



Your community,
your council

Annual Report
2016/17

Welcome



Acknowledgement

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

Introduction

Welcome to Yarra City Council's Annual Report for 2016/17.

Like all Victorian councils, Yarra is required to prepare its Annual Report in accordance with the *Local Government Act 1989*, and to submit it to the Minister for Local Government by 30 September 2017.

The Annual Report is also a great opportunity to share information with our community by:

- › detailing our progress towards the objectives we set in the Council Plan 2013-17
- › highlighting achievements and challenges
- › providing information about our finances and governance.

Your feedback

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

Print copy

Printed copies of this report are available at our Customer Service Centres or any Yarra Libraries branch:

Collingwood Town Hall, Connie Benn Centre, Richmond Town Hall, Bargoonga Nganjin - North Fitzroy Library, Carlton Library, Collingwood Library, Fitzroy Library, Richmond Library

Front cover: Bargoonga Nganjin, the new North Fitzroy library branch and community hub, was opened in April.

Back cover: Fitzroy restaurateur Saba Alemayoh

Large print

If you would like a large print version, give us a call on **9205 5555** or email **info@yarracity.vic.gov.au**

Electronic copy

PDF versions of this report can be downloaded from **yarracity.vic.gov.au**

Translations

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

ARABIC

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

CANTONESE

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

GREEK

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

ITALIAN

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

MANDARIN

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SPANISH

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

VIETNAMESE

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

REF: 18009

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Your city



People

The City of Yarra has a relatively young population with 30.6% in the 25 to 34 age group, compared with 16.3% for greater Melbourne.

There are fewer households with children (21.2% compared to 43.5%), significantly more group households (12.8% compared to 4.7%), and just over half our residents are renting, compared to just under a third in greater Melbourne.

About a quarter of our community speaks a language other than English at home, compared to a third in greater Melbourne. The most widely spoken non-English languages in Yarra are Vietnamese, Greek and Mandarin. There are 385 Aboriginal and Torres Strait Islander people living in Yarra.

Yarra is economically and socially diverse. While nearly a quarter of households earn over \$3,500 per week, more than one quarter earn less than \$1000 per week and many are living with economic hardship and social disadvantage. Around 10% of our community lives in public housing. Nearly half of Yarra residents have a Bachelor degree or higher, and just under a third have no tertiary qualifications. As our population continues to grow and general socio-economic status improves, there will be increasing importance for telling the underlying story of disadvantage and social justice to ensure appropriate access to funding and service responses.



Place

Yarra is renowned for its dynamic mix of retail, hospitality and entertainment precincts. Its 235 hectares of parkland and open space offer a welcome buffer to high density living, and its heritage buildings are central to its character. About two thirds of all properties in Yarra are covered by a heritage overlay, including residential, commercial, industrial and civic buildings. In fact, more properties are covered by a heritage overlay in Yarra than in any other municipality in Victoria.

Identity

Yarra's identity as a creative place is built upon the legacy of the students, artists and activists who moved here in the 1970s and 80s. It is home to 60 art galleries, numerous artist studios, over 50 live music venues, three community radio stations and a growing creative industry.

Fitzroy and Collingwood have historical significance for the Aboriginal community as they were a major hub of social and political activity, and today remain a critical centre for Aboriginal services and organisations.

Economy

Yarra has a thriving local economy employing nearly seventy thousand people. The largest employer is the health sector, which accounts for over a fifth of all jobs, closely followed by the retail food and accommodation sector. Most of Yarra's workers (86%) live outside the municipality.

Your Council



The Yarra community is represented by nine elected Councillors.

While individual Councillors are able to consult with their constituents and advocate on their behalf, it is only as a collective that they can make decisions affecting the municipality.

Each November, Councillors elect a Mayor from within their ranks to chair formal meetings and speak on behalf of Council in a variety of forums.

This Council was elected on 22 October 2016.

Its term will conclude on 24 October 2020.

Langridge Ward Councillors



Cr Danae Bosler



Elected 2016

Cr Stephen Jolly



First elected 2004 and subsequently re-elected 2008, 2012 and 2016

Cr Amanda Stone



First elected 2008 and subsequently re-elected 2012 and 2016. Cr Stone served as Mayor for 2008/2009 and was elected again for 2016/2017.

Melba Ward Councillors



Cr Mi-Lin Chen Yi Mei



Elected 2016

Cr Daniel Nguyen



Elected 2016

Cr James Searle



Elected 2016

Nicholls Ward Councillors



**Cr Misha
Coleman**



First elected 2012 and
subsequently re-elected 2016.

**Cr Jackie
Fristacky**



First elected 2002 and
subsequently re-elected 2004,
2008, 2012 and 2016

**Cr Mike
McEvoy**



Elected 2016

Outgoing councillors

Five Councillors concluded their time in office in October 2016.

- Cr Geoff Barbour
- Cr Roberto Colanzi
- Cr Sam Gaylard
- Cr Simon Huggins
- Cr Phillip Vlahogiannis

Report of operations



The year in review

Following is a snapshot of the year's work towards achieving our strategic objectives.

STRATEGIC OBJECTIVE

01

Celebrating Yarra's Uniqueness

HIGHLIGHTS

- › The Heritage Gap Study focussed on heritage places, particularly in commercial areas and activity centres, to improve statements of significance.
- › Multicultural residents and communities continued to be supported through the Multicultural Partnerships Plan. This included the introduction of Council information packs in ten languages.
- › The Aboriginal and Torres Strait Islander community continued to be supported through the Aboriginal Partnerships Plan. This included working towards creating a Stolen Generations Marker and garden.
- › A range of public art projects were delivered, including a new temporary work on the Edinburgh Gardens plinth.
- › Community consultation for the next four-year Council Plan reached out to under-represented groups to ensure their voices were heard.

02

Supporting Yarra's Community

- › Eligible people were assisted to transition to the National Disability Insurance Scheme (NDIS). Yarra is the first council in Victoria to roll out the NDIS, with about 750 local residents expected to join.
- › A range of evidence-based programs was delivered to support the wellbeing of parents, families and young people. This included a parent education program and a youth mental health program.
- › Older residents continued to be supported through the River of Life: Positive Aging Strategy. This year's focus included the LGBTIQ Plan to support inclusive practice within Aged and Disability services.
- › Bargoonga Nganjin, the new North Fitzroy library branch and community hub, was opened in April.
- › Upgrades and renovations were undertaken at the three leisure centres. These included change room renovations and a heating-cooling upgrade.
- › Five Neighbourhood Community Infrastructure Plans were completed. These will guide infrastructure planning for library, leisure and child care services.
- › Service reviews were completed for a number of Council services. This is part of a progressive review of long-term direction of all Council services.

Council Fast Facts

01

Yarra maintains four customer service centres, responding to 170,000 community requests each year.

02

Yarra's five public libraries attracted 571,513 in person visits and 634,105 web visits in 2016/17.

03

Making Yarra More Liveable

- › Underground sensors were installed in high-demand time-restricted parking bays to encourage compliance. This will create more free bays for residents in residential areas and customers in commercial areas.
- › Sports lights were installed at two soccer fields in Kevin Bartlett Reserve, increasing the capacity for training on these pitches.
- › Yarra's Licensed Premises Planning Scheme amendment was put on exhibition. This will help us better manage the location, size, operation and hours of licensed venues.
- › A proposed new park in Abbotsford, by way of a road discontinuance, reached detailed design stage.
- › Construction on a shared pathway at Coulson Reserve neared completion, helping to make the area safer for pedestrians, cyclists and other park users.
- › Advocacy continued for sustainable transport, including bicycle infrastructure and improved public transport.
- › A review of Yarra's activity centre built form is near completion. This will inform urban design guidelines and planning height controls.

04

Ensuring a Sustainable Yarra

- › Yarra was named 2016 Sustainable City of the Year at the Keep Victoria Beautiful Awards. Yarra also won three out of eight category awards.
- › The Urban Forest Strategy is near completion. This will provide direction for urban greening, with a focus on reducing the urban heat island effect.
- › A new four-year funding agreement with the Yarra Energy Foundation was entered into. The foundation helps residents and businesses reduce their carbon emissions.
- › The contract for new solar and/or replacement battery installation has been awarded as part of the adaptive assets program.

05

Leading Local Government

- › A number of advocacy projects were undertaken, including Richmond High School, Regional Sports Facility and affordable housing.
- › Twitter and Facebook were added to Yarra's customer service platform. This has expanded options for residents and ratepayers to contact our customer service team.
- › A continuous quality improvement framework was trialled for branches undertaking a Service Review to make systems and processes more efficient and effective.
- › A successful Council election was held, followed by a comprehensive induction process.

03 Yarra maintains more than 120 parks and gardens, including 35 playgrounds.

04 Yarra conducts up to 100 community consultations annually to inform decision making.

Looking ahead



Our new four-year plan, Yarra Council Plan 2017–2021, which was adopted in August 2017, has seven Strategic Objectives.

Objective 1: A healthy Yarra

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

Objective 2: An inclusive Yarra

– a place where inclusion, diversity and uniqueness are welcomed, respected and celebrated.

Objective 3: A sustainable Yarra

– a place where Council leads on sustainability and protects and enhances its natural environment.

Objective 4: A liveable Yarra

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

Objective 5: A prosperous Yarra

– a place where local businesses prosper and creative and knowledge industries thrive.

Objective 6: A connected Yarra

– a place where connectivity and travel options are environmentally sustainable, integrated and well-designed.

Objective 7: A leading Yarra

– a place where transparency, performance and community participation drive the way we operate.

10 of the actions we have planned for 2017/18

1. New Parks

We will continue to increase the amount and quality of green open space through the strategic acquisition of land, the conversion of urban land to open space and/or the creation of pocket parks in high-density areas.

2. Stolen Generations Marker project

We will complete the Stolen Generations Marker project in partnership with the local aboriginal community, in particular members of the Stolen Generation.

3. Reduction in organic waste

We will investigate, implement and promote initiatives to divert organic waste from landfill. This will begin with a pilot program to reduce organic waste through diversion programs.

4. Activity Centre Structure Plans

We will continue to develop structure plans for Yarra's major activity centres that build on the unique character of each precinct.

5. Development Contributions Plan

We will prepare a Planning Scheme Amendment to implement a Development Contributions Plan, which will be used to collect payments towards the provision of infrastructure triggered by new development.

6. Live music support

We will continue to support live music in Yarra through advocacy, grants, funding and partnerships.

7. Yarra Spatial Economic Employment Strategy

We will prepare the Yarra Spatial Economic and Employment Strategy to guide Yarra's long-term capacity for employment and economic growth.

8. Wellington Street Bike Lane (Stage 2)

We will complete construction of the Wellington Street Bike Lane (Copenhagen style) to Johnston Street.

9. Traffic management initiatives

We will continue to provide low speed environments and community education for pedestrians, cyclists, motor-cyclists and vehicle drivers and passengers.

10. Services Policy

We will develop the Services Policy to guide the types of services and service levels we provide. This will be informed by a participatory/deliberative engagement process.

Mayor's message



This year's Annual Report covers the fourth and final year of our Council Plan 2013-17. I'm pleased to say that we finished on a high note, completing 83% of our Annual Plan Activities and meeting 85% of our strategic indicator targets for the year.

Our average Annual Plan completion rate throughout the life of this Council Plan was 81%, which compares favourably to the 67% we recorded during the previous four-year period. Our latest result is a strong reflection of our ongoing commitment to accountability and continuous improvement.

This year we delivered 185 important services to the community, demonstrating once again that local government is about much more than roads, rates and rubbish.

A voice for the community

When a big issue is having an impact on members of our community, we have a legislative responsibility to show leadership and advocate on their behalf.

Over the past year we have taken a leadership position on some issues of critical importance to our community, including the need for a medically supervised injection facility to tackle the high number of overdose deaths occurring in Richmond and surrounding suburbs.

Another example was our strong support for marriage equality, resolving to fly the Rainbow Flag at our each of our town halls until the Marriage Act is changed to recognise the rights of our LGTBIQ community.

We also continued to work with the Yarra Riverkeeper and community groups to highlight the need for better protections for the Yarra River Corridor. Our clear and consistent advocacy was rewarded, with the state government announcing a landmark Yarra River Action Plan.

Listening and learning

Our positions on the issues affecting our community are informed by an unwavering commitment to local consultation and engagement.

This year we heard from more than 4000 people across more than 30 engagement projects. Community members provided feedback in-person at our pop-up sessions and scheduled workshops, via our Your Say Yarra website, or via more traditional methods such as email and post.

Major consultations included our Council Plan and Budget, Urban Forest Strategy, Reimagining Victoria Street, Bridge Road Streetscape Masterplan, Rose Street Feet First Project, and upgrades to Darling, Langdon, McConchie and Wangaratta reserves.

Celebrating Yarra's achievers

Every year we use our awards program to highlight the ways that local people and organisations are enriching the life of our city.

I was thrilled to present our 2017 Citizen of the Year Award to Lachlan Mosley. The Richmond father of seven was recognised for his work with young people, including driving the establishment of girls teams at the Richmond Junior Football Club and Richmond Union Cricket Club.

Congratulations also to Kerry Walker and Antoinette Braybrook (our Inspirational Women of Yarra Award winners), Riyadh Aden (Young Citizen of the Year), Jeff

Lowinger and Sally Clarke (Community Service of the Year) and The Gertrude Street Projection Festival (Community Event of the Year), as well as to the seven winners of our annual Sustainability Awards.

Thank you

A new council was elected in October 2016.

I have greatly appreciated the energy and enthusiasm shown by my new and returning colleagues, and I'm proud of all that we have accomplished in 2016/17. I would also like to acknowledge the service of the five Councillors whose terms concluded at the last election. Their work over the past four years has resulted in many great outcomes for our community.

Thanks also to everyone responsible for implementing our ambitious and innovative Council Plan, including our dynamic CEO Vijaya Vaidyanath and our highly skilled workforce. Most of all I'd like to thank our community members for inspiring us with their creative ideas, local knowledge and irrepressible passion for Yarra.



Cr Amanda Stone,
Mayor

Chief Executive Officer's message



Welcome to Yarra City Council's Annual Report 2016/17. This has been another year of significant wins for Yarra and also a period marked by difficult challenges. This is our second budget under the new rate capping environment with an unprecedented level of financial restraint. Given the ongoing pressures our staff delivered an excellent 83% completion of our Council Plan and Annual Plan commitments for the year.

Getting the basics right

Our commitment to core service delivery was recently highlighted in Metropolis Research's independent survey of 1,050 Yarra households.

Our top performing services included rubbish collection (8.7 out of 10), services for families and children (8.7), swimming pools (8.6) and local libraries (8.5), while our most improved services included road maintenance, street trees, and parks and gardens.

The annual survey found that in 2016, the average satisfaction with a majority of everyday Council services and facilities to be 7.9, which is categorised as 'excellent'. Yarra's overall performance was higher than the averages for Metropolitan Melbourne and Inner Melbourne.

Yarra's performance was also rated 'good' to 'very good' in the following key categories: responsibility to the environment, consultation and engagement, responsiveness to community needs, maintaining trust and confidence, representation and advocacy, and making decisions in the interests of the community.

Beyond rate revenue

This year the state government capped rate increases at 2.5% and we elected not to apply for an exemption, focusing instead on innovation and financial restraint. We continued to review our operations throughout the year to ensure that we are delivering the most important services and providing the best value for money for the community.

As we journey deeper into the rate capping era, it's vital that we continue to identify alternative funding opportunities and reduce our reliance on rate revenue. A key priority of our advocacy program during 2016/17 was to obtain funding from other sources including state and federal governments. A great deal of research and advocacy goes into each of our successful grant applications, and I'm pleased to say that we secured more than \$2.6m in grant commitments during this period.

This year's highlights included \$1.8m for various traffic infrastructure improvements from the federal government's Infrastructure Investment Black Spot Programme, \$249,665 for the development of a Victoria Street Streetscape Masterplan from the Department of Justice and Regulation's Public Safety Infrastructure Fund, and \$30,000 for our annual Leaps and Bounds Music Festival from Creative Victoria.

Celebrating our achievements

My team is 100% focused on delivering exemplary outcomes for the Yarra community, and it is always pleasing when these efforts are formally acknowledged. Our work was celebrated with a range of awards during 2016/17. Here are some highlights:

- › Yarra received a prestigious United Nations Association of Australia World Environment Action Award in the category of Local Government Climate Action.

- › Our commitment to workplace health and safety was acknowledged with a Leadership in the Public Sector Award for Risk Management from the Institute of Public Administration Australia (IPAA).
- › Our program to upskill our staff on LGTBIQ inclusivity was recognised with an LGPro Award in the Diversity and Inclusion category.
- › We received the national Keep Australia Beautiful Sustainable Cities Award in the Community Action and Wellbeing category. At the state level, we received three honours, including Sustainable City of the Year.
- › Our commitment to serving our diverse communities was recognised at Victoria's Multicultural Awards for Excellence 2016 in the Local Government category.
- › Council won a Resilient Australia Award (Victoria) in the Government category for increasing awareness of heatwaves in migrant communities living in public housing.
- › Our Senior Advisor Emergency and Risk Management was acknowledged with a SACS Leadership Award in the Local Government Non-Executive category.
- › Our Manager Leisure Services received the Most Outstanding Contribution in the Aquatics Industry at the Aquatics Recreation Victoria Awards.

Thank you

I'd like to conclude by thanking our Mayor and Councillors for their guidance, energy and support over the past 12 months, as well as our staff who passionately deliver services every day that result in high-quality outcomes for our community.



Vijaya Vaidyanath,
Chief Executive Officer

Chief Financial Officer's report

The following pages provide a summary of Council's financial activities over the past year, from 1 July 2016 to 30 June 2017.

Council's financial performance for the year focused on achieving the objectives of the Council Plan 2013-17. Financial performance into the future is guided by both the current Council Plan 2017-21 and the Long Term Financial Strategy. Ensuring financial sustainability and the maintenance and improvement of infrastructure assets, enhancing quality services and outcomes to the community, along with and achieving of future operating surpluses, are key considerations. Full financials available in the Financial Statements section.

Financial snapshot

- › 180.7 million revenue in 2016/17 compared to \$170.9 million in 2015/16.
- › \$17.5 million operating surplus in 2016/17 compared to \$10 million in 2015/16.
- › \$34.3 million capital works program in 2016/17 compared to \$30.6 million in 2015/16.
- › \$1.685 billion in assets in 2016/17 compared to \$1.671 billion in 2015/16.
- › \$101.5 million in rates and charges (56.1% of income) in 2016/17 compared to \$97.9 million (57.3% in 2015/16).
- › \$34.1 million in cash holdings in 2016/17 compared to \$22.5 million in 2015/16.
- › Debt of \$46 million (including \$13.5 million to fund the Bargoonga Nganjin, North Fitzroy Library) in 2016/17 compared to \$32.5 million in 2015/16.

Operating result

The 2016/17 Annual Financial Statements reflect an operating surplus of \$17.5 million. This result represents a favourable variance of \$12.45 million to the adopted budgeted result of \$5.05 million surplus. This is the accrual accounting result, prepared in accordance with the Australian Accounting Standards, it is not a surplus cash result. The operating result includes non-cash items such as depreciation. For Council's cash result, please refer to the cash flow statement.

Operating revenue of \$180.7 million was \$4.5 million favourable compared to the budget of \$176.2 million. The major favourable components were user fees, and operating and capital grants; offset in part by less than expected parking revenue.

Some of the additional grant revenue was received in advance for 2017/18 and is required to be utilised this financial year.

Operating expenditure of \$163.2 million was \$7.9 million favourable to the budget of \$171.1 million. This was mainly due to savings on depreciation and materials and services, including legal fees. Some of the savings on materials and services will be required to be utilised this financial year. For example, for grant-funded programs where the funding has not been spent by the end of the financial year, these savings will need to be carried over into 2017/18 so the grant funds can be spent and fully acquitted.

The full income statement is found in the Financial Statements section.

Net results 2012/13 to 2016/17

	2012/13 \$000s	2013/14 \$000s	2014/15 \$000s	2015/16 \$000s	2016/17 \$000s
Revenue	144,663	157,326	164,462	170,910	180,679
Expenses	137,434	144,653	154,527	160,901	163,173
Net result	7,229	12,673	9,935	10,009	17,506

The net result is Council's operating result comprising operating revenue less operating expenditure. It includes non-cash items, such as depreciation and accrual accounting items, and is therefore not a cash surplus. Council's cash movements are reported in the Cash Flow Statement.

Council's actual cash has restrictions placed on it for future committed purposes such as trust funds and deposit returns, carry forward capital works and developer contributions received.

Equity

Council continued to build its equity and increase its overall value over the last financial year to \$1.65 billion. This is mainly due to the surplus for the year.

Year-end balance 2016/17

	\$000s
Balance at the beginning of year	1,637,562
Surplus for the year	17,506
Net reserves movement (incl. revaluation)	44
Balance at end of financial year	1,655,112

Cash

Cash levels increased due to borrowings taken up towards the end of the financial year. The full statement of cash flows can be found in the Financial Statements section.

Year-end cash position 2016/17

	\$000s
Net cash provided by operating activities	32,988
Net cash used in investing activities	(33,369)
Net cash provided by financing activities	11,989
Net increase in cash held	11,608
Cash at the beginning of the financial year	22,544
Cash at the end of the financial year	34,152

Balance Sheet

Council increased total equity during the year by \$17.5 million. Refer to the Financial Statements section for the full Balance Sheet.

Summary Balance Sheet 2016/17

	\$000s
Current assets (incl. cash assets \$34.1m)	48,848
Non-current assets	1,685,274
Total assets	1,734,122
Current liabilities	32,434
Non-current liabilities	46,576
Total liabilities	79,010
NET ASSETS	1,655,112
Accumulated surplus	598,773
Reserves	1,056,339
EQUITY	1,655,112

Chief Financial Officer's report



Capital Works Program

Council delivered a \$34.3 million capital works program, including: \$15 million on buildings, \$14.8 million on infrastructure such as roads, footpaths, drainage, and open space/recreational facilities, and \$4.5 million on plant, technology and other assets. Refer to the Financial Statements section for more detail on Council's capital works program.

Financial Statements

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

Comprehensive Income Statement

Major categories of both income and expenditure to determine the surplus (or deficit) for the year are included in the Comprehensive Income Statement. The operating surplus for 2016/17 (income less expenditure) is \$17.506 million. Total operating income of \$180.68 million was achieved and total operating expenditure of \$163.17 million was incurred. Major income categories include rates and charges, statutory fees and fines, user fees, government grants, contributions and reimbursements. The following table details the composition of Council's \$180.68 million total operating income for 2016/17.

Income by category 2016/17

Income by category	Income (\$000s)	%
Rates and charges	101,482	56.1
Statutory fees and fines	26,929	14.9
User fees	27,582	15.3
Government grants	16,338	9.0
Contributions	5,888	3.3
Net gain/(loss) on disposal of non-current assets	563	0.3
Other income	1,897	1.1
Total	180,679	100

Expenditure by category

The majority of Council's expenditure relates to direct service delivery. Major expenditure categories include employee costs, materials and services, bad/doubtful debts, depreciation, and borrowing costs. The following table details the allocation of Council's \$163.17 million total operating expenditure for 2016/17.

Expenditure by category 2016/17

Expenditure by category	\$000s	%
Employee costs	78,003	47.8
Materials and services	60,218	36.9
Bad and doubtful debts	2,392	1.5
Depreciation	20,347	12.5
Borrowing costs	1,605	1.0
Other expenses (e.g. auditors' fees, Councillors' allowances)	608	0.3
Total	163,173	100

Balance Sheet

Council's Balance Sheet (see the Financial Statements section) shows what Council owns (its assets) and what it owes (its liabilities) and its net worth. The major components of assets include property (land and buildings), infrastructure assets (roads, footpaths, drains) plant and equipment, cash and investments and debtors. As at 30 June 2017, Council held \$1,734 million in assets, an increase on the previous year of \$26 million.

Council assets 2012/13 to 2016/17

	2012/13 \$000s	2013/14 \$000s	2014/15 \$000s	2015/16 \$000s	2016/17 \$000s
Assets	1,479,576	1,534,760	1,605,856	1,708,562	1,734,122

Liabilities

Council's liabilities include amounts owed to suppliers, employee leave entitlements and debt. As at 30 June 2017, Council's liabilities total \$79 million, which is an increase of \$8 million on the previous year.

Increased debt in 2016/17 reflects a loan taken to support the building of Bargoonga Nganjin, North Fitzroy Library.

Other liabilities and debt 2012/13 to 2016/17

	2012/13 \$000s	2013/14 \$000s	2014/15 \$000s	2015/16 \$000s	2016/17 \$000s
Other liabilities	31,338	33,281	35,279	38,501	33,010
Debt	13,137	32,500	32,500	32,500	46,000

Chief Financial Officer's report



Statement of Changes in Equity

The Statement of Changes in Equity (see the Financial Statements section) details the changes in Council's retained earnings, including reserves movement, over the reporting period. Council's equity as at 30 June 2017 is \$1.65 billion, which is an increase of \$17.5 million during the year due to the surplus on operations and minor asset revaluation.

Council equity 2012/13 to 2016/17

	2012/13 \$000s	2013/14 \$000s	2014/15 \$000s	2015/16 \$000s	2016/17 \$000s
Community equity	1,435,101	1,468,981	1,538,077	1,637,561	1,655,112

Statement of Cash Flows

The cash flow statement (see the Financial Statements section) details Council's cash inflows and outflows for the year. Council's cash balance as at 30 June 2017 is \$34.1 million, which increased by \$11 million on the previous year due to loan borrowings taken up for capital works. This cash balance will be utilised to meet Council's current liabilities, as well as covering carry-forward capital works and grants received in advance.

Cash balance 2012/13 to 2016/17

	2012/13 \$000s	2013/14 \$000s	2014/15 \$000s	2015/16 \$000s	2016/17 \$000s
Cash balance	18,918	21,719	22,435	22,544	34,152

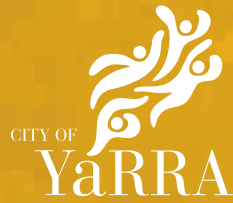
Audit opinion

The Victorian Auditor General has given Council a clear audit opinion and expressed that the 2016/17 statements present fairly

Future directions

Council will continue to provide cost-effective, high quality, accessible services to the community while driving efficiencies to improve financial sustainability.

Future funding options to provide appropriate cash levels to maintain extensive operational and capital expenditure programs will be the initial focus as part of the long-term financial strategy review.



Council and community advocacy paid off when the State Government announced new planning protections for the Yarra River corridor.

Capital works

Yarra's capital works program is our investment in our city and our community.

It provides new community infrastructure and renewal or upgrade of existing infrastructure.

The adopted 2016/17 capital works budget was \$42.05 million across 310 projects. This budget was adjusted throughout the year to \$36.61 million to reflect changes in the program.

As at the end of June, there were 295 capital works projects completed (95% of number of budgeted projects), with actual expenditure of \$34.27 million (81% of budgeted expenditure). Compared to the adjusted budget of \$36.61 million, the result is 94%.

Capital works summary 2016/17

	\$'000s
Buildings	15,053
Roads, footpaths, kerb and channel constructions, drains, cycleways	11,359
Open space improvements	3,389
Information systems	2,231
Plant and equipment and other	1,585
Library resources	662
Total	34,279



Seniors Week planting activities.

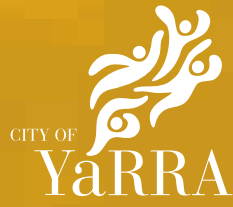
Capital works highlights 2016/17

Buildings and facilities	\$000s
Bargoonga Nganjin, North Fitzroy Library construction	9,007
Richmond Recreation Centre renovations	1,117
Collingwood Town Hall roof restoration	989
Fitzroy Swimming Pool change rooms renovations	726
Fitzroy Town Hall roof restoration	484
Collingwood Leisure Centre works	392
Collingwood Seniors Centre/Willowview Centre works	305
Yarra Community Youth Centre renovations	233

Open space	\$000s
Shared pathway - Merri Creek Trail to Coulson Reserve	737
Williams Reserve works	476
Yarra Primary School works and Joint Use Agreement	348
Kevin Bartlett Reserve - Fletcher soccer grounds	202
Mayors Park tennis court resurfacing	139
Scullin Walk works	120

Civic and culture	\$000s
Library resources	662
Edinburgh Gardens war memorial restoration	51

Roads and drains	\$000s
49 road pavement renewal projects	3,027
Various local area traffic management and transport projects	2,648
45 footpath renewal projects	1,955
13 drainage renewal/upgrade projects	1,324
13 right-of-way (lanes) renewal projects	958
11 kerb and channel renewal projects	580
9 tree root barrier treatments	415
Targeted <i>Disability Discrimination Act</i> infrastructure upgrades to improve accessibility	175



Citizen of the Year Lachlan Mosley was recognised for his work with young people at the Richmond Junior Football Club and Richmond Union Cricket Club.



Capital works spotlight

As part of this years' capital works program we have invested in four projects that will contribute to the health and wellbeing of our community, and one that will support our businesses and residents alike.



Bargoonga Nganjin, North Fitzroy Library construction

2016/17 expenditure: \$9,007,000

The Bargoonga Nganjin, North Fitzroy Library facility was successfully completed and opened on 8 April, bringing to fruition a state-of-the-art community facility and realising a long-held dream of the local community.

Over three levels, Bargoonga Nganjin is home to a library, maternal child health service, playgroup spaces, Council customer service centre, community meeting rooms, exhibition space and a spectacular roof top garden.

Bargoonga Nganjin has a six star Green Star rating - the highest environmental rating awarded by the Green Building Council of Australia. It also incorporates a range of best-practice universal access provisions throughout the facility, which provide for the needs of people with a disability, including a Changing Places facility that meets the requirements of the internationally recognised standard.



Leisure centres renovation

2016/17 expenditure: \$2,285,000

Major renovation works were undertaken across Yarra's three leisure centres to upgrade assets for compliance with the *Disability Discrimination Act 1992* and to improve the amenity and customer experience of the facilities. Also included was the replacement of mechanical plant/equipment and renewal of flooring and internal paint finishes.

This program of works included a major renovation of the wet-side change rooms at the Richmond Recreation Centre and stage one renovation (male change rooms) at the Fitzroy Swimming Pool, with completion of stage two renovation (female change rooms) at that facility to follow in 2017/18.



Yarra Primary School open space – joint school and community use

2016/17 expenditure: \$348,000

A new open space for school and community use has been developed on the existing school grounds at Yarra Primary School as part of a Joint Use Agreement between Yarra City Council and the school.

Features of the new open space include:

- › a new rain garden and nature play areas
- › parkour facilities
- › table tennis area
- › games area with hopscotch and a maze

- › BBQ and picnic settings
- › improved and expanded turf mound

The school's existing playground area and synthetic sports surfaces were retained, along with all of the trees on the site.

The park is open for community use from 7am to 8am and after 5pm on school days, and all day on weekends and holidays.



New parking technology

2016/17 expenditure: \$323,000

Council invested in a suite of new technology to support parking operations.

A key part of this project is the installation of underground sensors in unmetered time-restricted parking bays in high-demand and highly contested parking areas. This new technology encourages drivers to comply with time restrictions, creating more free bays for residents in residential areas and customers in commercial areas.

A total of 1750 sensors were installed up to June, with about

4,000 sensors ultimately to be rolled out. These will be located primarily in Richmond and Cremorne, as well as in other high-demand areas.

The project also involves the implementation of new infringement processing technology in both the field and the office to support effective and efficient parking compliance operations.

Lastly, a new PayStay solution for paid parking was also rolled out, making payment of parking fees via smartphone more convenient.



Your investment in Yarra



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

Family, youth and children's services

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

Aged and disability services

Community care services and community transport for older people.

Leisure, arts, culture and venues

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

Library services

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

Parks and recreation

Maintenance of open spaces, including 120 parks and 35 playgrounds, street tree planting and sports field allocation to clubs.

Strategic transport and sustainability

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

Compliance, parking and traffic

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

Waste and recycling

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

Infrastructure and asset management

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

Construction management

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

Strategic and statutory planning

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

Customer service

Four customer service centres, telephone call centre, after-hours service and 170,000 community requests processed annually.

Advocacy, engagement and communications

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

Finance, performance and risk

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

Governance

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

Administrative support services

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



Group fitness activity at Richmond Recreation Centre.

Council staff



Executive Management Team



Vijaya Vaidyanath



CHIEF EXECUTIVE OFFICER

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

Andrew Day



DIRECTOR CORPORATE, BUSINESS AND FINANCE

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

**Ivan
Gilbert**



**GROUP MANAGER
CEO'S OFFICE**

Ivan oversees the Governance Support Unit, the Mayor and Councillors Office, the Records Branch and Property Services, and also assists the Chief Executive Officer. Areas of responsibility include organising council meetings business, facilitating legal advice, and maintaining the Policy Management Framework. Ivan is also responsible for processing Protected Disclosure matters in association with IBAC, Freedom of Information and State Ombudsman inquiries, maintenance of Council's Public Register and Instruments of Delegation. The Group Manager Chief Executive's Office also fills the role of Internal Ombudsman.

**Chris
Leivers**



**DIRECTOR COMMUNITY
WELLBEING**

The Community Wellbeing Division enhances community wellbeing through policy development, service delivery, community planning and partnerships. Chris oversees activities focussed on community participation, through services and activities related to leisure, libraries, senior citizens, children, young people and families, arts, culture, venues, access and inclusion. Chris also has responsibility for Emergency Management as the Municipal Recovery Manager and his divisional responsibilities include project sponsorship for major community infrastructure initiatives.

**Joanne
Murdoch**



**DIRECTOR ADVOCACY
AND ENGAGEMENT**

Jo is responsible for customer service, internal and external communications, stakeholder engagement, issues management, strategic advocacy, media relations, design, corporate brand and publications, digital communications (including website and social media) and civic events. She is also the Chair of Yarra's staff Gender Equity Committee and a sponsor of a number of cross-organisational projects.

Executive Management Team (cont.)



Bruce Phillips



DIRECTOR PLANNING AND PLACE MAKING

The services provided by the Planning and Place Making Division are designed to protect and enhance Yarra's physical, social and economic environment. Bruce oversees activities related to economic development, environmental management and advocacy, urban design, parks, gardens and recreation, statutory and strategic planning and sustainable transport. Bruce also has responsibility in implementing the Inner Melbourne Action Plan.

Guy Wilson-Browne



DIRECTOR CITY WORKS AND ASSETS

Guy is responsible for the provision and maintenance of public infrastructure in the City of Yarra. As Director City Works and Assets, he oversees roads and footpaths, asset management, construction management, and recycling and waste, along with a range of other activities related to the management of buildings and property. He is responsible for the implementation of Council's annual capital works program.

Jane Waldock



ASSISTANT DIRECTOR PLANNING AND PLACE MAKING

Jane's primary area of responsibility is the Sustainability and Strategic Transport branch, which includes the Environment, Waste Minimisation, Urban Agriculture and Strategic Transport units. These teams undertake advocacy and engagement projects as well as initiating and delivering transport and environmental capital works programs. Jane also manages Council's relationship with the Yarra Energy Foundation.

**Fred
Warner**



**GROUP MANAGER
PEOPLE, CULTURE
AND COMMUNITY**

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



Popular DJ Katie Pearson in front of the Keith Haring Mural in Collingwood.

Council staff



Workforce positions at 30 June 2017

At 30 June 2017, Council had a total of 837.92 equivalent full-time positions (which includes temporary and casual positions)

Equivalent Full Time workforce positions by seniority and gender 2016/17 (including casual and temporary positions)

Structure	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total
Classification	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Permanent FT - F	0.00	1.00	34.50	58.50	67.00	63.30	32.80	28.50	23.50	309.10
Permanent FT - M	0.00	0.00	39.50	31.50	44.00	59.30	39.00	34.50	33.50	281.30
Permanent PT - F	0.26	4.14	30.41	23.15	15.77	13.87	6.33	2.23	13.08	109.23
Permanent PT - M	0.52	2.42	23.95	16.28	5.55	2.14	1.10	0.00	3.50	55.45
Temporary - Female	0.00	0.21	1.00	1.84	3.52	1.61	1.50	1.30	1.00	11.98
Temporary - Male	0.00	0.21	1.00	0.42	1.83	2.61	0.50	0.50	1.00	8.07
Casual - Female	5.11	0.51	15.38	7.34	0.21	0.00	0.00	1.00	1.85	31.40
Casual - Male	5.11	0.51	15.38	7.34	0.21	0.00	0.00	1.00	1.85	31.40
TOTAL	11.00	9.00	161.12	146.37	138.07	142.83	81.23	69.03	79.27	837.92

Equivalent Full Time workforce positions by division and gender 2016/17 (includes casuals and temporary positions)

Employment type/gender	CEO's Office	Planning & Place Making	City Works & Assets	Community Wellbeing	Corporate, Business & Financial Services	Advocacy & Engagement	People, Culture & Community	Total
Permanent FT - F	11.50	45.60	30.00	153.00	42.50	18.50	8.00	309.10
Permanent FT - M	5.50	37.80	98.00	57.00	65.50	8.50	9.00	281.30
Permanent PT - F	1.42	5.25	2.60	82.84	6.47	6.77	3.88	109.23
Permanent PT - M	0.00	2.51	1.64	38.73	8.51	3.27	0.80	55.45
Temporary - Female	0.60	2.22	3.02	2.83	1.71	1.40	0.20	11.98
Temporary - Male	0.00	0.80	4.02	1.54	1.71	0.00	0.00	8.07
Casual - Female	0.04	0.50	0.50	23.47	5.29	1.61	0.00	31.40
Casual - Male	0.04	0.50	0.50	23.47	5.29	1.61	0.00	31.40
TOTAL	19.10	95.18	140.28	382.87	136.96	41.65	21.88	837.92

* As at 30 June 2017

Performance report



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

The plan must include Strategic Objectives, Strategies, Strategic Indicators and a Strategic Resource Plan. The following report reflects year four (2016/17) of the Council Plan 2013-17.

Council produces an Annual Plan alongside each year's Budget, setting out projects and activities that Council will undertake towards achieving the Strategic Objectives.



Leading artists prepare for Yarra's annual Leaps and Bounds music festival.



Strategic Objectives

The Council Plan 2013-17 is divided into five directions known as Strategic Objectives:

- › Celebrating Yarra's Uniqueness
- › Supporting Yarra's Community
- › Making Yarra More Liveable
- › Ensuring a Sustainable Yarra
- › Leading Local Government

Strategies

Each Strategic Objective is supported by Strategies, which identify the focus for the next four years.

Activities

Activities represent the work undertaken by Council in pursuit of Strategic Objectives and Strategies.

Drawn from Initiatives in the Council Plan 2013-17 and Actions in and the Annual Plan 2016/17, Activities provide a framework for measuring Council's progress towards each Strategic Objective.

Strategic indicators

Strategic Indicators provide a second framework for measuring Council's progress towards each Strategic Objective.

Service Performance Indicators

Local Government (Planning and Reporting) Regulations require Councils to report on Service Performance Indicators, which align to Strategic Objectives.

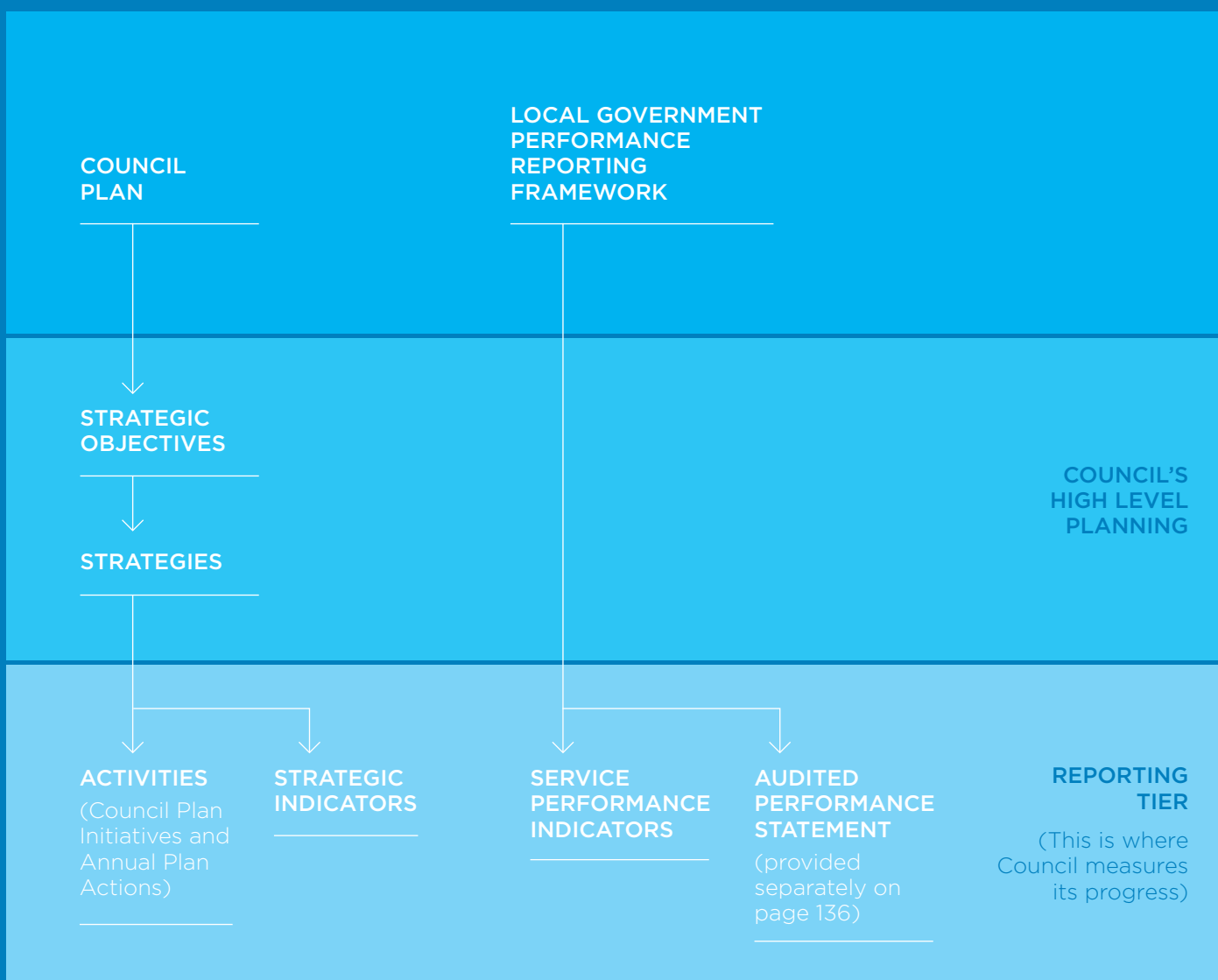
Results of these indicators, including comparisons with other councils and sector averages, will be published on the Victorian Government's Know Your Council website knowyourcouncil.vic.gov.au in November 2017.

Performance Statement

Council is also required to publish an audited Performance Statement as part of its Annual Report.

The Performance Statement contains a selection of the Service Performance Indicators as well as a number of Financial Performance Indicators and Sustainable Capacity Indicators. This is provided in the Performance Statement section.

Performance report



Performance summary

Of the 46 Annual Plan Activities, 38 (83%) were completed or on-track.

One of the 47 Strategic Indicators, one was deferred by Council resolution on Tuesday 7 June 2016 and therefore has not been considered in these figures. Of the remaining 46 Strategic Indicators, targets for 39 were exceeded or were within 10% of target for an achievement rate of 85%.

**Performance against
Activities for each Strategic
Objective 2016/17**

Strategic Objective	Activities		
	#	# complete or on track	% complete or on track
Celebrating Yarra's Uniqueness	8	8	100%
Supporting Yarra's Community	12	12	93%
Making Yarra More Liveable	13	13	61%
Ensuing a Sustainable Yarra	5	5	60%
Leading Local Government	8	8	100%
TOTAL	46	46	83%

**Performance against Strategic
Indicators for each Strategic
Objective 2016/17**

Strategic Objective	Strategic Indicators		
	#	# exceeded or within 10%	% exceeded or within 10%
Celebrating Yarra's Uniqueness	12	12	100%
Supporting Yarra's Community	7	6	86%
Making Yarra More Liveable	11	8	73%
Ensuing a Sustainable Yarra	7	5	71%
Leading Local Government	9	9	100%
TOTAL	46	39	85%

**Annual Plan completion
rates 2013-17**

(% Activities complete or on track)

Year	% Activities complete or on track
2016/17	83%
2015/16	92%
2014/15	81%

STRATEGIC OBJECTIVE 1

Celebrating Yarra's Uniqueness



Identity is a passionate and recurring theme throughout Yarra. This is about our community diversity, our history and our sense of place – be it our street, neighbourhood, suburb or municipality.

An ongoing focus for Council is how to keep a sense of history and place, as reflected by streetscapes, shops and houses, and how to pay tribute to the lived history, connecting with the stories and experiences of those who came before us and shaped the character of Yarra.

Strategies

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

1. Protect heritage and the Yarra River corridor.
2. Recognise the value of Yarra's Aboriginal cultural heritage.
3. Foster and promote Yarra's arts, culture, history, diversity and vitality.
4. Represent the community's views and needs, through strategic advocacy to state and federal governments, as well as local services and organisations.
5. Engage and strengthen connections with diverse groups in our community.
6. Support Yarra's business community and celebrate and promote sustainable, innovative and creative business.
7. Advocate to businesses, landowners and state government to ensure Yarra's commercial and retail businesses are provided in accessible buildings.
8. Strengthen relationships with key community partners such as Australian Catholic University, St Vincent's Hospital, Epworth Hospital and others.
9. Advocacy for increased social and affordable housing in Yarra, including a minimum of 5% of apartments designed to be wheelchair accessible and comply with DDA standards.

Services

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

Arts, Culture and Venues

Works with communities, artists, organisations, businesses and governments to achieve community wellbeing, economic strength and cultural vitality within Yarra. It achieves this through involving local people, investing in local practice, and supporting a shared sense of place.

City Strategy

Promotes land use planning that achieves more sustainable development outcomes, supports a growing local economy and facilitates high quality public spaces. Promotes the health, safety and wellbeing of Yarra residents through social policy initiatives.

People, Culture and Community

Supports community development in Yarra. Promotes, competency, effectiveness and wellbeing as a shared responsibility of the organisation and its people.

Highlight activities

- › Work on the Stolen Generations Marker and garden, which will honour the struggles and resilience of the Stolen Generations, is well underway. The Aboriginal and Torres Strait Islander community shared thoughts, ideas and stories by participating in our community survey and conversations, and after an expressions of interest process, five Aboriginal and Torres Strait Islander artists with links to Victoria were invited to develop concept designs for the project.
- › Speaking Your Language information packs have been produced in 10 languages. Each pack contains 11 cards with an outline of services for youth, families, older people and people with a disability, as well as information about rubbish and recycling services, leisure centres, libraries and more.
- › A new temporary artwork, Adam Stone's 'A Fall From Grace (Self Portrait Crash) II' has been installed on the empty plinth in the Edinburgh Gardens. The plinth originally held a statue of Queen Victoria, which disappeared shortly after it was erected in 1901.
- › Community consultation for the next four-year Council Plan reached out to under-represented groups such as young people, older residents, people with low proficiency in English and people who are disadvantaged or vulnerable. This included workshops for a diverse range of groups from Chinese elderly residents to people experiencing homelessness, a Vietnamese disability group to BBQ participants (local Aboriginal community) and a combined workshop for our 14 advisory groups.

Activities

Of the eight Activities within this Strategic Objective, all eight (100%) are complete.

	Activity	Derived from	Summary	% of target met
1.01	Heritage Gaps Study	Annual Plan Activity	Council is progressively assessing areas and places for their heritage significance. A focus this year was reviewing heritage places, particularly in commercial areas and activity centres, to improve statements of significance.	100%
1.02	Yarra River planning controls	Council Plan Initiative	The state government has introduced new interim planning controls along the Yarra River and will be establishing a Yarra River trust and preparing legislation to provide greater protection and improved management of the river.	100%
1.03	Aboriginal Partnerships Plan 2015-2018	Annual Plan Action	The Aboriginal Partnerships Plan guides Council's work with the local Aboriginal and Torres Strait Island community and includes actions in the areas of community connection, culture, employment and events.	100%
1.04	Multicultural Partnerships Plan 2015-2018	Annual Plan Action	The Multicultural Partnership Plan guides Council's relationship with its multicultural residents and communities, and includes actions in the areas of relationship building, access and inclusion, opportunities and anti-racism.	100%

STRATEGIC OBJECTIVE 1

Celebrating Yarra's Uniqueness



Activities (cont.)

Activity	Derived from	Summary	% of target met
1.05 Room to Create	Annual Plan Action	The Room to Create Charitable Fund supports arts organisations with infrastructure related expenses.	100%
1.06 Affordable and suitable spaces for community and creative community	Council Plan Initiative	A range of actions has been implemented to provide suitable and affordable community and creative spaces, including exploring options for underutilised spaces such as The Stables and Williams Reserve Community Room.	100%
1.07 Public Art Projects	Annual Plan Action	This year's activities include the Plinth Project in Edinburgh Gardens, the Carlton Library Billboard program and a roving projection art program.	100%
1.08 Accessible communication and engagement	Annual Plan Action	Community engagement and consultation has included access and inclusion initiatives for CALD communities and people with disabilities.	100%

Yarra's Youth Ambassadors are challenging harmful stereotypes.



Strategic Indicators (measures of success)

All 12 Strategic Indicators were met or exceeded.

Condition of Council-owned heritage assets.

All Council heritage buildings were considered fit-for-purpose with a condition rating of three or lower, meeting Council's target of three or better (on this five point scale, lower numbers are better).

Increased participation in arts and cultural activities in Yarra.

- › **Number of attendees at Council sponsored festivals and events:**
Council exceeded its target of 120,000 attendees, with an estimated 197,000 people attending events such as the Lunar Festival, Leaps and Bounds Music Festival, Gertrude Street Projection Festival, Fiesta and ReLink Community Cup.
- › **Number of projects funded:**
Council funded 73 arts projects through a range of funding initiatives including small project grants, triennial grants, visual and public art projects. This comfortably exceeded the target of 30.
- › **Number of participation focus projects funded:**
Council supported 14 participatory community art projects including Blakwiz, Emerge, and Smith Street Dreaming. There is no target for this indicator.

- › **Number of public art projects funded or produced:**

Council exceeded its target of three new works by funding a total of eight, including, lightbox installations at Carlton Library and projections and pasteups in Peel Street.

Numbers attending events and activities for cultural and ethnically diverse communities at Yarra Libraries.

- › **Number of attendees at library programs and events:**
Attendance this year was 37,034, which is well above the target of 25,000.
- › **Conduct an annual review of cultural events and programs delivered by Yarra Libraries:**
Council met its goal by reviewing all plans and programs on a quarterly basis.
- › **Develop an annual program of learning and reader focused activities:**
A program of learning and reader-focussed activities was delivered across all five library branches.

Sustained or increased space, both Council and privately owned, available for creative practice.

- › **Develop a Richmond Theatre Program:**
The program included Slapstick Action Plan - comedy theatre and disability theatre development, Strive - development of new theatre piece, and Quippings - LGBTIQ and disability performance development.

- › **Number of facilities maintained for medium-term accommodation for creative organisations:**

Council met its target of maintaining five creative spaces, which are Dancehouse, Yarra Sculpture Gallery, Visionary Images, Australian Print Council and Women's Art Register.

- › **Number of exhibition spaces maintained:**

Exhibition spaces were maintained at the Richmond Town Hall, the Fitzroy and Richmond Libraries, and Baroonga Nganjin. This exceeds the target by one.

- › **Develop a corpus for the Room to Create Fund of \$200,000 in the first four years:**

The Room to Create Fund, a perpetual fund for creative spaces in Yarra, reached \$318,957, which is above the target of \$265,000.

Number of new MOUs established with key community partners.

Council signed a Memorandum of Understanding with Kangan, Epworth and the Royal Flying Doctors in 2016/17. Council also signed a Memorandum of Understanding with Australian Catholic University and Melbourne and Olympic Park Trust in previous years for a total of five over the life of the Council Plan.

Service Performance Indicators.

There are no Service Performance Indicators for this Strategic Objective.

STRATEGIC OBJECTIVE 2

Supporting Yarra's Community



Yarra is home to a diverse community. It is a great place to live and raise families, with access to a wide range of services, support and facilities.

Council provides many services and facilities important to the community's health and wellbeing. Focus areas include early childhood health, education and development; support for younger adults; access and inclusion for people with disabilities; and support for older residents and people with disabilities. Sports and recreation facilities are also important to local wellbeing, as are thriving local businesses offering jobs and services.

Strategies

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

1. Champion rights to civic and community participation for residents experiencing social disadvantage.
2. Continue to create a resident-friendly city that reduces isolation, improves access to the built environment and builds social connections.
3. Undertake Community Infrastructure Planning for all Yarra neighbourhoods to inform advocacy, funding applications and developer contribution negotiations.
4. Encourage greater social cohesion and participation through volunteer initiatives and community development activities.
5. Support Yarra's disadvantaged community into employment through direct recruitment, social procurement or development of social enterprises.
6. Deliver Council services that meet community priorities and needs.
7. Ensure Council strategies and plans address community aspirations and needs and work to deliver outcomes in a highly integrated manner.
8. Ensure Council's Asset Management Plans deliver infrastructure and facilities that are fit for purpose.
9. Implementation of the new Disability Action Plan continuing our focus on the empowerment of residents with a disability.

Services

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

Aged and Disability Services

Works towards a cohesive, inclusive and supportive community where older people and people living with a disability are leading healthy and meaningful lives, and are respected and valued members of the community. It works with residents, community groups, agencies and other stakeholders to strengthen local neighbourhoods and communities, plan and deliver services that enhance independence, and support advocacy at all levels.

Family, Youth and Children's Services

Works with the community, agencies and other stakeholders to develop and deliver services that respond to the needs of children, young people and families. Also works to plan and partner, lead networks, advocate and facilitate outcomes.

Library Services

Ensures that the current and future information, recreation, educational, cultural and social connectivity needs of the diverse communities of Yarra are met.

Leisure Services

Provides a range of high quality facilities and programs to meet the health, leisure, sporting and social needs of a broad cross-section of the community.

Highlight activities

- › Yarra assisted eligible people to transition to the National Disability Insurance Scheme (NDIS), which commenced on 1 July and will give people with a disability greater choice and control over who provides their services. Yarra is the first council in Victoria to roll out the NDIS, with about 750 local residents expected to join.
 - › Yarra continued to support the Balit Narrum network's advocacy for employment of full-time positions to support Aboriginal community members and Aboriginal community controlled organisations to prepare for transition onto the NDIS.
- This advocacy resulted in four funded positions: one at the Aborigines Advancement League and three at the Brotherhood of St Laurence.
- › In partnership with Arts Access Victoria and Yarra's Disability Services team, Yarra Libraries developed a library-specific disability-awareness and accessible-customer-service training program. This training was rolled out to all library staff and two officers at each branch have nominated to become Access Ambassadors. Together they will champion accessibility throughout our libraries and be available to help people use our spaces, facilities and services.
- › Yarra's Family Services delivered a range of evidence-based programs including Mothers Matter Too for women experiencing perinatal or post-natal depression or anxiety, an after-school soccer program for children, an African Women's Group with New Hope Foundation, Tuning into Kids parent education program and Space 4 Us a youth mental health program with St Vincent's Mental Health.

Activities

Of the 12 Activities within this Strategic Objective, 11 (92%) are complete or on-track.

	Activity	Derived from	Summary	% of target met
2.01	North Fitzroy Community Hub	Council Plan Initiative	Now known as Bargoonga Nganjin, the new hub opened in April. With a focus on service integration, it offers increased space for library collections and activities, and provides the neighbourhood with a new centre of community life.	100%
2.02	Regional Sports Facility	Council Plan Initiative	Council continues to advocate to the state government and relevant agencies for the completion of a funding case for the proposed Regional Sports Facility as part of the mixed-use development of the former Gas Works Site, 433 Smith Street, Fitzroy.	100%
2.03	Leisure Centre Improvements	Annual Plan Action	Improvements include renovation of change rooms at Fitzroy Swimming Pool and Richmond Recreation Centre, installation of dry side heating, ventilating and air conditioning system at Collingwood Leisure Centre. Works will carry over into 2017/18.	50%
2.04	Hydrotherapy pool feasibility study	Annual Plan Action	The study was completed and hydrotherapy options were to be considered as part of the 2017/18 budget process.	100%

STRATEGIC OBJECTIVE 2

Supporting Yarra's Community



Activities (cont.)

	Activity	Derived from	Summary	% of target met
2.05	Community Infrastructure Planning	Council Plan Initiative	Neighbourhood Community Infrastructure Plans guide planning for all types of community infrastructure, including for library, leisure and child care services. Five plans have been completed and will be presented to Council in 2017/2018.	90%
2.06	Service Reviews	Council Plan Initiative	Council is progressively reviewing the long-term direction of all Council services.	100%
2.07	Access and Inclusion Plan	Council Plan Initiative	The Access and Inclusion Plan aims to improve access to community participation, employment and social activities, increase awareness and access to the built environment. A focus this year was advocating for improved access and equity for Aboriginal people with disabilities and their carers.	100%
2.08	Positive Ageing Strategy	Annual Plan Action	The River of Life: Positive Ageing Strategy responds to opportunities and the challenges of an ageing population in Yarra. It aims to improve opportunities for older residents to participate in the community and remain active and independent. Current focus includes the LGBTIQ Plan to support inclusive practice within Aged and Disability services.	100%
2.09	National Home Care and Disability Care reforms	Annual Plan Action	The national aged and disability care reforms have significant implications for how Yarra residents are supported into the future. Council has focussed on training staff, working with local agencies, supporting eligible residents, and advocating for special needs groups.	100%
2.10	Communities that Care	Annual Plan Action	Communities That Care aims to build capacity within communities to improve the healthy development of children and young people. The priority areas are: <ul style="list-style-type: none"> › reduce alcohol and drug use › strengthen family relationships › improve personal resilience of middle years young people. 	100%

Activity	Derived from	Summary	% of target met
2.11 Socio-economic and social justice advocacy	Annual Plan Action	<p>Advocacy is a focus of key strategies including the Aboriginal Partnerships Plan, Multicultural Partnerships Plan, Access and Inclusion Plan, as well as the portfolio areas of homelessness, social and affordable housing, Neighbourhood Houses and community safety.</p> <p>Key activities in this area include:</p> <ul style="list-style-type: none"> › staff training and advocacy on responding to primary homelessness › building partnerships with service providers to the Aboriginal community in Yarra › advocacy around the implementation of harm reduction strategies and issues arising from injecting drug use. 	100%
2.12 Richmond High School advocacy	Annual Plan Action	<p>Where feasible Council has ensured community needs are considered in the planning of the new school in the Richmond Town Hall precinct. This has included having a representative on the New School Planning Group and discussing traffic and parking implications with Department of Education and Training.</p>	100%

STRATEGIC OBJECTIVE 2

Supporting Yarra's Community



Strategic indicators (measures of success)

Of the seven Strategic Indicators, six (86%) were met or exceeded.

Number of submissions made to the state government and the federal Government on Yarra's diverse socio-economic profile.

The Strategic Advocacy Framework guides the advocacy efforts of Yarra City Council and is a key priority of the 2013-17 Council Plan. This Framework, a first for Yarra, outlines Council's strategic advocacy priorities in a planned, coordinated and resourced approach to facilitate action and results.

These priorities have been identified through a process of evidence-based research and benchmarking, consultation with the community and the Council Plan 2013-17.

A number of submissions have been made this year including to the review of *The Liquor Control Reform Act 1998* (Department of Justice and Regulation), Plan Melbourne Refresh (Department of Environment, Land, Water and Planning), correspondence to the Commonwealth Attorney General in support of ongoing funding for community legal centres locally, and response to Department of

Health and Human Services Rough Sleeping in Victoria Situation Appraisal.

There is no target for this indicator.

Seniors Month Dancing at the Fitzroy Town Hall Reading Room.



Number of new strategies and plans that consider disability access and inclusion.

All key strategies developed in 2016/17 gave consideration to access and inclusion through consultation with Council's Disability Advisory Committee or liaison with the Disability Access and Inclusion Officer.

Community infrastructure plans developed for all neighbourhoods.

Five Community Infrastructure Neighbourhood Plans have been completed, and will be presented to Council in the first quarter 2017/18.

There was no target for this indicator.

Volunteering Strategy adopted by Council

This Strategic Indicator was effectively deferred by Council resolution on Tuesday 7 June 2016.

Service review framework adopted by Council.

The service review framework was adopted by Council during 2014/15.

Number of service areas reviewed in accordance with the service review framework each year.

The target of eight reviews has not yet been achieved. An evaluation of the Service Review program has been commenced to identify achievements to date and issues relating to program implementation. The evaluation will provide recommendations on future program delivery.

Progress is as follows:

- › Aged and Disability Services completed a service review.
- › Family, Youth and Children's Services service review and related projects will be presented to Executive and Council in the first quarter of 2017/18.
- › Statutory Planning presented preliminary findings and recommendations to Executive and a Councillors' Briefing.
- › Recreation and Open Space commenced scoping their service review and developed a project plan, which will be presented to Executive in the first quarter of 2017/18.

Achievement against actions and targets in Asset Management Plans

Council's result of 92.5% exceeded its target of 85%.

Highlights:

- › A municipal-wide audit of Council's street trees and streetscape plantings was completed.
- › The Open Space Asset Management Plan is in draft form.
- › The Buildings Asset Management Plan is undergoing final review.
- › The revision of Road Asset and Drainage Maintenance Plans has been finalised.
- › The Fleet Management Unit is trialling lease arrangements for passenger vehicles.

STRATEGIC
OBJECTIVE 2Supporting Yarra's
Community

Service Performance Indicators

Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ¹
Aquatic facilities				
Satisfaction <i>User satisfaction with aquatic facilities</i> (User satisfaction with how council has performed on provision of aquatic facilities)	80.7	81.80	84.2	This continues to be a solid result within acceptable tolerances.
Service standard <i>Health inspections of aquatic facilities</i> (Number of authorised officer inspections of Council aquatic facilities/Number of Council aquatic facilities)	2.00	3.00	4.33	Additional inspections were carried out on spa pools.
Health and Safety <i>Reportable safety incidents at aquatic facilities</i> (Number of WorkSafe reportable aquatic facility safety incidents)	0	1.00	0	
Service cost <i>Cost of indoor aquatic facilities</i> (Direct cost of indoor aquatic facilities less income received/Number of visits to indoor aquatic facilities)	\$1.14	\$1.18	\$0.49	Significantly improved revenue, and to a lesser extent reduced expenditure, has reduced the cost per visit for 2016/17 compared to previous years.
Service cost <i>Cost of outdoor aquatic facilities</i> (Direct cost of outdoor aquatic facilities less income received/Number of visits to outdoor aquatic facilities)	\$0.00	\$0.00	\$0.00	All City of Yarra pools are defined as indoor pools under the LGPRF guidelines
Utilisation <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities/Municipal population)	11.8	11.63	11.96	This continues to be a strong result and reflects significantly higher than average utilisation compared to the all Council's average result.

Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ¹
Home and Community Care (HACC)				
Timeliness <i>Time taken to commence the HACC service</i> (Number of days between the referral of a new client and the commencement of HACC NA service/Number of new clients who have received a HACC service)	27.32	33.72	NA	Reporting on HACC ceased on one July 2016 due to the introduction of the federal government's NDIS and CHSP programs.
Service standard <i>Compliance with community care common standards</i> (Number of Community Care Common Standards expected outcomes met/Number of expected outcomes under the Community Care Common Standards) x100	83.33%	83.33%	NA	Reporting on HACC ceased on one July 2016 due to the introduction of the federal government's NDIS and CHSP programs.
Service cost <i>Cost of domestic care service</i> (Cost of the domestic care service/Hours of domestic care service delivered)	\$0.00	\$65.34	NA	Reporting on HACC ceased on one July 2016 due to the introduction of the federal government's NDIS and CHSP programs.
Service cost <i>Cost of respite care service</i> (Cost of the domestic care service/Hours of respite care service delivered)	\$0.00	\$65.34	NA	Reporting on HACC ceased on one July 2016 due to the introduction of the federal government's NDIS and CHSP programs.
Participation <i>Participation in HACC service</i> (Number of people that received a HACC service/Municipal target population for HACC services) x100	16.00%	13.44%	NA	Reporting on HACC ceased on one July 2016 due to the introduction of the federal government's NDIS and CHSP programs.
Participation <i>Participation in HACC service by CALD people</i> (Number of CALD people who receive a HACC service/Municipal target population in relation to CALD people for HACC services) x100	13.00%	10.24%	NA	Reporting on HACC ceased on one July 2016 due to the introduction of the federal government's NDIS and CHSP programs.

STRATEGIC
OBJECTIVE 2Supporting Yarra's
Community

Service Performance Indicators (cont.)

Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ¹
Maternal and Child Health (MCH)				
Satisfaction <i>Participation in first MCH home visit</i> (Number of first MCH home visits/ Number of birth notifications received) x100	102.00%	102.72%	93.20%	Overall increase in service delivery hours offered through the service. Proportional decrease in first time participation due to a number of factors, including population increase, population migration and data management changes.
Service standard <i>Infant enrolments in the MCH service</i> (Number of infants enrolled in the MCH service (from birth notifications received)/Number of birth notifications received) x100	100.00%	97.00%	101.85%	This continues to be a solid result within acceptable tolerances.
Service cost <i>Cost of MCH service</i> (Number of WorkSafe reportable aquatic facility safety incidents)	0	1.00	0	
Service cost <i>Cost of indoor aquatic facilities</i> (Cost of the MCH service/Hours worked by MCH nurses)	\$0.00	\$90.71	\$84.55	While Council's financial investment in the service has increased in 2016/17, the service has proportionally delivered more service hours compared to previous years, due to higher demand resulting in a reduced average cost for 2016/17.
Participation <i>Participation in the MCH service</i> (Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service) x100	83.00%	79.82%	79.38	Demand for service delivery has increased as the Yarra population continues to grow. Actual number of service hours has increased, but proportion of the population participating has reduced slightly.
Participation <i>Participation in the MCH service by Aboriginal children</i> (Number of Aboriginal children who attend the MCH service at least once (in the year) /Number of Aboriginal children enrolled in the MCH service) x100	74.00%	59.72%	63.41%	Increase in overall demand compared to 2015/16 due to minor variations in the Yarra Aboriginal and Torres Strait Islander population and participation rates in the Victorian Aboriginal Health Service

Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ¹
Libraries				
Utilisation <i>Library collection usage</i> (Number of library collection item loans/Number of library collection items)	4.00	4.46	4.30	Temporary closure of Richmond library for refurbishments and closure of North Fitzroy library for the opening of the new Bargoonga Nganjin North Fitzroy Library during 2016/17 had an impact on number of loans which in turn affected the library collection usage compared to the previous year, it remains a positive trend over the three year reporting period.
Resource standard <i>Standard of library collection</i> (Number of library collection items purchased in the last 5 years/Number of library collection items) x100	90%	99.14%	67.67%	The 2017 result is higher than the 2016 average for all Council's (63%) but lower than that for similar Council's (73%) in 2016. The 2015 and 2016 result recorded the percentage of stock purchased in the last five years that remained in circulation and did not include shelf stock over 5 years old. The 2017 calculation now refers to the total collection.
Service cost <i>Cost of library service</i> (Direct cost to Council of the library service/Number of visits)	\$8.25	\$9.53	\$8.70	Significant savings were achieved in the operational budget 2016/17 due to improved efficiencies and savings due to staff vacancies.
Participation <i>Active library members</i> (Number of active library members/Municipal population) x100	18.94%	17.39%	17.82%	This continues to be a solid result within acceptable tolerances.

¹ Commentary only required where a result falls outside a certain range or material variation threshold.

STRATEGIC OBJECTIVE 3

Making Yarra More Liveable



Maintaining Yarra's valued qualities whilst the city continues to grow – in terms of residents, workers and visitors – will occupy more of our attention. Mediating conflicting needs (including parking, travel, recreation, social and environmental needs) will require considered community engagement and creative innovative solutions.

Strategies

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

1. Manage competing demands for use of public and green open space.
2. Continue to identify opportunities to convert road spaces and laneways for parks or improved pedestrian spaces.
3. Increase amount of public and open space in areas with least access, in accordance with the Open Space Strategy.
4. Advocate to protect green and open spaces on Yarra's public housing estates.
5. Upgrade and refresh Leisure Centres, sports and recreation facilities and grounds to meet growing demands.
6. Seek to achieve more communal private open space within large developments.
7. Increase cycling through improved access and infrastructure.
8. Increase pedestrian activity and safety through improved access and infrastructure. This needs to include improved access for mobility aid devices.
9. Advocate for public transport improvements.
10. Continue to implement Council's Local Area Traffic Management Study (LATMS) program.
11. Manage competing parking needs of residents, business and visitors.
12. Manage change in Yarra's built form and activity centres through community engagement, land use planning and appropriate structure planning processes.

13. Protect Council assets through effective proactive construction management.
14. Improve disability access to community amenities and built environment.

Services

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

Compliance and Parking Services

Implements statutory health protection and compliance services to maximise safety and harmony in the city. Manages the limited parking available to ensure safety of all road users and balance the needs of residents, visitors, businesses and community facilities in a fair and equitable manner.

Statutory Planning

Makes sound judgements about the use and development of land, which gives effect to state and local planning policies. Decisions are based on clear procedures, appropriate public participation and coordination with other branches of Council.

Construction Management

Ensures that developments have minimum impact on the amenity of residents, businesses and Council infrastructure.

Traffic and Special Projects

Maintains and enhances Yarra's traffic infrastructure to ensure a safe, efficient and sustainable traffic environment.

Engineering and Asset Management

Provides policy, strategy and procedures that produce an integrated and multidisciplinary approach to asset management.

Recreation and Open Space

Manages and enhances public open spaces, including parks, gardens, facilities, trees and streetscapes. Manages and provides accessible recreation opportunities.

Highlight activities

- › The PayStay parking app has superseded the previous pay by phone option. This offers drivers more flexibility as they pay only for the time they spend in the parking bay, and more convenience as it is also used in the neighbouring City of Melbourne.
- › Results from the Benchmark Park User Satisfaction Survey identified an overall satisfaction with Yarra's parks of 8.4 out of 10, which was second highest among the 18 participating councils.
- › Yarra's Licensed Premises Planning Scheme amendment was put on exhibition. This is an action arising out of the Night Time Economy Strategy and the Health Plan that will help us better manage the location, size, operation and hours of licensed venues and will also provide greater clarity about where new venues are allowed to be established.



Brunswick Street, Fitzroy

STRATEGIC OBJECTIVE 3

Making Yarra More Liveable



Activities

Of the 13 Activities within this Strategic Objective, eight (62%) are complete or on-track.

	Activity	Derived from	Summary	% of target met
3.01	Strategic land acquisition report	Council Plan Initiative	The report seeking Council authorisation to proceed with land acquisition for the purposes of creating new public open space is underway. A market valuation for two parcels of land has been received and further due diligence on one of those parcels has commenced.	20%
3.02	New parks	Annual Plan Action	This activity was to negotiate a joint use agreement for community use (out of school hours) of open space at Yarra Primary School in Richmond in exchange for Council upgrading the open space. The draft joint use agreement is with the Department of Education and Training for review, and the budget for this activity has been carried forward to 2016/17.	100%
3.03	Installation of sports lights at Kevin Bartlett Reserve	Annual Plan Action	Lights at the two soccer fields at this reserve have been installed to increase the capacity for training on these pitches.	100%
3.04	Shared pathway at Coulson Reserve	Annual Plan Action	The path removes a steep descent/climb addressing a significant risk identified in the Merri Creek Trail Review. Construction is underway on the main structure and will be complete in the first quarter of 2017/18.	95%
3.05	Bicycle Advocacy	Council Plan Initiative	Council continues to advocate for bicycle infrastructure as part of any state funded road projects in Yarra, and improved bicycle route connections across municipal borders.	100%
3.06	Public transport advocacy	Council Plan Initiative	Advocacy included a focus on improved outcomes for Yarra residents on the Hoddle Street project and improved public transport across Chandler Highway. Public Transport Victoria has delayed the Brunswick Street tram route project.	90%
3.07	Wellington Street bicycle lane	Annual Plan Action	The design and the associated engineering specification is nearly complete and will be finalised by the end of October.	60%

	Activity	Derived from	Summary	% of target met
3.08	New parking technology	Council Plan Initiative	Installation of Pay Stay mobile phone payment option and rollout of new ticket system are complete. Installation of parking sensors is underway with 2000 (50%) sensors already installed.	75%
3.09	Traffic management initiatives	Annual Plan Action	Council undertakes Local Area Traffic Management Studies to identify traffic calming measures and safety improvements. Focus this year was on Rose Street Fitzroy, Gold Street Collingwood, and Station Street North Carlton.	%100
3.10	Advocacy on growth and change within Yarra	Council Plan Initiative	Advocacy continues with the Department of Environment Land Water and Planning as well as the local member of parliament regarding the need for greater planning certainty in local planning scheme in order to manage the rate of growth that is occurring. The recent Victorian Auditor General's review of the planning system was another opportunity to advocate for improvements to the legal and operational aspects of the Victorian Planning Provisions.	100%
3.11	Urban growth management	Council Plan Initiative	This year's initiatives include a draft Economic and Employment Strategy (which is complete), a draft Housing Strategy (which has commenced) and planning scheme amendments for Swan Street and Johnston Street (which are well underway).	75%
3.12	Yarra Activity Centre Built Form review	Council Plan Initiative	This analysis of the built form of all Yarra activity centres will be the basis for preparing urban design guidelines and planning height controls that can be introduced in to the Yarra Planning Scheme.	72%
3.13	Licensed Premises Policy update	Annual Plan Action	The update of the Licensed Premises Policy is an action arising out of the Night Time Economy Strategy and the Health Plan. It relates to amending and updating the licensed premises policy in the Planning Scheme.	97%

STRATEGIC OBJECTIVE 3

Making Yarra More Liveable



Strategic indicators (measures of success)

Of the 11 Strategic Indicators, eight (73%) were met or exceeded.

Number of new parks planned and constructed

The target of one park was not met, however a proposed new park at Charles and Mollison Streets, Abbotsford, is in the detailed design stage, with construction expected to be delivered across the next two financial years.

Completion of bicycle and pedestrian assets in accordance with the adopted capital works program

Council completed 95% of bicycle and pedestrian assets works, exceeding its target of 85%.

Number of LATMS (local area traffic management studies) precinct plans designed and constructed per annum

Works designed to calm traffic and enhance safety were finalised in Fitzroy and Collingwood, meeting the target of two.

Updated Parking Strategy endorsed by Council

Council fulfilled the requirements of this Strategic Indicator when it adopted its Parking Management Strategy 2013-15 in November 2013.

Effective metrics and measures established to monitor rate of growth and change in Yarra

Additional work has occurred to improve the spatial analysis available using Council's Geographic Information System and Department of Environment, Land, Water and Planning's housing development data. This indicator achieved a 90% result.

Completion of the Yarra Planning Scheme review and preparation of a revised Planning Scheme

The review has been completed and specific policies are being reviewed and redrafted. The need for additional strategic studies has caused a delay in drafting policy, but these studies are a prerequisite for developing final draft planning policy content. This indicator achieved a result of 85%.

Increased use of disability access audits for Council facilities

Establishment of a specific panel of access consultants is no longer necessary given that accredited access consultants are now required to focus on Universal Design rather than minimum accessibility compliance.

All redevelopments of Council facilities and capital works identified in the Annual Plan demonstrate the use of panel consultants at all phases from design to completion:

All capital works projects engaged accredited accessibility consultants at both the planning and construction stages, achieving a 100% result for this indicator.

Monitor and improve turnaround times of planning applications and appeal rates

- › **Fast track:** All 188 VicSmart applications were determined within 10 days, meeting the target of 100%.
- › **Simple:** A total of 762 Simple Applications were determined. Of these, 497 were determined within 60 days equating to 65%, which exceeds the target of 60%.
- › **Failure to determine appeals:** Yarra aimed to ensure that no more than 10% of applications lodges with Victorian Civil and Administrative Tribunal related to 'failure to determine' on the part of Council. Due to the volume and complexity of applications Council fell slightly short of its target, recording a result of 17%.

Service Performance Indicators

Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ²
Animal management				
Timeliness <i>Time taken to action animal management requests</i> (Number of days between receipt and first response action for all animal management requests/Number of animal management requests)	2.72	2.06	2.46	The time to action requests remains under 3 days and is within acceptable parameters.
Service standard <i>Animals reclaimed</i> (Number of animals reclaimed/ Number of animals collected) x100	64.00%	72.85%	55.49%	The 2016/17 result includes feral and diseased animals captured or surrendered to the pound service. These animals cannot be reclaimed and were not included in previous years figures reducing the 2016/17 result.
Service cost <i>Cost of animal management service</i> (Direct cost of the animal management service/Number of registered animals)	\$44.24	\$40.11	\$51.98	Staff costs have increased in 2016/17 to include an additional enforcement and education resource
Health and safety <i>Animal management prosecutions</i> (Number of successful animal management prosecutions)	4.00	5.00	11.00	Council has increased its patrol activity in 2016/17 compared to previous years including follow-up of alleged dog attacks where the owner could not originally be identified resulting in an increase in prosecutions.

STRATEGIC
OBJECTIVE 3Making Yarra
More Liveable

Service Performance Indicators (cont.)

Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ²
Food safety				
Timeliness <i>Time taken to action food complaints</i> (Number of days between receipt and first response action for all food complaints/Number of food complaints)	1.23	1.42	1.88	From 1 July 2016, Time taken to action food complaints has been reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year. Time taken to action food complaints remains within 2 days.
Service standard <i>Food safety assessments</i> (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984/Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984) x100	100.00%	98.15%	99.83%	This continues to be a solid result within acceptable tolerances.
Service cost <i>Cost of food safety service</i> (Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984)	\$426.06	\$407.79	\$356.34	The reduction in costs in 2016/17 compared to previous years is due to operational efficiencies.
Health and safety <i>Critical and major non-compliance notifications</i> (Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance notifications and major non-compliance notifications about a food premises) x100	99.00%	100.00%	100.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.


Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ²
Roads				
Satisfaction of use <i>Sealed local road requests</i> (Number of sealed local road requests/Kilometres of sealed local roads) x100	81.02	96.75	107.49	Slight increase in requests compared to previous years, in 2017 Council introduced a new web portal allowing the community to lodge requests directly into Council's system.
Condition <i>Sealed local roads below the intervention level</i> (Number of kilometres of sealed local roads below the renewal intervention level set by Council/Kilometres of sealed local roads) x100	98.00%	98.39%	98.75%	This continues to be a solid result within acceptable tolerances.
Service cost <i>Cost of sealed local road reconstruction</i> (Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed)	\$216.07	\$265.71	\$247.35	The vast majority of sealed road reconstructions in Yarra involve reconstruction of bluestone laneways. Council's Road Materials Policy stipulates that all laneways in heritage overlay areas are to be constructed in bluestones, which significantly increases costs.
Service cost <i>Cost of sealed local road resealing</i> (Direct cost of sealed local road resealing/Square metres of sealed local roads resealed)	\$36.93	\$36.22	\$30.87	Cost reductions were achieved through economies of scale on a number of large resealing projects.
Satisfaction <i>Satisfaction with sealed local roads</i> (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	72.40	73.30	72.30	Result from the Annual Customer Satisfaction Survey. This continues to be a solid result within acceptable tolerances.

STRATEGIC
OBJECTIVE 3Making Yarra
More Liveable

Service Performance Indicators (cont.)

Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ²
Statutory planning				
Timeliness <i>Time taken to decide planning applications</i> (The median number of days between receipt of a planning application and a decision on the application)	106.00	117.00	118.00	The Yarra Planning Scheme is complex and the level of rigour of analysis required for applications is high. The indicator is measuring all applications (from minor to very major) and is recording a 'median' turnaround time (this statistic is also irrespective of whether or not the 'statutory clock' has stopped because of further information requests of the applicant). NB. The office charts turnaround times for four types of applications for monthly review.
Service standard <i>Planning applications decided within 60 days</i> (Number of planning application decisions made within 60 days/ Number of planning application decisions made) x100	51.00%	43.61%	54.44%	From 1 July 2016 this indicator will be updated to include VicSmart planning applications, which should be assessed within 10 days. This may result in some variances year on year.
Service cost <i>Cost of statutory planning service</i> (Direct cost of the statutory planning service/Number of planning applications received)	\$2496.15	\$3047.50	\$3332.87	While the overall cost of delivering planning services in 2017 was relatively comparable with the 2016 figures, the number of applications received were lower therefore the average cost is higher.
Decision-making <i>Council planning decisions upheld at VCAT</i> (Number of VCAT decisions that did not set aside council's decision in relation to a planning application/ Number of VCAT decisions in relation to planning applications) x100	87.00%	78.69%	74.07%	The number of Council decisions upheld by VCAT was lower in 2016/17 compared to previous years, this variance up or down will continue until Council has embedded clear policy within the planning scheme to direct growth. This work is currently being undertaken but won't be incorporated into the planning scheme for another 12 - 18 months.

¹ Commentary only required where a result falls outside a certain range or material variation threshold.



Fitzroy continues to be an important meeting place for Aboriginal people like Joboy Morgan, a renowned busker and respected community leader.

STRATEGIC
OBJECTIVE 4Ensuring a
Sustainable
Yarra

Reducing Yarra's environmental footprint is critical. Council has established a goal of a carbon neutral Yarra by 2020. Other aims include reducing waste going to landfill, increasing renewable energy use, improving biodiversity and increasing local food production, as well as greater use of locally collected rainwater to reduce storm water runoff and dependency on Melbourne's water catchments.

In November 2012 Yarra became the first Victorian Council to be certified carbon neutral. This reflects our commitment to reducing the city's environmental footprint – the resources we use to live – by reducing its reliance on potable water and energy, as well as reducing waste going to landfill. In 2011 Yarra was named as the Sustainable City of the Year, acknowledging the wide range of programs working to make Yarra more sustainable.

Strategies

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

1. Develop and renew Council's key environmental strategies.
2. Initiate and implement strategies to reduce Council's carbon emissions and energy use.
3. Support the community to reduce greenhouse gas emissions.
4. Increase implementation of water-sensitive urban design.
5. Encourage urban agriculture.
6. Initiate and implement strategies to reduce Council's potable water consumption.
7. Initiate and implement strategies to reduce waste to landfill in Yarra.
8. Advocate to state and federal governments on their responsibility to achieve a sustainable Yarra.

Services

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

Sustainability and Strategic Transport

Uses cutting edge solutions to maintain Yarra's status as a leader in the field of environmentally responsible practices. This includes support and promotion of cycling and walking, along with management of Council's energy and water use.

Building Assets

Maintains and manages Council's building assets.

City Works

Manages and maintains Council's road and footpath infrastructure, along with its fleet, plant and equipment. Oversees all waste services and waste minimisation activities.

Highlight activities

- › Yarra was named 2016 Sustainable City of the Year at the Keep Victoria Beautiful Awards. Yarra also won three out of eight category awards including the Community Action and Leadership Award for our Roads to Parks program, which has created five new parks in place of roads and carparks since 2009.
- › Yarra entered into a new waste services contract, which includes weekly domestic garbage and recycling collection, housing estate refuse collection and community education, litter bin clearance and maintenance, recyclables acceptance and sorting, festivals and events, and at-call green waste collection.
- › Yarra entered into a new four-year funding agreement with the Yarra Energy Foundation, an independent organisation that helps residents and businesses in Yarra take practical steps towards reducing carbon emissions.

Activities

Of the five Activities within this Strategic Objective, three (60%) are complete or on-track.

Activity	Derived from	Summary	% of target met
4.01 Urban Wildlife Management Plan	Council Plan Initiative	The review of the Urban Wildlife Plan was put on hold until the completion of the Biodiversity Health Survey, which was completed early in 2017.	10%
4.02 Urban Forest Strategy	Council Plan Initiative	This strategy will provide broad directions and key principles for the delivery of urban greening initiatives with a particular focus on reducing the impact of the urban heat island effect.	90%
4.03 Yarra Energy Foundation	Council Plan Initiative	The Yarra Energy Foundation, an independent organisation that helps residents and businesses take practical steps towards reducing carbon emissions, was officially launched in 2011. Council provides funding to support the Foundation.	100%
4.04 Adaptive Assets Program	Annual Plan Action	The contract for new solar and/or replacement battery installation has been awarded to the successful tenderer and installation has commenced.	80%
4.05 Implementation of new waste management contract	Council Plan Initiative	The new Waste Services contract has commenced.	100%



Bloom Award winner Dennis Troedel tends a community garden in Abbotsford.

STRATEGIC OBJECTIVE 4

Ensuring a Sustainable Yarra



Strategic indicators (measures of success)

Of the seven Strategic Indicators, five (71%) were met or exceeded.

Targets in the new Environment Strategy met for the following measures

- › **Reduction in Council's energy use:**
Council's organisational greenhouse gas emissions have further reduced, and are now 40% down on the baseline. This is a very strong result, however the target of 55% has not been met.
- › **Reduction in community emissions:**
Council is working with the Yarra Energy Foundation to assist the community in achieving zero net emissions by 2020. The Foundation is responsible for reporting on progress towards this goal. There is no target for this indicator.
- › **Reduction in Council's potable water use:**
This target was not met due to an increased demand for irrigation of open space and no alternative water or stormwater harvesting projects constructed in 2016/17. We are improving our irrigation methods with the installation of flow meters on all irrigated sports ovals and testing moisture sensors in parks.

However we are also increasing the number of areas we irrigate as the long-term environmental effects of not watering are outweighing the short-term water saving.

- › **Council's energy needs generated from renewable and low-carbon local energy sources:**
Council continued to meet the target of 25%.

Council's carbon neutral status (zero net emissions) for Council operations retained

Yarra remains a certified carbon neutral organisation.

Stormwater and Drainage Asset Management Plans completed

The draft Drainage Asset Management Plan, which will ensure that Yarra's 170 kilometres of drainage assets are maintained and renewed, is in the final stage of review. This indicator is on track with a result of 96%.

Waste per household going to landfill reduced in accordance with the new Waste Management Strategy 2014–20

The total waste generated for kerbside services was 15,680 tonnes, a decrease of 98 tonnes per annum, which is a drop from 3.44 kilograms of waste-to-landfill per person per week to 3.36 kilograms per person per week.

Service Performance Indicators

Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ³
Waste collection				
Satisfaction <i>Kerbside bin collection requests</i> (Number of kerbside garbage and recycling bin collection requests/ Number of kerbside bin collection households) x1000	81.70	57.62	62.19	The new waste collection contracts commenced on 1st July 2016. The collection runs for the new contract were different to the previous contract resulting in an increase in calls to lodge a collection request from residents while the contractor was still collecting.
Service standard <i>Kerbside collection bins missed</i> (Number of kerbside garbage and recycling collection bins missed/ Number of scheduled kerbside garbage and recycling collection bin lifts) x10,000	1.27	1.05	3.68	The new kerbside collection contract commenced on 1st July 2016, introducing changes to the previous collection schedule. Residents were informed of the new collection schedule and time however during the contract transition quarter from 1st July 2016 to 30th September 2017 the number of reported missed collections was unusually high (470). The high number of reported missed collections during the contract transition quarter has inflated the 2016/17 results.
Service cost <i>Cost of kerbside garbage bin collection service</i> (Direct cost of the kerbside garbage bin collection service/Number of kerbside garbage collection bins)	\$98.19	\$98.56	\$115.95	The new waste collection contracts commenced on 1st July 2016. Council entered into a rigorous tendering process to arrive at the best competitive market price for the service.
Service cost <i>Cost of kerbside recyclables collection service</i> (Direct cost of the kerbside recyclables bin collection service/Number of kerbside recyclables collection bins)	\$50.43	\$49.81	\$71.09	The new waste collection contracts commenced on 1st July 2016. Council entered into a rigorous tendering process to arrive at the best competitive market price for the service.
Waste diversion <i>Satisfaction with sealed local roads</i> (Weight of recyclables and green organics collected from kerbside bins/ Weight of garbage, recyclables and green organics collected from kerbside bins) x100	37.00%	38.52%	37.36	Council continues to promote environmental sustainability and the benefits of recycling. This measurement is based on the behaviour of residents, the continuous increase in Multi Unit Developments (MUD's) within Yarra impacts on this number as recycling behaviour in MUD's appears to be different to that of single dwellings.

¹ Commentary only required where a result falls outside a certain range or material variation threshold.

STRATEGIC OBJECTIVE 5

Leading Local Government



A changing and divergent community requires an agile and responsive organisation. To ensure that the community receives the right kind of support, Council continuously reviews and enhances its services.

Strategies

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

1. Align vision, values and organisational culture.
2. Encourage and support a workforce that reflects our community's diversity.
3. Enhance internal systems and processes, and their integration, to improve community service delivery and governance support.
4. Build Council's emergency management and recovery response.
5. Build community engagement to inform Council's policy development and decision-making.
6. Enhance access to Council information and services, including wider use of digital media.
7. Seek to achieve best practice standards, measured by benchmarking all services.
8. Enhance procurement and contract management practice to extract better value for money.
9. Enhance productivity and business support, and reduce risk for critical business processes.

Services

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

Advocacy and Engagement

Provides a consistent strategic approach to communications and issues management, as well as advocacy, media relations, publications, digital communications, customer service and civic events. Enhances cross organisational collaboration and responsiveness.

CEO Office

Organises council meetings business, facilitates legal advice, provides a range of professional services to internal and external clients, with an emphasis on governance-related issues including compliance, regulation, transparency and probity.

People, Culture and Community

Promotes accountability, competency, effectiveness and wellbeing as a shared responsibility of the organisation and its people. Supports community development in Yarra.

Finance

Ensures Council remains financially sustainable and well positioned to deliver quality services to the community into the future. Provides financial accounting, management accounting, revenue management, valuations and payroll services to the organisation.

Corporate Performance

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

Risk, Audit and Procurement

Ensures policies and procedures are in place to manage risk and engender confidence in Council's corporate governance. Is responsible for oversight of the Internal Audit Program and provides the Secretariat function for Council's Audit Committee.

Highlight activities

- › Yarra's customer service platform has broadened with our customer service team now able to engage with residents and ratepayers through Twitter and Facebook.
- › Councillor planning workshops were held as part of the 2017/18 Annual Planning Process. Community engagement results were presented to Council for consideration in development of the new four-year Council Plan and Budget.

Activities

All eight Activities within this Strategic Objective are complete or on-track.

	Activity	Derived from	Summary	% of target met
5.01	Organisational Development Strategy	Council Plan Initiative	The strategy has been adopted and implementation has commenced.	100%
5.02	Continuous Quality Improvement Program	Council Plan Initiative	A Continuous Quality Improvement framework is being trialled for branches undertaking a Service Review to make systems and processes more efficient and effective.	100%
5.03	Project Management Framework	Council Plan Initiative	Council will continue to implement its Project Management Framework to ensure a consistent methodology is applied to managing projects with a key objective of providing best value to the community.	90%
5.04	Executive and Council strategic planning sessions	Council Plan Initiative	Councillor planning sessions were held as part of the 2017/18 Annual Planning Process. Community engagement results were presented to Council for consideration in the new four-year Council Plan.	100%

STRATEGIC OBJECTIVE 5

Leading Local Government



Activities (cont.)

Activity	Derived from	Summary	% of target met
5.05 Capital works program	Annual Plan Action	The capital works program ensures facilities and infrastructure continue to meet community and Council needs. This year 295 projects were completed.	95%
5.06 Council election 2016 and Councillor induction	Annual Plan Action	Council election in October 2016 resulted in the election of nine Councillors for the 2016-20 Council term.	
5.07 Development of the new Council Plan	Annual Plan Action	<p>Councillors, members of the executive team and senior staff participated in a number of workshops to review feedback from the community engagement sessions and develop the strategic directions and key initiatives to form the proposed Council Plan 2017-21.</p> <p>Adoption of the new Council Plan was held over until 1 August to enable consideration of an alternative budget model.</p>	95%
5.08 Government relations	Annual Plan Action	A key action in Yarra's Strategic Advocacy Framework is to advocate for improved state and federal funding to local government. Key advocacy projects this year included Richmond Secondary College, Regional Sports Facility, affordable housing and Pride Centre.	



Consulting the community on the big issues.

Strategic indicators (measures of success)

Of the nine Strategic Indicators, nine (100%) were met or exceeded.

Agreed project management principles implemented

Agreed project management principles have been implemented and a Project Management Office has been established to promote development of project management capability and culture in the organisation and provide a project assurance role to key projects. This indicator achieved a 100% result.

Council adoption of Strategic Advocacy Framework

Council adopted its Strategic Advocacy Framework in December 2013 to ensure that its advocacy efforts were coordinated, consistent and measurable.

Achievement of Customer Guarantee targets

Council no longer reports on the Customer Service Guarantee since the introduction of the state government's Local Government Performance Reporting Framework (LGPRF). Under the LGPRF, Council is required to report on 41 service performance indicators across nine broad service areas as well as a Governance and Management checklist of 24 items.

Overall performance (as measured through the Annual Customer Service Survey)

Council achieved a score of 6.97 out of a possible 10, exceeding its target of 6.79, for overall performance as measured by its Annual Customer Satisfaction Survey. The survey measures community satisfaction with a range of Council services and facilities as well as community sentiment on issues of concern in the municipality.

Successfully obtain funding as a result of strategic advocacy

A key priority of Yarra's Strategic Advocacy Framework is to obtain government competitive grants.

Council received \$2.159m in competitive government grants, achieving a 100% result for this indicator.

Implement new/upgraded finance system

Implementation of the new finance system was completed on 30 June 2014.

Council remains high performing against VAGO Financial Sustainability Indicators

Confirmation of Council's performance against the VAGO Financial Sustainability Indicators will not be available until October. Council's preliminary results suggest that it will be on track in relation to these Strategic Indicators.

They have therefore been recorded as successful for the purposes of the Annual Report.

Liquidity was 1.5 against a target of 1.5.

Underlying Result was 6.31 against a target of 0.3.

Completion of Capital Works projects

The adopted 2016/17 Council's capital works program budget was \$42.05 million across 310 projects. As at the end of June, there were 295 capital works projects completed (95% of number of budgeted projects), with actual expenditure of \$34.27 million (81% of budgeted expenditure). Compared to the adjusted budget of \$36.61 million, the result is 94%. The adjusted budget reflects changes to the program throughout the year approved by Executive.

STRATEGIC OBJECTIVE 5

Leading Local Government



Service Performance Indicators

Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ²
Governance				
Transparency <i>Council decisions made at meetings closed to the public</i> (Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public/ Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors) x100	13.00%	12.67%	11.29%	Council has actively sought to increase the transparency of decision-making by reducing the number of resolutions made at closed meetings.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	69.90	69.90	68.50	Result from the Annual Customer Satisfaction Survey. This continues to be a solid result within acceptable tolerances.



Gleadell Street Market

Service Indicator Measure	2014/15 Result	2015/16 Result	2016/17 Result	Commentary ⁴
Attendance <i>Councillor attendance at council meetings</i> (The sum of the number of Councillors who attended each ordinary and special Council meeting/ (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)) x100	88.00%	92.06%	93.00%	This continues to be a solid result within acceptable tolerances
Service cost <i>Cost of governance</i> (Direct cost of the governance service / Number of Councillors elected at the last Council general election)	\$52,164.89	\$51,908.85	\$41,026.22	There was a decrease in Councillor operational expenditure in 2016/17 compared to previous years, attributed in part to reduced expenditure as a result of Council elections and a change in Councils telecommunications contract resulting in reduction in costs.
Satisfaction <i>Satisfaction with council decisions</i> (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	65.80	68.60	67.00	Result from the Annual Customer Satisfaction Survey. This continues to be a solid result within acceptable tolerances.

⁴Commentary only required where a result falls outside a certain range or material variation threshold.

Governance, management and statutory information



The following information is provided in accordance with legislative and other requirements.

Governance and management

Councillor allowances

In accordance with the *Local Government Act 1989*, Yarra pays Councillors allowances in recognition of the long hours and many obligations associated with the office. The allowances are set by the Victorian Government.

These payments help to ensure that the role of Councillor is not restricted to people with significant independent incomes.

Yarra's Mayor receives \$76,521.00 plus 9.5% (being the equivalent of the Superannuation Guarantee Levy) for a total of \$83,790.50 per annum.

Other Councillors receive \$24,730 plus 9.5% (being the equivalent of the Superannuation Guarantee Levy) for a total of \$27,079.35 per annum.

Councillor expenses

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

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

Combined Councillor expenses and allowances in 2016/17 amounted to \$325,680

**Councillor expenses 2016/17
(incorporates Councillor allowances)**

	Travel	Car mileage	Childcare	Information & communication technology	Conference and training	Unclassified (includes allowance)	TOTAL
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Barbour ¹	217	107	-	333	70	9,018	9,745
Bosler ²	561	-	-	342	303	18,282	19,488
Chen Yi ² Mei ²	752	-	-	342	420	18,447	19,961
Colanzi ¹	-	-	-	744	85	27,249	28,078
Coleman	1,190	-	3,915	994	1,509	27,558	35,166
Fristacky	36	-	-	911	1,533	26,875	29,355
Gaylard ¹	-	-	-	973	-	8,807	9,780
Huggins ¹	-	-	-	600	-	8,807	9,407
Jolly	34	-	-	3,232	-	27,621	30,887
McEvoy ²	279	-	-	351	581	18,251	19,462
Nguyen ²	610	-	-	361	314	18,251	19,536
Searle ²	-	-	-	369	110	18,251	18,730
Stone	182	-	-	732	2,402	63,429	66,745
Vlahogiannis ¹	99	-	-	435	-	8,806	9,340

1 Term ended in October 2016

2 Term commenced in October 2016

Special Committees

Council did not establish any special committees under section 86 of the *Local Government Act 1989*.

Governance & Management Checklist



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



Artist Robert Young with his spectacular 'Celebration Dreaming' mural in Fitzroy.

GOVERNANCE AND MANAGEMENT CHECKLIST

Governance and Management Items	Assessment
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy 24/06/2014
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines 24/06/2014
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act 01/08/2017
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act 01/08/2017
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Asset Management Strategy 03/04/2012; Roads Asset Management Plan 13/09/2013; Buildings Asset Management Plan 08/10/2013 Arts Collection Asset Management Plan 19/08/2008
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Council has incorporated its rating and revenue strategic elements in its Long Term financial Strategy which is then reflected in its annual budget document. 1/08/2017
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy 27/11/2012
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy 18/11/2015
9 Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 08/12/2014
10 Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Local Government Act 01/05/2016

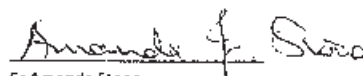
GOVERNANCE AND MANAGEMENT CHECKLIST

Governance and Management Items		Assessment
11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Plan 28/05/2015
12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan 28/02/2014
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework 27/11/2012
14	Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act 09/03/2004
15	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged 15/01/2015
16	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework 01/07/2014
17	Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	No report Council develops Annual Plans which include the initiatives contained in the Council Plan. Progress of these initiatives against targets is reported on a quarterly basis
18	Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act 2016/17 Quarter 1 report 24/11/2016 2016/17 Quarter 2 report 22/02/2017 2016/17 Quarter 3 report 16/05/2017 2016/17 Quarter 4 report 5/09/2017
19	Risk reporting (six-monthly reports of strategic risks to Council's operations their likelihood and consequences of occurring and risk minimisation strategies)	Reports 13/12/2016 30/05/2017

GOVERNANCE AND MANAGEMENT CHECKLIST

Governance and Management Items	Assessment
	No reports
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Council develops Annual Plans which include the initiatives contained in the Council Plan. Progress of these initiatives against targets is reported quarterly
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act 18/10/2016
22 Councilor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councilors)	Reviewed in accordance with section 76C of the Act 21/02/2017
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act 17/03/2015
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act 20/12/2011

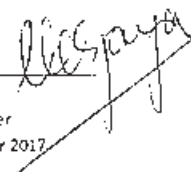
I certify that this information presents fairly the status of Council's governance and management arrangements.



Cr Amanda Stone

Mayor

Dated: 22 September 2017



Vijaya Vaidyanath

Chief Executive Officer

Dated: 22 September 2017

Statutory information

The following information is provided in accordance with legislative and other requirements.

Carer support

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

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

We also support community members with carer responsibilities through our Aged and Disability Services. During 2016/17 this included:

- › Supporting carers and people with disability who are eligible to transition to the National Disability Insurance Scheme (NDIS) by providing a direct point of contact, follow-up and referral pathways to the eligibility process and support for their planning process.
- › Supporting the National Disability Insurance Authority to engage with residents and carers about the new scheme. This included holding forums, mailing out information and working with specialist providers.

Disability Action Plan

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

The implementation of the Access and Inclusion Plan actions for 2016 and 2017, which is due by December 2017, is nearing completion.

Of the 19 actions allocated for the two-year period, 13 actions were

implemented in 2016/17. This is an outstanding result and demonstrates that close to 70% of the Action Plan has been already implemented.

Highlights in 2016/17 include:

- › **Submission to the Parliamentary Inquiry into Ride Sourcing Services (August 2016)**

In consultation with the Disability Advisory Committee, Yarra advocated for accessibility requirements for these services. Our submission also included community concerns about issues arising from business models of these services.

- › **Internships for tertiary students with a disability**

As part of the national Stepping Into program, we offered two paid internships. They were completed with great success for both the students and the organisation.

- › **Access and inclusion performance indicators for managers**

Access and inclusion KPIs have been developed as one of the requirements for all managers in the performance and development review process.

- › **Universal design seminar**

The City Works and Assets leadership group attended a seminar on Universal Design (UD). They showed strong interest and appreciation of the UD approach in their practice.

- › **Changing Places facility at community hub**

A new Changing Places facility has been opened at the Bargoonga Nganjin North Fitzroy Library to meet the needs of people with a disability and their carers. Changing Places facilities are larger than standard

accessible toilets and have extra features such as a height-adjustable adult-sized changing bench, a tracking hoist system, and space for a carer.

Domestic Animal Management Plan

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

We continued to fulfil our commitments as outlined in the Domestic Animal Management Plan by:

- › Publishing regular information on our website about responsible pet ownership and owner responsibilities.
- › Conducting regular proactive park patrols to encourage responsible pet ownership.
- › Offering and promoting discounted registration fees as per the *Domestic Animals Act 1994*.
- › Raising awareness of animal over-population and providing information to help reduce stray animals.
- › Collecting and reuniting stray domestic animals with their owners and achieving a high reclaim rate compared to similar inner city councils.
- › Completing all relevant staff training programs as per the Plan.
- › Conducting one-on-one officer training on best practice and process improvement.
- › Updating the standard operating procedures for officers and reviewing the overall process.

- › Reviewing the Domestic Animal Management Plan and submitting it to the Department of Economic Development, Jobs, Transport and Resources.
- › Undertaking annual audits of registered domestic animal businesses.
- › Investigating animal-related complaints, including those related to barking dogs and dog attacks.
- › Auditing and updating the Victorian Declared Dog Registry.
- › Carrying out annual inspections of declared dangerous, menacing and restricted breed dogs as required.

Freedom of Information applications

Council is committed to making a wide range of information available to residents without the need for a formal request under the *Freedom of Information Act 1982*.

Where legal restrictions on Council mean that formal requests are required, Council strives to provide all information to which applicants are entitled, while preserving the privacy of third parties.

During 2016/17, Council received 83 Freedom of Information applications, a small increase on the previous year. While the *Freedom of Information Act 1982* provides Council with 45 days to respond, we were able to respond to most requests within 14 to 21 days.

Freedom of Information requests 2012–2017

Year	Number of requests
2016/17	83
2015/16	73
2014/15	82
2013/14	75
2012/13	77

Freedom of information application outcomes 2016/17

Outcome	% of requests
Access fully granted	34
Access partially granted	41
Access refused	5
Withdrawn or not proceeded with	2
No documents to provide	1
TOTAL	83

Governance, management and statutory information



Infrastructure and development contributions

Council doesn't currently have a developer contribution plan, however it does receive open space contributions. Whilst these are not statutorily required to be disclosed, in the interests of transparency, Council is reporting on the contributions received, and where they have been expended. This is reflected in the table below:

Open Space Contributions 2016/17		\$'000s
Open Space Monetary Contributions Received		3,870
Open Space Contributions Received in Kind		0
Total Open Space Contributions Received		3,870
Open Space Contributions Expended:		
Abbottsford new park		96
Allen Bain Reserve		6
Barkly Gardens		85
Children's Services Centres - Open Space		35
Darling Gardens		56
Edinburgh Gardens		4
George Knott Reserve		69
Kevin Bartlett Reserve		438
Langdon Reserve		99
Mayors Park		139
McConchie Reserve		123
Merri Creek Parklands		789
Minor Works		181
Open Space Waste Assets		134
Open Space Signage Renewals		60
Ramsden St Oval		13
Rushall Reserve		28
Scullin Walk		120
Studley St Reserve		36
W.T. Peterson Community Oval		25
Wangaratta St/Stewart St Reserve		29
Williams Reserve		476
Yarra Primary School		348
Total Open Space Contributions Expended		3,388
Balance transferred to Open Space Reserve		482

Inner Melbourne Action Plan Implementation Committee

This committee has delegated powers, duties and functions relating to implementation of the Inner Melbourne Action Plan (IMAP).

The Special Committee is established under section 86 of the *Local Government Act 1989* and is made up of representatives from the Cities of Maribyrnong, Melbourne, Port Phillip, Stonnington and Yarra. The Committee meets quarterly with governance and administration support provided by the IMAP Executive Officer.

Ministerial Directions – Food Act 1984

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

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

Ministerial Directions – Road Management Act 2004

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

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

Contracts

In accordance with regulation 14 of the Local Government (Planning and Reporting) Regulations 2014, Council discloses the following contracts:

Contract Type	Details
Emergency contracts	Nil
Contract arrangements approved by the Minister	The provision of Intergraph Geographic Information System (GIS) software and maintenance for three years, with an option to extend for a further two years.
Non-competitive contracts	Nil

Protected disclosures

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

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

There were no disclosures notified to the Independent Broad Based Anti-corruption Commission under section 21(2) of the *Protected Disclosures Act 2012* during 2016/2017.

For further details, please contact our Protected Disclosure Coordinator, Ivan Gilbert, on 9205 5110 or at Ivan.Gilbert@yarracity.vic.gov.au

Register of public documents

In accordance with regulation 12 of the Local Government (General) Regulations 2015, Council has the following information available for public inspection.

- › details of overseas or interstate travel
- › agendas and minutes of Council meetings
- › minutes of committee meetings
- › register of delegations
- › details of property leases
- › register of authorised officers
- › list of donations and grants.

Inquiries regarding these public documents can be made to the Governance Support Unit, located at the Richmond Town Hall.

Financial Statements

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

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

Understanding the financial statements

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

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

Council's Financial Report consists of two main sections: the Statements and the Notes. There are five Statements and 38 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 five Statements included in the first few pages of the report are the:

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

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

Comprehensive Income Statement

The Comprehensive Income Statement shows:

- › 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 an accounting entry to record the value of the assets consumed during the year. The key figure is the net result for the reporting period, which is equivalent to the profit or (loss) of Council for the year. A positive result means that revenues were greater than expenses. It is important to note however that this is not Council's cash result for the year. Please refer to the Cash Flow Statement for Council's cash movements.

Balance Sheet

This one-page summary is a snapshot of Council's financial situation as at 30 June 2017. It shows what Council owns as assets and owes as liabilities.

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

Current and Non-Current Assets

- › 'Cash and cash equivalents' include cash and investments i.e. cash held in the bank and in petty cash, and the market value of Council's investments with a maturity date of less than three months.
- › 'Other financial assets' include the market value of Council's investments with a maturity date of greater than three months.
- › 'Trade and other receivables' are monies owed to Council by ratepayers and other debtors.
- › 'Inventories' represent Council's stock of merchandise and fuels.
- › 'Non-current assets classified as held for sale' are any assets that Council has identified will be sold within the next 12 months.
- › 'Investments in associates and joint ventures' includes Council's investment in local government business enterprises.
- › 'Property, infrastructure, plant and equipment' is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years.

Current and Non-Current Liabilities

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

Equity

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

- › 'Accumulated surplus', which is the value of all net assets accumulated over time.
- › 'Reserves', which are made up of the Asset Revaluation Reserve (the difference between the previously recorded value of assets and their current valuations), and Other Reserves (allocations of the accumulated surplus for either general or specific purposes).

Statement of Changes in Equity

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

- › Profit or loss from operations, described in the statement as 'surplus/ (deficit) for the year'.
- › Revaluation of assets - this takes place every two years in accordance with Council policy.
- › Transfer of monies to or from Council's general or specific Reserves.

Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. 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 capital works and other long term revenue-producing assets. This part of the Statement includes all payments associated with the creation of assets and proceeds associated with the sale of assets.

Financial Statements



Cash flows from financing activities:

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

Notes to the Financial Report

The Notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in relation to amount of 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 key Financial Statements. Where Council wishes to disclose other information that cannot be incorporated into the Statements, this is shown in the Notes.

The Notes include the cost of the various functions of Council, the breakdown 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 form a clear picture of Council's financial performance and position.

Statements by Principal Accounting Officer and Councillors

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

Auditor-General's Report

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

Financial glossary

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

Financial Report



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Comprehensive Income Statement For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Income			
Rates and charges	3	101,482	97,912
Statutory fees and fines	4	26,929	26,242
User fees	5	27,582	24,555
Government grants - operating	6	13,178	10,313
Government grants - capital	6	3,160	1,927
Contributions and reimbursements	7	5,888	7,371
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	563	49
Other income	9	1,897	2,541
Total Income		<u>180,679</u>	<u>170,910</u>
Expenses			
Employee costs	10	78,003	75,871
Materials and services	11	60,218	61,881
Bad and doubtful debts	12	2,392	1,486
Depreciation and amortisation	13	20,347	19,614
Borrowing costs	14	1,605	1,508
Other expenses	15	608	541
Total Expenses		<u>163,173</u>	<u>160,901</u>
Surplus/(deficit) for the year		17,506	10,009
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	28	44	89,475
Total Comprehensive Result		<u>17,550</u>	<u>99,484</u>

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

Balance Sheet
As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	17	22,152	20,544
Other financial assets	18	12,000	2,000
Trade and other receivables	19	14,197	12,780
Inventories	20	128	130
Non-current assets classified as held for sale	21	-	696
Other assets	22	371	1,443
Total current assets		<u>48,848</u>	<u>37,593</u>
Non-current assets			
Trade and other receivables	19	-	20
Investments in associates and joint ventures	16	235	235
Property, infrastructure, plant and equipment	23	1,685,039	1,670,714
Total non-current assets		<u>1,685,274</u>	<u>1,670,969</u>
TOTAL ASSETS		<u>1,734,122</u>	<u>1,708,562</u>
LIABILITIES			
Current liabilities			
Trade and other payables	24	10,149	17,311
Trust funds and deposits	25	8,569	6,418
Provisions	26	12,582	12,771
Interest-bearing loans and borrowings	27	1,133	-
Total current liabilities		<u>32,434</u>	<u>36,500</u>
Non-current liabilities			
Provisions	26	1,484	1,416
Other Liabilities	25	225	585
Interest-bearing loans and borrowings	27	44,867	32,500
Total non-current liabilities		<u>46,576</u>	<u>34,501</u>
TOTAL LIABILITIES		<u>79,010</u>	<u>71,001</u>
NET ASSETS		<u>1,655,112</u>	<u>1,637,561</u>
EQUITY			
Accumulated surplus		598,773	581,748
Reserves	28	1,056,339	1,055,813
TOTAL EQUITY		<u>1,655,112</u>	<u>1,637,561</u>

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

**Statement of Changes in Equity
For the Year Ended 30 June 2017**

2017		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
Balance at beginning of the financial year		1,637,561	581,748	1,035,634	20,179
Surplus/(deficit) for the year		17,506	17,506	-	-
Net asset revaluation increment/(decrement)	28(a)	44	-	44	-
Transfers to other reserves	28(b)	-	(3,869)	-	3,869
Transfers from other reserves	28(b)	-	3,388	-	(3,388)
Balance at end of the financial year		1,655,112	598,773	1,035,678	20,661

2016		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
Balance at beginning of the financial year		1,538,077	571,739	946,169	20,179
Surplus/(deficit) for the year		10,009	10,009	-	-
Net asset revaluation increment/(decrement)	28(a)	89,475	-	89,475	-
Transfers to other reserves	28(b)	-	(5,506)	-	5,506
Transfers from other reserves	28(b)	-	5,506	-	(5,506)
Balance at end of the financial year		1,637,561	581,748	1,035,634	20,179

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

Statement of Cash Flows
For the Year Ended 30 June 2017

	Notes	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		100,846	99,438
Statutory fees and fines		27,566	24,849
User fees		29,306	23,773
Government grants - operating		13,377	10,424
Government grants - capital		3,161	1,927
Contributions and reimbursements		6,004	9,317
Trust funds and deposits received		14,200	15,232
Other receipts		1,642	1,952
Employee costs		(77,064)	(74,361)
Materials and services		(78,809)	(71,000)
Trust funds and deposits repaid		(14,199)	(15,291)
Net GST refund		6,758	5,788
Net cash provided by/(used in) operating activities	29	32,988	32,049
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(34,187)	(30,578)
Proceeds from sale of property, plant and equipment	8	818	147
Net cash provided by/(used in) investing activities		(33,369)	(30,431)
Cash flows from financing activities			
Finance costs		(1,511)	(1,508)
Proceeds from borrowings		13,500	-
Net cash provided financing activities		11,989	(1,508)
Net increase/(decrease) in cash and cash equivalents		11,608	109
Cash and cash equivalents at the beginning of the financial year		22,544	22,435
Cash and cash equivalents at the end of the financial year	17	34,152	22,544
Restrictions on cash assets	17		

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

Statement of Capital Works
For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
Property		
Buildings	15,053	14,636
Total buildings	<u>15,053</u>	<u>14,636</u>
Total property	<u>15,053</u>	<u>14,636</u>
Plant and equipment		
Plant, machinery and equipment	1,440	894
Fixtures, fittings and furniture	145	157
Computers and telecommunications	2,231	1,990
Library books	662	780
Total plant and equipment	<u>4,478</u>	<u>3,821</u>
Infrastructure		
Roads	6,639	5,181
Bridges	-	19
Footpaths and cycleways	3,157	2,799
Drainage	1,324	1,036
Recreational, leisure and community facilities	3,389	3,030
Waste management	115	18
Parks, open space and streetscapes	124	100
Total infrastructure	<u>14,747</u>	<u>12,183</u>
Total capital works expenditure	<u>34,279</u>	<u>30,640</u>
Represented by:		
New asset expenditure	10,958	10,246
Asset renewal expenditure	20,096	18,809
Asset upgrade expenditure	3,225	1,585
Total capital works expenditure	<u>34,279</u>	<u>30,640</u>

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

Notes to the Financial Report for the Year Ended 30 June 2017

Introduction

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

Statement of Compliance

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

Notes to the Financial Report for the Year Ended 30 June 2017**Note 1 Significant Accounting Policies****(a) Basis of Accounting**

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1 (b))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (d))
- the determination of employee provisions (refer to Note 1 (g))

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

(b) Change in Accounting Policy

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

(c) Accounting for Investments in associates and joint arrangements**Associates**

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

(d) Revenue recognition

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

Rates and charges

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

Statutory fees and fines

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

User fees

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

Grants

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

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

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

(e) Fair Value Measurement

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

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

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

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

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

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

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

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

Note 1 Significant Accounting Policies (continued)

(f) Cash and cash equivalent assets

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

(g) Trade and other receivables

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

(h) Recognition and measurement of property, infrastructure, plant and equipment and intangibles**Acquisition**

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

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

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

The following classes of assets have been recognised in Note 23 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	2017 Periods	2017 Threshold limit
Land & Buildings		
Land	Nil	Nil
Land under roads acquired after 30 June 2008	Nil	Nil
Buildings	100 years	\$10,000
Heritage Assets		
Heritage assets	100 years	Nil
Plant & Equipment		
Plant & machinery	7-10 years	\$500
Furniture, equipment & computers	3-10 years	\$500
Library books	6-7 years	Nil
Library audio and visual	4 years	Nil
Infrastructure		
Roads - substructure	120 years	\$50,000
- seal	20 years	\$15,000
Footpaths - substructure	75 years	\$25,000
- seal	30 years	\$15,000
Kerb and channel	50 years	\$25,000
Drains	120 years	\$25,000
Bridges	120 years	\$25,000
Lanes - substructure	120 years	\$50,000
- seal	50 years	\$15,000
Other		
Mobile garbage bins/recycling crates	10 years	\$500
Irrigation & sprinkler systems	10 years	\$500
Street furniture	20 years	\$500
Parks & gardens furniture & equipment	20 years	\$500
Playground equipment	10 years	\$500

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets every 2 years. The valuation is performed either by experienced council officers or independent experts.

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.

Note 1 Significant Accounting Policies (continued)**(i) Investments and other financial assets****Initial recognition and measurement**

Financial assets are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset. Financial instruments are initially measured at fair value plus transaction costs.

(j) Inventories

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

(k) Recognition and measurement of property, infrastructure, plant and equipment and intangibles**Acquisition**

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets every 2 years. The valuation is performed either by experienced council officers or independent experts.

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 lands under roads acquired after 30 June 2008 will be bought to account using the deemed cost basis. No land under roads have 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.

(l) Depreciation of property, plant and equipment and infrastructure.

Buildings, infrastructure, plant and equipment, and other assets (except trees) having limited useful lives are systematically depreciated over their useful lives. Where assets have separate identifiable components that have distinct useful lives and/or residual values a separate depreciation rate is determined. Straight line depreciation is charged based on the residual useful life as determined each year.

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

	Periods threshold limit	
	2017	2017
Property		
Land	N/A	Nil
Land under roads acquired after 30 June 2008	N/A	Nil
Buildings	100 years	\$10,000
Heritage Assets		
Heritage Assets	100 years	Nil
Plant & Equipment		
Plant & machinery	7-10 years	\$500
Furniture, equipment & computers	3-10 years	\$500
Library books	6-7 years	Nil
Library audio and visual	4 years	Nil
Infrastructure		
Roads - substructure	120 years	\$50,000
- seal	20 years	\$15,000
Footpaths - substructure	75 years	\$25,000
- seal	30 years	\$15,000
Kerb and channel	50 years	\$25,000
Drains	120 years	\$25,000
Bridges	120 years	\$25,000
Lane - substructure	120 years	\$50,000
- seal	50 years	\$15,000
Other		
Mobile garbage bins/recycling crates	10 years	\$500
Irrigation & sprinkler systems	10 years	\$500
Street furniture	20 years	\$500
Parks & gardens furniture & equipment	20 years	\$500
Playground equipment	10 years	\$500
Fencing	10 years	Nil

Note 1 Significant Accounting Policies (continued)**(m) 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.

(n) Impairment of assets

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

(o) Trust funds and deposits

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

(p) Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. The Council has categorised all its interest-bearing liabilities as financial liabilities at amortised cost.

Borrowing costs

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

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

(q) Employee costs and benefits***Wages and salaries and annual leave***

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability - unconditional LSL is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

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

Classification of employee costs

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

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

Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Yarra City Council to the relevant superannuation plans in respect to the services of Yarra City Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rates of each plan and any relevant compulsory superannuation requirements that Yarra City Council is required to comply with (refer Note 33).

Note 1 Significant Accounting Policies (continued)**(r) Leases****Finance leases**

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Council does not have any finance leases.

Operating leases

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

(s) Goods and Services Tax (GST)

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

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

(t) Financial Guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 34 contingent liabilities and contingent assets.

(u) Contingent assets and contingent liabilities and commitments

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

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

(v) Rounding

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

(w) Pending accounting standards

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

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has a number of operating leases that will be impacted as a result of this change. This will see assets and liabilities of approximately \$2.6 million recognised.

Note 2 Budget comparison

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

The budget figures are those adopted by Council on 7 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

(a) Income and expenditure

	Budget 2016/17 \$'000	Actual 2016/17 \$'000	Variance \$'000 Fav/(Unfav)	Variance % Fav/(Unfav)	Note
Revenues from ordinary activities					
Rates and charges	101,964	101,482	(482)	(0.47)	1.1
Statutory fees and fines	28,617	26,929	(1,688)	(5.90)	1.2
User fees	25,574	27,582	2,008	7.85	1.3
Grants - operating	10,975	13,178	2,203	20.07	1.4
Grants - capital	1,281	3,161	1,880	146.73	1.5
Reimbursements & Contributions assets	5,644 805	5,888 563	244 (242)	4.32 (30.03)	1.6
Other income	1,334	1,897	563	42.24	1.7
Total revenues	176,194	180,680	4,486	2.55	
Expenses from ordinary activities					
Employee costs	76,651	78,003	(1,352)	(1.76)	1.8
Materials and services	67,725	60,218	7,507	11.09	1.9
Bad and doubtful debts	2,540	2,392	148	5.83	
Depreciation	21,561	20,347	1,214	5.63	1.10
Borrowing costs	2,139	1,605	534	24.99	1.11
Other expenses	527	608	(81)	(15.40)	
Total expenses	171,143	163,173	7,970	4.66	
Surplus/(Deficit) for the year	5,051	17,506	12,455	246.59	

Note 2 Budget comparison

(b) Explanation of material variations

Note	Item	Explanation
1.1	Rates and charges	Rates and charges are unfavourable to budget by \$0.48M (0.5%) mainly due to lower supplementary rate income raised for the year than expected.
1.2	Statutory fees and fines	Parking Revenue is unfavourable to budget by \$1.69M (5.9%) mainly due to lower fees received from parking meters. This is primarily due to the delay in implementation of the electronic parking sensors which is expected to be further rolled out in 2017. Some parking bays have been removed (in Victoria Parade and Wellington Street) which has also reduced income from these locations.
1.3	User Fees	User Fees are favourable to budget by \$2.01M (7.9%) mainly due to additional town planning fees received in conjunction with the statutory price increase during the year. Increased membership fees for Leisure Services and commercial property rents received are also attributable to the variance.
1.4	Grants - operating	Operating Grants favourable to budget by \$2.20M (20.1%) is mainly due to additional grant income received in advance in 2016/17 from the Victorian Grants Commission for 50% (\$925k) of the 2017/18 grants program. This funding will need to be carried over into 2017/18. Additional income was also received from State Government for Council's preschool program.
1.5	Grants - capital	Capital Grants favourable to budget by \$1.88M (146.7%) mainly due to additional Roads to Recovery and Blackspot funded programs which are included in Council's capital works program.
1.6	Net gain (loss) on disposal of non current assets	Net gain (loss) on disposal of non current assets is \$0.24M (30.03%) unfavourable compared to budget due to delayed vehicle trade-ins and the review of leasing options compared to outright purchase acquisition.
1.7	Other Income	Other Income is favourable to budget by \$0.56M (42.2%) mainly due to additional income received for non-voter penalties following the Council elections. Additional income was also received due to a transfer of funds for Williams Reserve from trust accounts. These funds were utilised within the capital works program in 2016/17.
1.8	Employee Costs	Employee Costs are unfavourable to budget by \$1.35M (1.8%) partly due to additional costs incurred for family leave payments and higher than budgeted superannuation costs. Additional costs were incurred for redundancies and termination payments and additional agency staff costs incurred in children's services at the child care centres and kindergartens, as well as in parking and school crossings programs.
1.9	Materials and Services	Materials and services costs are favourable to budget by \$7.507M (11.09%) mainly due to lower than anticipated expenditure in legal fees, as well as a saving for insurance premiums following a change of insurer, and also contract savings for open space maintenance works following contract renegotiation. There were also savings for meals delivery and other aged support services contracts as part of the transition to the NDIS. These are offset by transfers from the capital works program for works that were not capital in nature.
1.10	Depreciation	Depreciation was favourable to budget by \$1.21M (5.63%) due to lower than anticipated capital works expenditure and lower capitalisation of assets.
1.11	Borrowing Costs	Borrowing costs is favourable to budget by \$0.53M (25%) due to the loan borrowings included in the budget being taken up later in the year than anticipated.

Note 2 Budget comparison

(c) Capital Works

	Budget 2016/17 \$'000	Actual 2016/17 \$'000	Variance \$'000 Fav/(Unfav)	Variance % Fav/(Unfav)	Note
Property					
Buildings	17,973	15,053	2,920	16.25	2.1
Total buildings	17,973	15,053	2,920	16.25	
Total property	17,973	15,053	2,920	16.25	
Plant and equipment					
Plant, machinery and equipment	1,195	1,440	(245)	(20.54)	2.2
Fixtures, fittings and furniture	270	145	125	46.25	2.3
Computers and telecommunications	3,352	2,231	1,121	33.45	2.4
Library projects	650	662	(12)	(1.82)	
Total plant and equipment	5,467	4,478	989	18.08	
Infrastructure					
Roads	4,927	6,639	(1,712)	(34.75)	2.5
Bridges	50	-	50	100.00	2.6
Footpaths and cycleways	3,775	3,157	618	16.38	2.7
Drainage	1,370	1,324	46	3.33	
Recreational, leisure and community facilities	8,424	3,389	5,035	59.77	2.8
Waste management	60	115	(55)	(91.32)	2.9
Parks, open space and streetscapes	-	124	(124)	-	
Total infrastructure	18,606	14,747	3,859	20.74	
Total capital works expenditure	42,047	34,279	7,768	18.48	
Represented by:					
New asset expenditure	16,115	10,958	5,157	32.00	
Asset renewal expenditure	25,307	20,096	5,211	20.59	
Asset upgrade expenditure	625	3,225	(2,600)	(416.00)	
Total capital works expenditure	42,047	34,279	7,768	18.47	

Note 2 Budget comparison

(d) Explanation of material variations

Material Variance Explanation

Note	Item	Explanation
2.1	Buildings	Buildings are \$2.92M (16.3%) below budget mainly due to savings this financial year in the construction of the North Fitzroy Community Hub Project, as well as deferred expenditure for Fitzroy Swimming Pool works and roof works at Fitzroy Town Hall. These works are scheduled for 2017/18.
2.2	Plant, machinery and equipment	Plant, machinery and equipment are \$0.26M (20.5%) below budget mainly due to lower passenger fleet replacement
2.3	Fixtures, fittings and furniture	Fixtures, fittings and furniture is \$0.13M (46.3%) below budget mainly due to lower than anticipated purchases of furniture for Council owned community facilities.
2.4	Computers and Telecommunications	Computers and telecommunications are \$1.12M (33.5%) below budget due to deferred expenditure for the asset management and telecommunications systems, as well as leasing instead of purchase of the parking sensor technology.
2.5	Roads	Roads assets are \$1.71M (34.75%) above budget mainly due to additional works associated with the receipt of Black Spot funding during the year.
2.6	Bridges	Bridges assets are \$0.05M (100%) lower than budget due to the expenditure being funded via the maintenance program.
2.7	Footpaths and cycleways	Footpaths and cycleways is \$0.62M (16.4%) below budget mainly due to deferred expenditure for Rushall Reserve and Williams Reserve.
2.8	Recreational, leisure and community facilities	Recreational, leisure and community facilities is \$5.04M (59.8%) below budget due to the budgeted open space land acquisition not proceeding, as well as deferred expenditure for some projects where design, consultation and works have commenced.
2.9	Waste Management	Waste Management is \$0.055M (91.3%) higher than budget due to the purchase of more waste bins than originally anticipated.

		2017	2016
Note 3 Rates and charges		\$'000	\$'000

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

The valuation base used to calculate general rates for 2016/17 was \$2,509 million (2015/16 \$2,073 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 2014.

The 2016/17 rate in the NAV dollar was 4.0109 cents. The 2015/16 rate in the NAV dollar was 4.622 cents.

Residential	72,266	67,612
Commercial	20,700	21,059
Industrial	7,098	6,772
Supplementary rates and rate adjustments	1,028	2,107
Garbage bin charge	50	49
Interest on rates	351	313
Total rates and charges	101,482	97,912

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

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

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

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Note 4 Statutory fees and fines		
Infractions & costs	15,803	15,084
PERIN court recoveries	2,197	1,938
Fees - parking meters/ticket machines	7,133	7,499
Permits	1,796	1,721
Total statutory fees and fines	26,929	26,242

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Note 5 User fees		
Leisure centres and golf course fees	9,657	9,197
Child care/children's program fees	3,207	2,597
Town planning fees	2,879	1,894
Registration fees	1,344	1,364
Pre schools	647	615
Aged services fees	209	302
Road occupation permit fees	2,566	2,501
Library fees and fines	102	60
Footpath advertising & display	694	597
Building services fees	224	221
Valuation fees/supplementary charges	522	303
Kerb market fees	232	220
Land information certificates	116	107
Local laws fines	922	1,253
Rent*	1,773	1,518
Permits - Bins and Skips	152	162
After School Program	153	126
Vacation Care Program	144	146
Report and Consent Fees	135	-
Road Inspection Fees	719	660
Hall hire	471	438
Asset Protection Permits	197	163
Signs and goods permit fees	176	-
Other fees and charges	341	111
Total user fees	27,582	24,555

* In 2016/17 Rent has been reclassified from Other Income to User fees

Note 6	Government grants	2017 \$'000	2016 \$'000
	Government grants were received in respect of the following:		
	Summary of grants		
	Commonwealth funded grants	11,349	7,150
	State funded grants	4,989	5,090
	Total Grants Received	16,338	12,240
	Operating Grants		
	<i>Recurrent - Commonwealth Government</i>		
	Victoria Grants Commission - general purpose	2,714	880
	Family Services	4,529	3,551
	Aged Services - Home Care Services	957	873
	<i>Recurrent - State Government</i>		
	Aged Services Assessment and Planning	2,920	2,728
	School crossing supervisors	219	229
	Library	626	617
	Maternal and child health	584	517
	Community safety	249	82
	Other	66	183
	Total recurrent operating grants	12,864	9,670
	<i>Non-recurrent - Commonwealth Government</i>		
	Environmental planning	45	320
	<i>Non-recurrent - State Government</i>		
	Community health	32	26
	Family and children	96	297
	Other	140	-
	Total non-recurrent operating grants	313	643
	Total operating grants	13,177	10,313
	Capital grants		
	<i>Recurrent - Commonwealth Government</i>		
	Roads to recovery	506	201
	Total recurrent capital grants	506	201
	<i>Non-recurrent - Commonwealth Government</i>		
	Buildings	170	1,315
	Plant, machinery and equipment	92	-
	Roads - Black Spot funding	1,769	411
	Other	624	-
	Total non-recurrent capital grants	2,655	1,726
	Total capital grants	3,161	1,927
	Total grants	16,338	12,240
	Unspent grants received on condition that they be spent in a specific manner		
	Balance at start of year	-	-
	Received during the financial year and remained unspent at balance date	1,145	-
	Received in prior years and spent during the financial year	-	-
	Balance at year end	1,145	-

	2017	2016
	\$'000	\$'000
Note 7 Monetary contributions and reimbursements		
Resort and recreation fees*	3,870	5,506
Road reinstatements	262	154
Reimbursements Legal Fees	358	394
Recycling	557	339
Road maintenance/works (other)	309	311
Kerb market fees	365	517
Other	167	150
Total monetary contributions and reimbursements	<u>5,888</u>	<u>7,371</u>

* Resort and recreation fees received during the year and not spent are transferred to reserves pursuant to section 18 of the Subdivision Act 1988, (Resort and Recreation Reserve) (Note 28(b)).

Note 8 Net gain/(loss) on disposal of non-current assets

Plant & Equipment

Proceeds from sale of assets	878	147
Written down value of assets sold/disposed	(323)	(98)
Profit/(loss) on sale/disposal of property, plant and equipment	<u>555</u>	<u>49</u>

Roads - Right of way

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

Summary

Proceeds from sale of assets	912	147
Written down value of assets sold/disposed	(349)	(98)
Profit/(loss) on sale/disposal of property, plant and equipment	<u>563</u>	<u>49</u>

Note 9 Other income

Interest	375	434
Victorian Electoral Commission fines	340	-
Hall Hire	95	105
Waste Management	156	193
Venues and events	-	70
Recreational Services	210	-
Strategic Planning	67	60
Early Years Unit	69	15
Disadvantaged Accessibility	96	85
Leisure Services	35	37
Financial Accounting	70	90
Sales proceeds - ROW (Right of way)*	-	1,251
Other	384	201
Total other income	<u>1,897</u>	<u>2,541</u>

* In 2015/16 Sales proceeds Right of way were classified as other income (note 9); in 2016/17 Sales proceeds - Right of Way are included as Net gain/(loss) on disposal of non-current assets (Note 8).

	2017	2016
	\$'000	\$'000
Note 10 (a) Employee Costs		
Wages and salaries	58,349	55,409
WorkCover	914	555
Casual staff	3,504	3,924
Superannuation	5,749	5,592
Fringe benefits tax	441	441
Other	9,045	9,950
Total employee costs	<u>78,003</u>	<u>75,871</u>
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	462	474
Employer contributions - other funds	-	-
	<u>462</u>	<u>474</u>
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,022	3,027
Employer contributions - other funds	2,265	2,091
	<u>5,287</u>	<u>5,118</u>
Employer contributions payable at reporting date.	-	-
Refer to note 33 for further information relating to Council's superannuation obligations.		
Note 11 Materials and services		
Materials and services	21,879	23,047
Contract payments	20,578	20,281
Building maintenance	4,554	4,701
General maintenance	3,198	3,023
Utilities	3,214	3,463
Information technology	2,721	2,642
Insurance	1,327	1,984
Consultants	2,747	2,740
Total materials and services	<u>60,218</u>	<u>61,881</u>
Note 12 Bad and doubtful debts		
Parking infringement debtors	2,392	1,351
Other debtors	-	135
Total bad and doubtful debts	<u>2,392</u>	<u>1,486</u>

	2017 \$'000	2016 \$'000
Note 13 Depreciation and amortisation		
Property	2,421	2,628
Plant and equipment	3,263	3,074
Infrastructure	13,229	12,154
Intangible assets	1,434	1,758
Total depreciation	<u>20,347</u>	<u>19,614</u>

Refer to Note 23 for a detailed break down of depreciation and amortisation charges. Property depreciation decreased in 2016/17 due to a devaluation of building assets in 2015/16.

Note 14 Borrowing costs		
Interest - on borrowings	1,605	1,508
Total borrowing costs	<u>1,605</u>	<u>1,508</u>

Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	72	66
Auditors' remuneration - Internal	214	184
Councillors' allowances	295	291
Other	28	-
Total other expenses	<u>608</u>	<u>541</u>

Note 16 Investments in associates and joint ventures		
Council's carrying value (at cost) of investment in Regional Kitchens P/L, incorporating RFK P/L (Trading as Community Chef)	230	230
Municipal Association Purchasing Scheme (Procurement Australia)	5	5
Total investments	<u>235</u>	<u>235</u>

	2017 \$'000	2016 \$'000
Note 17		
Cash and cash equivalents		
Cash at bank	1,142	2,034
Cash on hand	10	10
Term deposit investments*	21,000	18,500
Total cash and cash equivalents	<u>22,152</u>	<u>20,544</u>
*In 2016/17 \$12m (2015/16 \$2m) of term deposit investments have been reclassified to other financial assets in accordance with Australian Accounting Standard 139 .		
Council has cash assets of \$9.4m (\$6.2m in 2015/16) that are subject to restriction:		
Trust funds and deposits (note 25)	8,794	7,003
Public open space / parking reserves (note 28b)	561	-
Total restricted funds	<u>9,355</u>	<u>7,003</u>
Total unrestricted cash and cash equivalents	<u>12,797</u>	<u>13,541</u>
Intended allocations		
Although not statutorily restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	3,959	6,325
- Trade and other payables	335	-
Total funds subject to intended allocations	<u>4,294</u>	<u>6,325</u>
Note 18		
Other financial assets		
Term deposits	12,000	2,000
Total financial assets	<u>12,000</u>	<u>2,000</u>
Note 19		
Trade and other receivables		
Current		
Rates debtors	4,492	3,856
Parking infringement debtors	26,869	24,082
Provision for doubtful debts - parking infringements	(22,029)	(19,638)
Other debtors	3,867	4,197
Provision for doubtful debts - other debtors	(973)	(1,211)
Workcover	171	152
GST recoverable from ATO	1,800	1,342
	<u>14,197</u>	<u>12,780</u>
Non-current		
Park Place Child Care Centre Inc. - Loan	-	20
Total Receivables	<u>14,197</u>	<u>12,800</u>
(a) Ageing of Receivables		
At balance date trade and other receivables debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current and past due by up to 30 days	3,172	1,661
Past due between 31 and 180 days	1,153	2,822
Past due between 181 and 365 days	570	2,093
Past due by more than 1 year	4,809	2,368
Total trade & other receivables	<u>9,704</u>	<u>8,944</u>
(b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	20,849	19,353
New Provisions recognised during the year	2,392	1,496
Amounts already provided for and written off as uncollectible	(239)	-
Balance at end of year	<u>23,002</u>	<u>20,849</u>

	2017 \$'000	2016 \$'000
Note 20 Inventories		
Merchandise	122	126
General	<u>6</u>	<u>4</u>
Total inventories	<u>128</u>	<u>130</u>
Note 21 Non-current assets classified as held for sale		
Motor Vehicles held for sale at cost	<u>-</u>	<u>696</u>
Total non-current assets held for resale	<u>-</u>	<u>696</u>
Note 22 Other assets		
Accrued income - Government grants and interest income	169	280
Prepayments - vehicle registrations and insurance	<u>202</u>	<u>1,163</u>
Total other assets	<u>371</u>	<u>1,443</u>

Note 23 Property, infrastructure, plant and equipment
Summary of property, infrastructure, plant and equipment

	At Fair Value		At Fair Value		WDV	
	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2017	30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	827,253	1,680	-	-	828,933	-
Buildings	178,875	12,934	-	(2,374)	198,775	-
Plant and Equipment	26,044	5,720	44	(6,410)	26,867	-
Infrastructure	628,835	10,854	-	(12,562)	627,368	-
Work in progress	9,705	3,096	-	-	9,705	3,096
	1,670,112	34,284	44	(20,347)	1,685,039	656

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	9,340	2,018	(9,340)	-	2,018
Plant and Equipment	98	178	(99)	-	178
Infrastructure	266	900	(266)	-	900
Total	9,705	3,096	(9,705)	-	3,096

Land and Buildings

	Land - specialised	Land - non specialised	Land improvements	Total Land	Heritage Buildings	Buildings - specialised	Buildings - non specialised	Work in Progress	Total Property
At fair value 1 July 2016	734,166	83,902	9,185	827,253	-	257,132	-	9,340	1,093,725
Accumulated depreciation at 1 July 2016	-	-	-	-	-	(78,258)	-	-	(78,258)
	734,166	83,902	9,185	827,253	-	178,875	-	9,340	1,015,468

Movements in fair value

Acquisition of assets at fair value	-	-	1,680	1,680	-	12,934	-	2,018	16,632
Revaluation increments (decrements)	-	-	-	-	-	-	-	-	-
Fair value of assets disposed	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	9,340	-	(9,340)	-
	-	-	1,680	1,680	-	22,274	-	(7,322)	16,632

Movements in accumulated depreciation

Depreciation and amortisation	-	-	-	-	-	(2,374)	-	-	(2,374)
Revaluation increments (decrements)	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	(2,374)	-	-	(2,374)
	-	-	-	-	-	(2,374)	-	-	(2,374)

At fair value 30 June 2017

At fair value 30 June 2017	734,166	83,902	10,865	828,933	-	279,407	-	2,018	1,110,358
Accumulated depreciation at 30 June 2017	-	-	-	-	-	(80,632)	-	-	(80,632)
	734,166	83,902	10,865	828,933	-	198,775	-	2,018	1,029,726

Note 23 Property, infrastructure, plant and equipment (continued)

Plant and Equipment	Heritage plant and equipment	Motor vehicles	Fuel, machinery and equipment	Irrigation and sprinkler systems	Sites & time	Parks and gardens furniture and equipment	Flagstone equipment	Fencing	Mobile garbage bins/recycling crates	Computers and mobile phones	Office furniture and equipment	Library books	Work in Progress	Total plant and equipment
At fair value 1 July 2016	4,650	5,746	7,340	1,579	15,874	7,788	1,259	1,963	2,606	21,844	11,263	6,827	99	88,838
Accumulated depreciation at 1 July 2016	(195)	(3,250)	(3,219)	(1,510)	(11,474)	(6,141)	(1,092)	(1,747)	(2,303)	(18,191)	(8,864)	(4,709)	-	(62,695)
	4,455	2,496	4,121	69	4,400	1,647	167	216	303	3,653	2,399	2,118	99	26,143
Movements in fair value														
Acquisition of assets at fair value	51	837	157	-	67	747	67	133	249	2,216	534	662	178	5,898
Revaluation increments (decrements)	44	-	-	-	-	-	-	-	-	-	-	-	-	44
Fair value of assets disposed	-	(1,362)	-	-	-	-	(110)	-	-	(7,359)	-	-	-	(8,831)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Asset held for resale	-	1,927	-	-	-	-	-	-	-	-	-	-	-	1,927
Transfers	-	-	-	-	-	-	-	-	-	99	-	-	(99)	-
	95	1,402	157	-	67	747	(44)	133	249	(5,044)	534	662	79	(963)
Movements in accumulated depreciation														
Depreciation and amortisation	(46)	(1,234)	(689)	(36)	(452)	(202)	(39)	(49)	(47)	(1,450)	(613)	(554)	-	(5,410)
Accumulated depreciation of disposals	-	1,038	-	-	-	-	110	-	-	7,359	-	-	-	8,507
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Asset held for resale	-	(1,231)	-	-	-	-	-	-	-	-	-	-	-	(1,231)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(46)	(1,427)	(889)	(36)	(452)	(202)	71	(49)	(47)	5,910	(613)	(554)	-	1,966
At fair value 30 June 2017	4,745	7,148	7,497	1,579	15,941	8,535	1,215	2,096	2,855	16,800	11,797	7,489	178	87,875
Accumulated depreciation at 30 June 2017	(241)	(4,677)	(3,908)	(1,546)	(11,926)	(6,343)	(1,021)	(1,796)	(2,350)	(12,281)	(9,477)	(5,263)	-	(60,929)
	4,504	2,471	3,589	33	4,015	2,192	194	300	505	4,518	2,320	2,226	178	27,045

Note 23 Property, infrastructure, plant and equipment (continued)

	Roads	Facilities and cycleways	Drainage	Kerbs and channels	Bridges	Lanes	Trees and Tree Infrastructure	Work In Progress	Total Infrastructure
Infrastructure									
At fair value 1 July 2016	361,350	122,193	102,777	134,294	5,146	89,182	7,318	266	822,525
Accumulated depreciation at 1 July 2016	(80,930)	(21,667)	(46,864)	(26,504)	(2,449)	(15,009)	-	-	(193,423)
	280,420	100,526	55,913	107,790	2,697	74,173	7,318	266	629,102
Movements in fair value									
Acquisition of assets at fair value	2,891	846	3,559	3,559	-	-	-	900	11,754
Revaluation increments (decrements)	-	-	-	-	-	-	-	-	-
Fair value of assets disposed	-	-	-	-	-	(31)	-	-	(31)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	266	-	-	-	-	-	(266)	-
	2,891	1,112	3,559	3,559	-	(31)	-	634	11,723
Movements in accumulated depreciation									
Depreciation and amortisation	(5,330)	(2,460)	(1,005)	(2,686)	(51)	(1,030)	-	-	(12,562)
Accumulated depreciation of disposals	-	-	-	-	-	5	-	-	5
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
	(5,330)	(2,460)	(1,005)	(2,686)	(51)	(1,025)	-	-	(12,567)
At fair value 30 June 2017	364,241	123,305	106,335	137,852	5,146	89,151	7,318	900	834,246
Accumulated depreciation at 30 June 2017	(86,259)	(24,128)	(47,869)	(29,190)	(2,500)	(16,033)	-	-	(205,980)
	277,982	99,177	58,466	108,662	2,646	73,118	7,318	900	628,266

Note 23 Property, infrastructure, plant and equipment (continued)

Valuation of land and buildings

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 2016. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where building use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Land - Non specialised	-	83,902	-	June 2016
Land - Specialised	-	-	745,031	June 2016
Buildings - Specialised	-	-	198,775	June 2016
Total	-	83,902	943,806	

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

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

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

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

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

Note 23 Property, Infrastructure, Plant and Equipment (cont.)**Valuation of Infrastructure assets**

Valuation of infrastructure assets was undertaken by Jim Vokolos, B.Eng (Civil), Qualified Engineer. The valuations are at replacement costs less accumulated depreciation and were first applied as at 30 June 2015.

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

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

	Level 1	Level 2	Level 3	DoV
	\$'000	\$'000	\$'000	
Roads	-	-	277,982	June 2015
Bridges	-	-	2,646	June 2013
Footpaths, Lanes and Kerb and channel	-	-	280,957	June 2015
Drainage	-	-	58,466	June 2015
Trees	-	-	7,318	June 2004
Total	-	-	627,368	

Valuation of bridges

Valuation of bridges were undertaken by Jim Vokolos, B.Eng (civil), Qualified Engineer. The valuations were applied as at 30 June 2013.

Valuation of Trees

Council valuation of trees was performed by Stewart Campbell, Senior Arborist, Advanced Certificate of Arboriculture, Advanced Certificate of Management and was applied in 2004.

Note 23 Property, infrastructure, plant and equipment (cont)**Description of significant unobservable inputs into level 3 valuations**

Specialised land is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 15% and 30%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$2,000 and \$3,500 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$185 to \$25,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and are currently at 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 20 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

An independent valuation of Council's specialised land and buildings was undertaken by Westlink Consulting under the supervision of William J Graham, City Valuer, A.V.L.E (Vals), Qualified Valuer. The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2016.

	2017 \$'000	2016 \$'000
Note 24		
Trade and other payables		
Trade creditors	7,848	11,864
Superannuation	40	154
Accrued expenses	2,261	5,293
Total trade and other payables	<u>10,149</u>	<u>17,311</u>
Note 25		
Trust funds and deposits		
Current		
Drainage works deposits	29	-
Retention amounts*	29	96
Refundable deposit	3,243	2,331
Other refundable deposits	214	186
Income in advance**	147	223
	<u>3,662</u>	<u>2,836</u>
* In 2016/17 Retention amounts have been reclassified from Trade and other payables to Trust funds and deposits.		
** In 2016/17 Income in advance has been included with Trust funds and deposits.		
Fire services levy	<u>4,907</u>	<u>3,582</u>
	<u>8,569</u>	<u>6,418</u>
Non-current		
Other Liabilities	225	585
Total trust funds and deposits	<u>8,794</u>	<u>7,003</u>

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

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

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

Note 26 Provisions

	Employee \$'000	
2017		
Balance at beginning of the financial year	14,187	
Additional provisions	305	
Amounts used	(426)	
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	
Balance at the end of the financial year	14,066	
2016		
Balance at beginning of the financial year	13,140	
Additional provisions	1,047	
Amounts used	-	
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	
Balance at the end of the financial year	14,187	
	2017	2016
	\$'000	\$'000
Current		
Current provisions expected to be wholly settled within 12 months		
Annual leave	4,079	3,931
TQIL	58	-
Long service leave (Notes 1(g))	1,058	1,027
Unfunded Superannuation Liability		
Current provisions expected to be wholly settled after 12 months		
Annual leave	971	992
Long service leave (Notes 1(g))	6,416	6,821
Total current provisions	12,582	12,771
Non-current		
Long service leave (Notes 1(g))	1,484	1,416
	1,484	1,416
LSL representing less than 7 years of continuous service is measured at present value.		
Aggregate carrying amount of employee entitlements		
Current	12,582	12,771
Non-current	1,484	1,416
Total provisions	14,066	14,187
Sum of full-time equivalent staff numbers	666	646

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

Weighted average increase in employee costs	2.0%	4.0%
Weighted average discount rates	2.41%	1.88%
Weighted average settlement period	5.65 years	5.65 years

Note 27 Interest-bearing loans and borrowings	2017	2016
	\$'000	\$'000
<i>Current</i>		
Loans - secured*	1,133	-
<i>Non-current</i>		
Loans - secured*	44,867	32,500
Total interest-bearing loans and borrowings	46,000	32,500

The maturity profile for Council's borrowings* and other liabilities is as follows:

Not later than one year	1,275	-
Later than one year and not later than five years	37,762	32,500
Later than five years	6,963	-
	46,000	32,500

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

Note 28 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
(a) Asset revaluation reserves			
2017			
Property			
Land	620,737	-	620,737
Buildings	46,546	-	46,546
Heritage buildings	2,860	-	2,860
	670,143	-	670,143
Infrastructure			
Road Substructure	119,478	-	119,478
Road Seal	10,693	-	10,693
Footpaths Substructure	40,701	-	40,701
Footpaths Seal	28,770	-	28,770
Drains	3,609	-	3,609
Bridges	1,000	-	1,000
Lane Substructure	16,236	-	16,236
Lane Seal	45,636	-	45,636
Kerb and channel	99,355	-	99,355
Trees	13	-	13
Art, Heritage and Culture	-	44	44
	365,491	44	365,535
Total Asset revaluation reserves	1,035,634	44	1,035,678

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

2016

Property			
Land	521,925	98,812	620,737
Buildings	55,883	(9,337)	46,546
Heritage buildings	2,860	-	2,860
	580,668	89,475	670,143
Infrastructure			
Road Substructure	119,478	-	119,478
Road Seal	10,693	-	10,693
Footpaths Substructure	40,701	-	40,701
Footpaths Seal	28,770	-	28,770
Drains	3,609	-	3,609
Bridges	1,000	-	1,000
Lane Substructure	16,236	-	16,236
Lane Seal	45,636	-	45,636
Kerb and channel	99,355	-	99,355
Trees	13	-	13
	365,491	-	365,491
Total Asset revaluation reserves	946,159	89,475	1,035,634

Note 28 Reserves (continued)

	Balance at beginning of Year	Transfer to accumulated surplus	Transfer from accumulated surplus	Balance at end of Year
(b)	\$'000	\$'000	\$'000	\$'000
2017				
Statutory Reserves				
Resort and recreation (a)	-	(3,388)	3,870	482
Parking (b)	79	-	-	79
Total Statutory Reserves	79	(3,388)	3,870	561
General Reserves				
General reserve (b)	20,100	-	-	20,100
Community Infrastructure Fund (d)	-	-	-	-
Total General Reserves	20,100	-	-	20,100
Total Other Reserves	20,179	(3,388)	3,870	20,661
2016				
Statutory Reserves				
Resort and recreation (a)	17,090	(22,596)	5,506	-
Parking (b)	79	-	-	79
Total Statutory Reserves	17,169	(22,596)	5,506	79
General Reserves				
General reserve (c)	-	-	20,100	20,100
Community Infrastructure Fund (d)	3,010	(3,010)	-	-
Total General Reserves	3,010	(3,010)	20,100	20,100
Total Other reserves	20,179	(25,606)	25,606	20,179

(a) 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.

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

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

(d) Council originally set up a Community Infrastructure Fund which was intended for an indoor sporting facility some time in the future.

Note 29 Reconciliation of cash flows from operating activities to surplus/(deficit)	2017	2016
	\$'000	\$'000
Surplus/(deficit) for the year	17,506	10,009
Depreciation	20,347	19,614
Finance costs	1,605	-
(Profit)/loss on disposal of non current assets (refer to Note 8)	(563)	(49)
Change in assets and liabilities:		
(Increase)/decrease in receivables	(1,397)	10
(Increase)/decrease in other assets	1,072	(705)
Increase/(decrease) in payables	(7,614)	1,425
Increase/(decrease) in other liabilities	2,151	749
(Increase)/decrease in inventories	2	5
Increase/(decrease) in employee benefits	(121)	1,047
(Increase)/Decrease in non current assets held for sale	-	(56)
Net cash provided by/(used in) operating activities	<u>32,988</u>	<u>32,048</u>

Note 30 Financing facilities

Bank overdraft	10,000	10,000
Purchasing cards	500	500
Total facilities	<u>10,500</u>	<u>10,500</u>
Used purchasing card facilities	(21)	(44)
Unused facilities	<u>10,479</u>	<u>10,456</u>

Note 31 Commitments

The Council has entered into the following commitments:

2017	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	(\$)'000	(\$)'000	(\$)'000	(\$)'000	(\$)'000
Operating					
Street cleaning services	2,884	2,971	9,458	6,788	22,101
Garbage collection and recycling	8,176	8,421	26,810	19,240	62,647
Open space management	5,660	5,834	18,595	-	30,089
Information systems & technology	3,106	3,199	3,285	-	9,590
Insurances	1,189	-	-	-	1,189
Cleaning contracts for Council buildings	1,476	1,520	1,613	-	4,609
Family Services	1,245	1,283	-	-	2,528
Home Care	1,833	1,869	-	-	3,722
Capital					
Construction works	1,127	-	-	-	1,127
Total*	26,696	25,117	59,761	26,028	137,602

* Contract commitments for 2017/18 onwards include Council contracts for known lump sum contract amounts. Contract commitments for 2015/16 included contracts subject to variation, panel contracts and also schedule of rates components where the commitment could vary.

2016	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	(\$)'000	(\$)'000	(\$)'000	(\$)'000	(\$)'000
Operating					
Street cleaning services	3,761	4,596	14,920	-	23,277
Garbage collection and recycling	6,544	6,740	6,942	29,915	50,141
Open space management	1,817	-	-	-	1,817
Consultancies	3,428	3,428	10,284	-	17,140
Information systems & technology	2,342	-	-	-	2,342
Insurances	1,200	-	-	-	1,200
Home Care	1,748	1,800	-	-	3,548
Cleaning contracts for Council buildings	1,620	1,636	1,652	-	4,908
Family Services	114	115	-	-	229
Parking meter maintenance	150	-	-	-	150
Maintenance	2,524	2,549	13,047	2,651	20,771
Animal pound services	65	65	65	-	195
Professional services	4,072	4,072	4,072	-	12,216
Bioremediation	150	150	450	-	750
Community services	2,373	2,397	7,335	-	12,105
Capital					
Construction works	10,596	-	-	-	10,596
Plant and equipment	330	330	330	-	990
Total	42,834	27,876	59,097	32,566	162,375

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

	2017	2016
	\$'000	\$'000

Note 32 Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for equipment, land and buildings for use within Council activities (these obligations are not recognised as liabilities):

Not later than one year	1,173	142
Later than one year and not later than five years	1,405	124
Later than five years	-	-
	2,578	266

Note 33 Superannuation

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

Accumulation

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

Defined Benefit

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

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

Funding arrangements

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

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

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

The VBI at 30 June 2017 was 103.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer Contributions

Regular Contributions

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

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated. Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2016 interim actuarial investigation surplus amounts

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

- A VBI surplus of \$40.3 million; and
- A total service liability surplus of \$156 million.

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

2017 Full triennial actuarial investigation

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

Future superannuation contributions

In addition to the disclosed contributions, Yarra City Council has paid unfunded liability payments to Vision Super totalling \$0 during the 2016/17 year (2015/16 \$0). There were \$0 contributions outstanding and \$0 loans issued from or to the above schemes as at 30 June 2017. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$450K.

Note 34 Contingent liabilities and contingent assets**(a) arising from Public Liability**

As a local authority we manage parks, reserves, roads, and other land holdings and, as a result, receive potential claims arising from incidents which occur on land managed by Council. There are a number of outstanding claims against Council in this regard. Council carries \$200 million of public liability insurance and an excess of \$50,000 on this policy in 2016/17. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Epsilon Underwriting Agencies. There are no claims of which Council is aware which would fall outside the terms of Council's policy.

(b) arising from Professional Indemnity

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permits and approvals, Council receives potential claims for damages arising from actions of Council or its officers. Council carries \$100 million of professional indemnity insurance and an excess of \$50,000 on this policy in 2016/17. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Epsilon Underwriting Agencies. There are no instances or claims of which Council is aware which would fall outside the terms of Council's policy.

(c) arising from Legal Matters

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

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

Note 35 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 34.

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 29.

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

(e) Fair value

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

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

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

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

Note 36 Related party disclosures

(i) Related Parties

Parent entity

Yarra City Council is the parent entity

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in note 16.

(ii) Key Management Personnel

Last financial year (2015/16), this note was called Responsible Persons, and only required the CEO and Councillors to be included. Accounting Standard AASB124 now requires the disclosure of related party relationships and transactions in all Councils. Key Management Personnel (KMP) are one type of related parties that Council is required to include in its note disclosure, and this note has changed to reflect this.

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

Councillors		
Cr Amanda Stone (Mayor)		22 Oct 2016 - 30 Jun 2017
Cr Amanda Stone		1 July 2016 - 22 Oct 2016
Cr Roberto Colanzi (Mayor)		1 July 2016 - 22 Oct 2016
Cr Jackie Fristacky		1 July 2016 - 30 Jun 2017
Cr Misha Coleman		"
Cr Stephen Jolly		"
Cr Sam Gaylard		1 July 2016 - 22 Oct 2016
Cr Simon Huggins		"
Cr Phillip Vlahogiannis		"
Cr Geoff Barbour		"
Cr Daniel Nguyen		22 Oct 2016 - 30 Jun 2017
Cr Mike McEvoy		"
Cr Danae Bosler		"
Cr James Searle		"
Cr Mi-Lin Chen Yi Mei		"

Chief Executive Officer & other Key Management Personnel

Chief Executive Officer	Vijaya Vaidyanath
Director Corporate Business & Finance	Andrew Day
Director Community Wellbeing	Chris Leivers
Director City Works & Assets	Guy Wilson-Browne
Director Planning & Placemaking	Bruce Phillips
Director Advocacy & Engagement	Jo Murdoch
Assistant Director Planning and Place Making	Jane Waldock
Group Manager People Culture & Community	Fred Wamer
Group Manager CEO's Office	Ivan Gilbert

	2017	2016
Total number of Councillors*	14	9
Chief Executive Officer and other Key Management Personnel	9	10
Total Key Management Personnel	23	19

* Council elections were held in October 2016 resulting in 5 newly elected Councillors

(iii) Remuneration of Key Management Personnel

	2017	2016
	\$,000	\$,000
Total remuneration* of key management personnel was as follows:		
Short-term benefits	2,727	2,872
Long-term benefits	449	393
Termination benefits	-	-
Total	3,176	3,266

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

Note 36 Related party transactions (continued)

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

	2017 No	2016 No
\$1 - \$9,999	4	-
\$10,000 - \$19,999	5	-
\$20,000 - \$29,999	4	7
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	2	1
\$70,000 - \$79,999	1	2
\$80,000 - \$89,999	-	2
\$90,000 - \$99,999	1	-
\$100,000 - \$109,999	1	2
\$110,000 - \$119,999	2	1
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	-	-
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	1
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	1	1
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	1	1
\$220,000 - \$229,999	1	1
\$230,000 - \$239,999	1	1
\$240,000 - \$249,999	1	1
\$250,000 - \$259,999	1	1
\$260,000 - \$269,999	1	1
\$270,000 - \$279,999	1	1
\$280,000 - \$289,999	1	1
\$290,000 - \$299,999	1	1
\$300,000 - \$309,999	1	1
\$310,000 - \$319,999	1	1
\$320,000 - \$329,999	1	1
\$330,000 - \$339,999	1	1
\$340,000 - \$349,999	1	1
\$350,000 - \$359,999	1	1
	<u>23</u>	<u>19</u>

Key management personnel (KMP) include the current 9 councillors and also the 5 previous councillors who changed as a result of the October 2016 elections, in addition to the CEO and the Executive Management Team.

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

(iv) Transactions with related parties

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

(v) Outstanding balances with related parties

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

(vi) Loans to/from related parties

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

(vii) Commitments to/from related parties

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

Note 37 (a) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who has management responsibilities and whose total annual remuneration exceeds \$142,000:

	2017 No.	2016 No.
<i>Income range:</i>		
\$142,000 - \$149,999	1	1
\$150,000 - \$159,999	1	2
\$160,000 - \$169,999	5	6
\$170,000 - \$179,999	5	3
\$180,000 - \$189,999	2	1
\$190,000 - \$199,999	-	1
	<u>14</u>	<u>14</u>
Total remuneration for the reporting year for Senior Officers included above, amounted to:	\$'000	\$'000
	2,546	2,355

Note 37 (b) Other Officer Remuneration

Other officers whose annual remuneration exceeds \$142,000:

	2017 No.	2016 No.
<i>Income range:</i>		
\$142,000 - \$149,999	10	7
\$150,000 - \$159,999	6	7
\$160,000 - \$169,999	3	3
\$170,000 - \$179,999	-	1
	<u>19</u>	<u>18</u>
Total remuneration for the reporting year for other officers included above, amounted to:	\$'000	\$'000
	2,883	2,766

Other officer remuneration may include overtime and/or on-call allowances.

Note 38 Events occurring after balance date

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

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 (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and Interpretations, and other mandatory professional reporting requirements.



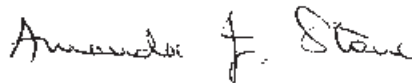
Angelica Marshall
CFO and Principal Accounting Officer

22 September 2017
Richmond

In our opinion, the accompanying financial report presents fairly the financial transactions of Yarra City Council for the year ended 30 June 2017 and the financial position of the Council as at that date.

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

On 5 September 2017, we were authorised by the Council to certify the financial report in its final form on behalf of the Council.



Amanda Stone
Mayor

22 September 2017
Richmond



Misha Coleman
Councillor

22 September 2017
Richmond



Vijaya Vaidyanath
Chief Executive Officer

22 September 2017
Richmond



Independent Auditor's Report

To the Councillors of Yarra City Council

Opinion	<p>I have audited the financial report of Yarra City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including a summary of significant accounting policies • certification of the financial report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Tim Loughnan

as delegate for the Auditor-General of Victoria



Performance Statement



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

Please note: the figures for 'Infrastructure per head of municipal population' and 'Rates effort' have changed from what had previously been reported in Yarra's 2015/16 Annual Report due to a retrospective change in calculation methodology,

in consultation with Department of Environment Land Water and Planning and the Victorian Auditor General's Office.

Performance Statement For the year ended 30 June 2017

REFERENCES

Reg. 11
Better Practice: BP

R17(1) Description of municipality

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

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

Yarra has a population of 91,300 (at 30 June 2017) and a diverse community profile. Over the previous decade, the City's population had been growing at an average rate of 3.6%, almost double the rate of growth for Victoria. It is estimated that Yarra will continue to grow, with the population predicted to reach 110,512 by 2031.

Sustainable Capacity Indicators For the year ended 30 June 2017

Indicator/measure	Results			Material Variations
	2015	2016	2017	
R15(3) Sch3 R16(1) R17(2) Population Expenses per head of municipal population [Total expenses / Municipal population]	\$1,795.32	\$1,804.81	\$1,767.22	Council's expenses increased by 1.4% in 2017 while the municipal population increased by 2.4%, resulting in expenses per head of population decreasing compared to the previous year. Council expense increases each year are reducing and trending down, whereas population is increasing each year.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$9,765.52	\$9,461.04	\$9,375.83	The indicator is trending down due to consistent population increases over the 9 years greater than the increase in infrastructure.
Population density per length of road [Municipal population / Kilometres of local roads]	275.94	283.92	292.07	This is a solid result and within acceptable tolerances. The trend will continue to increase as Council is experiencing growth.
Own-source revenue Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,656.59	\$1,683.11	\$1,735.51	Own-source revenue consists of rates, statutory fees and fines, user fees, and other income. Rates increased by 2.5% in 2017 (in line with the rate cap), statutory fees for planning permits also increased compared to the previous year. The trend is an increasing own source revenue result over time.
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$128.25	\$110.72	\$146.45	Additional grant income was received in 2017 for Family Services programs. \$1M of the 2016 Victorian Grants Commissioner allocation was also received in the 2017 financial year. Council also received advance payment of Victorian Grants Commissioner income in 2015. This did not occur in 2016 which distorts the trend.
Disadvantage Relative Socio-economic advantage Index of Relative Socio-economic	8.00	8.00	8.00	No change to this result. The trend remains steady.

Disadvantage by decile

BP

Definitions

"adjusted underlying revenue" means total income other than:

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

"infrastructure" means non-current property, plant and equipment excluding land.

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004.

"population" means the resident population estimated by council.

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

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

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its internet website.

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

Service Performance Indicators

For the year ended 30 June 2017

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
R15(1) Sch3 Aquatic facilities utilisation	11.80	11.63	11.96	This continues to be a strong result and reflects significantly higher than average utilisation compared to the all Council's average result.
R16(1) R17(2) Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population)				
Animal management				
Health and safety				
Animal management prosecutions (Number of successful animal management prosecutions)	4	5	11	Council has increased its patrol activity in 2016/17 compared to previous years including follow-up of alleged dog attacks where the owner could not originally be identified resulting in an increase in prosecutions.
Food safety				
Health and safety				
Critical and major non-compliance notifications	99%	100%	100%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100				

		Results			
Service/Indicator/measure	2015	2016	2017	Material Variations	
Governance					
Satisfaction					
Satisfaction with council decisions (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	65.80	68.60	67.00		Result from the Annual Customer Satisfaction Survey. This continues to be a solid result within acceptable tolerances.
Home and community care					
Participation					
Participation in HACC service (Number of people that received a HACC service / Municipal target population for HACC services) x100	16%	15.44%	N/A		Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Participation					
Participation in HACC service by CALD people (Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services) x100	13%	10.24%	N/A		Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Libraries					
Participation					
Active library members (Number of active library members / Municipal population) x100	31%	17.39%	17.82%		This continues to be a solid result within acceptable tolerances

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
Maternal and child health: Participation Participation in the MCH service (Number of children who attend the MCH service at least once in the year) / Number of children enrolled in the MCH service] x100	83%	79.62%	79.38%	Demand for service delivery has increased as the Yarra population continues to grow. Actual number of service hours has increased, but proportion of the population participating has reduced slightly compared to previous years.
Participation Participation in the MCH service by Aboriginal children (Number of Aboriginal children who attend the MCH service at least once in the year) / Number of Aboriginal children enrolled in the MCH service] x100	74%	59.72%	63.31%	Increase in overall demand compared to 2015/16 due to minor variations in the Yarra Aboriginal and Torres Strait Islander population and participation rates at the Victorian Aboriginal Health Service
Needs Satisfaction Satisfaction with council local roads (Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	72.8%	73.30%	72.30%	Result from the Annual Customer Satisfaction Survey. This continues to be a solid result within acceptable tolerances.

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
Statutory Planning				
Decision making				
Council planning decisions upheld or VCAT	87%	78.69%	74.07%	The number of Council decisions upheld by VCAT was lower in 2016/17 compared to previous years, this variance up or down will continue until Council has embedded clear policy within the planning scheme to direct growth. This work is currently being undertaken but won't be incorporated into the planning scheme for another 12 - 18 months.
(Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x100				
Waste Collection				
Waste diversion				
kerbside collection waste diverted from landfill	37.00%	38.52%	37.36%	Council continues to promote environmental sustainability and the benefits of recycling. This measurement is based on the behaviour of residents, the continuous increase in Multi-Unit Developments (MUD's) within Yarra impacts on this number as recycling behaviour in MUD's appears to be different to that of single dwellings.
(Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100				
Definitions	<p>"Aboriginal child" means a child who is an Aboriginal person "Aboriginal person", has the same meaning as in the Aboriginal Heritage Act 2006 "active library member" means a member of a library who has borrowed a book from the library "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English "class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act "class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act "Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC</p>			

services, published from time to time by the Commonwealth.

"critical non-compliance outcome notification" means a notification received by Council under section 19N(3) or (4) of the Food Act 1984, or advice given to Council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health.

"food premises" has the same meaning as in the Food Act 1984.

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth.

"HACC service" means home help, personal care or community respite provided under the HACC program.

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004.

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to Council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age.

"population" means the resident population estimated by Council.

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth.

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

Dimension/Indicator/metric	Results					Forecasts			Material Variations
	2015	2016	2017	2018	2019	2020	2021		
<p>Workforce turnover Resignations and terminations compared to average staff</p> <p>(Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year) x100</p>	11.16%	15.66%	22.71%	17.26%	17.26%	17.26%	17.26%	Previous year's data has included vacant positions as part of the calculation. Listed on the formula within the template, the correct application is to exclude vacant positions, which is reflected in the 2017 indicator. With vacant positions excluded, the trend indicates an increasing result.	
<p>Liquidity Working capital Current assets compared to current liabilities (Current assets / Current liabilities) x100</p>	105.31%	102.99%	150.61%	106.90%	105.17%	104.96%	117.81%	Council borrowed an additional \$13.5M in May 2017 for capital works funding. There were no additional borrowings in 2015 or 2016.	
<p>Unrestricted cash (Unrestricted cash compared to current liabilities)</p> <p>(Unrestricted cash / Current liabilities) x100</p>	0.00%	27.46%	63.57%	40.53%	37.50%	40.83%	47.16%	Council borrowed an additional \$13.5M in May 2017 for capital works funding. There were no additional borrowings in 2015 or 2016.	

Dimension/indicator/measure	Results			Forecasts			Material Variations
	2015	2019	2017	2018	2019	2020	
Obligations							
Asset renewal compared to depreciation	83.69%	95.50%	98.77%	125.07%	115.08%	111.70%	101.41%
(Asset renewal expenses / Asset depreciation) x100							
Loans and borrowings							
Loans and borrowings compared to rates	35.60%	33.19%	45.41%	62.76%	40.27%	37.86%	35.53%
(Interest bearing loans and borrowings / Rate revenue) x100							
Loans and borrowings repayments compared to rates							
(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x100	1.57%	1.54%	1.49%	3.08%	2.97%	2.87%	2.78%

This continues to be a solid result within acceptable tolerances. The trend data indicates improved renewal expenditure levels over the three years.

Council borrowed an additional \$13.5M in May 2017 for capital works funding. There were no additional borrowings in 2015 or 2016.

This continues to be a solid result within acceptable tolerances. The historical downward trend is due to repayment of loan principal.

Dimension/Indicator/metric	Results					Forecasts					Material Variations
	2015	2016	2017	2018	2019	2020	2021				
Rates effort Rates compared to property values (Rate revenue / Capital improved value of rateable properties in the municipality) x100	4.53%	4.73%	4.04%	4.13%	4.23%	4.33%	4.44%	Whilst the long term trend is increasing the reduction in the 2017 result is due to the property revaluation which took effect in 2017 increasing property values at a significantly higher rate compared to the increase in rate revenue.			

BP

Definitions

- "adjusted underlying revenue" means total income other than:
 - (a) non-recurrent grants used to fund capital expenditure; and
 - (b) non-monetary asset contributions; and
 - (c) contributions to fund capital expenditure from sources other than those referred to above
- "adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure
- "asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
- "current assets" has the same meaning as in the AAS
- "current liabilities" has the same meaning as in the AAS
- "non-current assets" means all assets other than current assets
- "non-current liabilities" means all liabilities other than current liabilities
- "non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan
- "own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
- LGV means Local Government Victoria
- CIV means Capital Improved Value
- NAV means Net Annual Value
- "population" means the resident population estimated by council

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

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

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

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

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

Other Information

For the year ended 30 June 2017

BP

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 28 June 2017 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Statement

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



Ange Marshall

Principal Accounting Officer

Dated: 22 September 2017

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

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

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

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



Amanda Stone

Mayor

Dated: 22 September 2017



Misha Coleman

Councillor

Dated: 22 September 2017



Vijaya Vaidyanath

Chief Executive Officer

Dated: 22 September 2017



Independent Auditor's Report

To the Councillors of Yarra City Council

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

**Auditor's
responsibilities for the
audit of the
performance
statement**

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

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

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

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



MELBOURNE
25 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria

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Glossary

The following table defines some of the key terms used in the Annual Report.



Term	Definition
2016/17	A reference to the financial year beginning 1 July 2016 and ending 30 June 2017.
Act	<i>The Local Government Act 1989.</i>
Advocacy	Publicly supporting or recommending programs or services on behalf of the community to other tiers of government or service providers for community benefit.
Annual Plan	A strategic document outlining the actions Council will undertake to implement its Council Plan during a specific financial year.
Annual Plan Action	A specific Annual Plan activity designed to facilitate the achievement of a Council Plan Strategic Objective.
Annual Report	A report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement.
Assets	Everything owned by or owed to Council such as roads, equipment and buildings. Assets are listed in the Financial Report.
Australian Accounting Standards	The accounting standards published by the Australian Accounting Standards Board.
Best Value	The continuous review of all services provided by Council to ensure they meet the required cost standards and needs of the community to deliver value for money.
Budget	A plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the Council Plan.
Committee	A Committee that assists Council within the decision-making process and has a Councillor representative to assist with the consultation process.
Community Grants	Council allocates a sum of money for the Community Grants Program as part of the annual budget process. The funding supports not-for-profit community organisations in Yarra.
Community Satisfaction Survey	A State Government requirement whereby councils conduct a survey once a year to obtain community feedback in order to gauge satisfaction levels with Council services.
Councillors	Elected representatives of Council.
Council Plan	A major strategic document outlining Council's aims and initiatives for a four-year period.
Council Plan Initiative	A specific Council Plan activity designed to facilitate the achievement of a Strategic Objective.
Financial Statements	The financial statements and notes prepared in accordance with the <i>Local Government Model Financial Report</i> , Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports and statement of capital works, included in the Annual Report.
Financial Year	The period of 12 months ending on 30 June each year.

Glossary



Term	Definition
Freedom of Information Request	A request for Council to provide access to documents pursuant to the <i>Freedom of Information Act 1982</i> .
Governance	Governance relates to Council's purpose, objectives, role and functions as set out in the <i>Local Government Act 1989</i> .
Greenhouse Gas Emissions	Generated from a large number of processes and from a range of sources. Key sources of greenhouse gases includes energy sector, transport emissions, agricultural, land use change and forestry, industrial processes and waste.
Indicator	What will be measured to assess performance.
Local Area Traffic Management Study	Targeted research and consultation designed to inform safety and traffic flow improvements in residential streets.
Local Law	The laws adopted by Council that prohibit, regulate and control activities, events, practices and behaviours within Yarra.
Master Plan	A high level document outlining Council's plans for a key location within the municipality.
Measure	How an indicator will be measured and takes the form of a computation, typically including a numerator and denominator.
Minister	Refers to Local Government Minister.
Performance Statement	A statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the Annual Report.
Planning and Accountability Framework	The key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act.
Planning Scheme	Planning rules created by Council and endorsed by the state government to guide land use and development.
Regulations	The <i>Local Government (Planning and Reporting) Regulations 2014</i> .
Report of Operations	A report containing a description of the operations of the council during the financial year and included in the Annual Report.
Risk Management	A policy and process for identifying business risks and controlling the likelihood and/or impact of a risk event occurring.
Services	Assistance, support, advice and other actions undertaken by a council for the benefit of the local community.
Service Outcome Indicators	The prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved.
Service Performance Indicators	A prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes.

Term	Definition
Strategic Indicator	A target established in the Council Plan that is used to measure progress towards a Strategic Objective.
Strategic Objective	A high level outcome contained in the Council Plan.
Strategic Resource Plan	A plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the Council Plan.
Strategy	A plan of action intended to accomplish specific objectives.
Sustainable	Meet present day needs without comprising future generations' ability to meet their needs.
Sustainable Capacity Indicators	A prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management.
Values	Values are beliefs that underpin behaviours and processes. The values of an organisation guide its culture.
Victorian Civil and Administrative Tribunal (VCAT)	A body established by the state government to determine the outcome of disputes (e.g. planning appeals).
Vision	A description of the future we aim to achieve for Yarra - our city development and our community.
Ward	Defined electoral area to which a representative is elected as Councillor.
Wellbeing	A general term to encompass health, happiness, welfare, security, comfort, quality of life and a sense of belonging.

Acronyms



The following table defines some of the key acronyms used in the Annual Report.

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

Contact us



Visit one of our customer service locations

Richmond Town Hall
333 Bridge Road, Richmond

Collingwood Town Hall
140 Hoddle Street, Abbotsford

**Connie Benn Family
and Children's Centre**
160 Brunswick Street, Fitzroy

**Bargoonga Nganjin -
North Fitzroy Library,**
182-186 St Georges Road,
North Fitzroy

There are many ways to contact us

E info@yarracity.vic.gov.au

T 9205 5555

F 8417 6666

PO Box 168 Richmond VIC 3121

For further reading follow Council's activities online

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

