for other purposes.

Total Liabilities / Assessment

This ratio expresses the sum total of current liabilities and non-current liabilities expressed on a per assessment basis.

Working Capital

Working capital represents funds that are free of all specific Council commitments and are available to meet daily cash flow requirements and unexpected short-term needs.

Index

A	
Advocacy	18, 19
Affordable housing	58
Aged services	57, 63
Arts and Culture	65, 66
B	
Bikes	48, 49
C	
Capital works	11, 73
CEO's message	8, 9
Children's services	14, 57, 59, 60, 63
City of Yarra profile	4, 5
Clearways	18
Consultation	20
Curtain Square Community Advisory Committee	20
Making outdoor areas smoke free	20
Safer Yarra Plan	20
Outdoor heater fees	21
Open space in Collingwood	21
Community Gardens Advisory Committee	21
Social housing developments	21
Ward Councillor meetings	21
The Yarra Matters Panel	21
Council Plan 2009–13	27
Councillors	27–33
Customer Service	20, 72
D	
Disability access and inclusion	17, 67
Debt reduction	10, 17, 73
E	
Environmentally Sustainable Design	15
Events	22, 23
F	
Financial overview	10
Financial statements	82–135
G	
Governance	27
Audit Committee	34
Council Meetings	32
Documents available for inspection	35
Freedom of Information Requests	35
Legislative Compliance/Privacy Act	37
Local Laws	35
Risk Management, and Fraud and Corruption Control	36
Whistleblower Protection Activity	37
Grants	24, 25
H	
Human Resources	
Executive Management Team	40
Organisation chart	38
Staff profile	42
L	
Libraries	65–69
M	
Major projects	12
Brunswick Street affordable housing	14, 63
Channel Nine redevelopment	13
Collingwood Leisure Centre redevelopment	12
Dimmeys	13
Lourdes Community Hub	14, 59
Peel Street Park	13
Raingarden at Edinburgh Gardens	14
Victoria Park	12, 61
Yarra Energy Foundation	15
Mayor's message	6, 7
N	
National Competition Policy Compliance: 2010-11	75
P	
Performance	75–81
Planning	45, 46, 49
S	
Sustainability	15, 16, 19, 50–55
Supervised Injecting Facility Trial	18
T	
Traffic management	18, 19, 45, 47, 49
W	
Waste management	15, 16, 48, 77

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