

SECTION ONE – ABOUT THIS REPORT

This is a report on the City of Melbourne's performance including municipal and organisational sustainability over the 2007–08 financial year incorporating highlights, disappointments and future opportunities.

There are six key sections:

- Section 1** Outlines how we have organised and structured this report along with our 'performance at a glance' and a message from the Chief Executive Officer.
- Section 2** Provides an overview of the City of Melbourne and the communities we serve.
- Section 3** Summarises our performance during 2007–08. It includes brief snapshots of important initiatives and milestones and our key performance indicators. It is structured around the City of Melbourne's *Council Plan 2005–2009*, our key planning document, with 2007–08 performance reported under its six strategic objectives.
- Section 4** Describes the City of Melbourne's initiatives to address homelessness.
- Section 5** Explains our performance relating to key strategic indicators and the Global Reporting Initiative (GRI) G3 reporting framework.
- Section 6** Is our financial statements.

Developing this report

The content of the *City of Melbourne Annual Report 2007–2008* meets our reporting obligations under Section 131 of the *Local Government Act 1989* (Vic) which includes a report of operations and financial statements.

The report also addresses the requirements of the Global Reporting Initiative (GRI) G3 *Principles for Defining Report Content*. These principles focus on inclusiveness, relevance, sustainability context and completeness.

The report outlines the performance of the City of Melbourne and not its subsidiaries. However, the Financial Statements in this report (refer to Our financials, page 143) contain financial information about both the City of Melbourne and its subsidiaries.

A cross-organisational working group was formed to develop this annual report.

Internal review process

Relevant managers, directors, councillors and the Chief Executive Officer have reviewed the content of this annual report. A meeting of the Melbourne City Council will consider the *City of Melbourne Annual Report 2007–2008* in October 2008.

External audit

The Victorian Auditor-General's office has audited our Performance Statement and Financial Report, including the standard statements.

Measuring performance

Our success is measured by our progress towards the strategic objectives documented in our *Council Plan 2005–2009*.

Our *Annual Plan and Budget 2007–2008* guides the activities of each work area and the results they have set out to achieve by 30 June 2008.

Strategic indicators, including standard Victorian Local Government Indicators (VLGI) have been used to monitor progress against our Council Plan. Increasingly, we are incorporating the GRI indicators into our core set of indicators. Performance against our strategic indicators is listed under each Strategic Objective in this report.

The GRI indicators are reported throughout this annual report and are referenced in the GRI content index table starting on page 121.

Sustainability reporting

The City of Melbourne defines sustainable development as ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (Bruntland Commission, 1987).

Collective action is needed if we are to maintain Melbourne’s environment and character for current and future generations. We must plan and manage our public assets, infrastructure and resources in a way that supports sustainable development and promotes the public interest. As an employer, we also recognise our responsibility to lead by example and report publicly and transparently on our activities to promote sustainability.

We incorporate sustainability reporting within our annual report because we regard sustainability as core business and aim to increasingly align sustainability principles with our corporate governance practices.

The Global Reporting Initiative

The Global Reporting Initiative is a multi-stakeholder-governed initiative that has developed into the world’s most widely used sustainability reporting framework. This framework sets out the principles and indicators that organisations can use to measure and report their economic, environmental and social performance.

The Global Reporting Initiative’s internationally recognised indicators make it easier for stakeholders to compare our organisation’s performance with that of our peers and any other organisation. Transparency, accountability and accuracy are important factors in sustainability reporting and the Global Reporting Initiative encourages all three. You can find out more about this initiative at www.globalreporting.org.

Supplement for public agencies

Different business and industry sectors have different reporting needs and the Global Reporting Initiative has developed sector-specific reporting guidelines to accommodate these needs. The Global Reporting Initiative Sector Supplement for Public Agencies recommends that public agencies provide both qualitative and quantitative data in three areas, as illustrated in Diagram 1.

Diagram 1: Three different types of information the GRI Sector Supplement for Public Agencies recommends for inclusion in an annual report.

Diagram 1



- Context or state of the environment – economic, environmental, or social conditions within our area of jurisdiction.
- Public policies and implementation measures – external policies and actions related to sustainable development.
- Organisational performance – internal policies and role as a consumer and employer.

In putting together the *City of Melbourne Annual Report 2007–2008* we have focused on organisational performance indicators. We have also included a limited number of public policy and initiative indicators, complemented by a small number of ‘state of the environment’ indicators to provide contextual information.

The United Nations Global Compact

The City of Melbourne was the first municipal government in the world to engage with the United Nations Global Compact (UNGC). At the heart of the UNGC are 10 guiding principles covering human and labour rights, and environmental protection. These principles are drawn from the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the Rio Declaration on Environment and Development.

The City of Melbourne takes a collaborative approach to addressing the social, environmental and economic challenges facing our city. We believe our organisation’s policies and practices are closely aligned with the 10 principles of the UNGC. In addition to demonstrating compliance with the principles through our own actions, Council supports the International Secretariat of the UNGC Cities Programme, which is based in Melbourne.

Melbourne principles

The Melbourne Principles for Sustainable Cities are the product of the United Nations Environment Program (UNEP) International Workshop on Building Urban Ecosystems, held in Melbourne in April 2002. They have been developed to help cities that wish to achieve sustainable development, and provide 10 simple statements on how a sustainable city should function.

Sustainable approach to this publication

In 2007, the City of Melbourne moved away from printing and distributing a glossy, hard-copy annual report. Instead we produced 100 copies of a designed document on CD, which was also posted in sections as large-file PDFs on the City of Melbourne website.

While this approach limited our direct environmental impacts, it may have simply shifted responsibility for printing the document onto the end-user, as it was difficult to view online or via the CD without printing pages.

For this reason, in 2008 we are publishing the annual report in HTML format as a stand-alone section of the City of Melbourne website at www.melbourne.vic.gov.au/annualreport. This should enable people to read and navigate through the annual report without needing to print it. As such, no additional printed copies or CDs, other than those required under the Local Government Act will be produced.

Our management approach

Economic

The City of Melbourne has a range of programs aimed at developing the economic performance of the city. We have a website dedicated to attracting business and investment to Melbourne and informing users of coming events: www.businessmelbourne.com.au.

The key policies guiding the economic development of the city include:

- *Tourism Plan 2007–2012*
- *Retail Strategy 2006–2012.*

Principal responsibility for these policies and strategies lies with the Director Commerce and Marketing. You can read more about our approach, performance targets and key achievements under Strategic Objective 2 – An innovative and vital business city, page 39.

The City of Melbourne has a 10-year financial strategy to guide the long-term financial development of the organisation.

The four-year strategic resource plan, annual plan and budget provide the medium and shorter-term financial management parameters for the organisation. Our Sustainable Procurement Policy guides all decisions in relation to purchasing.

The City of Melbourne holds a AAA credit rating with global credit rating agency, Standard and Poor's, which is the highest rating possible for fiscal responsibility.

Principal responsibility for the financial sustainability of the organisation lies with the Director Corporate Services. You can read more about our approach, performance targets and key achievements under Strategic Objective 6 – A financially responsible corporation, page 96.

The Office of Knowledge Capital is a unique partnership between the City of Melbourne, universities, industry and the community. It has been established to drive the evolution and promotion of Melbourne as a global knowledge city, building on our strength as a national and international leader in higher education, research and innovation.

The Office of Knowledge Capital will pursue three strategic objectives:

- develop and promote Melbourne locally, nationally and globally to achieve recognition as 'Australia's Knowledge Capital' and a 'Global University City'
- facilitate collaboration between the Office of Knowledge Capital and governments, businesses and other communities
- form links with similar 'knowledge cities' to enable mutually beneficial interactions.

Environmental

The many awards and commendations received by the City of Melbourne (see page 89) demonstrate our leadership in environmental sustainability. We have developed an impressive range of environmental policies and programs to create a more sustainable and liveable city. These programs aim to improve the municipality's environmental performance, particularly by reducing energy consumption, greenhouse gas emissions and water consumption, as well as by improving water quality and waste management.

The key policies guiding the environmental sustainability of the city and the organisation include:

- *Waste Management Strategy 2005*
- *Zero Net Emissions by 2020 (update 2008)*
- *Total WaterMark Strategy (update 2008)*
- *Greenhouse Action Plan 2006–2010*
- *Sustainable Public Lighting Action Plan 2005–2010.*

Principal responsibility for developing and monitoring these policies lies with the Director Sustainability and Regulatory Services. You can read more about our approach, performance and key achievements under Strategic Objective 4 – An environmentally responsible city, page 58.

Social

The City of Melbourne is committed to creating a safe workplace where people are encouraged and motivated to perform at their best. As well as maintaining our commitment to Safety Management Achievement Program (SafetyMAP) advanced accreditation, key guiding policies include:

- Occupational Health and Safety Policies
- Work Flexibility Policy
- Corporate Learning and Development Program
- Equal Opportunity Policy
- Employee Assistance Policy
- Health and Wellbeing Policy
- Attraction and Retention Strategy
- Anti-harassment and Bullying Policy
- Recruiting Fairly Policy
- Employee Disability Inclusion Plan.

All staff and management undergo training in relation to these policies as part of our corporate induction program and there is ongoing OH&S training for managers, contractors and staff managing contractors. You can read more about our approach, performance targets and key achievements under Strategic Objective 5 – A well-managed and leading corporation, page 70.

Human rights

In August 2001, Melbourne became the first city in the world to engage with the United Nations Global Compact (UNGC) and show its commitment to supporting and fostering responsible business operations and universal values.

The key policies guiding our operations include:

- Enterprise Bargaining Agreement
- Indigenous Framework
- Multicultural Strategy
- Disability Action Plan
- The Homelessness Framework
- A City for Young People Policy.

The responsibility for developing and implementing policies aimed at creating an inclusive and welcoming city lies with the Director Community and Culture. You can read more about our approach, performance targets and key achievements under Strategic Objective 3 – An inclusive and engaging city, page 46.

Society

As a local government authority, the City of Melbourne takes our community responsibilities seriously. As a democratically elected body, Council ensures it is not subject, either knowingly or inadvertently, to any kind of fraud or corruption. Nor does Council engage in any behaviour that could be construed as anti-competitive.

Key policies that guide our operations include:

- National Competition Policy
- Fraud and Corruption Policy
- *Whistleblowers Protection Act 2002 (Vic)*
- Risk Management Strategy
- Code of Conduct.

The Corporate Learning and Development Program offers a number of training courses in this area, including fraud awareness, governance framework and risk management. Principal responsibility for these policies lies with the Manager Governance Services. You can read more about our approach, performance targets and key achievements under Strategic Objective 5 – A well-managed and leading corporation, page 70.

Service accountability

The City of Melbourne is accountable to the Victorian Government and the community for delivery of services in accordance with provisions of legislation. Of particular relevance are:

- *Information Privacy Act 2000 (Vic)*
- *Freedom of Information Act 1982 (Vic)*
- *Local Government Act 1989 (Vic)*

Principal responsibility for these policies lies with the Manager Governance Services.

Our performance at a glance

Following is a quick summary of our performance against our six strategic objectives in 2007–08.

SO1 Connected and accessible city	SO2 Innovative and vital business city	SO3 Inclusive and engaging city	SO4 Environmentally responsible city	SO5 Well-managed and leading corporation	SO6 Financially responsible city
<p>Highlights The City of Melbourne is now the responsible authority for Docklands' waterways, waterfronts and marinas. Since managing the marinas overnight visitor berthing and casual day visits have increased significantly.</p> <p>We continued to refine our parking permit management systems in 2007–08 to make approvals and issuing more efficient.</p> <p>As part of our <i>Bike Plan 2007–2011</i> key bicycle routes have been improved and construction has started on the Manningham pedestrian/cyclist bridge.</p>	<p>Highlights In March 2008 we provided grants of \$583,552 to assist 27 new and thriving small businesses.</p> <p>Our retail report card showed that Melbourne is on track to become Australia's leading retail city with more than \$1 billion in retail development in the CBD and Docklands in 2007–08.</p> <p>In May 2008 we led our largest business delegation of 22 participants to Tianjin, China to mark the 10th anniversary of the Melbourne Office Tianjin</p>	<p>Highlights Construction started in February 2008 on The Harbour Family and Children's Centre – the first major community facility for Docklands. The centre is on track to open in early 2009 and will provide 150 extra childcare places along with maternal and child health services. The City of Melbourne is contributing \$6.95 million to the project.</p>	<p>Highlights In May 2008 we unveiled a Water Savings Initiatives Map, detailing 39 water saving projects in and around the city.</p> <p>The City of Melbourne reduced total water use by 27 per cent from 2006–07. Reclaimed stormwater from Royal Park Wetlands contributed significantly to this reduction.</p> <p>Through our Savings in the City program 30 city hotels have saved an average of 4.8 litres of waste and 15.3 litres of water per guest per night. Total energy saved equates to 24,769 tonnes of greenhouse gas.</p>	<p>Highlights All developed areas of Docklands were returned to the City of Melbourne on 1 July 2007. VicUrban will continue to manage development of Docklands until the project is completed around 2020.</p> <p>During 2008 we sponsored Future Melbourne, a long-range community plan for all aspects of city life. Future Melbourne involved the largest community consultation program ever undertaken by the City of Melbourne. Some 15,000 people helped develop the draft plan, many through an online discussion forum and an interactive 'wiki'.</p>	<p>Highlights We demonstrated strong financial performance in 2007–08, achieving a \$94 million surplus against a \$6.5 million planned surplus. Two major items contributing to our surplus were the one-off Kensington and North Melbourne transition and revaluation of investment property income.</p> <p>We saved \$6 million last financial year through our 2006–07 Operational and Efficiency Review. The review saw a net loss of about 60 staff and a restructure from seven to five divisions and 35 to 28 branches.</p>

SO1 Connected and accessible city	SO2 Innovative and vital business city	SO3 Inclusive and engaging city	SO4 Environmentally responsible city	SO5 Well-managed and leading corporation	SO6 Financially responsible city
<p>Disappointments We proposed a 40 km/h speed limit in the CBD to improve safety for cyclists and reduce pedestrian injuries. Approval has not yet been received from the Victorian Government but we are hopeful it will be given in late 2008.</p>	<p>Disappointments Only a small number of applications were received for our Export Entry Grants. We will work closely with the Institute of Export and Austrade in 2008-09 to promote the program more widely.</p> <p>There was limited progress on trade development between Seattle and Melbourne, despite a Memorandum of Understanding being signed in May 2006. Council is still in contact with all parties and will review its approach in 2008-09.</p>	<p>Disappointments A review of how municipal heritage precincts are managed did not take place in 2007-08. Consultants are now engaged to undertake the project in 2008-09.</p> <p>Council is on track to provide an additional 200 child care places in the municipality but there is still high demand. On top of 150 new places in Docklands, we plan to add 40 places in Kensington and 25 places at Fawkner Park. We are also investigating the former JH Boyd Girls' School site as a potential community facility, offering child care.</p>	<p>Disappointments We are yet to compile and publish the results of 2005-06 green building retrofit programs aimed at hotels, commercial offices, food premises and high-rise apartments. We expect to complete this task in 2008-09.</p>	<p>Disappointments Our Integrated Corporate System project, which seeks to replace several ageing IT systems with one integrated solution, was delayed in 2007-08 due to the complexities of the business case. A decision by Council on a preferred supplier is expected in October 2008, with work set to occur in stages over the next three years.</p>	<p>Disappointments Council has lodged a submission seeking legislative changes in relation to WorkCover self-insurance options but a final decision is unlikely until late 2008.</p>

SO1 Connected and accessible city	SO2 Innovative and vital business city	SO3 Inclusive and engaging city	SO4 Environmentally responsible city	SO5 Well-managed and leading corporation	SO6 Financially responsible city
<p>Looking ahead We have almost completed a study into the availability of on-street and off-street parking in north and west Melbourne. Council is expected to consider recommendations arising from the study by March 2009.</p>	<p>Looking ahead Following three important networking and education events for small to medium-sized businesses in 2007–08, we intend to expand our Melbourne Business Series program in 2008–09.</p> <p>We are working with Invest Victoria and VECCI to develop a business plan and management model to reinvigorate the Melbourne Chamber of Commerce.</p>	<p>Looking ahead We will audit the existing Melbourne Planning Scheme in line with the Planning and Environment Act 1987 (Vic).</p> <p>A number of Planning Scheme Amendments are underway. These relate to: licensed premises policy; maximum car parking rates for certain residential developments; and proposed heritage ‘statements of significance’.</p> <p>We are hosting a summit in October 2008 to improve coordination on city safety issues. In our 2008–09 budget we allocated \$2.3 million to increase security cameras in the city from 25 to 54.</p>	<p>Looking ahead In 2008–09 we will complete updates of our climate mitigation and water strategies, Zero Net Emissions by 2020 and Total Watermark.</p> <p>In partnership with the Clinton Climate Initiative, we aim to retrofit and reduce energy use in 15 Council buildings in 2008–09.</p> <p>In 2008–09 we will launch an innovative, staff-driven program to improve workplace sustainability called CoM Green.</p>	<p>Looking ahead After the new Melbourne City Council is elected in November 2008, an important first task will be to prepare the next four-year Council Plan. Once drafted, the Council Plan will be available for public comment in June 2009.</p>	<p>Looking ahead In preparation for the newly-elected Council, information on the current financial position of the City of Melbourne will be prepared to help new councillors provide input into the next four-year Council Plan.</p> <p>Further work will be completed during 2008–09 on the draft 10-year Finance Plan, which outlines our priorities for future infrastructure development, maintenance and service delivery.</p>
<p>Read more on page 33.</p>	<p>Read more on page 39.</p>	<p>Read more on page 46.</p>	<p>Read more on page 58.</p>	<p>Read more on page 70.</p>	<p>Read more on page 96.</p>

Message from the Chief Executive Officer

Working together for Melbourne

Over the past year, the City of Melbourne has grown and accomplished great things on both national and international levels.

Taking responsibility for Docklands

The City of Melbourne took responsibility for Docklands on 1 July 2007. The city is now open to the waterfront and the size of the central business district has doubled.

Docklands is currently home to more than 6000 residents, a figure expected to increase to about 20,000 when the precinct is completed in 12 to 15 years' time. More than 7000 workers are employed in Docklands and about 6000 people visit the precinct each day.

In collaboration with the Victorian Government's sustainable development authority, VicUrban, and the local Docklands community, the City of Melbourne has worked hard to expand municipal services, programs and infrastructure in Docklands.

In December 2007, we launched *Delivering for Docklands*, a three-year strategy to help meet the needs of the Docklands community. Major achievements to date are:

- a draft *Community Infrastructure Plan* which, when complete, will serve as the master plan for community amenity development
- \$6.95 million contributed to the 150-place 'The Harbour Family and Children's Centre', which will open in January 2009
- support for events on the waterfront as well as integrating Docklands within the city's seasonal marketing campaigns.

Taking responsibility for Kensington and North Melbourne

Following a Victorian Government decision in December 2007, the City of Melbourne worked with the City of Moonee Valley to transition all of Kensington and North Melbourne to our municipality. This process included taking over responsibility for all services provided to people living in those areas.

Although our land area is only 1.1 km² larger as a result of this boundary change, our demographic mix has changed significantly. Our non-English speaking population has grown by more than 1700, and the most common birthplace for new residents is now Vietnam and Somalia.

While Mandarin remains the top non-English language spoken in the municipality, the Somali speaking population increased 56 per cent to about 300 people.

Organisational change and financial strength

In November 2007, David Pitchford resigned from his position as Chief Executive to take on a new role with the Nakheel Corporation in Dubai. Geoff Lawler, Director Sustainability and Regulatory Services, capably took on the role of Acting Chief Executive until I joined the organisation in April 2008.

We continue to be in great shape financially. At the start of the 2008–09 financial year we have \$2.9 billion in assets and more than \$311 million in the Investment Portfolio, which includes \$123 million in cash.

Future Melbourne community plan

During the past year we began the most ambitious community consultation project we have ever undertaken – *Future Melbourne*.

Future Melbourne is the Melbourne community's long-term plan for all aspects of city life. It sets out goals for the future, key trends and challenges, and outlines strategic growth areas for the city.

Over 13 months, some 15,000 individuals, businesses, organisations and community groups from Melbourne and around the world participated in Future Melbourne. Six goals for our city were identified. They were to create:

1. A city for people
2. A prosperous city
3. An eco-city
4. A knowledge city
5. A creative city
6. A connected city.

Continued leadership in sustainability

The City of Melbourne is committed to creating one of the world's most sustainable cities by investing in innovative programs, technology and awareness campaigns.

Our Director of Design and Urban Environment, Professor Rob Adams AM, received the Prime Minister's Environmentalist of the Year Award at the prestigious Banksia Environmental Foundation Awards.

In addition, staff from the City of Melbourne's Parks and Urban Design and Parks Services branches were recognised for their *Managing Drought in the City of Parks* project – winning the Banksia Local Government Award. The project reduced total use of potable (tap) water in 100 parks, gardens and reserves by 63 per cent compared with the annual consumption of two years before.

We joined other Australian capital cities to deliver the *CitySwitch Green Office* program – a national sustainability initiative to help commercial tenants improve their energy efficiency and reduce CO₂ emissions.

A great place for business

Alongside our most liveable city accolade, Melbourne ranked highly as a business destination.

One of the world's leading professional services firms, KPMG, ranked Australia number-four in the world for business location attractiveness, with Melbourne coming out on top as the most competitive large city in Australia. As a result, Melbourne now makes an even stronger contribution to the economy.

For the first time we overtook Sydney to become Australia's most lucrative tourism destination. New figures from Tourism Australia show domestic overnight visitors spent \$4.53 billion in Melbourne in 2007 – compared with \$4.49 billion in Sydney.

Likewise our city is on track to become a global retail city with more than \$1 billion in retail development currently underway in the central city and Docklands.

Where to next?

The June 2008 release of the 2008–09 Budget marks the final step in a four-year vision for the current Melbourne City Council, which was sworn in on 2 December 2004.

Under this Council's leadership, the City of Melbourne helped deliver the outstanding 2006 Melbourne Commonwealth Games; assumed municipal responsibility for Victoria's largest urban renewal project, Melbourne Docklands; and built the multi-award-winning CH₂ – Australia's first purpose-built six-star green-rated office building. CH₂ achieved a 10.9 per cent improvement in staff productivity and wellbeing

and the pay-back period on the environmental features, which was forecast at 10 years, has been reduced to seven years.

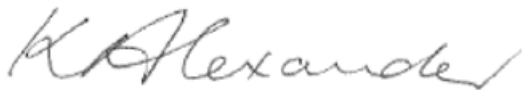
Across Australia, a newfound interest in capital cities is emerging. The City of Melbourne collaborated with the other capital cities to produce a National Capital Cities Policy, which was launched in August 2007. More recently the newly elected Australian Government has shown a strong commitment to engaging with capital cities through the Council of Capital City Lord Mayors. We hope this brings opportunities to further advantage our great city.

In late November 2008, the Melbourne City Council will hold elections for Lord Mayor, Deputy Lord Mayor and seven councillors to take us into the next four-year term. In 2009 this new council will develop the next four-year Council Plan, informed by Future Melbourne.

Over the coming years, the challenge for all levels of government will be to make our communities more sustainable on every level, while enhancing our quality of life. Like the rest of the world, Melbourne faces difficult decisions if it is to overcome the challenges ahead and become truly sustainable.

The past 12 months have been both challenging and rewarding and I'd like to thank our staff for their dedication and professionalism.

I am excited to lead the City of Melbourne's staff in support of the Council to strive to ensure that Melbourne is bold, inspirational and sustainable.



Dr Kathy Alexander

Chief Executive Officer

SECTION TWO – OUR CITY

Melbourne today

The City of Melbourne is the gateway to Victoria, the seat of the Victorian Government and the headquarters of many local, national and international companies, peak bodies, and government and non-government agencies.

Melbourne is a cosmopolitan city, a thriving business hub, a focal point for arts and culture and a forward-thinking city with a sustainable vision for the future.

Our population is growing and our boundaries expanding – with Docklands becoming part of our municipality in 2007 and the remaining parts of Kensington and North Melbourne in 2008. Today, more than 76,000 people call the City of Melbourne home and nearly 10 times that number (716,000 including residents) visit the city daily.

Melbourne, Australia



Melbourne is the capital of Victoria and Australia's second largest city. It sits on the south-east edge of our continent at the apex of one of the world's largest bays, Port Phillip Bay.

Metropolitan Melbourne



Focused around a central business district, metropolitan Melbourne's 7,800 km² of suburbs spread more than 40 km to the south, are hemmed in by the picturesque Dandenong Ranges 30 km to the east, extend 20 km to the north and sprawl across vast, flat basalt plains to the west.

City of Melbourne



The City of Melbourne serves the municipality of Melbourne. The municipality is 37.6 km² and shares its borders with seven other councils.

Note: the map includes the remaining parts of Kensington and North Melbourne that were transferred to the City of Melbourne following the municipal boundary change on 1 July 2008.

More about Melbourne

Visit www.melbourne.vic.gov.au to find more information on:

- services for residents, businesses, students, workers and visitors
- research, demographics and other statistics
- a detailed history of the Council, the town hall and the city
- our current initiatives and plans for the future.

Snapshot of a growing city

	Melbourne municipality now	Melbourne municipality in 1991	Metropolitan Melbourne now	Did you know?
Population	In 2007, our municipality had almost 76,700 residents.	In 1991, our municipality had a population of about 34,660 people.	In 2006, metropolitan Melbourne had an estimated population of 3,744,400. Our municipality makes up two per cent of this figure.	Our residential population grew at an average of eight per cent between 2001 and 2006. This made it the second fastest growing and fourth largest growing municipality in Victoria over that period.
Young people living in the city	34.5 per cent of our residents were aged between 25 and 34 years in 2006.	20 per cent of our residents were aged between 25 and 34 years in 1991.	In metropolitan Melbourne in 2006, 15 per cent of people were aged between 25 and 34 years.	More than 23,300 higher education students live within our municipality, including more than 11,600 international students.
Birthplace	42 per cent of our residents were born overseas in 2006.	38 per cent of our residents were born overseas in 1991.	In metropolitan Melbourne, 29 per cent of residents were born overseas in 2006.	English is the most commonly spoken language in Melbourne, but more than 100 languages are spoken by our residents.
Languages spoken at home	33 per cent of our residents spoke a language other than English at home in 2006.	33 per cent of residents spoke a language other than English at home in 1991.	26 per cent of residents in metropolitan Melbourne spoke a language other than English at home in 2006.	The most common languages (after English) are Mandarin, Cantonese, Indonesian, Italian and Vietnamese.
Median house prices	The median cost of a house in our municipality in March 2008 was \$926,000.	In 1991, the median cost of a house in our municipality was \$132,320.	The median cost of a house in metropolitan Melbourne in March 2008 was \$432,500.	In 2006, 45 per cent of households in our municipality owned one or more cars.
Employment	In 2006, employment continued to grow, with more than 365,900 people employed within our municipality.	In 1986, 225,650 people were employed within our municipality.	1,544,000 people were employed in metropolitan Melbourne in 2001.	The business services sector and the finance and insurance sector employ more city workers than any other industry.
Journey to work	In 2006, 44 per cent of workers used public transport to get to work, while 41 per cent drove to work.	In 1996, 37 per cent of people used public transport to get to work, while 49 per cent drove to work.	In 2001, across metropolitan Melbourne, 11 per cent of people used public transport to get to work, while 69 per cent travelled by car.	Melbourne's public transport system includes trains, trams and buses.

Source: City of Melbourne Census of Land Use and Employment 2006; Australian Bureau of Statistics Census data for 1981, 1991, 2001 and 2006; Australian Bureau of Statistics Estimated Residential Population data; Higher Education Student Data; and the Real Estate Institute of Victoria (house prices).

Council profile

Melbourne City Council

Melbourne City Council is the local government body responsible for the municipality of Melbourne. The Council consists of a Lord Mayor and a Deputy Lord Mayor (the leadership team) and seven councillors.

Under the provision of the *City of Melbourne Act 2001* (Vic), the leadership team and councillors are elected by voters across the municipality which, unlike other local government areas, is not divided into wards.

The leadership team election is conducted using the preferential voting system, and the councillor election is conducted using the proportional representation voting system.

The current Council was elected for a four-year term in November 2004. A general election is scheduled for November 2008.

The Council's role

The *Local Government Act 1989* (Vic) sets out the primary purposes and objectives of Melbourne City Council, and defines its functions and powers. The Council is a public statutory body incorporated under the Act.

The Council's role is the governance of the municipality of Melbourne in service of the community including ratepayers, residents, businesses, workers, visitors, community groups and investors.

The Council is responsible for:

- acting as a representative government by taking into account the diverse needs of the local community in decision-making
- establishing strategic objectives for municipal services, and monitoring the achievement of those objectives
- maintaining the viability of the Council by ensuring resources are managed in a responsible and accountable manner
- advocating the interests of the local community to other communities and governments
- acting as a responsible partner in government by taking into account the needs of other communities
- fostering community cohesion and encouraging active participation in civic life.

Council of Capital City Lord Mayors

History was made in August last year at a Council of Capital City Lord Mayors (CCCLM) meeting in Canberra, chaired by our Lord Mayor, John So. The CCCLM launched its inaugural national policy, titled *Partners in Prosperity* and pledged to seek a new working relationship with the Australian Government to boost productivity, innovation and the liveability of our cities.

The CCCLM comprises the Lord Mayors of Melbourne, Sydney, Adelaide, Perth, Hobart, Brisbane and Darwin and the ACT's Minister for Territory and Municipal Services. Its mission is to provide a national corporate entity for the effective coordination and representation of the special interests of the capital cities of the Australian states and territories in their relations with other spheres of government.

As the new Australian Government starts to roll out its agenda for the country, the City of Melbourne has been working to ensure its priorities are understood considered for federal funding. Through CCCLM, the City of Melbourne has prepared submissions to the Australian Government on Melbourne's key infrastructure and liveability requirements as they relate to transport, ports, water, accessible and fast broadband, sustainability and liveability, tourism and global positioning, and affordable housing in inner cities.

Inner Melbourne Action Plan (IMAP)

Working collaboratively towards outcomes for the region

The Inner Melbourne Action Plan (IMAP) is a joint initiative of four inner metropolitan councils: the cities of Melbourne, Yarra, Port Phillip and Stonnington. IMAP sets out 11 regional strategies and 57 actions to address its main objective – ‘to make the inner Melbourne region more liveable’. IMAP also responds to the relevant priorities in *Melbourne 2030*, the Victorian Government’s blueprint for managing sustainable growth and change across metropolitan Melbourne and surrounding regions.

Since adopting IMAP in December 2006, the City of Melbourne has worked with the partner councils, the Victorian Government and private industry to advance many IMAP actions and generate successful outcomes.

- The Inner Melbourne Statement of Significance, *Liveable Walkable Melbourne – The Structure, Character and Significance of Inner Melbourne*, documents a common understanding of the region’s characteristics to inform future decision-making and policy development.
- In 2006, the Victorian Transport Minister Peter Batchelor announced a new \$19.2 million local truck bypass of Williamstown Road – the Plummer Street Bypass. This project will initiate the facilitation of the IMAP action: Improved links to the Port of Melbourne.
- The regional Greenlight Pedestrian Safety Project investigated new pedestrian safety options. An analysis of pedestrian crossings to improve accessibility and safety on busy inner Melbourne roads was completed and pedestrian crossing changes are now underway.
- The Wayfinding Signage project looked at best-practice signage in the region, including an agreed ‘family’ of signs, and a demonstration walking and public transport path will be established.
- *Regional Economic Development Statement* – articulating a common approach to business attractions and development across the four municipalities.

IMAP has also completed three key projects in association with Tourism Victoria: research into the value of tourism in the IMAP region, production of a regional visitor map, and development of regional online experience packages. The visitor map is being distributed through Tourism Victoria’s international offices in the UK and Asia. It is also included in the arrivals brochure for incoming cruise ships and is becoming the preferred map for tourists visiting Melbourne.

IMAP has identified bicycle path ‘gaps’ in the IMAP region and prioritised the bicycle network based on cyclists’ use. IMAP councils have also committed additional resources to close gaps on key routes to improve the regional experience for cyclists.

The City of Melbourne is working with the City of Port Phillip and other partners to help facilitate consistent, functional and sustainable urban outcomes for St Kilda Road through the *Draft St Kilda Road Master Plan* (City of Melbourne and City of Port Phillip, 2007) and the St Kilda Road Tram Project (Yarra Trams).

IMAP will continue to deliver prioritised outcomes for the region, in particular investigating affordable housing solutions, environmental (water, waste and greenhouse) improvements and advocating for and implementing sustainable transport initiatives.



Inner Melbourne Action Plan
‘Making Melbourne More Liveable’



Council decisions

Councillors make decisions either at Council meetings or at appropriately delegated committee meetings. Decisions made at committee meetings are subject to a 'referral notice process'. If fewer than five committee members vote in favour of a motion, committee members have the option of referring a matter to a Council meeting under this circumstance.

Meetings are open to all unless the Council or committee resolves to close the meeting to members of the public to discuss any of the following:

- personnel matters
- the personal hardship of any resident or ratepayer
- industrial matters
- contractual matters
- proposed developments
- legal advice
- matters affecting the security of Council property
- any other matter which the Council or special committee considers would prejudice the Council or any person.

Offices of the Lord Mayor, Deputy Lord Mayor and councillors

These offices provide a range of advisory, executive and administrative support services to the Lord Mayor, Deputy Lord Mayor and councillors. Relevant staff work with the Chief Executive Officer, directors and managers to provide an effective and strong working relationship between Council and the organisation.

Delegations

Melbourne City Council's powers under the *Local Government Act 1989* (Vic) or any other Act may be delegated to a committee of Council or to a City of Melbourne officer. The Council delegates powers, duties and functions to the Chief Executive Officer, who may delegate some or all of those powers to other officers.

The current organisational structure includes five directors and 1139 staff. Through a relevant director, all staff are accountable to the Chief Executive Officer.

The Council and its committees provide clear and precise policy, and City of Melbourne staff make day-to-day decisions in accordance with that policy. The exercise of delegations is subject to the City of Melbourne's Delegations Policy.

Relationship with other tiers of government

There are three tiers of government in Australia – local, state and federal. Local government is the third tier of government and statutory responsibility for local government lies with each Australian state or territory.

An Act of each state parliament specifies local government powers, duties and functions. In Victoria, the legal basis for councils is established under the *Constitution Act 1975* (Vic) and the *Local Government Act 1989* (Vic).

Meet your Council

Lord Mayor John So



First elected in 1991.

The Lord Mayor is chair of meetings of the Melbourne City Council and represents the City of Melbourne on the following advisory committees and external organisations:

- Audit Committee
- Cancer Council of Victoria
- Capital City Committee
- Council of Capital City Lord Mayors
- Committee for Melbourne
- Ministerial Crime and Violence Prevention Council
- Lord Mayor's Charitable Foundation
- Shrine of Remembrance
- World Mayor's Council on Climate Change.

Deputy Lord Mayor Gary Singer



First elected in December 2004.

The Deputy Lord Mayor is the acting chair for each Melbourne City Council committee, and represents the City of Melbourne on the following advisory committees and external organisations:

- Audit Committee
- Arts Advisory Board
- Capital City Committee
- Melbourne Symphony Orchestra.

Cr Catherine Ng



First elected in July 2001.

Cr Ng is chair of the Melbourne City Council's Planning Committee and represents the City of Melbourne on the following advisory committees and external organisations:

- Department of Infrastructure / Municipal Association of Victoria Public Transport Liaison Group
- Inner Melbourne Action Plan (IMAP) Implementation Committee
- Metropolitan Transport Forum
- Sub-committee (Convention Centre Plans and Reports).

Cr Fraser Brindley



First elected in December 2004.

Cr Brindley is chair of the Melbourne City Council's Environment Committee and represents the City of Melbourne on the following advisory committees and external organisations:

- International Council for Local Environment Initiatives (ICLEI) Executive Committee
- Municipal Association of Victoria (MAV) Strategic Environment Advisory Group
- Metropolitan Waste Management Group
- Royal Park Master Plan Implementation Advisory Committee
- Carlton Gardens Reference Group
- City of Melbourne Sustainable Water Use Reference Group
- Environmental Impact of Commercial Waste Collection Sub-committee.

Cr Fiona Snedden



First elected in December 2004.

Cr Snedden is chair of the Melbourne City Council's Business and International Relations Committee, and represents the City of Melbourne on the following advisory committees and external organisations:

- Melbourne Retail Advisory Board
- Melbourne Hospitality Advisory Board
- Melbourne Spring Fashion Week Advisory Committee
- Environmental Impact of Commercial Waste Collection Sub-committee.

Cr Carl Jetter



First elected in December 2004.

Cr Jetter is chair of the Melbourne City Council's Marketing and Events Committee and represents the City of Melbourne on the following advisory committees and external organisations:

- Melbourne International Flower and Garden Show Event Advisory Group
- Melbourne Osaka Cup Executive Group
- Melbourne Awards Committee
- Strategic Purchasing (MAPS Group Ltd trading as Strategic Purchasing)
- Victorian Local Governance Association
- New Year's Eve Event Partners
- District Precinct Program 2007–2010
- Cultural Precincts Steering Committee
- Melbourne Marketing Advisory Board
- Tourism Taskforce.

Cr Brian Shanahan



First elected in December 2004.

Cr Shanahan is chair of the Melbourne City Council's Finance and Governance Committee and represents the City of Melbourne on the following advisory committees and external organisations:

- Audit Committee
- Inner South Metropolitan Mayor's Forum
- Municipal Association of Victoria
- Police Community Consultative Committee – North and West Melbourne
- Community Infrastructure Implementation Sub-committee
- North Melbourne Recreation Reserve Landscape Plan Advisory Committee
- Environmental Impact of Commercial Waste Collection Sub-committee
- North Melbourne and Kensington Boundary Transition Advisory Committee.

Cr Peter Clarke



First elected in December 2004.

Cr Clarke was chair of Melbourne City Council's Docklands and Major Projects Committee which the council resolved to cease in August 2007.

Cr Clarke is co-chair of the Docklands Coordination Committee which is a joint Council and Victorian Government Committee. He also represents the City of Melbourne on the following advisory committees and external organisations:

- Sub-committee (Convention Centre Plans and Reports)
- Community Services Grants Program Selection Panel.

Cr David Wilson



First elected in December 2004.

Cr Wilson is chair of the Melbourne City Council's Community Services Committee and represents the City of Melbourne on the following advisory committees and external organisations:

- Aboriginal Consultative Group
- Housing the Arts Committee
- Parliament of the World's Religions Committee
- City Safety Leadership Committee
- Disability Advisory Committee
- Capital City Local Learning and Employment Network Management Committee
- Carlton Community Liaison Committee
- Kensington Community Liaison Committee
- Melbourne Affordable Housing
- Police Community Consultative Committee – CAD
- Police Community Consultative Committee – Carlton/Parkville
- State Netball and Hockey Centre Advisory Committee
- Drugs and Alcohol Advisory Group
- Community Infrastructure Implementation Sub-committee
- City Licensing Approvals Forum
- City Village Tenancy Management Committee
- Family and Children's Advisory Committee
- North and West Melbourne Homelessness Action Group
- Judy Lazarus Transition Centre Community Advisory Group
- Community Services Grants Program Selection Panel.

The City of Melbourne as an organisation

The administrative structure and staff of the Melbourne City Council is referred to as the City of Melbourne. The headquarters of the organisation are at the Melbourne Town Hall in Swanston Street.

The City of Melbourne has three wholly-owned subsidiary companies, two associated companies and an independently operating trust fund. All but one of these entities is based within the municipality.

Our vision, mission and values

Vision

Melbourne, the capital of Victoria, will be internationally recognised for the opportunities it offers all Victorians to live, learn, work and prosper.

Melbourne is a vibrant, thriving and sustainable city that is viewed with pride by all Victorians.

Mission

We are committed to:

- ensuring the operations of the City of Melbourne are socially, economically and environmentally sustainable
- encouraging and facilitating sustainable social, economic and environmental development and prosperity
- promoting Melbourne's advantages
- transparent and accountable governance
- best-value customer service
- maintaining and enhancing Melbourne's liveability by providing quality assets and associated services
- building on Melbourne's strategic advantages.

Values

Our values are:

- **Integrity:** I will do and others will see it
- **Respect:** I will treat others as I expect to be treated
- **Excellence:** I will do the best that I can
- **Courage:** I will make a difference.

These values guide us in working together for Melbourne.

Realising our vision

Our *Council Plan 2005–2009* identifies six strategic objectives that guide us towards our vision of a thriving and sustainable city that all Victorians can be proud of.

Our aspirations for the city are reflected in the first four strategic objectives:

- 1. Connected and accessible city**
- 2. Innovative and vital business city**
- 3. Inclusive and engaging city**
- 4. Environmentally responsible city**

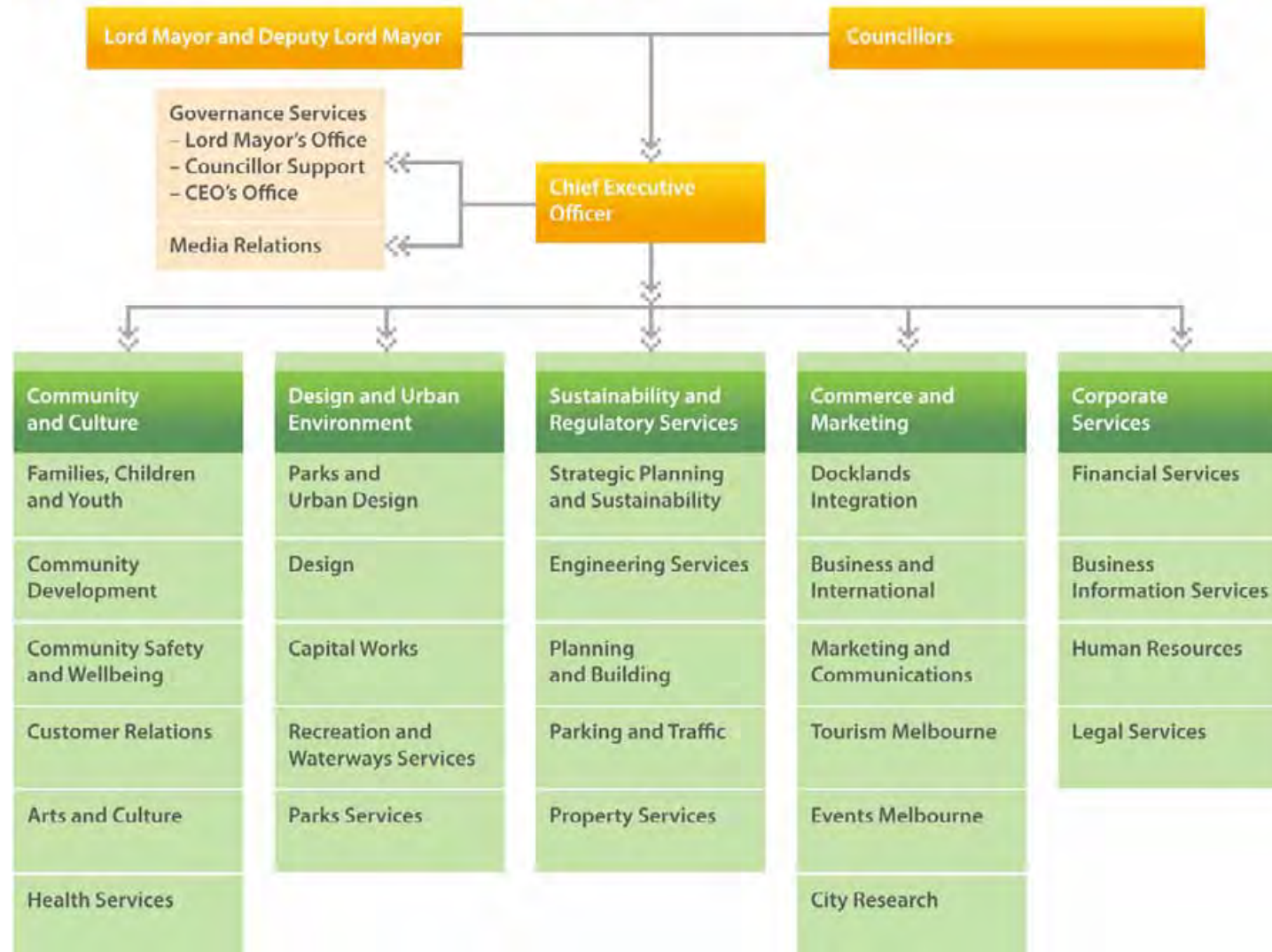
A further two objectives relate to our internal performance and give direction for the good governance and management of our organisation:

- 5. Well-managed and leading corporation**
- 6. Financially responsible corporation**

In November 2008, a new Melbourne City Council will be elected. One of the incoming Council's first tasks will be to develop a new Council Plan. The Future Melbourne community plan will help inform the new Council Plan.

Organisational structure

City of Melbourne Organisation Structure (effective 10 April 2008)



Directors

The following table shows the divisions of the City of Melbourne and the name of the director responsible for each area. As well as leading their own divisions, each director provides support and advice to the Council committees most relevant to the work of their division. Directors also have a leadership role to progress strategic objectives most relevant to the work of their division.

Director	Division
Rob Adams	Design and Urban Environment



The Design and Urban Environment division is responsible for the development of strategic plans, research and urban design policy, as well as best practice in design, project management and parks and recreation services. The work produced by this division is creating opportunities and delivering services so that city residents and visitors can live, learn, work and prosper in a quality environment. It ensures the City of Melbourne maintains its reputation as a leader in the integrated approach to design and management of public spaces as well as policy formulation and implementation of sustainable solutions.

Scott Chapman	Commerce and Marketing
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The Commerce and Marketing division focuses on driving visitation and investment into Melbourne. Through strong private and public sector partnerships, the division contributes to positioning Melbourne as a world-class city in local, national and international markets.

The Director is the Chair of MAPS (trading as Strategic Purchasing Ltd) of which the City of Melbourne is a majority stakeholder. MAPS is a cooperative purchasing company working on behalf of member local governments.

Martin Cutter	Corporate Services
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The Corporate Services division manages the City of Melbourne's financial assets and resources, as well as information systems, and is responsible for legal services and human resources. The division also plays a key role in liaising with our wholly-owned subsidiaries which contribute more than four per cent to Council's revenue.

Geoff Lawler

Sustainability and Regulatory Services



The Sustainability and Regulatory Services division advises Council on the future sustainable development of Melbourne. It manages the Council's built and constructed assets such as roads infrastructure and public buildings as well as key municipal services such as parking and traffic management, and residential waste and street cleaning. This division also maintains municipal property information and administers local laws and regulations to develop, improve and protect the general amenity of the municipality.

The Director is also responsible for Council's interests in the Sustainable Melbourne Fund and the Office of Knowledge Capital and is a member of the Inner Melbourne Action Plan (IMAP) Implementation Committee.

Linda Weatherson

Community and Culture



The Community and Culture division advocates, plans and provides services and programs that foster social and cultural sustainability; promotes public health; and works with the other areas of the organisation to connect with and engage residents, workers and ratepayers. The division provides a direct liaison, information and advocacy service for customers and other stakeholders.

The Office of the Chief Executive Officer

Dr Kathy Alexander is the City of Melbourne's Chief Executive Officer (CEO). Dr Alexander is responsible for establishing and maintaining an appropriate organisational structure to ensure the Council's decisions are implemented.

The functions and powers of the Chief Executive Officer are principally determined by the *Local Government Act 1989* (Vic) and include:

- establishing and maintaining an appropriate organisational structure for the Council
- ensuring the decisions of the Council are implemented without undue delay
- the day-to-day management of the Council's operations in accordance with the Council's Corporate Plan
- providing timely advice to the Council
- appointing, directing and dismissing Council staff, and managing all other issues that relate to staff.

The Office of the Chief Executive Officer liaises with the offices of the Lord Mayor and Deputy Lord Mayor, councillors, directors, the Australian and Victorian governments, and key community and corporate stakeholders to ensure the Council's objectives are met.

The Chief Executive Officer also attends Council meetings.

Directors Forum

The Directors Forum includes the Chief Executive Officer and the City of Melbourne's directors. The Directors Forum meets weekly to oversee and manage the operations of the City of Melbourne.

At a strategic level, the directors and Chief Executive Officer ensure Council is provided with the information and advice to develop sound plans for the city and to make effective decisions.

Managers and staff

The City of Melbourne’s executive management team report to directors. The executive management team is responsible for managing and leading staff to ensure City of Melbourne initiatives are implemented and policies are complied with.

Most staff work in the Melbourne Town Hall and nearby administrative buildings including the six-star green office building, CH₂. Staff are also located at other sites throughout the municipality.

Our integrated planning framework

The purpose of the City of Melbourne planning framework is to ensure that long-term goals are achieved through specific short-term plans. All plans are underpinned by *City Plan 2010* which set long-term goals when it was endorsed in 2000 and revised in 2005.

Our *Council Plan 2005–2009* is a vital part of our integrated planning framework and outlines the last set of four-year strategies for the Council to achieve the goals of *City Plan 2010*.

The cascading structure of the framework ensures all actions carried out across the organisation are aligned to the City of Melbourne’s strategic objectives, from strategy development, through to staff individual performance plans.

Our reporting regime builds in accountability at each level in the framework and includes regular monitoring of progress throughout the year.

In 2008–09 we will complete a major review of our planning documents and develop a new four-year Council Plan.

How the Council’s key planning documents relate to each other

Integrated planning framework



SECTION THREE – OUR PERFORMANCE

Details of our performance in 2007–08 against our *Council Plan 2005–2009* are outlined in this section. Our performance is reported against six strategic objectives and includes our achievements, disappointments and plans for the coming year.

Our strategic objectives are to be:

1. A connected and accessible city
2. An innovative and vital business city
3. An inclusive and engaging city
4. An environmentally responsible city
5. A well-managed and leading corporation
6. A financially responsible corporation.

The City of Melbourne delivers a range of services that contribute to achieving our strategic objectives.

The table below shows broadly how our services align with our strategic objectives.

Council Plan strategic objectives

	Connected and accessible city	Innovative and vital business city	Inclusive and engaging city	Environmentally responsible city	Well managed and leading corporation	Financially responsible corporation
Services	Roads and infrastructure	Business and retail development	Building development and planning	Street cleaning and waste management	Management and administrative services	Management and administrative services
	Parks and gardens	Local laws compliance and street trading	Urban policy and design	Sustainable environmental management		
	Parking and traffic management		Arts and culture			
	International connections		Visitor and resident information services			
			Events			
			City promotion and tourism			
			Community services			
			Public health promotion and management			
			Recreation and leisure services			

What we achieved in 2007–08

The City of Melbourne's *Annual Plan and Budget 2007–2008* set a program of 48 deliverables to be completed during the 2007–08 financial year.

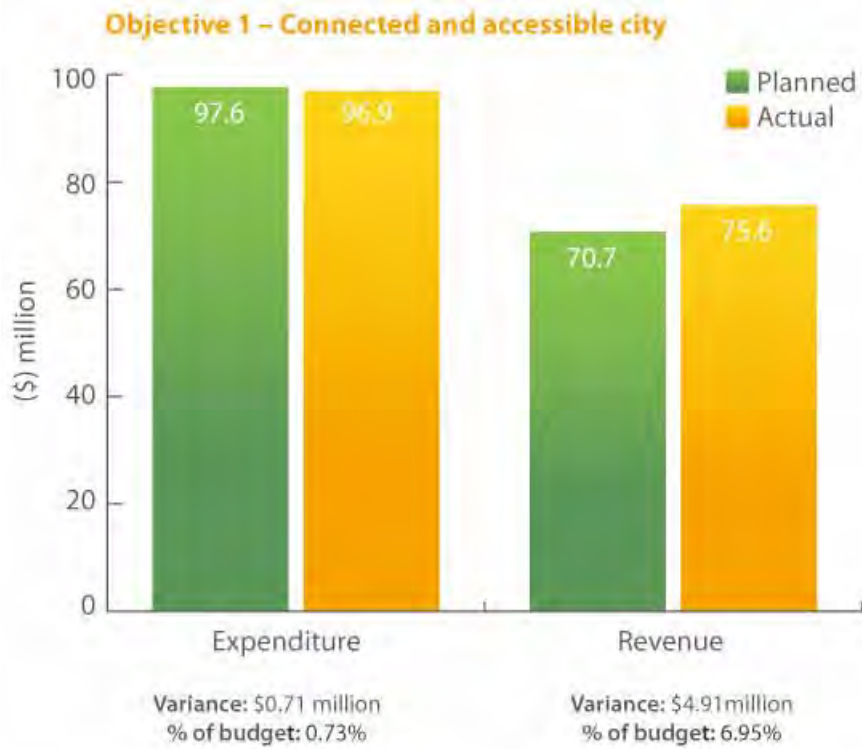
Of these 48 deliverables:

- 30 were complete
- 38 were 80 per cent or more complete at 30 June 2008
- eight were 75 to 90 per cent complete
- the remainder were progressing, but not yet significantly complete.

Strategic Objective One: A connected and accessible city

A connected and accessible city: accessible infrastructure and connected to its immediate surrounds, the nation and the world.

Resources allocated



This chart shows the amount we spent (expenditure) and the amount we earned (revenue) in delivering our services and programs within this strategic objective.

Source: internal data

Highlights

Boat operators embrace Docklands' waterways

The City of Melbourne is now the responsible authority for Docklands' waterways and waterfront spaces including the marinas and sections of the Yarra River upstream to the Charles Grimes Bridge.

Since we took ownership of the marinas, visitor berthing and private marina leasing has increased throughout the year. For example, Waterfront City Marina overnight visitor berthing has increased from 2140 in 2006–07 to 3734 in 2007–08 and casual day visits have increased from 861 in 2006–07 to 1002 in 2007–08.

We have finalised contracts for cleaning the waterways and Marina Yarra's Edge, and completed an assessment of potential hazards associated with boat movement (manoeuvring, mooring and transiting) on the seven-kilometre waterfront. In 2008–09 we aim to develop and implement an appropriate risk management plan.

Our other achievements include:

- delivering eight roadshows to boat clubs around Port Phillip Bay to promote use of the harbour and marina
- City of Melbourne waterways staff participating in the International Boat Show in February 2008.

Transport strategy helps improve city access

A range of projects linked to the City of Melbourne's *Transport Strategy – Moving People and Freight* were carried out in 2007–08.

By working with carshare operators, our carsharing program has grown significantly in the past year. We have established new sites in North Melbourne, West Melbourne and Docklands, bringing the total number of cars in the program to 29. Sites in Kensington, South Yarra and East Melbourne are close to completion, and these sites will meet demand where gaps currently exist.

A review of the Carlton Parking Strategy led to a re-evaluation of permit systems and resources. We are continuing to refine our permit management systems to make the approvals and issuing process more efficient.

In addition, we completed a study into how we can reduce our greenhouse footprint for transport in and around the municipality. The Greenhouse Footprint for Transport has been incorporated into the Zero Net Emission Strategy Review and the Future Melbourne community plan, as well as the Transport Strategy.

Better access and mobility in the city a priority

During 2007–08, the City of Melbourne introduced several initiatives to improve safe access and mobility in and around the city, some of which included:

- installation of six tram superstops
- installation of seven pedestrian refuges in the CBD and Queensberry Street
- completion of a number of bicycle-related projects around the city
- discussions with VicRoads to introduce 40 km/h speed limits in Lygon Street, the CBD and around the Queen Victoria Market (subsequently achieved in Lygon Street)
- introduction of a truck ban in Gatehouse Street, Parkville.

The Council's traffic engineers and parking enforcement officers continue to meet with Victoria Police and Yarra Trams to improve pedestrian and cyclist safety.

Cyclist commuter numbers double

The City of Melbourne's first *Bicycle Account* was published in 2007–08, providing a snapshot of cycling in the municipality.

It found the number of people riding bikes in the morning peak time had almost doubled in the past year. Cyclists accounted for more than nine per cent of all inbound morning peak vehicles in the municipality from 7am–10am in 2007, compared with just four per cent in 2006.

The number of cyclists riding on roads at all times of the day increased by an average of 10 per cent in 2007, while off-road routes in the municipality increased by an average of 20 per cent.

The *Bicycle Account* also summarised cyclist behaviour, cycling trends and cycling safety standards. Bicycle Victoria surveyed 1821 cyclists to produce the Account, which will be published annually to assess progress as part of the City of Melbourne's *Bike Plan 2007–2011*.

As part of the plan, the following projects were implemented in 2007–08:

- bike route improvement works in Swanston Street, Royal Park, Rathdowne Street, Dynon Road, Peel Street, Collins Street and Bourke Street
- installation of 113 bike hoops (racks)
- construction of the Manningham pedestrian/cyclist bridge has begun.

Safety at school crossings improved

Council activities relating to school crossing staffing, operation and road safety education has been reviewed.

Anticipated benefits include closer liaison with schools, a larger and more reliable pool of available school crossing supervisors and more time for parking enforcement officers to focus on parking compliance around crossings rather than operating the crossings themselves.

Council submission to the East West Link Eddington Report

The City of Melbourne Planning Committee considered a draft submission to the *East West Link Needs Final Assessment* (ELWNA) report on 2 June 2008 and the matter was considered at Council on 24 June 2008.

Based on this meeting, Council made a submission to the Victorian Government opposing the Eddington East West Road Tunnel and the use or reduction of any parkland and disruption to the community.

Council also resolved to provide in-principal support for the development of sustainable transport infrastructure to reduce congestion across eastern and western Melbourne.

Progress on the Southbank Plan

The Southbank Plan sets out a vision for Southbank for the next 10–15 years. Launched by the City of Melbourne in 2006 and approved by the Victorian Government, the plan aims to improve the quality and connectivity of public spaces in Southbank.

During 2007–08, the Victorian Government committed \$5 million to support the planning and schematic design of the Southbank Plan's first project – transforming the area around Sturt Street into a major pedestrian-friendly arts and cultural precinct.

The redevelopment will include an expanded public plaza linking the Arts Centre's two buildings to provide a new space for events and performances, as well as a pedestrian promenade connecting Sturt Street with St Kilda Road.

We have also worked with the Victorian Government to negotiate a bicycle and pedestrian link from Normanby Road to the new Convention Centre on South Wharf, connecting to the new pedestrian bridge across the Yarra River to Docklands.

Disappointments

Reduced CBD speed limits yet to be approved

This year Council proposed to apply a 'blanket' 40 km/h speed limit in the CBD (including the Queen Victoria Market) and local areas to help reduce pedestrian injuries, improve the walking and cycling environment, and simplify speed zones for motorists. Approval had not been received for this proposal from the relevant Victorian Government authority at the time of printing this report, however Council is hopeful approval will be given in late 2008.

Looking ahead

Study identifies parking hot spots

The North West Melbourne Parking Study has been substantially completed. Its purpose is to determine the on-street and off-street private and public car-parking stock, documenting capacity and use over the day.

The study identifies area-specific parking and access issues which are of concern to the community. Recommendations arising from the study include:

- changing parking restrictions in specific streets based on parking stock and occupancy rates
- ensuring residents have priority parking access
- removing all-day parking in some streets being used by commuter parking
- increased enforcement in areas where parking restrictions are constantly ignored.

It is expected that Council will consider recommendations arising from the study by March 2009.

Strategic indicators

Council monitors the following key performance indicators to measure our progress towards a connected and accessible city.

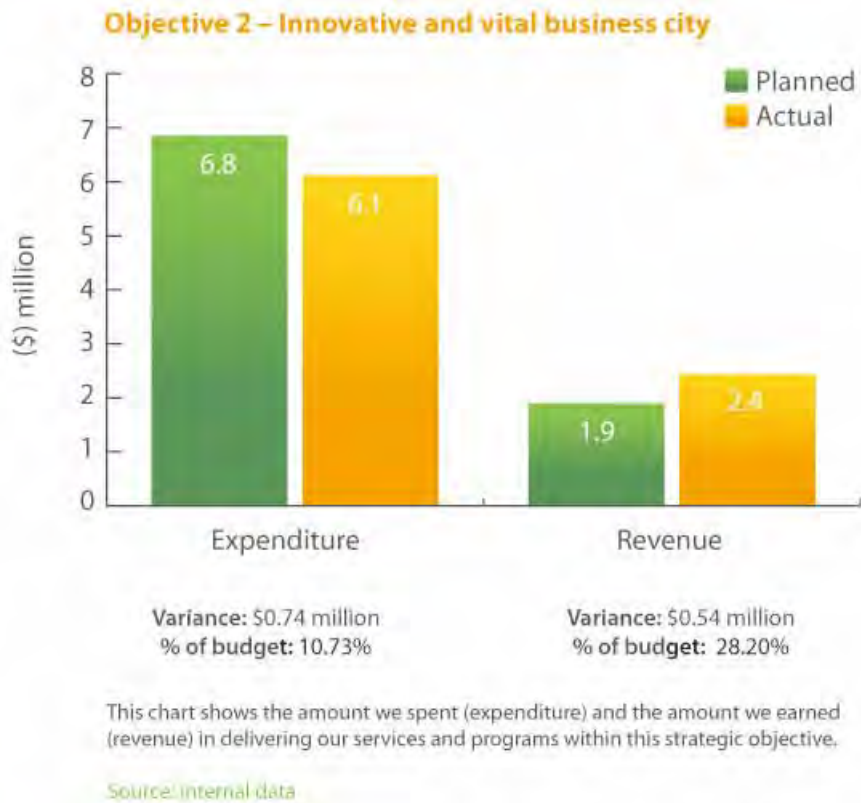
No	Measure	2007–08 result	2006–07 result	Comments
1.1	Number of daily visitors to the City of Melbourne.	732,100	716,000	These figures show estimates of visitors to the municipality. The variation between 2006–07 and 2007–08 may be attributed to the slight increase in interstate and international visitors.
1.2	Overall satisfaction rate of visitors to City of Melbourne parks.	81%	Data not available. See comments.	Data was not available in 2006–07 as Parks Satisfaction Research was not conducted in 2006–07.
1.3	Mode share for public transport, motorbikes, walking and cycling.	46%	Data not available. See comments.	Data was not available in 2006–07 as the City User Survey is conducted bi-annually.
1.4	Total number of referrals (business, cultural, educational and other) that are facilitated through our International Relations.	200	144	

1.5 (VLGI)	Community satisfaction rating for overall performance of local roads and footpaths.	68	69	Indexed mean score. Although a slight decline from the previous year, this score is higher than the mean of all inner Melbourne municipalities.
1.6 (VLGI)	Community satisfaction rating for overall performance of appearance of public areas.	72	74	Indexed mean score. Although a slight decline from the previous year, this score is higher than the mean of all inner Melbourne municipalities.
1.7 (VLGI)	Community satisfaction rating for overall performance of traffic management and parking facilities.	55	56	Indexed mean score.

Strategic Objective Two: Innovative and vital business city

An innovative and vital business city: business development, job growth and gateway infrastructure strengthened by its intelligence, creativity and progressive outlook.

Resources allocated



Highlights

Report card reveals retail investment of \$1 billion in Melbourne

Melbourne is on track to become Australia's leading retail city with more than \$1 billion in retail development in the central city and Docklands in 2007–08.

Findings from *Melbourne Retail Strategy Year Two Report Card* revealed significant retail investment in the heart of Melbourne and its waterfront.

The *Melbourne Retail Strategy 2006–2012* is a joint initiative of the Victorian Government and the City of Melbourne. First launched in July 2006, the strategy provides an integrated approach to making Melbourne an international retail destination.

Important signs of retail growth in 'year two' included:

- more than \$675 million worth of new development underway in Docklands, including two new shopping centres
- \$340 million redevelopment announced for Myer Bourke Street and refurbishment of the David Jones stores
- the city's point of difference against other cities remained its innovative use of laneways
- the retail property market sector recorded historically low vacancy rates in 2007
- fashion retailing continued to be a drawcard with 445 of the 1480 shops (37 per cent) in Melbourne's retail core occupied by fashion retailers, compared with 340 out of 1700 in Sydney
- some 65 per cent of the 250,000 queries fielded each year by Melbourne's City Ambassadors were directly related to retail.

Melbourne becoming a business destination of choice

The City of Melbourne continued to work with the Victorian Government in 2007–08 to ensure Melbourne is a destination of choice in the global business market through a range of other initiatives including:

- support of the BIO Melbourne network in terms of Melbourne's positioning as Australia's leading biomedical research centre
- support for Financial Services Symposium – Australia's leading financial event
- Cleantech – profiling Melbourne's capabilities in clean technology and creating a space for the meeting of ideas and financial investors
- Council and the Victorian Government participated in G'Day USA events in January 2008, promoting Melbourne as a business, tourism and investment destination.

In addition, Council demonstrated its support for the Melbourne Convention and Exhibition Centre by contributing \$5.15 million in 2007–08 for the pedestrian bridge. It will contribute a further \$11.18 million toward this project in the 2008–09 financial year.

Building international partnerships

The City of Melbourne has developed a *Melbourne International Strategy* to help build on our international connections and relationships. This is in addition to our sister-city relationships with Osaka, Japan; Tianjin, China; Thessaloniki, Greece; Boston, United States; St Petersburg, Russia; and Milan, Italy.

The City of Melbourne is also a member of the Business Partner City (BPC) network – which was set up in 1988 to promote business interaction in the Asia Pacific region. In October 2007, we hosted a successful BPC Roundtable with delegates from eight of the 13 member cities. The Roundtable included speakers from Mumbai, Osaka, Ho Chi Minh City, Tianjin, Hong Kong, Seoul, Jakarta and Bangkok.

In November 2007 the Mayor of Thessaloniki's visit to Melbourne acted as a catalyst for a program marking the 25th anniversary of our sister-city relationship with Greece's second largest city. Events included a joint ceremonial Council meeting and the Mayor's participation in the Remembrance Day service at the Shrine of Remembrance that recognised the long-standing relationship between Australia and Greece during times of war.

In March 2008 the Council endorsed *Advancing Melbourne's Interests – Business and International Strategy 2008–2012*, which built on the previous *Melbourne International Strategy* and outlines how the City of Melbourne will develop programs to ensure Melbourne's business and international partnerships deliver long-term benefits to city stakeholders.

In June 2008, the City of Melbourne and the National Capital Territory of Delhi signed a new strategic alliance. The alliance is one of the first of its kind between capital cities in Australia and India. Features of the alliance include a framework to share knowledge about hosting the Commonwealth Games and identifying opportunities for Melbourne businesses in India.

Established in 1989, our sister-city relationship with St Petersburg has been relatively inactive since 2003, the 300th anniversary of the foundation of St Petersburg. In June 2008, a councillor represented the City of Melbourne during a visit to the city and successfully re-established connections with key government, business, education and social organisations. Council will continue to build mutually beneficial links with St Petersburg as we celebrate the 20th anniversary of our sister-city relationship in 2009.

Melbourne Office Tianjin celebrates 10 years

In May 2008, the Lord Mayor led a business delegation to Tianjin, China, to mark the 10th anniversary of the Melbourne Office Tianjin. It was the largest City of Melbourne business delegation ever organised with 22 participants representing 16 organisations. The delegation also attended the Asia Society Corporate Conference.

The Melbourne Office Tianjin was set up to create and enhance the economic opportunities offered by the Melbourne-Tianjin sister-city relationship. This relationship was established in 1980 when Melbourne became the first Australian city to embark on a sister-city relationship with China.

Businesses supported to succeed

A wide range of businesses operate our municipality in the retail, software development, biotechnology, arts, education and financial services sectors.

The City of Melbourne helps these businesses develop and grow through our Small Business Grants program, District Precinct Program 2007–2010 and Census of Land Use and Employment.

Small Business Grants: Grants worth \$583,552 were awarded to 27 new and thriving small businesses in 2007–08. Among those receiving funding were:

- a company with specialist software to assist workforce planning
- a retail and gallery space in the above-awning retail sector
- a work hub for creative professionals in digital media
- an independent record label needing support to attend the world's largest music trade fair to promote Australian music.

Grants are available for new business start-ups, expansion of existing businesses and businesses wanting to export to overseas markets. More than 170 small businesses have received more than \$4 million assistance from the Small Business Grants program since 1996.

District Precinct Program 2007–2010: This program engages local trader associations to commercially develop and enhance retail precincts. During 2007–08 the program provided approximately \$280,000 in grants to recognised precinct associations within the program. The funding assisted businesses with programming, marketing, events and administration costs.

Census of Land Use and Employment (CLUE): CLUE is a valuable research tool that helps businesses make informed, effective and efficient decisions. It provides comprehensive information about land use, employment and economic activity across the City of Melbourne.

The Municipal Association of Victoria (MAV) wants to introduce CLUE across the local government sector, with funding from the Victorian Government. A formal agreement with the MAV that protects the City of Melbourne's intellectual property is being developed.

Making Melbourne the hospitality capital

A new strategy is being developed to make sure Melbourne is recognised locally and internationally as Australia's hospitality capital.

The Melbourne Hospitality Advisory Board was appointed in September 2007 and has met four times. Its focus is to develop key themes for the *Melbourne Hospitality Strategy 2008–2012*.

Putting Fishermans Bend on the industrial map

The City of Melbourne is working on a range of strategies to promote Fishermans Bend as an ideal location for value-added manufacturing and associated services.

During 2007–08 we developed an integrated marketing prospectus: *Make Your Next Move Count – Fishermans Bend Port Melbourne*. Fishermans Bend adjoins the Port of Melbourne as well as the City of Port Phillip's industrial area.

Disappointments

Export Entry Grants attract limited interest

Only a small number of applications were received for the Export Entry Grants section of the Small Business Grants program. In 2008–09, our Business and International Branch will work closely with the Institute of Export and Austrade to promote the program more widely to city businesses.

No news on Seattle trade alliance

Although a Memorandum of Understanding was signed in May 2006 between the Seattle Trade Development Alliance, the Victorian Government and the City of Melbourne, there has been limited progress to date in terms of business exchange and trade development.

While the Memorandum represents a positive initial outcome, no formal activities have been undertaken. Council is still in contact with all parties and will review its approach in 2008–09.

Looking ahead

Education for small- to medium-sized businesses

In 2007–08, the City of Melbourne coordinated three important events in the Melbourne Business Series program to provide networking and education opportunities for Melbourne's small to medium enterprise (SME) business sector.

The program built on the success of Melbourne Business Week, in October 2007, and we are now working with educational institutions, business groups and the Victorian Government to expand the program in 2008–09.

Reinvigorating the Melbourne Chamber of Commerce

Following Council's endorsement to reinvigorate the Melbourne Chamber of Commerce, the City of Melbourne is working with Invest Victoria and VECCI to develop a business plan and management model for a revamped chamber.

Council's aim is to focus the chamber's activities around building stronger international business opportunities for city-based companies through the auspice of the International Chamber of Commerce network.

Strategic indicators

Council monitors the following key performance indicators to measure our progress towards an innovative and vital business city.

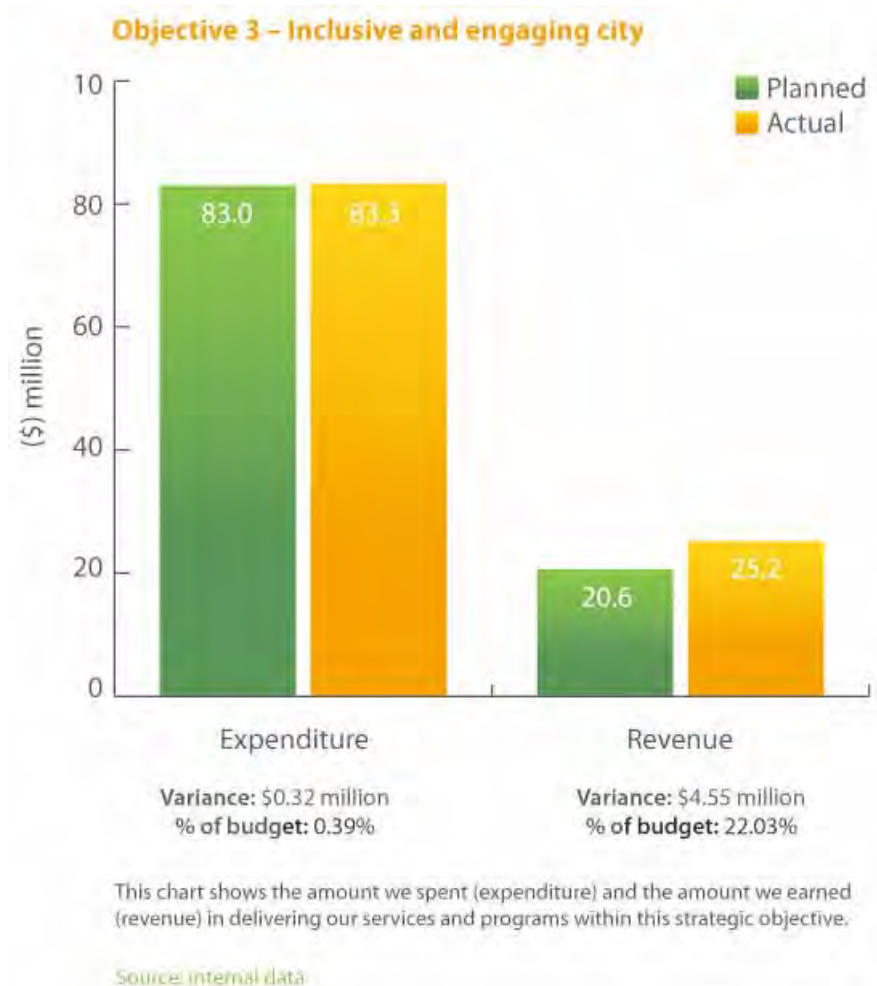
No	Measure	2007–08 result	2006–07 result	Comments
2.15	Number of new jobs in small business development program.	127	171	Estimated number of new jobs created includes 49 full-time, 37 part-time and 41 casual, with this year's program having a different focus on enterprise.
2.2	Level of investment by businesses funded under the Small Business Grants program.	In 2007–08, 27 businesses received a Small Business Grant. An anticipated \$4.4 million of investment will be generated by these businesses.	In 2006–07, 36 businesses received a Small Business Grant. It was estimated that \$7.4 million of investment was generated by these businesses.	The Small Business Grants program also incorporates the Export Entry Grants program.
2.3	Growth in the number of businesses engaged in export as a result of their engagement with the City of Melbourne.	In 2007–08, the Small Business Grants program assisted eight businesses to undertake export activities. Through the Melbourne Office Tianjin, 16 companies received support to enter the Tianjin market.	In 2006–07, the Small Business Grants program assisted six businesses with their export activities. Five of these businesses were new exporters.	The 2007–08 figure incorporates the number of companies receiving Export Entry Grants, participating in Council international business missions and clients at the Tianjin Melbourne Office.

<p>2.4</p>	<p>Satisfaction rates of businesses with the support and advice provided by the City of Melbourne.</p>	<p>68% of Small Business Grant recipients rate the support given by the City of Melbourne (in terms of our contribution to the success of their business) as 'significant' to 'very significant'. A further 14% of recipients rated this support as 'vital'.</p>	<p>Data not available.</p>	<p>In 2007–08, a Small Business Grant recipients' consultation survey was undertaken as an extension of the 2005–06 business leaders' program consultation.</p>
<p>2.5 (VLGI)</p>	<p>Community satisfaction rating for overall performance of economic development.</p>	<p>70</p>	<p>72</p>	<p>Indexed mean score. This score is higher than the mean of all inner Melbourne municipalities.</p>
<p>2.6 (VLGI)</p>	<p>Community satisfaction rating for overall performance of enforcement of bylaws.</p>	<p>63</p>	<p>64</p>	<p>Indexed mean score. The results are equivalent to those for inner Melbourne municipalities .</p>

Strategic Objective Three: Inclusive and engaging city

An inclusive and engaging city: creative with a strong cultural spirit, an inviting, inclusive and stimulating place for all who live, work and visit it.

Resources allocated



Highlights

Melbourne retains status as top sports city

Melbourne enjoys unparalleled cooperation with the Victorian and Australian governments and sporting institutions to host year-round, premier sporting events, which are well-supported by the general public.

Judged by SportBusiness International (UK), from amongst 25 international cities including Sydney, London, Los Angeles, Tokyo, and Hong Kong, Melbourne, retained its status as the Ultimate Sports City, as a result of its outstanding venues and the broadest major events calendar in the world.

The Australian Open 2008 set an all-time crowd record with attendance figures reaching 605,735 patrons, surpassing 554,858 in 2007.

The City of Melbourne also co-produced the 1st Asia Pacific Outgames which was held from 30 January to 3 February 2008. Outgames is a sporting celebration for the gay and lesbian community and their friends. In its first year, the event attracted 1191 participants representing 21 countries and all Australian states and territories.

As part of the Event Partnership Program, the City of Melbourne provides a number of benefits including a civic reception in the city, marketing and advertising, speaking opportunities for councillors and dining promotions with bars and restaurants. We recently agreed to a triennial partnership with the Australian Rugby Union and the Qantas Wallabies to host matches in Melbourne between 2008 and 2010. The match played at Telstra Dome against Ireland on 14 June 2008 drew a crowd of more than 41,000 people.

For a full list of events held in the City of Melbourne during 2007–08, refer to page 117.

Indigenous band goes global

The Black Arm Band is a 32-piece ensemble featuring some of Australia's most significant contemporary Indigenous musicians including Archie Roach, Ruby Hunter, Stephen Pigram, Joe Geia, Bart Willoughby, Lou Bennett and Kutcha Edwards and their non-Indigenous collaborator Shane Howard.

Conceived and produced by the City of Melbourne's Arts House initiative, The Black Arm Band promotes and celebrates contemporary Australian Indigenous music as a symbol of resilience and hope.

Having wowed audiences throughout Australia, the band added London to its list of gigs in June 2008, performing at the Royal Festival Hall as part of the London International Festival of Theatre.

They performed *murundak* (meaning 'alive' in Woirurung language) which is a powerful event celebrating music as an instrument of identity, resistance and a call to freedom.

Triennial arts funding confirmed

A total of 38 local arts and cultural organisations were awarded a combined total of more than \$7.23 million over three years under our Triennial Arts and Culture Grants Program.

Funding is given to organisations that deliver quality programs that are significant in the Melbourne calendar and bring social and economic returns as well as cultural and artistic benefits.

Ten organisations received triennial funding for the first time including: Arts Access (disability film festival), Living Music, Jesuit Social Services, the Boite Multicultural Choir, State Orchestra of Victoria, Polyglot Puppet Program, Melbourne Chamber Orchestra, Blindside, South Project and Little Big Shots Children's Film Festival.

The Flats project explores sense of belonging

The Flats is a five-year arts project exploring the impact of redevelopment and relocation on tenants of the Carlton Public Housing estates.

The project is a direct response to the estates' \$250 million redevelopment by the Victorian Government, and is produced by the City of Melbourne in partnership with Carlton Local Agencies Network, Carlton Housing Estate Residents' Services, North Yarra Community Health and the Office of Housing.

Led by artists Angela Bailey and Helena Spyrou, with support from community radio station 3CR and students from RMIT, 2008 saw a number of key artistic outcomes. These include: the 'Pink Room' exhibition, a mass photo installation called the 'Big Photo Party' and wrapping of the estates' fencing boards with colourful displays.

Diverse arts projects supported

A series of art workshops for vendors of general interest magazine *The Big Issue*, sold by homeless and marginalised people, was one of 116 projects to receive funding under the City of Melbourne's \$1.3 million 2008 Arts Grants Program.

Called In Our Own Words, the workshops were held in the lead-up to the Homeless World Cup, which highlights the plight of domestic and international homelessness and the need for social change.

Other exciting projects funded under the program include Urbanology 2008 – a group of artists working in various urban art forms including hip hop, break dancing and urban music styles, and Here: Secret Histories of Melbourne – a multimedia exhibition that explores urban myths, quirky facts and strange tales about Melbourne.

Community Services Grants support a multicultural community

A range of programs for Melbourne's African community were among 120 projects supported by the City of Melbourne's Community Services Grants in 2008, which totalled \$516,000.

Programs for the African community included forums for Somali women to learn how to access government services, a mentoring program for young people to help raise self-esteem, and a support group for men and boys.

Other community projects to receive funding included cultural workshops, community support services, programs for children and initiatives to promote safety.

A new category, Community Action on the Environment, was included in 2008. Five grants worth a total of \$12,500 were allocated for environmental projects including the establishment of a community garden in Kensington and a compost project in Carlton.

In a first for the City of Melbourne, a celebration took place for all successful applicants to showcase some of the great work taking place locally. This will become an annual event of the Community Services Grants scheme.

Making the most of Melbourne's cultural spaces

The City of Melbourne's Event Partnership Program (EPP) supports a range of major events throughout the city that showcase our diversity and meet the needs of a wide range of Melburnians and visitors.

Many high-profile community events were supported as part of the EEP in 2007–08. In addition, a number of specific cultural and social activities were encouraged in public spaces to meet identified gaps in the city's overall events calendar.

Some of these events included Winter Wonderland, Slow Sundays, Rally of Melbourne at Docklands, Christmas tree lighting and Santa at City Square, the Giant Sky Wheel and the Melbourne Cycling Festival.

Broadening participation in arts and culture

Providing opportunities for people of all ages and abilities to participate in the arts is a major priority for the City of Melbourne, including encouraging artists and the creative industries.

The community recently emphasised the importance of the city's arts, culture and creativity through the Future Melbourne consultation process.

In 2008 the Council announced its three-year arts program for 2009–2011, which included a new focus on visual arts, children and young people as well as literature and community cultural development.

In addition, the Council teamed up with the Victorian Government to promote the creative life of Melbourne by participating in a bid to become a UNESCO City of Literature.

Also in 2008 the Myer Foundation provided \$300,000 year to increase programming at ArtPlay, the City of Melbourne's unique art program for children up to 13 years located at Birrarung Marr.

City Baths voted Fitness Centre of the Year

Melbourne City Baths, operated by the City of Melbourne, won the 2008 Fitness Victoria Industry Award for Fitness Centre of the Year for providing outstanding customer service; offering excellent professional development opportunities for staff; demonstrating excellence in business management; and contributing to the development of the fitness industry.

City supports redevelopment of AFL clubs

The City of Melbourne has committed \$6 million to redevelop North Melbourne, Carlton and Richmond Football Clubs to improve football facilities and provide greater access to recreational facilities for the wider community.

The redevelopments are funded under Council's *Active Melbourne* strategy which aims to improve community health and wellbeing by increasing participation in sporting, leisure and recreation activities.

As well as football club amenities, new recreational facilities will include basketball and netball courts, gymnasiums, a café, health and wellbeing services and community meeting rooms. Some areas are being returned to public parkland.

The clubs, the AFL and the Victorian Government are also supporting these initiatives.

Welcoming international students to Melbourne

More than 24,500 international students live and/or study in the municipality. The most common countries of origin for these students are China, Malaysia, Indonesia and India.

In June 2007, Council provided \$170,000 to advocate for the needs of international students, identify emerging trends and host a series of events to address issues facing international students.

Council has also committed to funding a full-time officer to work with students to develop new programs and support systems.

One of the most successful events in 2007–08 was a 'treasure hunt' in April 2008 for newly-arrived international students to learn about the city and its services. More than 1000 international students participated in games and entertainment, with the Lord Mayor formally welcoming students and recognising their contribution to the social and cultural life of the city.

Two forums were also held in 2008 with key stakeholders to identify and discuss issues of safety and social inclusion for international students. Future initiatives were identified and work will continue in 2008–09.

New childcare places for Docklands

Construction of Docklands' first major community facility, The Harbour Family and Children's Centre, began in February 2008 at Victoria Harbour.

The new centre will provide 150 extra childcare places for metropolitan Melbourne, and is on track to open in early 2009. It will offer long daycare places as well as occasional care, preschool programs, maternal and child health services, family counselling and intervention services.

The Harbour Family and Children's Centre was developed in response to growing community needs in Docklands. More than 100 families with children under five now live in the area, with 58 babies born in the past 12 months.

The City of Melbourne is contributing \$6.95 million to the project. Project partners include VicUrban, Lend Lease and Gowrie Victoria, which will manage the centre on behalf of the City of Melbourne.

Maternal and child health services are available to all families with children under school age who live in Docklands, while programs and playgroups are open to all residents in the municipality.

Seniors Week encourages social connections

A range of activities to encourage older people to remain active and socially connected were organised by the City of Melbourne during Seniors Week in 2007.

As part of the week, Lord Mayor John So attended an event at Melbourne Zoo in which the Asian elephants painted 'masterpieces' using their trunks – one of which was given away in a free raffle.

Melbourne City Baths also held a program of activities including fitness classes, health screenings and morning tea, while Council hosted a concert featuring Orchestra Victoria and the Melbourne Town Hall Grand Organ.

Throughout the year, the City of Melbourne ran a number of other programs to support seniors including subsidised bus trips, weekly activity groups, community transport and free tickets to musicals and other entertainment.

Additional resources to enforce local laws

The Council has approved the appointment of four additional enforcement officers to do more to enforce our local laws and the planning permits of licensed premises.

Increasing tourism to Melbourne

Tourism is one of Melbourne's fastest growing industries and Council is continually improving tourist information and service channels.

In 2007–08 Melbourne had 2.45 million visitor contacts across all tourism programs including:

- Melbourne Visitor Centre had 1.02 million visitor contacts – an increase of 26 per cent compared with 2006–07. During five years of operation, the centre has achieved over five million visitor contacts.
- Melbourne Visitor Booth had 656,598 visitor contacts – an increase of nine per cent compared with 2006–07.
- City Ambassador Program had 285,608 visitor contacts – an increase of 19 per cent compared with 2006–07.
- Melbourne City Tourist Shuttle had 458,996 visitor contacts – an increase of 40 per cent compared with 2006–07.
- Cruise Ship Program had 26,604 visitor contacts – an increase of 141 per cent compared with 2006–07.

The 2008 Annual Visitor Survey achieved 93 per cent customer service satisfaction.

During 2007–08 a marketing plan was implemented, with key actions including community service announcements on Channel 7 that promoted visitor services, Docklands and the free Melbourne City Tourist Shuttle bus, among others.

An *Industry Partnership Strategy* was implemented in June 2008 in collaboration with key tourism industry organisations to market Melbourne as a tourist destination.

In partnership with Federation Square Management, June 2008 saw Tourism Melbourne begin a three-month trial of the City Ambassador Program at Federation Square.

Volunteer City Ambassadors provide visitors with directions and tourist information and can be found in the retail heart of Melbourne, and on Swanston Street at the corners of Flinders and Bourke streets. Our volunteer intake in February 2008 saw us welcome 54 new volunteers, taking our total number of volunteers to 320.

The aim of the Federation Square trial is to enrich visitor experiences, better promote Melbourne's attractions and services, and enhance Melbourne's reputation as a friendly and welcoming city.

Work has also started on reducing the carbon footprint of tourism in Melbourne. In a first for the Victorian tourism industry, a framework will be completed in 2008–09 for measuring the tourism industry's carbon footprint as well as establishing mitigation strategies.

New plan to improve tourist experiences

More than 70,000 regional, interstate and international visitors come to central Melbourne on an average weekday. This number is expected to reach almost 100,000 by 2016. Tourism in metropolitan Melbourne is worth approximately \$7.5 billion per year.

Launched in July 2007, the City of Melbourne's five-year *Tourism Plan 2007–2012* sets out to improve the experience of tourists in Melbourne and encourage more visitors.

It also includes initiatives to coordinate tourism services across metropolitan Melbourne and undertake more in-depth research to determine the value of tourism, tourist satisfaction and industry trends. Other initiatives underway are:

- creating a map showing key routes, distances and modes of transport
- developing a signage system to connect walking and cycling routes
- developing themed maps and self-guided itineraries
- improving customer service, destination knowledge and cultural understanding for taxi drivers, retail outlets and the hospitality sector.

Council advocates law change on illegal brothels

In 2008 the City of Melbourne advocated for changes to stop councils being responsible for the enforcement of illegal brothels.

Representations were made to the Premier and the Municipal Association of Victoria, and the Minister for Consumer Affairs, Tony Robinson, is currently working with the Municipal Association of Victoria to ease the administrative burden on councils.

Maintaining building health and safety

The City of Melbourne continues to audit the health, safety and amenity of Melbourne's built environment as required by building legislation.

We complete a two-year cycle of auditing high-risk buildings, investigating building complaints and dangerous squats, and assessing places of public entertainment such as major events.

In 2007–08 a desktop audit of nightclubs was undertaken which identified additional high-risk buildings in the city, which will be audited in 2008–09.

Library services in demand

In 2007–08 the Melbourne Library Service successfully delivered services during a period of significant change and growth in demand.

The City of Melbourne provides a broad range of library services through this service, which encompasses three public libraries (City Library, East Melbourne and North Melbourne), an access point at Docklands Hub and an online service.

In March 2008, Council adopted the *Library Strategic Plan 2008–2018* which includes a vision, strategic directions and detailed action plan for the next 10 years.

Melbourne Library Service has extended its hours of service at all our libraries by a further of 32 hours per week, changed its branding and introduced a new library catalogue system.

City Library is now the busiest public lending library in Australia.

Promoting community health and wellbeing

The *Active Melbourne* strategy aims to provide opportunities for all members of the community to participate in activities that make a positive contribution to their health and wellbeing.

In 2007–08, 22 of the 27 actions in the strategy were completed or implemented including:

- refurbishment of community sports pavilions in Fawkner Park and Royal Park
- upgrade of sports lighting on Crawford Oval in Princes Park
- completion of a Synthetic Sports Surface Feasibility study
- successful management of community sports fields in a drought environment
- provision of sports clinics to primary schools throughout the municipality
- provision of approximately \$80,000 worth of funding through the Active Melbourne Sport and Recreation Grants Scheme to clubs, organisations, schools and individuals to conduct community recreation programs, training, equipment purchases and event participation
- implementation of reciprocal rights across all municipal aquatic facilities
- ongoing work in relation to AFL facility redevelopments with North Melbourne Football Club, Richmond Football Club and Carlton Football Club.

More than 83 of the 154 initiatives in Council's municipal public health plan, *City Health 2005–2009*, were also completed by June 2008 including the development of the Healthy Melbourne Panel. The panel is an internal working group that focuses on enhancing cooperation within the organisation on public health issues across all dimensions of health.

In addition, more than one million visits were recorded at Council's recreation facilities including aquatic and leisure centres, Royal Park Golf Course, two bowling clubs, seven rowing clubs, nine tennis clubs, 42 sports fields and 70 community sports clubs.

Also in 2008 we started investigations into alternative sports surfaces to replace grassed surfaces in some areas and the Melbourne City Sports Program was expanded to incorporate activities in Docklands.

Council hosts urban design conference

The City of Melbourne hosted the EcoEdge 2 conference in February 2008 to foster discussion and debate on critical urban design, architecture and planning.

The urban design conference was a great success with over 470 delegates attending. A \$24,000 surplus made on the event will be used to fund a project in China, through a group called Architects without Frontiers.

Getting graffiti under control

The City of Melbourne's *Graffiti Management Plan 2005* is a coordinated, whole-of-Council approach to graffiti management.

In 2007–08 graffiti was removed from 22,976 m² of private property including:

- 14,777m² removed by Council
- 6199m² removed by owner/occupiers through the use of free City of Melbourne graffiti removal kits, paint vouchers and one-off graffiti removal services
- 2000m² removed via the Memorandum of Understanding with the Department of Justice for people on Community Service Orders to remove graffiti.

In addition, 16 Street Art permits were issued in 2007–08 and 80 people helped create a mural in Union Lane covering 540m² of wall.

In April 2008, the *Graffiti Prevention Act 2007* (Vic) introduced changes to the local law in regard to graffiti. Council staff must now cite the Act when approaching property owners and occupiers with requests to remove graffiti from their property.

City jam-packed with events

In 2007–08 there were 2746 events held in public spaces in the municipality of Melbourne, an increase of 336 events on the previous year.

Stakeholder consultation for the *City of Melbourne Strategic Direction for Events 2008–2012* strategy found:

- environmental sustainability will be a key issue for events into the future
- support for existing events should not be sacrificed to attract new events
- the processes for staging an event in the City of Melbourne are too onerous and bureaucratic, and need to be improved.

The strategy will consider the role of events in Melbourne, review current processes and recommend initiatives for the future.

For a full list of events held in the City of Melbourne during 2007–08, refer to page 117.

Increasing input from multicultural communities

Achieving greater understanding of the value of cultural diversity is the aim of *A City of Opportunity – A Multicultural Strategy for the City of Melbourne 2005–2009*.

The strategy will result in policies and services that actively support community diversity and offer greater participation in Council decision-making processes.

As part of the strategy, a new Multicultural Hub was established at 506 Elizabeth Street. The Adult Multicultural Education Service (AMES) has been endorsed as the lead tenant to operate the Multicultural Hub. It is due to open in October 2008.

The Multicultural Hub will provide a central place for culturally diverse communities to meet, access services and information and participate in the city's cultural life.

Lord Mayor John So officially launched the Multicultural Hub and signed the Community Accord on 20 March 2008, and in June 2008 the first cross-cultural training for City of Melbourne staff was conducted.

Disappointments

Heritage precincts and policy delayed

The Heritage Precincts Project, which will review the management of heritage precincts across the municipality, was not undertaken in 2007–08. The review was delayed due to a shortage of specialist professionals and competing priorities. External consultants have now been engaged to undertake the project in 2008–09.

Residents waiting for more child care places

While the Council is on track to fulfil its commitment to an additional 200 child care places, there is still high demand for child care in the municipality.

In early 2009, 150 new child care places will be offered at Docklands, with a further 40 places planned to be added at Kensington Community Childcare Cooperative and approximately 25 extra places at Fawkner Park.

Analysis of the former JH Boyd Girls' School site in Southbank is also taking place to assess the services to be provided, including child care.

Looking ahead

Planning Scheme Review

The City of Melbourne will shortly commence an audit of the existing Melbourne Planning Scheme in accordance with the *Planning and Environment Act 1987* (Vic). This work will inform a review of the scheme provisions, which will incorporate any additional work and amendments to the Melbourne Planning Scheme as identified through the audit process.

Planning Scheme Amendments

A number of Planning Scheme Amendments are currently underway, including:

- Licensed Premises Policy – the City of Melbourne has formally requested authorisation from the Minister of Planning to start public exhibition of Melbourne Planning Scheme Amendment C141, which seeks to introduce a new Licensed Premises Policy into the Melbourne Planning Scheme. Council is waiting on a response from the Minister's office.
- Maximum car parking rate – the City of Melbourne has formally requested authorisation from the Minister of Planning to start public exhibition of Melbourne Planning Scheme Amendment C133, which seeks to replace the current requirement for minimum provision of car parking with a maximum provision of car parking for residential developments in certain areas of the municipality. Council is waiting on a response from the Minister's office.
- Heritage precincts – the City of Melbourne has formally requested authorisation from the Minister of Planning to start public exhibition of Melbourne Planning Scheme Amendment C132, which seeks to introduce statements of significance into the Melbourne Planning Scheme's Heritage Policies. Council is waiting on a response from the Minister's office.

The Future Melbourne community plan and the new four-year Council Plan will significantly inform the Planning Scheme Review.

City safety a priority

Safety for residents and visitors to Melbourne is being increased with the installation of 29 new security cameras and other measures.

Council announced \$2.3 million in its 2008–09 budget to double the number of cameras it operates to 54 in the CBD, Southbank and Docklands. Of the \$2.3 million, \$1.8 million will be used to install the new cameras and upgrade the monitoring operations centre at Melbourne Town Hall.

The cameras will complement some of our other safety initiatives including the *Draft Licensed Premises Policy* and the Safe City Taxi Rank Scheme which has security guards on duty on Fridays and Saturdays and is linked to the Safe City Camera Program.

These initiatives are part of our *Strategy for a Safer City 2007–2010* which was developed through extensive consultation with Victoria Police, the Victorian Government, residents, businesses, students and the wider community. The strategy identifies safety and crime as primary issues of concern to the community and includes comprehensive plans to address these issues.

Summit aims to improve coordinated response to city safety issues

The City of Melbourne will host a summit in October 2008 aimed at improving coordinated responses to safety issues in the city. The purpose of the summit is to develop an agreed action plan to ensure Melbourne remains safe while continuing to be a vibrant residential, entertainment, business and student centre.

Decision-makers from a range of key organisations, agencies and groups have been invited to participate in the summit, including representatives from the Victorian Government and the Opposition along with representatives from Liquor Licensing Victoria, Victoria Police, the security industry, emergency and community services providers, public transport operators, city business and resident associations, and hospitality and youth representatives.

Strategic indicators

Council monitors the following key performance indicators to measure our progress towards an inclusive and engaging city.

	Measure	2007–08 result	2006–07 result	Comments
3.1	Percentage of visitors who feel safe in the CBD.	An average of 89% of respondents felt safe in the city.	An average of 89% of respondents felt safe in the city (survey conducted in April 2006).	
3.2	Participation rates at key events, festivals and programs conducted by the City of Melbourne.	Attendance figures delivered by City of Melbourne's Events Melbourne Branch total 1.3 million.	Attendance figures delivered by City of Melbourne's Events Melbourne Branch total 1.3 million.	The annual participation rate does not include other events sponsored but not managed by the City of Melbourne. The City of Melbourne delivers five major events annually.
3.3	Number of cultural projects/events devised and managed or produced by Indigenous communities and marginalised groups.	26	32	
3.4	Customer satisfaction rating with Council-owned recreational services.	86%	86%	Based on CERM Customer Satisfaction Surveys.
3.5	Timeliness of delivery of Council's home care, personal care and respite care services for the aged and disabled.	92% of services were delivered within five days and 96% of services were delivered within 10 days.	99.9% of services were delivered within five days of receiving a service commencement order.	Aged and Disability Services baseline compliance level is set at 80%.

3.6	Customer satisfaction with Family and Children's services.	Data not available. See comments.	Data not available. See comments.	While comprehensive data was not collected in 2007–08, an analysis of satisfaction with Council's Family and Children's Services will be undertaken during 2008–09 as part of the development of the revised <i>Municipal Early Years Plan</i> .
3.7	Percentage of children between 72 and 75 months that are fully immunised.	80%	78%	Continued high level of performance since the service was brought in-house.
3.8 (VLGI)	Community satisfaction rating for overall performance of town planning policy and approvals.	60	63	Indexed mean score. While slightly lower than last year, this score is higher than the mean of all inner Melbourne councils.
3.9 (VLGI)	Community satisfaction rating for overall performance of health and human services.	69	70	Indexed mean score. This score remains relatively unchanged from 2006–07.
3.10 (VLGI)	Community satisfaction rating for overall performance of recreational facilities.	76	76	Indexed mean score. This score remains unchanged from 2006–07.

Strategic Objective Four: Environmentally responsible city

An environmentally responsible city: sustainable decision-making and environmental leadership increases and improves its natural assets.

Resources allocated



Climate change is arguably the most serious challenge facing the planet. Average global temperatures are rising. The majority of climate experts agree that society's large and growing consumption of fossil fuels such as coal, petrol and gas is causing this dramatic increase in average temperatures. The City of Melbourne continues to take steps to improve its capacity to monitor its environmental footprint.

We have identified greenhouse gas emissions, water and waste as being the most relevant environmental sustainability issues for the City of Melbourne.

Our commitments under the Global Reporting Initiative (GRI) and the *National Greenhouse and Energy Reporting Act 2007* (Cwth), as well as the International Council for Local Environmental Initiatives' (ICLEI) Cities for Climate Protection program, have helped to guide our environmental sustainability performance reports outlined below.

Highlights

CH₂ building achieves proven cost savings

An independent report on the first year of full operations of CH₂, the City of Melbourne's six-star green building, has found it will pay for itself in seven years – three years ahead of schedule.

The report, released in February 2008 and conducted by Adrian Leaman of Building Use Studies in the UK, was based on a survey of how CH₂ staff perceived their working environment.

The City of Melbourne's initial projections for CH₂ looked at staff productivity improving by 4.9 per cent, with natural light and fresh air helping to improve the health of employees. This was predicted to create a cost saving of \$916,000. However, the report found that staff productivity had exceeded expectations and improved by 10.9 per cent, resulting in a cost saving of over \$2 million.

Waterfront City awarded Clean Marina Accreditation

The Marina Industries Association of Australia awarded Waterfront City Marina at Melbourne Docklands Clean Marina status in May 2008 for its professionalism and commitment to the environment.

Operated by the City of Melbourne, the marina met a range of world's best practice management standards, demonstrating it has procedures in place to eliminate any opportunity for damage to the environment from mechanical activities, boat maintenance and boat fuelling. Marina management, emergency planning, waste management, recycling procedures, staff training and boat owner education were also considered.

Waterfront City Marina is one of only 31 Australian marinas accredited to date under the voluntary program.

Program helps hotels go green

Savings in the City – Green Hotels, a three-year program of the City of Melbourne, has worked hand-in-hand with 30 hotels to reduce water use, emissions and waste going to landfill.

Results in the first two years are extremely positive, with hotels saving on average 4.8 litres of waste per guest per night, which equates to 2410 tonnes annually. The total saving over two years, across the 30 hotels, has been 628 truckloads of waste.

In addition, the total energy saved by the 30 hotels over the past two years equates to 24,769 tonnes of greenhouse gas or 2890 households – the population of East Melbourne.

Water use was also targeted. Hotels have saved an average of 15.3 litres of water per guest per night. Over two years this amounts to a saving equivalent of 45 Olympic swimming pools.

Partners in the program include Sustainability Victoria, the Smart Water Fund and Green Globe (an international accreditation scheme).

In 2008, Savings in the City was a finalist for both the UN World Environment Day Awards and the Banksia Awards.

New program reduces office environmental footprint

In partnership with Sustainability Victoria, the City of Melbourne is delivering a world-leading program – CitySwitch Green Office – to help office tenants save greenhouse gas, reduce costs and build their environmental reputation.

The program, which was launched in June 2008, aims to assist Melbourne businesses to improve their energy efficiency rating. Ways they can do this include: installing lighting motion sensors to help eliminate unnecessary energy use; making sure equipment is switched off at the end of each day; switching to flat-screen monitors; and installing shading or blinds on windows.

The CitySwitch Green Office program is also being run by the cities of Sydney, North Sydney, Parramatta, Willoughby, Perth, Adelaide and Brisbane. It aims to sign up 700 businesses by 2012. If all of Australia's commercial office tenants adopted these simple changes, a saving of 960,000 tonnes of CO₂ per annum could be achieved – the equivalent of taking 200,000 cars off the road.

Environmentally responsible tourist destination

The City of Melbourne is committed to leading the tourism industry in managing Melbourne as an environmentally responsible tourist destination.

In 2007–08 the Melbourne Visitor Centre received Bronze Green Globe Accreditation. As part of our commitment to continuous improvement in sustainable tourism, under this accreditation we aim to reduce the numbers of, and recycle, the brochures that visitors use.

We are encouraging operators to work together to produce collective guides and visitors to only take those brochures that they really need. The use of innovative communication tools such as podcasting is being trialled as a way of enhancing the visitor experience without the use of paper products.

Greenhouse gas emissions

The City of Melbourne's *Zero Net Emissions by 2020* strategy sets key objectives and targets to reduce the municipality's greenhouse gas emissions. The strategy is a natural extension of our commitment to the International Council for Local Environmental Initiatives' (ICLEI) Cities for Climate Protection program.

For our own operations, the City of Melbourne has set a target of zero net greenhouse gas emissions by 2020. By 2010 we aim to achieve a 50 per cent reduction in emissions from our own operations compared with the 1997 baseline (*Greenhouse Action Plan 2006–2010*).

Total direct and indirect greenhouse gas emissions by weight at the City of Melbourne

Consumption	Base year 96–97	99–00	00–01	01–02	02–03	03–04	04–05	05–06	06–07*	07–08**
Greenhouse gas (tonnes CO₂ equivalent)	31,165	30,034	29,427	28,821	26,274	24,326	22,931	23,563	19,506	20,899
Percentage change (from base year)		-3.6%	-5.6%	-7.5%	-15.7%	-21.9%	-26.4%	-24.4%	-37.4%	-32.9%
Percentage change (from previous year)		N/A	-2.0%	-2.1%	-8.8%	-7.4%	-5.7%	2.8%	-17.6%	7.1%

* Figures previously published for this year were estimates and adjustments have been made to reflect actual figures.

** Due to billing cycles this figure includes some estimated calculation based on current and season trends. It will be adjusted for the 2008–09 report.

Source: Billing data including the corporate database 'Stark Essentials'.

Emissions in 2007–08 are 32.9 per cent below the base year levels but seven per cent greater than reported in 2006–07 (see table above). This increase in greenhouse gas emissions is due to a five per cent increase in the use of energy and a decrease in the overall level of renewable energy purchased.

Energy use

The City of Melbourne consumes energy in the daily operation of its administration buildings, community buildings (such as child care centres), public lighting and corporate fleet. We monitor the consumption of three major energy types:

- electricity
- natural gas
- automotive fuel.

A breakdown of total energy use at the City of Melbourne

Consumption	Base year 96–97	99–00	00–01	01–02	02–03	03–04	04–05	05–06	06–07*	07–08**
Total energy (GJ)	77,303	66,117	97,053	108,695	101,364	101,342	108,076	102,070	109,029	114,678
Percentage change (base year)		-14.5%	25.5%	40.6%	31.1%	31.1%	39.8%	32.0%	41.0%	48.3%
Percentage change (previous year)		-14.5%	46.8%	12.0%	-6.7%	0.0%	6.6%	-5.6%	6.8%	5.2%

* Figures previously published for this year were estimates and adjustments have been made to reflect actual figures.

** Due to billing cycles this figure includes some estimated calculation based on current and season trends. It will be adjusted for the 2008–09 report.

Source: Billing data including the corporate database 'Stark Essentials'.

A breakdown of energy use by its source at the City of Melbourne

Energy use by source	06–07*	07–08**
Electricity (Victorian Grid)	52,656	57,485
Electricity (Renewable GreenPower)	33,496	32,462
Natural gas	14,172	17,575
LPG fuel	193	431
Unleaded petrol	8509	6714
Diesel	0	10
Total energy use (GJ)	109,029	114,678

* Figures previously published for this year were estimates and adjustments have been made to reflect actual figures.

** Due to billing cycles this figure includes some estimated calculation based on current and season trends. It will be adjusted for the 2008–09 report.

Note: Due to a recent change in data classification methodology, only two years worth of data could be consistently reported at the time of printing.

Source: Billing data including the corporate database 'Stark Essentials'.

Total energy use increased by 48.3 per cent against the baseline year and 5.2 per cent or 5649 GJ from the previous year. This increase is due to the City of Melbourne increasing tenancy levels in several buildings and taking over responsibility for the public lighting in Docklands.

Energy use from our corporate fleet has reduced from 8702 GJ to 7155 GJ, which is a result of fuel switching and downsizing the vehicle fleet.

A breakdown of energy by activity at the City of Melbourne

Energy use by activity	06–07*	07–08**
Administration – buildings	19,388	22,253
Administration – corporate fleet	8702	7155
Commercial – buildings	2988	3321
Community use – buildings	22,407	23,368
Community use – public lighting	51,574	53,771
Community use – miscellaneous	3970	4810
Total energy use (GJ)	109,029	114,678

* Figures previously published for this year were estimates and adjustments have been made to reflect actual figures.

** Due to billing cycles this figure includes some estimated calculation based on current and season trends. It will be adjusted for the 2008–09 report.

Note 1: Based on billing data extracted from corporate databases 'Oracle Financials' and 'Stark Essentials'. Where data was not available, such as in the case of some quarterly based accounts, an estimated calculation based on current and seasonal trends has been used. In 1996–97 a baseline was established which became our 'base year'. A model applying an average cost per kWh to overall price has been used to estimate a number of electricity accounts that are not metered and for which the utility companies do not directly provide any record of consumption.

Note 2: Due to a recent change in data classification methodology, only two years worth of data could be consistently reported at the time of printing.

Source: Billing data including the corporate database 'Stark Essentials'.

Renewable energy as a percentage of total energy for the City of Melbourne

	Base year 96–97	99–00	00–01	01–02	02–03	03–04	04–05	05–06	06–07*	07–08**
Non renewable	77,303	66,117	95,798	106,442	84,339	83,163	84,582	81,619	75,533	82,216
Renewable	0	0	1255	2253	17,025	18,179	23,494	20,451	33,496	32,462
Total energy (GJ)	77,303	66,117	97,053	108,695	101,364	101,342	108,076	102,070	109,029	114,678
Renewable as a percentage of total energy		0.0%	1.3%	2.1%	16.8%	17.9%	21.7%	20.0%	30.7%	28.3%

* Figures previously published for this year were estimates and adjustments have been made to reflect actual figures.

** Due to billing cycles this figure includes some estimated calculation based on current and season trends. It will be adjusted for the 2008–09 report.

Source: Billing data including the corporate database 'Stark Essentials'.

Electric car joins council fleet

As part of a long-term plan to improve the environmental sustainability of our corporate motor vehicle fleet, the City of Melbourne purchased its first electric car in 2008.

Used for short-distance staff trips, the Hyundai Electric Getz delivers zero fossil fuel consumption with operating costs of \$1 of electricity per 100 km travelled.

Since 2001, our vehicle fleet numbers have reduced by 30 per cent (or 40 vehicles), while fuel consumption and CO₂ emissions have reduced by nearly 50 per cent since 1996.

The City of Melbourne has also invested in Toyota Hybrid Prius technology since 2002, with one car currently in the corporate fleet, and boasts eight electric bikes that were introduced for the Commonwealth Games in 2006.

Water use

Water is a precious, finite resource. Its supply is under pressure from drought in the short term and increasing population and climate change in the long term. The City of Melbourne currently uses approximately six per cent of the municipality's total water consumption, most of which is used to irrigate parks and green open spaces. Our water strategy, *Total Watermark*, sets a target for council facilities (including parks and gardens) to reduce water use by 40 per cent by 2020.

A breakdown of total water use at the City of Melbourne

Total water use	Base year (99–00)	00–01	01–02	02–03	03–04	04–05	05–06	06–07	07–08*
Total water (ML)	1544	1317	1255	1523	1058	1219	1247	751	545
Percentage change from base year (total water)		-14.7%	-18.7%	-1.3%	-31.5%	-21.0%	-19.3%	-51.4%	-64.7%
Percentage change from previous year (total water)		-14.7%	-4.7%	21.4%	-30.6%	15.2%	2.3%	-39.8%	-27.4%

* Due to billing cycles this figure includes some estimated calculation based on current and season trends. It will be adjusted for the 2008-09 report.

Source: Billing data including the corporate database 'Stark Essentials'.

A breakdown of water use by activities at the City of Melbourne

Water use by activity	06–07	07–08
Open space irrigation	693	497
Administration buildings	7	5
Commercial buildings	1	1
Community use buildings	50	42
Total water use (ML)	751	545

Note 1: Based on billing data extracted from corporate databases 'Oracle Financials' and 'Stark Essentials'. Where data was not available, such as in the case of some quarterly based accounts, an estimated calculation based on current and seasonal trends has been used. In 1999–2000 a baseline was established which became our 'base year'.

Note 2: Due to a recent change in data classification methodology, only two years worth of data could be consistently reported at the time of printing

Source: Billing data including the corporate database 'Stark Essentials'.

A breakdown of water use by sources at the City of Melbourne

Total water use	Base year 96–97	00–01	01–02	02–03	03–04	04–05	05–06	06–07	07–08
Potable (drinking) water	1,544,405	1,316,922	1,255,215	1,523,545	1,057,827	1,219,025	1,246,799	720,857	457,499
Reclaimed water	0	0	0	0	0	0	0	30,109	87,026
Total water (kL)	1,544,405	1,316,922	1,255,215	1,523,545	1,057,827	1,219,025	1,246,799	750,966	544,525
Recycled water as a percentage of total water		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	16.0%

Source: Billing data including the corporate database 'Stark Essentials'.

The City of Melbourne achieved an overall decrease in total water use of 65 per cent (70 per cent for 'potable' or drinking water) compared with the base year; and 27 per cent (36 per cent for potable water) from the previous year. Implementation of our *Water Conservation Plan* and the increased use of reclaimed stormwater from the Royal Park Wetlands are two significant contributing factors to the overall reduction in water use. About 90 per cent of our total water use continues to be for irrigation of parks and green open spaces.

Setting targets to improve the health of our waterways

In May 2008, the City of Melbourne adopted stormwater quality targets to help improve the health of our waterways and Port Phillip Bay. The targets will be measured by using Total Suspended Solids (TSS) as the indicator pollutant. TSS generally refers to the grit, car and tyre residue on roads that is swept into our waterways by the stormwater system.

We aim to achieve a 20 per cent reduction in TSS within the municipality by 2020, so that we are on track to achieve an 80 per cent reduction in TSS by 2080.

Through the incorporation of Water Sensitive Urban Design (WSUD) principals, the City of Melbourne has already achieved a four per cent reduction in TSS since the base year of 2005. Our targets will be achieved with annual drainage improvement projects and stormwater harvesting in parks (using WSUD treatments) to filter pollutants out of stormwater before it enters the waterways.

We will also be measuring and reducing the litter, total nitrogen and total phosphorus pollutants from stormwater, however, we will only report on TSS as it is a proxy for the other pollutants.

City unveils map of water initiatives

A map detailing progress on 39 major water projects across the municipality was unveiled by the City of Melbourne in May 2008.

The Water Savings Initiatives Map provides an overview of water-saving projects in and around the city that are either completed, in progress or proposed. Some of the projects are run in conjunction with partners such as Melbourne Water and the Victorian and Australian governments, while other projects are entirely Council-funded.

The projects include 140 km of sub-surface dripper irrigation that provides water more efficiently to heritage trees and a major program of planting warm season grass in parks and sports grounds. About 12,000 m² of drought-resistant turf has also been planted at Docklands Park using reclaimed water from the Royal Park Wetlands.

Council allocated more than \$2 million in 2008 to drought-proof Melbourne's parks and open spaces.

Water Sensitive Urban Design to include IMAP councils

The City of Melbourne is continuing to roll out the Water Sensitive Urban Design (WSUD) program: the *WSUD Guidelines* are being revised to incorporate our partners in the Inner Melbourne Action Plan (IMAP) (cities of Port Phillip, Stonnington and Yarra); and design and technology improvements are being implemented.

Water-sensitive urban design involves finding ways to reduce potable mains water demand, minimising wastewater disposal, treating stormwater and reducing the impact of urban development on water catchments and natural watercourses.

Waste generation

Sending waste to landfill contributes to emissions of methane, a potent greenhouse gas. Reducing waste helps conserve precious natural resources and minimises landfill.

Waste audits are only undertaken every second year – an audit was not scheduled for the period 2007–08. The next audit is scheduled to occur in 2008–09. This is reflected in the data presented below.

A breakdown of total waste generated by City of Melbourne staff

Total waste	01–02*	Base year 03–04	06–07
Waste to landfill (tonnes)	57	55	44
Waste recycled (tonnes)	99	31	109
Total waste (tonnes)	154	86	153
Recycled waste as a percentage of total waste	64%	36%	71%

Source: Biennial waste audit

*The first audit was conducted in 2002 and included all administrative buildings but did not include our child care buildings. The audit in 2003–04 was the first to include both administration and child care buildings and is therefore being used as the base year.

A breakdown of waste to landfill generated by City of Melbourne staff

Total waste	01–02*	Base year 03–04	06–07
Waste per person (kg)	55	58	42
Percentage change (from base year)			77.9%
Percentage change (from previous audit)			77.9%

Source: Biennial waste audit

*The first audit was conducted in 2002 and included all administrative buildings but did not include our child care buildings. The audit in 2003–04 was the first to include both administration and child care buildings and is therefore being used as the base year.

A breakdown of waste by type at the City of Melbourne

Waste by stream (compared with previous audit)	Base year 03–04	06–07
General waste (to landfill)	55.1	43.6
Recycling (compost)	0.0	15.2
Recycling (bottle/can)	1.8	1.0
Recycling (paper)	29.1	67.7
Recycling (co-mingled)	0.0	25.5
Total waste (tonnes)	86	153

Note: Waste audits are conducted approximately every two years with the final annual total modelled from this audit of a single working day's waste from all our administration and community child care buildings.

Source: Biennial waste audit.

A breakdown of waste by activity at the City of Melbourne

Waste by activity (compared with previous audit)	Base year 03–04	06–07
Administration buildings	61.8	126.1
Community use buildings (child care)	24.2	26.9
Total waste (tonnes)	86	153

Note: Waste audits are conducted approximately every two years with the final annual total modelled from this audit of a single working day's waste from all our administration and community child care buildings.

Source: Biennial waste audit.

Disappointments

Green building results not yet published

In 2005–06 the City of Melbourne launched a range of green building retrofit programs aimed at hotels, commercial offices, food premises and high-rise apartments. These programs have largely been completed. However, due to staffing changes and specific projects overrunning, we have not yet compiled and published the results. We expect to complete this task in 2008–09.

Looking ahead

Environmental policies updated

In the coming year, the City of Melbourne will complete updates of its climate mitigation and water strategies, *Zero Net Emissions by 2020* and *Total Watermark* respectively. Both of these strategies have undergone extensive public consultation and will shape our environmental sustainability solutions and programs, both within our own operations and more broadly in the community.

City of Melbourne building retrofit program

In 2007–08 the City of Melbourne, in partnership with the Clinton Climate Initiative, embarked on the Clinton Foundation's Energy Efficient Building Retrofit Program. We aim to retrofit and reduce energy use in 15 Council buildings and will continue to develop and implement this program in 2008–09.

Enhancing the City of Melbourne's environmental sustainability

In 2008–09 the City of Melbourne will launch CoM Green, an innovative staff-driven program to improve the sustainability of our workplace.

Strategic indicators

Council monitors the following key performance indicators to measure our progress towards being an environmentally responsible city.

No	Measure	2007–08 result	2006–07 result	Comments
4.1	Reduction in net emissions of greenhouse gases in the City of Melbourne, compared with the baseline year of 2001–02.	Data not available. See comments.	Municipal emissions have increased 59% to 5.97 million tonnes of carbon dioxide equivalent.	Data inventory is only undertaken every five years.
4.2	Reduction of residential waste to landfill per household (kg/household/year).	Annual collection of waste per household to landfill was 525.83 kg, an increase of 14% on last year's amount per household.	Annual collection of waste per household to landfill was 449.87 kg.	The increase is due mainly to the impact of the growing number of high-rise apartments in the municipality. In these buildings, recycling is harder and a greater percentage of waste goes to landfill.
4.3	Percentage of municipal waste diverted for recycling.	19%	20%	The decrease is due mainly to the impact of the growing number of high-rise apartments in the municipality. In these buildings, recycling is harder and diversion rates are therefore lower.
4.4	Reduction in the consumption of drinking quality water within the City of Melbourne compared with the baseline year of 1999–00.	15.5% reduction on base year, 24.3% increase from 2006–07.	32% on base year, 23% from 2005–06.	The total increase of 24.3% from 2006–07 is attributed to population growth and an increase in non-residential water use.
4.5	Reduction of waste to landfill from City of Melbourne facilities (offices and childcare centres) compared with the baseline year.	14% reduction compared with the baseline year.	14% reduction compared with the baseline year.	

4.6	Reduction of greenhouse gas emissions from City of Melbourne's operations	32.9% reduction against base year (1996–97).	30.2% reduction against base year (1996–97).	
4.7	Reduction of drinking-quality water consumed for City of Melbourne buildings and gardens.	64.7% reduction against base year (1999–2000).	29.2% reduction against base year (1999–2000).	Refer to table 'A breakdown of water use by sources at the City of Melbourne' on page 64.
4.8	Community satisfaction rating for overall performance of waste management.	71	72	Indexed mean score. Overall rubbish and recycling collection service rated by residents as being good to excellent.

Strategic Objective Five: Well-managed and leading corporation

A well-managed and leading corporation: recognised for its high-calibre staff, processes, products and interactions with stakeholders, it delivers effective and accountable governance and business processes.

Resources allocated



Highlights

VicUrban welcomes City of Melbourne to Docklands

On 1 July 2007 VicUrban welcomed the City of Melbourne as the new municipal authority of the Docklands area.

As part of a Victorian Government commitment, all developed areas of Docklands, including streets and waterfront areas, were returned to municipal management.

VicUrban and the City of Melbourne have worked closely together since 2003 to ensure a smooth transition of municipal assets and functions. However, VicUrban is continuing its role as the agency responsible for the development of Docklands until the project is completed around 2020.

A Docklands Coordination Committee with VicUrban and City of Melbourne representation was also established to manage provision of services for completed areas of Docklands.

Vision for Docklands delivers

After becoming the municipal authority for Docklands in July 2007, the City of Melbourne released a three-year vision for the area's growth called *Delivering for Docklands 2007–2010*.

The plan sets out visions and actions for Docklands focusing on three key areas:

- *the residential community* – increasing child care and family services and improving public spaces and public facilities (for example, pedestrian tracks and bicycle networks)
- *the business community* – building better transport connections (including public transport links, parking facilities and water transport) and promoting the precinct as an important centre for business and trade
- *economic wellbeing and vibrancy* – developing a diverse and active calendar of special events, increasing water-based activity, and further tourism initiatives in line with the city's overall destination campaigns.

The City of Melbourne's expenditure on Docklands in 2007–08 was approximately \$13 million including capital works projects, recreation and waterways services, facilities management, and creating a comprehensive events calendar.

In addition, we contributed \$6.95 million for the development of the 150-place 'The Harbour Family and Children's Centre', which will open in January 2009.

Leadership and staff development initiatives

The City of Melbourne has set up a range of leadership programs that are progressing well. The Chief Executive Officer and the directors recently approved a draft leadership framework, which covers performance management; leadership development; career advancement and planning; and reward, recognition and engagement.

We have collated the results of an internal culture survey and communicated these back to the organisation, and developed an action plan to address the issues raised.

Strong relationships with other levels of government

The City of Melbourne continues to develop strong relationships with all levels of government.

In particular, this year has seen significant progress on the Council of Capital City Lord Mayors (CCCLM) Strategic Plan. In August 2007, CCCLM launched a National Capital Cities Policy.

Two key recommendations of this policy were that a Capital Cities Unit be established in the Department of Prime Minister and Cabinet and that capital cities be placed at the forefront of the Australian Government's agenda.

The Prime Minister met with CCCLM and in May 2008 announced the establishment of the Major Cities Unit in the Department of Infrastructure. CCCLM is now working closely with the Australian Government to establish the unit.

See Council Profile on page 18 for more information about our work with other levels of government.

Good Governance Charter review complete

The City of Melbourne completed a review of its Good Governance charter in 2007–08. The review was reported to Council in February 2008 and a key change was made to acknowledge that as a public authority, the Council has an obligation to act in a way that is compatible with human rights.

Occupational health and safety gains

The City of Melbourne's Occupational Health and Safety (OHS) team has, for the third year in a row, helped to reduce lost time due to workplace injury. This is a result of our proactive and effective safety management program together with rapid medical and allied health interventions.

The City of Melbourne's performance on injury management is 40 per cent better than the industry average and lost time due to injury is 51 per cent down on last year.

The City of Melbourne's WorkCover premium figure is the lowest of all metropolitan councils.

More effective management and service delivery of parking and traffic enforcement

In response to previous reviews and recommendations, the City of Melbourne's Parking and Traffic branch has made considerable progress toward improving its operations, management and service delivery.

The branch has successfully implemented its Way Forward strategy and other programs and actions to address key issues raised in the Ombudsman's Report (2006) – these have led to significant improvements in branch performance.

Commonwealth Bank building hosts City Village

City Village is a City of Melbourne initiative offering not-for-profit community and cultural organisations the opportunity to rent CBD office space at the Commonwealth Bank building (225 Bourke Street) at a reduced rate.

City Village is intended to:

- create a community and cultural hub that facilitates information sharing
- offer affordable office space in a prime city location
- enable organisations to have access to shared resources.

In 2007–08 a City Village coordinator was appointed and the building tenancy became 90 per cent full. Council is progressing to signing formal leases.

Disappointments

Integrated Corporate System decision still to be made

The City of Melbourne's Integrated Corporate System project seeks to replace a number of separate, ageing IT systems with an integrated solution, that is, a single source of data to provide cross-business functionality for finance, human resources, projects and programs, contracts and grants and sponsorships.

Preparing and assessing the business case for the new system has taken a significant period of time. In addition, Council was not able to decide on a preferred supplier in 2007–08 (despite original projections) because of complexities associated with the project's size and depth, as well as financial considerations.

It is likely Council will decide on a preferred supplier in October 2008 and work will start on the project immediately, which will take place in stages over the next three years. The preliminary focus will be on implementing the modules for finance and projects and programs.

Looking ahead

Upcoming Council Plan to set new strategic direction

After the Melbourne City Council election in November 2008, an important task will be to prepare the new four-year Council Plan. Once drafted, the Council Plan will be available for public inspection and comment in June 2009.

Strategic indicators

Council monitors the following key performance indicators to measure our progress towards a well-managed and leading corporation.

No	Measure	2007–08 result	2006–07 result	Comments
5.1	Percentage of external customer contacts resolved within the agreed timeframes.	87%	79%	In developing a Customer Focus Strategy for the organisation, the Customer Relations branch has set a target of 95 per cent of customer contacts resolved within the agreed timeframes. Between April and June 2007, the Customer Relations branch worked across the organisation to improve these results. This continuous improvement program will continue throughout 2008–09.
5.2	Percentage of total labour days lost to staff absenteeism sickness.	3.00%	3.16%	Slightly reduced from 2006–07 figures.
5.3	Rate of annual voluntary staff turnover.	12.65%	12.72%	Slightly reduced from 2006–07 figures.
5.4	Overall employee satisfaction rating.	5.28 rating measured through employee engagement.	Culture Survey not undertaken in 2006–07.	Measured through the City of Melbourne 2007–08 Culture Survey.

5.5	Percentage of telephone calls resolved at first point of contact.	77.57%	Data not measured in 2006–07.	<p>This measure is reliant on Customer Relations officers accurately selecting the correct call identification codes.</p> <p>This measure also includes calls regarding faulty parking meters.</p> <p>In 2008–09, the Customer Relations branch will capture all customer enquiries in the customer contact system, which will allow for more accurate reporting of this indicator.</p>
5.6	Degree of compliance with GRI guidelines for sustainable reporting.	Level B	Level B	See page 121 for further information on sustainable reporting guidelines.
5.7 (VLGI)	Community satisfaction rating for overall performance generally of the Council.	68	72	Indexed mean score. While slightly lower than the previous year, this result was similar to scores from all inner metropolitan councils.
5.8 (VLGI)	Community satisfaction rating for Council's interaction and responsiveness and dealing with the public.	73	73	Indexed mean score. This result remains unchanged and was similar to all inner metropolitan councils.
5.9 (VLGI)	Community satisfaction rating for Council's advocacy and community representation on key local issues.	62	66	Indexed mean score. While slightly lower than the previous year, this result was similar to all inner metropolitan councils.
5.10 (VLGI)	Community satisfaction rating for Council's engagement in decision-making on key local issues.	59	61	Indexed mean score. While slightly lower than the previous year, this result was similar to all inner metropolitan councils.

Our corporate governance

Governance encompasses the processes, protocols, conduct and relationships that guide the City of Melbourne's actions and decision-making as a local government. Some mechanisms of governance are legislative requirements and others are City of Melbourne initiatives.

In this section, you will find information on our performance in areas including Council and councillor information, legislative compliance, risk and audit operations.

Good Governance Charter

The City of Melbourne's commitment to good governance is confirmed by the Good Governance Charter, signed by the Melbourne City Council and the Chief Executive Officer on behalf of City of Melbourne staff. The charter includes eight good governance principles and defines the roles, responsibilities and expected standards for councillors and the organisation.

Councillor conduct

The City of Melbourne's Councillor Code of Conduct outlines the role of the Council and gives an overview of councillor responsibilities, in accordance with the *Local Government Act 1989 (Vic)*.

The code includes guidelines for rules of conduct, Council decision-making and the use of City of Melbourne resources. It also includes procedures for disclosure of interests and conflicts of interest that go beyond legislative requirements.

No known breaches of the code by councillors occurred in 2007–08.

Council meetings

The Melbourne City Council generally meets monthly and a schedule of meeting dates is available on notice boards at the Melbourne Town Hall, North Melbourne Library, East Melbourne Library, City Library, Carlton (Baths) Community Centre, the Hub at Docklands and on the City of Melbourne website.

All meetings of the Council and its committees are conducted in accordance with the Conduct of Meetings Local Law 2001. While meetings are open to the public and the public is encouraged to attend, the Council may resolve to close any meeting to members of the public to consider a confidential item including:

- personnel matters
- the personal hardship of any resident or ratepayer
- industrial matters
- contractual matters
- proposed developments
- legal advice
- matters affecting the security of Council property
- any other matter which the Council or special committee considers would prejudice the Council or any person.

Council Special Committees

As well as full Council meetings, Melbourne City Council has seven Council Special Committees that meet either monthly or every two months. Council Special Committees have defined roles and Council delegates responsibilities and certain powers, duties and functions to each committee. With the exception of the Docklands Coordination Committee, each committee is made up of and chaired by councillors.

Planning Committee

This committee has been delegated the powers, duties and functions directly relating or ancillary to Planning including City Plan, Heritage, Statutory Planning and Building Control, Strategic Planning, Transport Planning, Traffic and Parking, Urban Design, Planning Scheme Amendments, Street Activities, 10 Year Detailed Infrastructure Plan, Local Activities Law and Noise Abatement.

Environment Committee

This committee has been delegated the powers, duties and functions directly relating or ancillary to Environment including Air Quality, Enhancing Environmental Partnerships, Greenhouse Emissions Reduction Strategy, Sustainable Melbourne Fund, Environmental Issues and Initiatives, Waste Management and Minimisation, Water Conservation and Quality including Stormwater Management, Parks and Gardens Planning and International Council for Local Environmental Initiatives.

Business and International Relations Committee

This committee has been delegated the powers, duties and functions directly relating or ancillary to Business and International Relations including Business Development, Business Melbourne, Business Development Fund, International Relations, International Marketing, International Trade, Investment Attraction, Federal Government Partnerships, Retail and Hospitality, International Conferences, Conventions and International Tourism/Visitation.

Marketing and Events Committee

This committee has been delegated the powers, duties and functions directly relating or ancillary to Marketing and Events including Conference/Convention Attraction, Tourism/Visitation, Precinct Enhancement Program, City Events, Customer Relationship Management, Corporate Affairs and Communication and Sports.

Finance and Governance Committee

This committee has been delegated the powers, duties and functions directly relating or ancillary to Finance and Governance including Annual Budget, Council Works Program and the Four Year Financial Plan, Asset Management Strategy, Financial and Control Systems/Reporting, Investment Fund and Property Portfolio, Rates and Valuations, Subsidiary Companies and Associated Entities, Continuous Improvement including Best Value, Tender and Contract Policies, Council Plan, Information Technology, Audit, Triple Bottom Line Processes and Reporting, Governance, Good Governance Charter, Councillor Travel Arrangements, Councillor Expenses, and Parking Operations.

Docklands and Major Projects Committee

This committee was delegated the powers, duties and functions directly relating or ancillary to Docklands and Major Projects including Governance, Financial, Community, and Infrastructure for Docklands, and major projects within the municipality with a total value of greater than \$10 million in which Council had a financial interest.

In accordance with the Council resolution of 31 July 2007, the Docklands and Major Projects Committee ceased to function as at 7 August 2007.

Community Services Committee

This committee has been delegated the powers, duties and functions directly relating or ancillary to Community Services including Children's, Family, Aged, Youth, Disabled and Ethnic Services, Emergency Management/Services, Housing, Indigenous Affairs, Libraries and Community Centres, Recreation Strategies, Safety and Health, Service Contracts, Social Policy, Community Sports and Community Grants, Arts and Arts Grants, Culture, Place Management and Community Forums.

Docklands Coordination Committee

This committee has been established to manage the municipal function of the public areas in Docklands. The committee, which includes senior representatives from both the City of Melbourne and VicUrban, meets bi-monthly to monitor place management services within the coordination area.

Council meetings

Melbourne City Council meeting attendance: 1 July 2007 to 30 June 2008

	Numbers of meetings held	Lord Mayor John So	Deputy Lord Mayor Gary Singer	Cr Fraser Brindley	Cr Peter Clarke	Cr Carl Jetter	Cr Catherine Ng	Cr Brian Shanahan	Cr Fiona Snedden	Cr David R Wilson
Melbourne City Council meetings	13	13	13	12	11	11	8	12	12	13

Committee meetings

	Numbers of meetings held	Deputy Lord Mayor Gary Singer*	Cr Fraser Brindley	Cr Peter Clarke	Cr Carl Jetter	Cr Catherine Ng	Cr Brian Shanahan	Cr Fiona Snedden	Cr David R Wilson
Business and International Relations	5	4	5	5	5	2	4	5	5
Community Services	11	9	11	8	10	7	6	9	11
Docklands and Major Projects	1	1	1	1	1	0	1	1	1
Environment	5	4	5	4	4	3	3	5	5
Finance and Governance	14	12	14	13	13	9	12	14	14
Marketing and Events	5	5	5	3	5	2	4	5	5
Planning	12	10	12	11	11	9	11	11	12
Totals	53	45	53	45	49	32	41	50	53

*The Lord Mayor is an ex-officio member of all committees (except the Docklands Coordination Committee). The Deputy Lord Mayor is a full member of each committee (except the Docklands Coordination Committee) and is the representative of the leadership team. During the year the Lord Mayor attended one meeting of the Business and International Relations Committee, one meeting of the Community Services Committee, one meeting of the Docklands and Major Projects Committee, one meeting of the Environment Committee, three meetings of the Finance and Governance Committee and one meeting of the Planning Committee.

Special committees

Docklands Coordination	6	**	**	5	**	**	**	**	**
Inner Melbourne Action Plan (IMAP)	4	**	**	**	**	3	**	**	**

** Not a member

Councillor allowances

Councillors are paid an allowance set by the Victorian Government. This allowance is paid in recognition of the demands placed on councillors in carrying out their civic and statutory duties and for their work on policy development, as spokespeople on community matters and as representatives of the Melbourne City Council and Melbourne, both in Australia and overseas.

The allowances are:

- Lord Mayor: \$110,000
- Deputy Lord Mayor: \$45,000
- Councillors: \$25,000.

Expenses

Councillors incur expenses in the course of fulfilling their roles as representatives of Melbourne City Council. Expenditure is regulated by the Councillor Expenses and Resources Guidelines, as endorsed by the Finance and Governance Committee, and is reported in detail every quarter on the City of Melbourne website.

Section 75 of the *Local Government Act 1989* (Vic) provides that 'A Council may reimburse Councillors or members of special Committees for necessary out of pocket expenses incurred while performing duties as a Councillor or committee member'.

Schedule of councillor expenses, 2007–08

	Lord Mayor John So	Deputy Lord Mayor Gary Singer	Cr Catherine Ng	Cr David R Wilson	Cr Carl Jetter
01 Conferences, functions and training	\$0.00	\$40.00	\$0.00	\$1,009.09	\$698.17
02 Travel – local	\$55.92	\$628.69	\$1,284.13	\$1,049.70	\$7,766.89
03 Travel – interstate	\$3,361.79	\$0.00	\$0.00	\$0.00	\$0.00
04 Travel – overseas	\$14,625.81	\$0.00	\$0.00	\$0.00	\$0.00
05 Communication – local	\$2,412.83	\$4,693.17	\$2,221.41	\$1,691.86	\$1,705.89
06 Communication – interstate	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07 Communication – overseas	\$104.52	\$0.00	\$863.54	\$0.00	\$0.00
08 Functions external to Town Hall	\$0.00	\$0.00	\$2,272.63	\$16.36	\$0.00
09 Child care	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total expenses	\$20,560.87	\$5,361.86	\$6,641.71	\$3,767.01	\$10,170.95

Table continues next page

Schedule of councillor expenses, 2007–08

	Cr Fraser Brindley	Cr Brian Shanahan	Cr Fiona Snedden	Cr Peter Clarke	Total
01 Conferences, functions and training	\$0.00	\$154.55	\$547.27	\$0.00	\$2,449.08
02 Travel – local	\$1,191.92	\$2,381.88	\$3,275.76	\$490.00	\$18,124.89
03 Travel – interstate	\$0.00	\$0.00	\$951.62	\$0.00	\$4,313.41
04 Travel – overseas	\$0.00	\$4,371.76	\$18,490.96	\$0.00	\$37,488.53
05 Communication – local	\$751.84	\$2,413.80	\$3,780.40	\$3,902.07	\$23,573.27
06 Communication – interstate	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07 Communication – overseas	\$0.00	\$219.11	\$363.34	\$0.00	\$1,550.51
08 Functions external to Town Hall	\$0.00	\$0.00	\$136.85	\$259.76	\$2,685.60
09 Child care	\$0.00	\$0.00	\$9,756.50	\$0.00	\$9,756.50
Total expenses	\$1,943.76	\$9,541.10	\$37,302.70	\$4,651.83	\$99,941.79

Legislative compliance

Freedom of Information

The *Freedom of Information Act 1982* (Vic) gives any individual or organisation a general right to information held by the City of Melbourne unless that information is deemed exempt under the Act.

In 2007–08 the City of Melbourne received 51 valid requests seeking documents about road and footpath conditions, building and planning matters, and the costs and activities of councillors and officers. Requests for information increased by 24 per cent compared with 2006–07.

In 2007–08 one request was denied in full and there were two requests for internal review. No applicant appealed to the Victorian Civil and Administrative Tribunal and no complaints were received by the Ombudsman.

The *Freedom of Information Act 1982* (Vic) specifies a 45-day statutory time limit to process requests. The average process time for requests received by the City of Melbourne is 36 days.

National Competition Policy compliance

In 2007–08, the City of Melbourne complied with the requirements of the Local Government Improvement Incentive Program in respect to National Competition Policy, which covers compliance in the areas of trade practices, local laws and competitive neutrality.

Privacy Act

Standards set out by the *Information Privacy Act 2000* (Vic) and the City of Melbourne's Privacy Policy Statement control how we manage personal information.

Privacy compliance is included in our staff induction program. We have a dedicated privacy officer within our Governance Services branch to guide and assist staff and members of the public with privacy-related queries or issues.

The City of Melbourne received two privacy complaints from members of the public during 2007–08. The complaints did not progress to the Privacy Commission.

Whistleblowers Protection Act 2001 (Vic)

Complaints about the improper conduct of any Council officer can be made confidentially, under the *Whistleblowers Protection Act 2001* (Vic), to the Victorian Ombudsman or to any one of the following Council officers appointed to receive disclosures:

- Dr Kathy Alexander, Chief Executive Officer
- Linda Weatherson, Director Community and Culture
- Jane Sharwood, Manager Business and International

In 2007–08, there were no disclosed matters referred to Council by, or from Council to, the Ombudsman.

Risk management

The City of Melbourne manages its risks to maximise opportunity and minimise loss. Risk management planning is done as an organisation-wide exercise, but is also part of the daily business activities of our individual branches and contractors.

Risk management strategy, fraud awareness and training

The *Risk Management Strategy 2007–2010* guides the City of Melbourne's approach to risk management. In 2007–08, risk exposures were updated and significantly revised for most of the City of Melbourne's branches and recorded in the corporate risk register database.

More than 620 City of Melbourne staff attended fraud awareness sessions in 2007–08, and a range of other courses were conducted, such as an introduction to risk management and event risk management. We also undertook a major revision of the course and materials for managing contractors and OHS responsibilities.

Insurance and risk financing

No new claims were submitted to the City of Melbourne's insurers during 2007–08 for the major insurance classes of public liability and professional indemnity or property. One report was made to the insurer of circumstances that may lead to a professional indemnity claim in the future, and one claim was made against Council's fidelity guarantee cover for an incident that was detected during the year.

Some alternative risk financing arrangements were implemented during 2007–08, with planning undertaken for additional changes in later years. The cost of insurances to Council continued to reduce during 2007–08, which in part reflects the Council's proactive approach to managing risks and controlling any losses that arise.

Business continuity planning and influenza pandemic

The City of Melbourne continued to further develop and update its *Corporate Business Continuity Plan* in 2007–08, together with the business continuity recovery plans for each work branch. Planning proceeded for the training of staff, and the eventual testing of the plans under a variety of scenarios, including the impact of an influenza pandemic.

Audit operations

Audit Committee

In line with good governance practices, and in accordance with Section 139 of the *Local Government Act 1989* (Vic), the City of Melbourne has operated an Audit Committee since 1996. The committee, formally appointed by the Melbourne City Council, oversees the activities of the City of Melbourne's external and internal auditors, and gives independent advice to the Finance and Governance Committee on appropriate accounting, auditing, internal control, business risk management, compliance and reporting systems, processes and practices within the organisation.

The Audit Committee met five times during 2007–08. The committee considered and made recommendations to the Council and the Council's management on many issues and internal audits including:

- internet security
- occupational health and safety
- the City of Melbourne's business continuity planning procedures
- the City of Melbourne's risk profile and legislative compliance frameworks
- policy and procedures framework
- accounts payable
- fraud control framework
- implementation of Council and Special Committee resolutions
- statement of annual accounts and performance report for Council, and reports on its wholly owned subsidiaries
- governance responsibilities applicable to associated entities and trusts in which the City of Melbourne has either an indirect interest or stake
- legal action reports.

Audit Committee members – external

John Warburton – Chair

John Warburton was re-appointed as a member of the Audit Committee by the Melbourne City Council for a further three-year period in June 2006.

Qualifications:

- Certified Practising Accountant
- experienced director of many private and public sector organisations and their audit committees
- appointed to the Melbourne City Council Audit Committee in June 1999.

Theresa Glab

Theresa Glab was appointed to the Audit Committee as an external member for a one-year period from September 2007, following the retirement of Tim Dixon at the end of 2006–07.

Qualifications:

- Associate Director, Risk Management and Internal Audit, Moore Stephens, Melbourne
- Bachelor of Economics; Graduate Diploma in Banking and Finance; Master of Accountancy
- experienced senior internal audit manager and financial controller.

Claire Filson

Claire Filson was re-appointed as an external member of the Audit Committee for a further three-year period, starting August 2007.

Qualifications:

- Bachelor of Law; MBA
- experienced director and company secretary of both private and public organisations
- Chair of the risk, finance and audit committee of South East Water Ltd and the audit committee of the Southern Cross Station Authority.

Audit Committee members – internal

Our Audit Committee's internal membership consists of:

- Lord Mayor John So
- Deputy Lord Mayor Gary Singer
- Councillor Brian Shanahan (Chair of the Melbourne City Council Finance and Governance Committee).

Internal audit

The internal audit service helps the City of Melbourne, its management, and the management of its subsidiary companies, perform their responsibilities. The internal audit service helps us maintain an organisational environment with strong, relevant and effective internal controls.

The City of Melbourne's internal auditor reports to the Audit Committee. The service is contracted to Ernst & Young, which started its second three-year term in March 2005, and has continued on an exercised extension that will be completed at the end of June 2009.

A strong internal control environment ensures our systems will effectively manage operations. Services provided by the internal audit service include:

- risk assessment
- development and management of an audit program
- conducting audits and reviews
- reporting audit opinions, findings and recommendations
- presenting, discussing and providing advice on key issues.

External audit

The Victorian Auditor-General is responsible for the external audit of the City of Melbourne and its subsidiary companies. Our external audit focuses on three key areas:

- strategic planning
- detailed audit system testing
- review of financial statements.

Documents available for inspection

Regulations attached to the *Local Government Act 1989* (Vic) require the City of Melbourne to keep certain statutory registers and documents, which can be viewed on request, or, in certain cases, on application. Available documents include:

- Council and committee meeting agendas and minutes
- list of Special Committees established or abolished
- agreements to establish regional libraries
- list of contracts valued at \$100,000 or more, which the Council entered into outside the competitive process, except Section 186(5) contracts
- names of councillors and City of Melbourne officers required to submit a return of interest and the date returns were submitted
- details of interstate and overseas travel by councillors and City of Melbourne officers
- details of senior officers' total salary packages
- details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the City of Melbourne (as lessor or lessee)
- list of donations and grants made by the Council
- list of organisations of which the Council is a member, and details of membership fees
- mayoral and councillor allowances
- register of authorised officers
- register of delegations
- *Whistleblowers Protection Act 2001* (Vic) procedures
- submissions received under Section 223 of the *Local Government Act 1989* (Vic).

Want to know more?

For more information about any governance issue, or for access to documents or registers mentioned in this report, please contact the City of Melbourne's Governance Services branch on 9658 9727 or visit www.melbourne.vic.gov.au

To access some City of Melbourne registers or documents, you will need to submit a written application.

Our people

Employment figures in this annual report are for City of Melbourne employees only and do not include employees of our subsidiary companies.

Staff profile

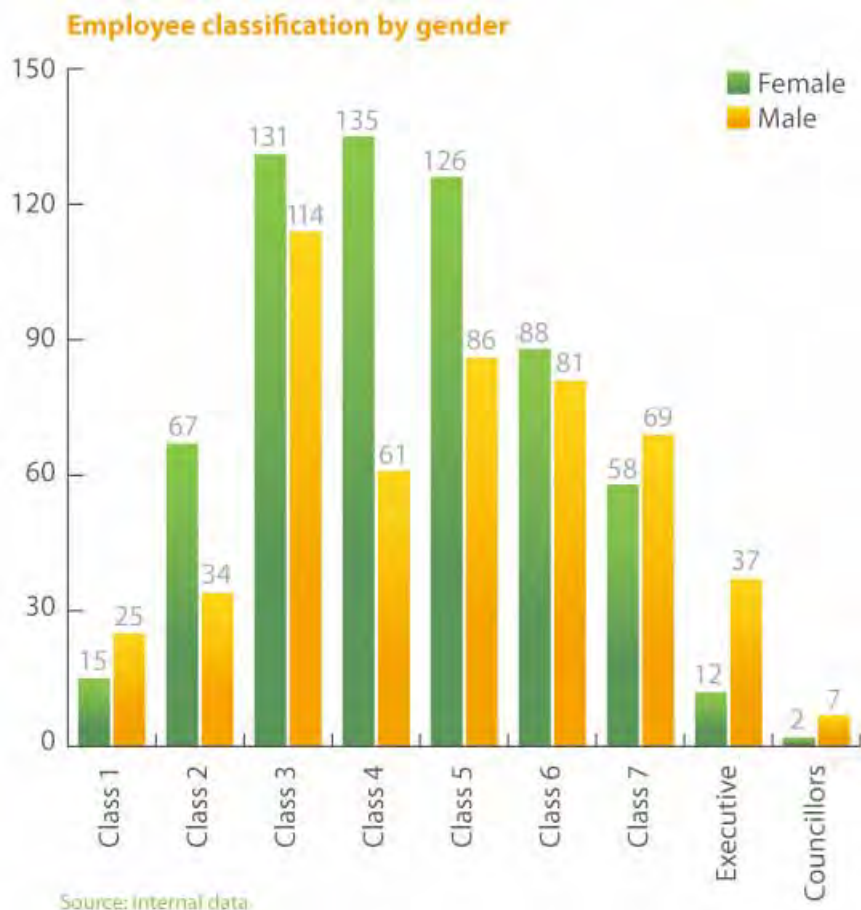
As at 30 June 2008, the City of Melbourne employed 1139 people. In 2006–07, the organisation employed 1129 people. We have:

- 987 full-time staff
- 152 part-time staff.

Of these, 101 are non-permanent staff, including:

- 70 fixed-term temporary
- 31 casual.

The mix of staff at the City of Melbourne continues to be split approximately 55 per cent female and 45 per cent male. Females hold 25 per cent of executive positions. Seventy-five per cent of female staff and 66 per cent of male staff are employed in the medium-paying positions of classifications 3 to 6.



Staff classifications

Class 1 and 2: child care workers, school crossing supervisors, fitness instructors, information officers

Class 3: parking and traffic, office administration support

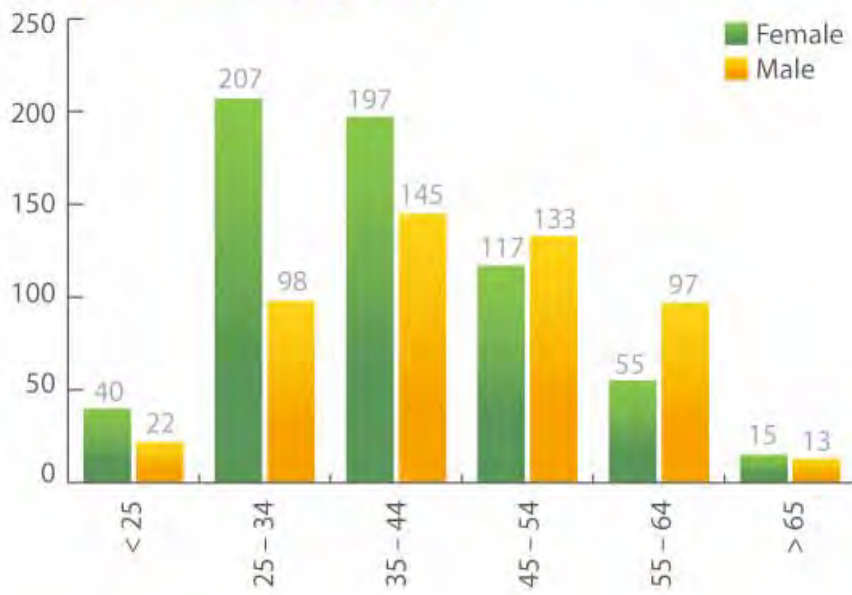
Class 4: administrative/support

Class 5 and 6: first level professionals, technical staff and programmers

Class 7: team leaders and professionals

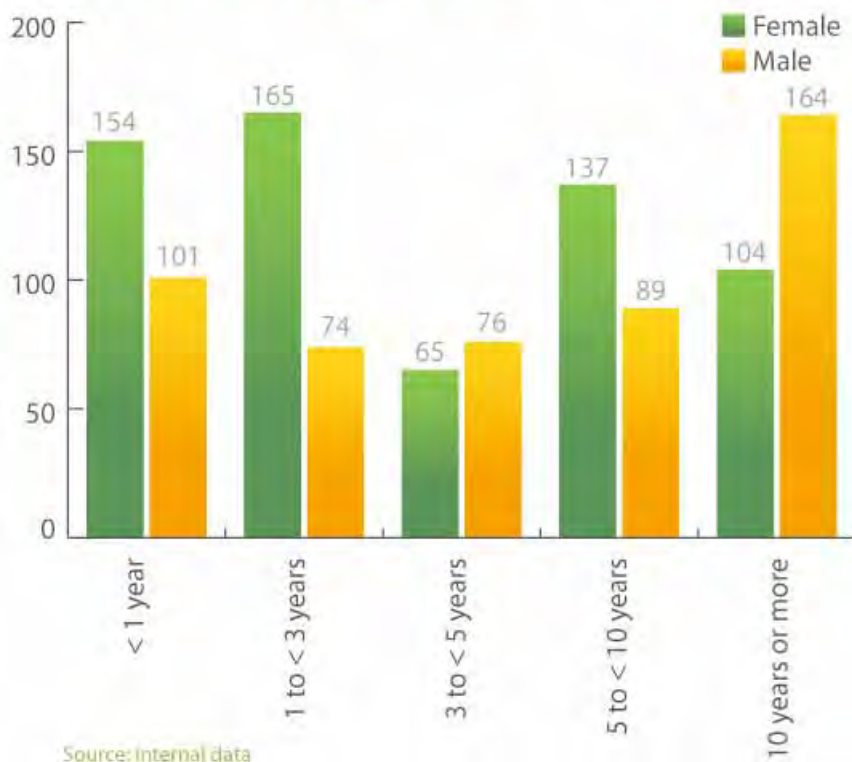
Executive: managers and directors.

Number of staff by age group



Source: internal data

Number of staff by length of service



Source: Internal data

Programs help staff balance work and life

The City of Melbourne offers many programs to help its staff develop, improve, overcome challenges, balance work and life, and lead within the organisation.

Corporate Learning and Development Program

Our Corporate Learning and Development Program aims to build on staff capabilities and attributes, maximise their contribution to the organisation, and enhance their careers. In 2007–08, the program facilitated 98 development workshops, as well as courses including risk management and cultural awareness and diversity.

Nationally accredited learning and development programs

In 2007–08, 41 City of Melbourne staff participated in the nationally accredited Diploma of Business or Master of Business Administration pathway, administered through the Corporate Learning and Development Program and managed through DeakinPrime, a corporate arm of Deakin University.

Staff retention stable

Voluntary staff turnover remained stable with the level of absenteeism decreasing further. This was an excellent result given the uncertainty created by the previous year's Operational and Efficiency Review.

As a consequence of the Operational and Efficiency Review, the demand for specialised positions increased. The reduction in average applicants per position reflects the tight nature of the current employment market.

Staff retention				
	2007–08	2006–07	2005–06	2004–05
Positions advertised	381	164	223	252
Average applicants per position	23	34	37	35
Staff turnover (1)	12.65%	12.72%	15%	12%
Absenteeism (2)	3%	3.10%	3%	4%

Notes: (1) Voluntary (resignations) turnover only, (2) Total sick leave absences as a percentage of ordinary time available.

Health, wellbeing and safety of staff

Employee Recreation Association (CoMLife)

The City of Melbourne's Employee Recreation Association continued to offer health and wellbeing activities in 2007–08. These activities included health assessments, health education, fitness classes, discounted event tickets and team building events. The association supported charity with activities such as fundraising for the Cancer Council, Make a Wish foundation and Children's Medical Research Institute, and organised staff blood donations to the Red Cross.

People Assist

Our People Assist program offers individual counselling, vocational guidance, career-ending support and management coaching. After last year's restructure of the organisation and a consequent rise in staff use of the program, the number of contacts decreased in 2007–08 and reverted to the normal pattern of use.

People Assist consultations	
Year	Number of consultations
2007–08	128
2006–07	140
2005–06	107
2004–05	131
2003–04	105

Occupational health and safety (OHS) reviewed

The City of Melbourne manages risk and occupational hazards by adopting a systematic approach to continuously improve its work environment and OHS management system.

Our OHS management system is measured bi-annually by internal and third-party audits against the *SafetyMAP Fourth Edition – Advanced Level* audit tool and the Australian Standard AS/NZS 4801:2001 criteria.

We have achieved SafetyMAP and AS/NZS 4801:2001 accreditation and registration for a period of three years effective from October 2007 and April 2008 respectively.

Staff supported through occupational rehabilitation

In 2007–08, the City of Melbourne supported staff to return to work following illness or injury with help from in-house allied health professionals, use of early intervention strategies such as ergonomic reviews, and the development of return-to-work plans.

WorkCover claims continue to fall

The City of Melbourne accepted 25 WorkCover claims in 2007–08. Our WorkCover premium continued to fall and is now set at 0.88 per cent. This is significantly lower than the local government sector rate of 1.47.

WorkCover claims				
Year	Standard claims	Minor claims	Premium inc. GST	Premium as % of remuneration
2007–08	8	17	\$766,641.00	0.88%
2006–07	7	19	\$940,358.00	1.15%
2005–06	12	13	\$1,141,112.31	1.51%
2004–05	13	33	\$1,282,241.00	1.81%
2003–04	30	34	\$1,329,314.20	2.27%
2002–03	32	26	\$1,324,974.72	2.27%
2001–02	36	26	\$1,250,253.39	2.42%

(Source: Victorian WorkCover Authority)

Equal Employment Opportunity

The City of Melbourne maintains its commitment to a workplace that is free from discrimination, harassment and bullying. Regular training and forums are held for our Equal Employment Opportunity (EEO) representatives to ensure they are continually up-skilled and supported to deal with any issues in the workplace.

During the year, Council reviewed and updated its Discrimination, Harassment and Bullying Prevention Policy, which included adding in the new protected attribute of 'employment activity' (employees should be able to request certain information or express concerns about their entitlements). To support the updated policy, the City of Melbourne provided all people leaders with training on managing and preventing unlawful discrimination and bullying in the workplace.

Diversity is essential to EEO and the City of Melbourne has a number of policies and programs to support flexible work options for staff. To support the work-life balance, staff can apply to change their working hours and patterns, work part-time, work from home or purchase additional leave. Throughout the year 50 female staff took maternity leave – some 16 more than last year. Sixteen male staff took paternity leave, slightly down from 18 last year.

In 2007–08 we also launched our Indigenous Employment Strategy, which includes the following initiatives:

- Indigenous cultural awareness training for all staff
- advertising vacant positions in Indigenous communities
- a program for all new staff to undertake an Indigenous Walk as part of corporate induction
- Indigenous employment programs, including traineeships and cadetships
- mentoring and financial counselling for Indigenous staff.

Women in leadership also continues to be an issue for the City of Melbourne. While approximately 55 per cent of staff are female, only 25 per cent of executive level staff are female. Key initiatives introduced during the year included EEO training for all staff, including the Chief Executive Officer, directors, managers and other people leaders; education and advice on flexible working arrangements; and women's networking events.

Union representation

The City of Melbourne estimates more than 300 staff are members of independent trade unions.

The *Melbourne City Council Enterprise Agreement (2005)* is a collective bargaining agreement covering all staff excluding executives. The *Melbourne City Council Award (2001)* also covers all staff (excluding executives).

Remuneration of senior executives

The City of Melbourne's philosophy for remunerating all staff is to reward performance and achievement of our performance targets. Senior executive remuneration for 2007–08 had an 'at risk' incentive component, by which payment was based on achievement of agreed key result areas (KRAs). Fifty per cent of the senior executives' performance evaluation relates to achievement of the strategies documented in the *Council Plan 2005–2009*. The other 50 per cent relates to demonstration of the agreed leadership behaviours, which incorporate behaviours aligned to economic, social and environmental responsibility.

Awards to the City of Melbourne

The City of Melbourne received acknowledgement and/or awards for excellence and innovation in the delivery of many different services and projects (see table below).

2007 Awards		
Award	Awarded For	Awarded by
Pool Safety Audit Award, Water Safety Week	Melbourne City Baths, North Melbourne Pool, Kensington Community Centre	Life Saving Victoria
Award for Municipal Excellence	Land survey	Association of Consulting Surveyors Awards
Best Contemporary Music Concert	Black Arm Band, Arts House	Helpman Awards
Best Foreign Cities to Be Invested by Chinese Enterprises	City of Melbourne	China International Institute of Multinational Corporations under supervision of the Chinese Ministry of Commerce
Child Friendly Community Award	Commitment to becoming registered as a Child Friendly City	National Association for Prevention of Child Abuse and Neglect
Engineering Excellence Award for Environment and Sustainability (jointly entered by City of Melbourne, Lincolne Scott and Bonacci Group)	CH ₂ building	Victorian Engineering Excellence Awards
Environment and Sustainability Award	CH ₂ building	Victorian Engineering Excellence Awards
Environmental Planning or Conservation Award	CH ₂ building	National Awards for Planning Excellence, Planning Institute Australia (PIA)
Finalist, Sustainable Design	CH ₂ building	Global Innovator's Award, CoreNet Global
Institutional Award	East Melbourne Library	Inside Design Excellence Awards (IDEA)
Lower Yarra Award	Stormwater litter management	Melbourne Water Lower Yarra Litter Strategy Awards
Melbourne Prize	Sandridge Bridge Precinct redevelopment	Victorian Architecture Awards, Royal Australian Institute of Architects (RAIA) in association with Nadim Karam and Marcus O'Reilly

Membership of the City of Melbourne	Ongoing commitment to place management demonstrated by the City of Melbourne through the Docklands Integration team	Place Leaders Association
Outstanding Program Award	ArtPlay – promoting imaginative and interactive drawing	Drawing Australia
People's Choice	Annual Report – Global Reporting Initiative (GRI)	GRI People's Choice Awards
President's Award	CH ₂ building	National Awards for Planning Excellence, PIA
President's Award, Excellence in Property Awards	CH ₂ building	Australian Property Institute, Victorian Division
President's Local Government Award	Piazza Italia	Australian Institute of Landscape Architects Vic/Tas
Pubic Artworks Commendation Award	Bourke Street Mall tramway zone	Cement and Concrete Association of Australia in association with Pubic Art Squad
Silver Award	<i>Annual Report 2006–2007</i>	Australasian Annual Reporting Awards
Sir William Hudson Award	CH ₂ building	Australian Engineering Excellence Awards
Special Projects Initiative Award	Places for People 2004	Awards For Excellence, LGPro
Subdivision Officer of the Year Award	Land survey	Association of Consulting Surveyors Awards
Sustainability Award	CH ₂ building	Inside Design Excellence Awards (IDEA) in association with DesignInc
Sustainable Architecture Award	CH ₂ building	National Architecture Awards, RAIA in association with DesignInc
Sustainable Architecture Award	CH ₂ building	Victorian Architecture Awards, RAIA in association with DesignInc
Sustainable Building Award (Projects under £25,000)	CH ₂ building	Sustainable Building Services Awards, UK Chartered Institution of Building Services Engineers (CIBSE)
Urban Design Award	Sandridge Bridge Precinct redevelopment	RAIA Victorian Architecture Awards in association with Nadim Karam and Marcus O'Reilly
Urban Design Plans and Ideas Merit Award	Places for People 2004	PIA Victoria Division

Victorian Crime Prevention Award – Certificate of Merit	SkateSafe Program	Department of Justice
Victorian Engineering Excellence Award	Environment and sustainability	Engineers Australia Engineering Excellence Awards
Victorian Winner, High Achievement in Local Government	Docklands Integration team	Local Government Focus Awards
Water Conservation and Management	Royal Park – Water for an Active Future in a Dry City	Parks and Leisure Australia
Zero Waste Award	Butt Free Business	Keep Australia Beautiful – Sustainable Cities Award

2008 Awards

Award	Award for	Awarded by
Community Development and Engagement	Ariel Valent for composition	Port Phillip Council Artist Award
Creative Innovation Award	The Travellers (Arup Environmental and Planning Consultants)	Australia Steel Industry
Finalist, Local Government	Savings in the City Green Hotels	Banksia Environmental Awards
Finalist, Local Government – Best Specific Initiative	Savings in the City Green Hotels	United Nations Association World Environment Day Awards
Fitness Centre of the Year Award	City Baths	Fitness Victoria
Global Reporting Initiative (GRI) Readers Choice Award	<i>Annual Report 2006–2007</i>	GRI Amsterdam Global Conference on Transparency and Sustainability
Inducted into the Australian Graduate School of Entrepreneurship Hall of Fame	Rob Adams	Swinburne University
Local Government Award	Drought Management of Parks	Banksia Environmental Awards
Outstanding Contribution to Australian Music in Education	ArtPlay and Melbourne Symphony Orchestra Community Outreach Program	Australasian Performing Rights Association in conjunction with the Australian Music Centre
Prime Minister's Environmentalist of the Year	Rob Adams	Banksia Environmental Awards
Runner Up, Best Organised Event	Rebecca Hutchinson	Executive PA of the Year Awards
Sport Business Award	World No. 1 Sporting Event City	Sport Business

Our stakeholders

City of Melbourne stakeholders include anyone with an interest in what we do and the services and programs we provide. Stakeholders include:

Partners	Community	Global
<i>Government bodies and agencies</i>	<i>Residents</i>	<i>International city partners</i>
<i>Suppliers</i>	<i>Ratepayers</i>	<i>Potential international investors and businesses</i>
<i>Consultants</i>	<i>Businesses</i>	<i>International event organisers</i>
<i>Neighbouring communities</i>	<i>Workers</i>	<i>International not-for-profit organisations</i>
<i>Other partners</i>	<i>Students</i> <i>Visitors</i> <i>Unions</i> <i>Media</i> <i>Community groups and not-for-profit organisations</i> <i>Victorian universities</i> <i>Educational institutions</i> <i>Associations</i> <i>Other local governments</i>	<i>Melbourne-headquartered multi-nationals</i>

Subsidiaries and other entities

The City of Melbourne has three wholly owned subsidiaries:

- CityWide Service Solutions Pty Ltd provides competitive contract services to public and private sector clients
- Queen Victoria Market Pty Ltd manages and develops Queen Victoria Market
- Melbourne Wholesale Fish Market Pty Ltd manages and develops the operation of the wholesale fish market's activities. The company has a landlord role while fish trading is conducted by the tenants.
- The City of Melbourne has an interest in other entities including:
- Sustainable Melbourne Fund (100 per cent owned by the City of Melbourne), a strategic trust that supports and promotes sustainable development
- Regent Management Company Limited (50 per cent interest) which manages the Regent Theatre in Collins Street
- MAPS (trading as Strategic Purchasing Ltd) (City of Melbourne is a majority shareholder) which is a cooperative purchasing company, working on behalf of member local governments.

Engaging with stakeholders

The City of Melbourne encourages communication and collaboration with all our stakeholders. Here are some of the ways our external stakeholders have their say:

Council and committee meetings

Melbourne City Council welcomes and encourages members of the public to attend and participate in Council and committee meetings.

There are approximately 60 Council and committee meetings each year. Open meetings are accessible to all, with a hearing/audio loop and disabled access available.

Public submissions and addresses

Members of the public may make submissions to the Council or a committee on any matter or matters listed on an agenda.

A register of public submissions made under S223 of the *Local Government Act 1989* (Vic) is available for viewing at the Council business offices at the City of Melbourne.

In Council meetings, any written documentation is generally dealt with as an 'item of correspondence', with a reference made to the relevant agenda item. Verbal submissions are also accepted. Any person may submit a request to address a committee on an item listed on the agenda.

Advisory panels

The City of Melbourne also makes a commitment to stakeholder engagement through a range of ongoing advisory panels with broad membership:

- Family and Children's Advisory Committee
- Drug and Alcohol Advisory Group
- Injury Prevention Advisory Committee
- Disability Advisory Panel.

We also have the following arts and culture advisory panels:

- Arts Advisory Board
- Public Art Committee
- Indigenous Arts Advisory Panel
- Arts House Reference Panel
- Community Cultural Development Advisory Panel
- Art Play and Signal Advisory Panel
- Acquisition Panel
- Housing the Arts Working Party
- Docklands Cultural Development Group

Public consultations

The City of Melbourne consults with the public on the development of and changes to significant policies, programs and services. Public consultations collect opinions and information about how the City of Melbourne can improve its services and program delivery. Major public consultations are advertised in newspapers, *Melbourne News* (our resident newsletter), and on our corporate website.

The City of Melbourne generally consults with the public on its policies and strategies by publishing them in draft form, with an invitation for written or online comments. Submitted comments are considered when the final version of the strategy or policy is developed.

Public consultations were held in 2007–08 about the following:

- Future Melbourne community plan
- Animal Management Plan
- Draft Parking Plan
- Zero Net Emissions by 2020 – Strategy Update 2008
- 2008–2009 Annual Plan and Budget
- Kensington Wheels and Heels
- South Yarra Wheels and Heels
- JJ Holland Park Draft Concept Plan
- Fawkner Park Toddler Play Space
- Draft Licensed Premises Policy
- Liquor Licensing Policy
- 24 Hour City Policy
- Grant Street Master Plan
- Trial Council-provided rubbish and recycling service
- Tan Track lighting and works
- North West Melbourne Open Space consultation
- Annual tree planting program
- Public Toilet Plan
- Outdoor Café Guide
- Ensuring Our Place – the City of Melbourne’s Plan for Residential and Home-Packaged Aged Care Services
- Boyd Centre community consultation
- Cardigan and Faraday streets proposed streetscape works
- Royal Park dogs off-leash areas
- 2008 Council election process forum
- Delivering for Docklands
- Past Small Business Grant Recipient consultation

Future Melbourne community consultation

Sponsored by the City of Melbourne, Future Melbourne is the Melbourne community's long-term plan for the future direction of all aspects of city life. The plan sets out key trends, challenges and goals, and outlines strategic growth areas to make Melbourne a bold, inspirational and sustainable city.

Future Melbourne's development involved the largest program of community consultation ever undertaken by the City of Melbourne. Over 13 months, some 15,000 individuals participated in the development of the draft plan via road shows, public forums, information hubs around the city, facilitated workshops, an art show, the eVillage Melbourne online discussion forum and an interactive 'wiki'.

The use of a wiki was a world-first for a local government on this scale, with some 6500 people from around the globe logging on to read, discuss and directly edit the plan.

After its role in Future Melbourne was complete, the eVillage Melbourne site was redeveloped and re-branded to take on a broader role as a forum for a range of City of Melbourne topics and community consultations. The site is moderated and content is managed by independent community managers. More than 1000 members are currently registered.

Working Together for Melbourne forums

Five Working Together for Melbourne forums were held across the municipality in 2007–08. The forums are an opportunity for communities to share ideas and concerns about their local areas with City of Melbourne councillors, directors and senior staff who answer questions that the public submits before the forums. At these forums, the City of Melbourne also provides information about activities such as local projects and consultations.

Issues discussed at Working Together for Melbourne forums in 2007–08 included transport and traffic management, heritage, parking, child care services, graffiti, noise and rubbish collection.

Records of meetings are available on the City of Melbourne website at www.melbourne.vic.gov.au.

Listening to our staff

Employees are important stakeholders in the City of Melbourne and we engage staff in improving our working environment.

Consultative committees

A number of committees allow staff to be involved in addressing various issues.

Culture survey

In February and March 2008, about 63 per cent of City of Melbourne employees completed a survey looking into the culture of our organisation – what they liked about it and what they believed should be improved.

We conducted the survey when the organisation was taking stock after the Operational and Efficiency Review – which resulted in wholesale change to almost every work area. Consequently the survey provides a timely snapshot of an organisation undergoing major change and poised to begin a new phase in its development.

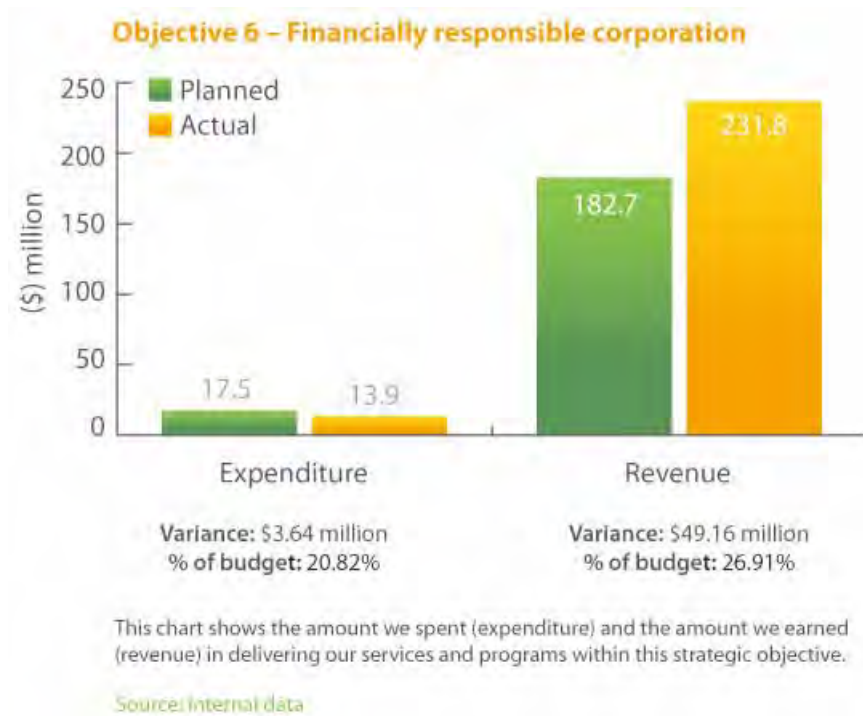
The Chief Executive Officer released the survey results to directors, managers and staff in July 2008 and an extensive staff engagement program is being rolled out in 2008–09 incorporating:

- reviewing our Performance Management Framework
- reviewing our leadership development programs
- reviewing career development and planning
- reward, recognition, attraction and retention programs
- measuring progress.

Strategic Objective Six: Financially responsible corporation

A financially responsible corporation: long-term sustainability is ensured through strategic planning and well-managed finances and assets.

Resources allocated



To achieve our strategic objective of a financially responsible corporation, we need to demonstrate excellence in long-term financial sustainability.

Our operations

There was considerable change to the size of the City of Melbourne's operations during 2007–08, with the responsibility for municipal activities in the Docklands precinct coming into effect on 1 July 2007.

During 2007–08 the City of Melbourne worked collaboratively with Moonee Valley Council to ensure the smooth transition of responsibility for municipal activities in the annexed areas of Kensington and North Melbourne. From 1 July 2008, the municipal responsibility for this area will also transfer to the City of Melbourne.

Major suppliers

The City of Melbourne's major suppliers, by value, in 2007–08 were:

- Citywide Service Solutions Pty Ltd \$48.5 million
- Spotless Services Australia Ltd \$13.6 million
- Serco Australia Pty Ltd \$5.2 million
- Bovis Lend Lease Pty Ltd \$3.1 million.

Highlights

Assuming municipal responsibility for Kensington and North Melbourne

In December 2007 the Minister for Local Government announced the transfer of municipal responsibilities for the whole of Kensington and North Melbourne from the City of Moonee Valley to the City of Melbourne. Transitional orders giving effect to this decision were published in the *Government Gazette* on 13 December 2007 and came into effect on 1 July 2008.

To implement this decision, two key working groups (Due Diligence Working Group and Services Working Group) were established to oversee the transition and report to the Transitional Process Steering Group (TPSG) which was comprised of the Chief Executives and senior managers of the two Councils.

The work of the steering groups and TPSG was completed in June 2008. Key financial impacts on the City of Melbourne include:

- Budget revenue \$3.9 million
- Budget expenditure \$5.1 million
- Operating deficit \$1.2 million
- Assets transferring \$46.5 million
- Capital works \$0.2 million
- Effective full-time staff 22.1

The City of Melbourne will continue to integrate the requirements of Kensington and North Melbourne into its municipal service provision.

Investing in development

Investment in Council works' projects continues to provide adequately for the needs of ratepayers and other stakeholders who live and work in the municipality. The City of Melbourne spent \$69.3 million on its Council Works Program in 2007–08, including funding major projects such as:

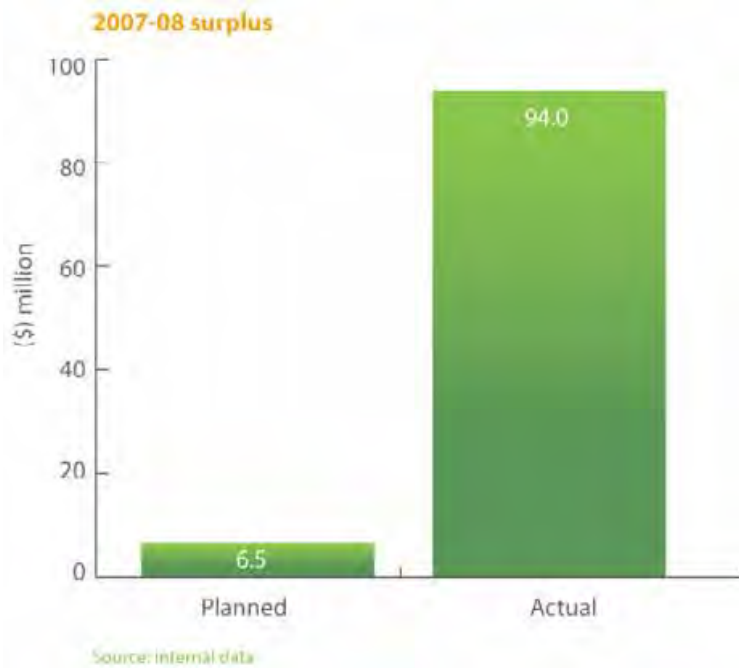
- the purchase of the former JH Boyd Girls' School site \$10.5 million
- The Harbour Family and Children's Centre \$6.95 million
- Flagstaff Gardens Bowling Club \$4.3 million
- refurbishment of southern pavilion at Fawkner Park \$1.3 million
- lighting at the Tan Track \$1.05 million
- upgrade of municipal streetscapes \$2.2 million
- refurbishment of the food court at Queen Victoria Market \$0.52 million

Investment options reviewed

Alternative cash investment options for the City of Melbourne were reviewed early in the last financial year. In the first quarter of 2007–08, suitable cash investments were proposed to replace underperforming cash investments.

As part of this review, our Treasury Policy was updated to provide a greater number of, and more flexibility in, counterparty deposit amounts. Reviewing suitable alternative investments for Council is an ongoing process to ensure cash investment returns are maximised within the constraints of the *Local Government Act 1989* (Vic).

Operating surplus



The City of Melbourne has delivered an operating surplus since 2000–01. In 2007–08 the City of Melbourne demonstrated a very strong financial performance, achieving a surplus of \$94 million against a planned surplus of \$6.5 million.

The two major items contributing to our operating surplus in 2007–08 were the one-off recognition of a receivable – the forthcoming Kensington and North Melbourne transition – which had a \$46.5 million non-cash effect and revaluation of investment property income to \$20.4 million. The graph below depicts our adjusted operating surplus trend.



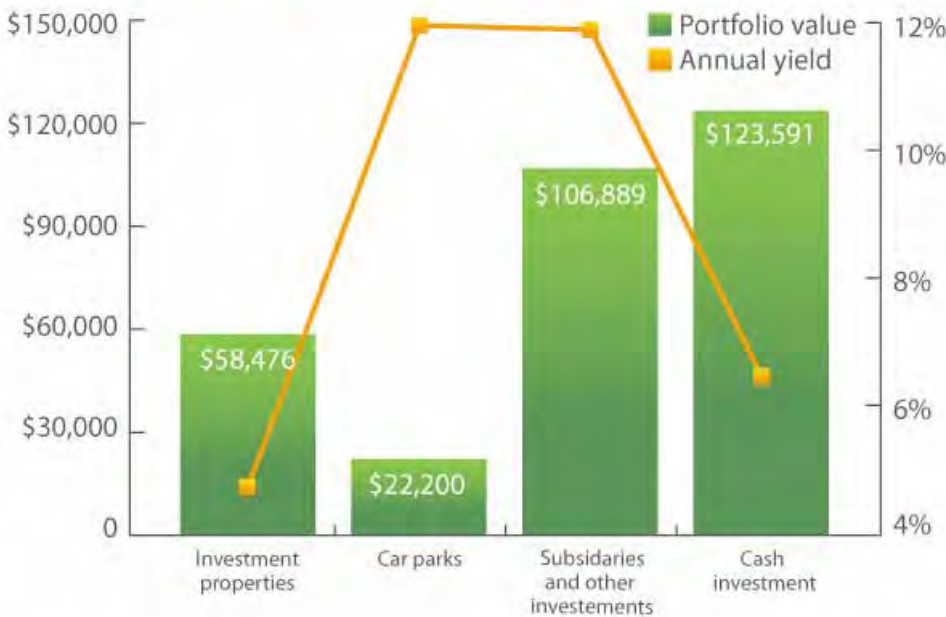
Investment portfolio performs well

The City of Melbourne’s investment portfolio provided revenue of \$25.9 million in 2007–08, representing an 8.8 per cent return. Investment property income was lower than 2006–07 but the stronger performance of the other asset classes helped to lift the total cash return, surpassing last year’s cash return performance.

The City of Melbourne’s investment success continues to underpin modest rate increases and reflects our prudent management of investment assets in a challenging investment environment.

Our car park and subsidiary companies’ performances were strong, returning 12 and 11.9 per cent respectively. Cash investment returns were favourable in comparison to last year due to a favourable interest rate environment and higher cash balances.

Investments portfolio – annual yield (2007-08)



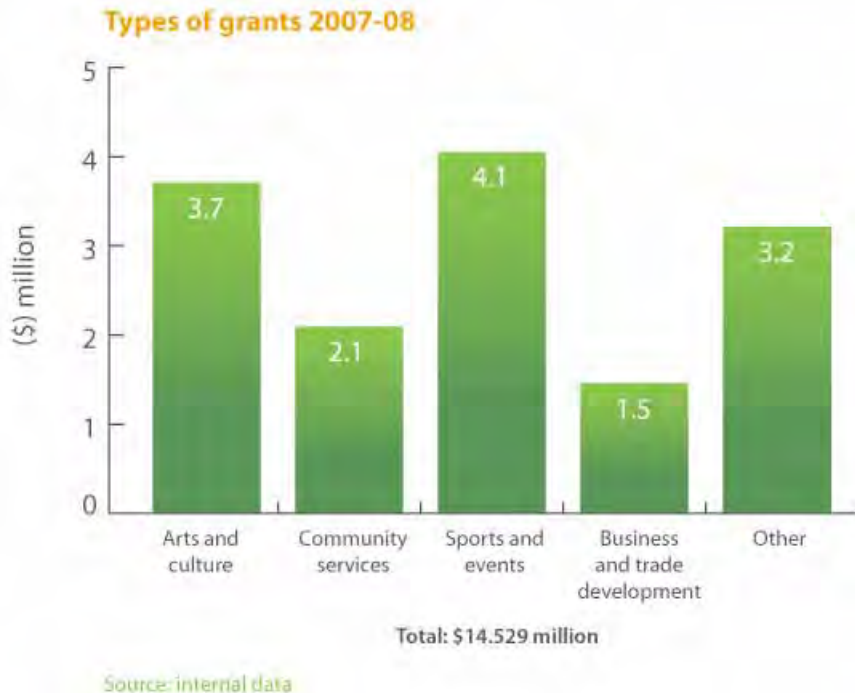
Source: Internal data

Savings from the Operational and Efficiency Review

The City of Melbourne’s Operational and Efficiency Review of 2006–07 saw a net loss of about 60 staff and a restructure whereby the number of divisions was reduced from seven to five and the number of branches from 35 to 28. These changes and other initiatives resulted in substantial savings of more than \$6 million at June 2008. We will continue to implement recommendations arising from the review and further efficiencies are expected during 2008–09.

Ongoing donations and grants programs

The City of Melbourne provides support to a range of organisations, individuals and groups through the distribution of donations and grants. In 2007–08 we funded 520 organisations to the value of \$15 million.



Financial strength confirmed

During 2007–08 the City of Melbourne maintained its debt-free status and Standard and Poor's AAA credit rating, first achieved in March 2000.

Total assets amounted to \$2.851 billion with total liabilities of \$82 million. Net assets of the Council increased by \$325 million to \$2.769 billion over the financial year.

More information about grants and contributions received, employee costs, operating result by function, Council works' expenditure and basis of reporting can be found in Section 6 of this report, starting on page 143.

Disappointments

WorkCover self-insurance options delayed

In June 2008 a submission highlighting the impediments to Council of self-insuring as a single entity was prepared by the Director of Corporate Services and submitted to the Accident Compensation Act Review Panel.

Detailed work included a preparatory re-assessment of the self-insurance scheme's feasibility including an analysis of the *Accident Compensation Act 1985 (Vic)*.

During the course of the preparatory work it became clear the City of Melbourne would be required to seek self-insurance approval from the Victorian WorkCover Authority on a group basis, including wholly-owned subsidiary companies Citywide, Melbourne Wholesale Fish Market, and Queen Victoria Market.

Work has started on collecting key data from our subsidiary companies to determine whether self-insurance on a group basis is possible and/or viable.

In the meantime Council is unable to proceed with the application for self-insurance and must seek legislative review or a license on a group basis. Council has lodged a submission seeking legislative changes but a final decision is unlikely until late 2008.

When these matters are finalised, the self-insurance project will re-commence.

Looking ahead

Preparing for the new Council

In preparation for a newly-elected Council in November 2008, information on the current financial position of the organisation will be prepared for new councillors to help them provide well-informed input into the next four-year Council Plan which must be completed by June 2009.

The new Council Plan will be the platform on which the future financial performance of the organisation can be projected and monitored over the term of the Council.

10-year Finance Plan outlines priorities

The City of Melbourne has drafted a 10-year Finance Plan that outlines priorities for future infrastructure development, maintenance and service delivery.

The plan still requires further work and a review by the Director Corporate Services and the Directors Forum. It is expected the 10-year Finance Plan and four-year Strategic Resource Plan will be considered by the incoming Council.

Strategic indicators

Council monitors the following key performance indicators to measure our progress towards a financially responsible corporation.

No	Measure	2007–08 result	2006–07 result	Comments
6.1	Annual Financial Plan targets: within + or - 5% variation to budget financial performance surplus.	Actual surplus: \$94 million compared with budget surplus of \$6.48 million (see page 98)	Actual surplus: \$174 million compared with budget surplus of \$13.5 million	Surplus exceeded budget largely due to recognition of assets receivable as part of North Melbourne and Kensington transition to the City of Melbourne and a revaluation of Council's investment properties.
6.2	Total revenue.	Actual revenue: \$312.2 million compared with budget \$285.9 million.	Actual revenue: \$269.6 million compared with budget \$262.7 million.	The majority of the favourable variance results from a gain on the revaluation of Council's investment properties. (In accordance with accounting standards, the reporting of gains on revaluation of investment properties is recognised in the <i>income statement</i> .)
6.3	Total operating expenditure.	Actual operating expenditure: \$276.6 million compared with budget \$279.5 million.	Actual operating expenditure: \$275 million compared with budget \$249.2 million.	Variance less than 1.5%

6.4	Council Works Program.	Total value of works was \$69.3 million compared with a budget of \$87.7 million. This figure includes multi-year projects. After adjustments, the value of works completed is \$57.6 million. This represents an achievement of 95.83% to the adjusted budget.	Total value of works was \$57.38 million. This equates to a completion rate of 90.6% of projects.	
6.5	Rate of investment portfolio return.	Cash investment return: 6.45% compared with budget 6.15% (see page 99)	Cash investment return: 6.07% compared with budget 6%	Investment returns on cash were higher than budgeted due to official Reserve Bank of Australia interest rates increasing during 2007–08.
6.6 (VLGI)	All rates – average rates and charges per assessment (all rates)	\$2265	\$2255	Variance of 0.4%
6.7 (VLGI)	Residential rates – average rates and charges per residential assessment	\$877	\$809	Variance of 8.4%
6.8 (VLGI)	Operating costs – average operating expenditure per assessment	\$3993	\$4455	Variance of -10.4%
6.9 (VLGI)	Capital expenditure – average capital expenditure per assessment	\$909	\$932	Variance of -2.5%
6.10 (VLGI)	Infrastructure – infrastructure renewal %	67%	\$76%	Variance of -11.8%

6.11 (VLGI)	Infrastructure – infrastructure renewal and maintenance %	71%	80%	Variance of -11.3%
6.12 (VLGI)	Debts – average liabilities per assessment	\$1184	\$1331	Variance of -11.0%
6.13 (VLGI)	Operating result per assessment	\$1357	\$2819	Variance of -51.9%

SECTION FOUR – FINDING SOLUTIONS TO END HOMELESSNESS

Fast facts on homelessness

- 981 people recorded as homeless within the City of Melbourne (*Census 2001*).
- 56 per cent of homeless people are young people aged 15–34 years
- 51 per cent of homeless people are men, 49 per cent are women
- 55 per cent of homeless people live in boarding accommodation or rooming houses, with shared toilets and kitchens

Homelessness affects people from all sections of the community. Not having safe, secure and affordable accommodation can have a devastating effect on a person and their opportunities in life.

The City of Melbourne defines homelessness as a lack of social connectedness, family support or community networks as well as a lack of a 'conventional home' (*Council to Homeless Persons, Melbourne 2006*).

The Australian Bureau of Statistics (ABS) in its 1992 Census developed three categories of homelessness to assist in counting the number of people experiencing homelessness in Australia. These are:

- *primary homelessness*: people living on the streets, sleeping in derelict buildings, or using cars for temporary shelter
- *secondary homelessness*: people who move frequently from one form of temporary shelter to another
- *tertiary homelessness*: people who live in rooming/boarding houses in the medium to long term.

These categories and the above definition are used widely in Australia and provide a useful, objective way of measuring and understanding homelessness.

Research shows homelessness is often exacerbated by a number of other factors including poor physical and/or mental health, disability, drug and alcohol issues, unemployment, domestic and interpersonal violence, low income and financial problems.

The City of Melbourne has invested substantial resources to address homelessness. While homelessness is primarily the responsibility of the Victorian Government, local initiatives the City of Melbourne has undertaken include:

- the provision and promotion of social and affordable housing
- support and services for homeless people
- research, modelling and feasibility studies on responses to homelessness.

In February 2007 Council endorsed the *Homelessness Framework 2007–2009*, which provides direction for future work to respond to homelessness and related issues.

Our affordable housing initiatives

It is widely accepted that safe, affordable and secure housing – along with suitable support – contributes to improved individual health and wellbeing. Affordable housing is a key factor in ensuring Melbourne's economic and social prosperity. However, recent price surges in the housing market have led to a sharp decline in access to affordable housing.

The City of Melbourne's *Social and Affordable Housing Framework 2006–2009* aims to ensure appropriate housing is available to meet the diverse needs of the population in terms of tenure, size, cost, location, safety and accessibility.

Current and planned strategies of the *Social and Affordable Housing Framework* include:

Regular rooming house inspections

During 2007–08, the City of Melbourne's Health Services Branch conducted 95 inspections of premises registered under Victoria's Health (Prescribed Accommodation) Regulations 2001. The branch responded to 17 complaints and prosecuted two premises.

Our Building Control Group also audited 65 accommodation buildings listed on its two-year audit cycle in 2007–08.

In partnership with Consumer Affairs Victoria, we also mapped 30 registered rooming/boarding houses in Melbourne, totalling 609 beds. This exercise was conducted in response to the *Residential Accommodation Issues Paper* released in July 2007 by the then Minister for Consumer Affairs, Daniel Andrews.

Purchase of the former JH Boyd Girls' High School site

Council purchased the former JH Boyd Girls' High School site in City Road, Southbank in December 2007 for \$10.5 million. Our aim is to redevelop the site to include community facilities, public open space and a range of affordable housing.

Affordable housing for Drill Hall site

In December 2007 the City of Melbourne agreed to transfer ownership of the Drill Hall site in North Melbourne to Melbourne Affordable Housing (MAH) – a not-for-profit housing company. This will enable MAH to develop more than 70 affordable housing units.

Public housing advocacy

The City of Melbourne has taken an active role in negotiating improved outcomes for public housing residents and communities in redevelopments at Carlton, Kensington and Parkville Gardens.

Inner Urban Rooming House Project

Through the Inner Urban Rooming House Project, the City of Melbourne works in partnership with inner urban councils, community housing and service groups, rooming house operators and representatives from Victorian Government departments to:

- explore the reasons why many rooming houses are disappearing, creating further demand for already overstretched crisis, transitional and public housing
- determine what measures can be put in place to stop rooming house closures
- encourage the growth of socially responsible private rooming houses
- provide a forum for greater coordination of rooming house operations from planning through to integrated building and health inspections, and improved connection with the health and homelessness support system.

Some of the project's recent achievements include:

- distribution of a rooming house owners/managers manual – *More than a Landlord* – throughout Victoria
- support for the development of the Department of Justice's *Equal Service: Homelessness Guidelines*
- support for rooming house owners/managers through forums on issues such as energy efficiency, legislation and service system information
- establishment of the Registered Accommodation Association of Victoria, an association for rooming/boarding house owners and managers
- advocacy for land tax exemptions for rooming/boarding houses
- input to Consumer Affairs Victoria consultations on the *Residential Accommodation Issues Paper*.

Learning more about homelessness

The City of Melbourne's Homelessness Research Project, which began in 2007, has provided a profile of Melbourne's homeless population for the first time through a series of in-depth surveys and interviews.

Stage 1 – Needs and aspirations of homeless people

Stage 1 identified the needs and aspirations of people experiencing homelessness. Service system gaps were analysed and new approaches in housing and support services were proposed. The project involved client surveys and interviews, which provided an overview of the key issues that people experiencing homelessness face in Melbourne. These include:

- affordable housing – both short term and long term, suitable for people with a range of needs
- increased funding of support services – to meet the many and complex needs of people without homes
- basic services and facilities for homeless people on low incomes or no income
- a community centre that provides space for recreational/social activities, and more material aid services such as meals/food parcels/vouchers
- general and specialist health services (with bulk billing GPs) targeted specifically to the needs of people who are homeless, with multiple/complex health issues
- access to information about available services both for clients and for agencies.

Stage 2 – Homelessness projections, improved service/housing models and cost comparisons

Stage 2 identified future trends in the homeless population for the City of Melbourne to 2012. It also identified possible alternative housing models, and the relevant cost implications of these options, which are aimed at providing sustainable pathways out of homelessness.

International studies indicate savings of approximately 30 per cent could be achieved on the current cost of supporting homeless people by preventing people becoming homeless and acting quickly to provide secure, long-term accommodation and support. These savings would apply to Australian and Victorian government programs in the justice system, the health and hospital sector, and the welfare sector.

The City of Melbourne has formed an alliance with the Victorian Government and other stakeholders to implement the Supportive Housing Model in Melbourne. The Supportive Housing Model provides safe, secure long-term housing with integrated on-site support services. Its aim is to house people first and then provide on-site health, educational, financial and personal assistance.

Stage 3 – StreetCount2008

Conducted by the City of Melbourne and key support agencies in June 2008, StreetCount2008 collected accurate and up-to-date information about people experiencing homelessness and ‘sleeping rough’ in parklands, streets and other public areas within the municipality.

Through StreetCount2008, we sought to understand the profile, service usage and living preferences of people who are homeless in Melbourne. The count will assist us to provide appropriate, long-term solutions for homelessness. Preliminary details include:

- the count was held on 3 June 2008 between 5.30am and 8.00am
- 127 volunteers participated in the count
- areas covered included the CBD, Fitzroy and Flagstaff gardens, North and West Melbourne
- 94 people were observed during this period, most of whom were men
- surveys were conducted with some people as part of the count and also at homeless agencies during the day.

The City of Melbourne will conduct regular street counts in the future to determine whether efforts to end homelessness in the municipality are making a real and measurable difference.

The final results of StreetCount 2008 will be presented to Council in October 2008.

Greater support for homeless people

In 2007–08, the City of Melbourne worked on a pilot project with Moonee Valley Melbourne Primary Care Partnership, the Department of Human Services and other key health and homelessness service agencies to improve access to health services for people who are homeless and those with complex needs.

A resource kit was produced which included the CBD Homeless Health Access Protocol. These protocols offer good-practice guidance to assist health and community organisations to build better referral relationships and increase coordination of services.

The City of Melbourne is involved in a range of partnerships with agencies providing outreach and other services to homeless people. Some of these services include:

Lion Garden

The Lion Garden project in Little Bourke Street supports young people who are at risk of homelessness by providing a long-term secure base and access to support services. It provides accommodation in eight self-contained studio apartments and supports young residents with education, health care and personal issues to develop independent living skills and improve employment opportunities. The project is managed by Melbourne Affordable Housing and Melbourne City Mission.

Café Meals

In partnership with Doutta Galla Community Health, the Café Meals project provides subsidised meals at various cafes around the city. By showing a membership card at participating cafes, people receive a daily meal and enjoy being part of everyday community life that many of us take for granted.

Frontyard

The City of Melbourne provides financial support to Melbourne City Mission to deliver the Frontyard Service Delivery Platform. The Frontyard Youth Service provides access to complementary services that address the physical, emotional and social needs of homeless and marginalised young people aged 12 to 25 years in Melbourne’s CBD.

Melbourne Library Service

Melbourne's libraries, including City Library and other Melbourne Library Service branches, provide a reprieve and day-time shelter for homeless people.

More than 5000 people or 14 per cent of Melbourne Library Service members cannot provide documentation on where they live.

Homelessness Service Expo

The *CBD* Homelessness Health Access Protocol was launched at the Health and Homelessness Service Expo, sponsored by the City of Melbourne in August 2008.

Entitled Working Towards Working Together, the expo brought the sector together to promote services, create networking opportunities and recognise the work agencies and organisations do to help support and assist the homeless population.

Homeless World Cup

The City of Melbourne provided funding for the 2008 Homeless World Cup through our 2007–08 Event Partnership Program (EPP). The event is being held at Federation Square and Birrarung Marr and consists of a street soccer competition that uses the positive power of football to raise awareness about homelessness and poverty. It will run from 1 to 7 December 2008.

The City of Melbourne is providing:

- a mixture of cash (\$100,000) and in-kind support
- in-kind support includes office accommodation in Council House 1 (January–December 2008) and use of Birrarung Marr
- \$30,000 to assist in the production of a cultural festival during the event
- funding of \$10,000 for the National Street Soccer Championship in July 2008
- funding for the Melbourne Conversations Forum – Homelessness
- \$10,000 to train 20 homeless/marginalised people in sports medicine and first aid, who will gain experience through working with sports medicine professionals during the games.

Where to next

The City of Melbourne faces an ongoing challenge in supporting the Victorian Government and the service sector to address the needs of people who are homeless.

We know people experiencing homelessness in Melbourne have a variety of experiences but there are some common underlying needs:

- safe and affordable long-term housing of an acceptable quality
- employment and financial security
- stability so they can move on in life and achieve their goals
- access to the assistance they need when they need it
- access to services tailored to meet their needs
- improved information and easier access to a range of services.

Finding solutions to end homelessness requires a long-term, multi-faceted approach from all government and non-government providers. We are determined to put an end to homelessness in our municipality.

SECTION FIVE – PERFORMANCE STATEMENT

Our Performance Statement is a statement of performance against targets set in our *City of Melbourne 2007–2008 Annual Plan and Budget*. This statement addresses the key strategic activities we planned to complete in 2007–08 and includes explanations of the targets and our results. The statement is subject to internal and external audits.

In addition to the Performance Statement, the City of Melbourne participates in the annual survey of Victorian Local Government Areas coordinated by the Victorian Government. The results of this survey are included in the strategic indicators tables throughout section 3 – page 31 of this annual report and are denoted with ‘VLGI’.

Performance against key strategic activities

KSA 1

Manage and assist with the development of local area parking and traffic strategies including on- and off-street parking

Performance measure and target	Achievements	Issues	Percent complete
Development of a five-year parking strategy by December 2007.	This initiative has been substantially achieved. A draft five-year CBD and Docklands Parking Strategy was presented to the community for feedback in May 2008.	It is anticipated that the five-year parking strategy will be presented for Council consideration in September 2008.	75%

KSA 2

Identify, foster and promote Melbourne’s capabilities as a ‘Knowledge City’

Performance measure and target	Achievements	Issues	Percent complete
Establishment of a Melbourne Office of Knowledge Capital pilot program jointly financed by Council and eight Victorian Universities.	This initiative has been fully achieved ahead of schedule. The pilot program commenced operations on 1 January 2008. The Melbourne Office of Knowledge Capital will become fully operational on 1 July 2008.	The Melbourne Vice Chancellors’ Forum and City of Melbourne have prepared a three-year funding commitment and strategic plan to ensure the ongoing funding and strategic direction of the Office of Knowledge Capital.	100%

KSA 3

Develop a future strategy for the Queen Victoria Market precinct to strengthen its role and positioning as a unique people's market

Performance measure and target	Achievements	Issues	Percent complete
Preparation of a discussion paper for Council by June 2008 prior to a review of the <i>Queen Victoria Master Plan</i> (2003).	Councillors were presented a discussion paper outlining options for the QVM site. As a result, additional work was requested to further re-evaluate the development potential in and around the QVM site. Further modifications to the project brief were requested by the Board of the Queen Victoria Market. This has slightly delayed the formulation of an initial built-form schematic design and discussion paper for councillors, which will be presented in August 2008.	This project was delayed due to modifications to the project brief; however, it is anticipated that the initial built-form schematic design will be presented to councillors in August 2008.	75%

KSA 4

Encourage ecologically sustainable building construction by researching and promoting what the Council has learned from the Council House 2 (CH₂) project

Performance measure and target	Achievements	Issues	Percent complete
Implementation of an education strategy around the CH ₂ green building principles.	This initiative has been achieved. Council's website information has been updated to provide more detailed facts and figures on how the CH ₂ building works and to improve education around sustainability and green building principles. In addition, a virtual building tour is currently being developed for the Council's website. CH ₂ continues to receive extensive coverage in the media with renewed interest following the release of better than expected productivity and wellbeing	The CH ₂ building continues to set the standard for sustainable building design within the City of Melbourne and beyond and has been formally rated with six stars by the Green Building Council of Australia.	100%

figures.

**KSA 5
Develop a 10-year Infrastructure Plan to meet the needs and/or service delivery for the organisation**

Performance measure and target	Achievements	Issues	Percent complete
Preparation of a 10-year Infrastructure Plan and the implementation of the first year (2007–08) Council Works program.	This initiative has been fully achieved. The 10-year Infrastructure Plan was prepared by October 2007 and the first year (2007–08) Council Works program implemented.	Council will monitor and report achievements against the Council Works program on an ongoing basis.	100%

**KSA 6
Implement the outcomes of the Operational and Efficiency Review**

Performance measure and target	Achievements	Issues	Percent complete
Agreed recommendations of the Operational and Efficiency Review implemented in accordance with the approved implementation plan.	This initiative has been substantially achieved. Agreed recommendations have been incorporated into Council's Integrated Planning System and a detailed implementation plan prepared.	Council will monitor progress against the Operational and Efficiency Review implementation plan and report achievements on a quarterly basis.	90%

Statement by Councillors, Chief Executive and Principal Accounting Officer on the Performance Statement

In my opinion the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* (Vic).



Martin Cutter (CA)
Principal Accounting Officer

In Council's opinion the accompanying compulsory performance statement presents fairly the performance of the Melbourne City Council for the year ended 30 June 2008.

As at the date of signing, we are not aware of any circumstance, which would render any particulars in the performance statement to be misleading or inaccurate.

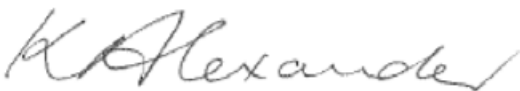
Signed in accordance with a resolution of Council, dated 26 August 2008.



John So
Lord Mayor



Brian Shanahan
Councillor



Dr Kathy Alexander
Chief Executive Officer

Melbourne
26 August 2008

Independent Audit Report – Melbourne City Council

Auditor-General Victoria

To the Councillors, Melbourne City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2008 of Melbourne City Council which comprises the statement, the related notes and the Statement by Councillors, Chief Executive Officer and Principal Accounting Officer on the Performance Statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error.

In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Matters Relating to the Electronic Presentation of the Audited Performance Statement

This auditor's report relates to the statement of performance published in both the annual report and on the website of Melbourne City Council for the year ended 30 June 2008. The Councillors are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above.

An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on the Council's website.

Independence

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

Auditor's Opinion

In my opinion, the performance statement of Melbourne City Council in respect of the 30 June 2008 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.



For D.R.R. Pearson
Auditor-General

Melbourne
27 August, 2008

Best Value 2007–08

The City of Melbourne is committed to the continuous improvement of our services and projects to ensure best value for our community. In 2000, the *Local Government Act 1989* (Vic) was amended to incorporate six Best Value principles, including that all councils must:

- offer services that are the best-possible quality and value for money
- offer services that are responsive to community needs
- offer services that are accessible to the people they are intended for
- show continuous improvement in service performance
- regularly consult the community about service standards
- regularly report to the community on their achievements in relation to the five requirements listed above.

The City of Melbourne has continued to apply the *Local Government Act 1989* (Vic) Best Value principles in assessing and improving our services.

Events calendar

The City of Melbourne presents and supports a vast range of events for the community. Arts and culture, sports, and family entertainment feature in this busy calendar.

(O) – City of Melbourne owned events

(S) – City of Melbourne sponsored events

July

Melbourne Design Festival **(S)**

Docklands Fire and Ice Spectacular **(O)**

August

Melbourne Victory Launch Event **(S)**

Melbourne Awards 2007 **(O)**

Melbourne Day 2007 **(O)**

September

Asian Food Festival **(S)**

Melbourne Victory Football Club Hyundai A-League 2007–08 **(S)**

Motorola Melbourne Spring Fashion Week **(O)**

2007 Lord Mayor's Innovation Award Luncheon **(S)**

Toyota AFL Finals Series **(S)**

Girls Day Out **(S)**

Parklife Music Festival **(S)**

Vietnamese Children's Lantern Festival **(S)**

Toyota AFL Grand Final Week and Live Site **(S)**

Melbourne Fringe Festival 2007 **(S)**

Toyota AFL Grand Final Parade **(S)**

Toyota AFL Grand Final 2007 **(S)**

October

Melbourne Business Festival **(O)**

Women in Business Lunch **(O)**

Lord Mayor's Small Business Proprietor Commendations **(O)**

Business Partner Cities Roundtable **(O)**

Indian Film Festival **(S)**

Melbourne Market **(S)**

Samsung Melbourne Marathon 2007 **(S)**

Metropolis Melbourne Conference Dinner **(O)**

Diwali Festival of Light **(S)**

Go for your life / Yarra Trams Melbourne City Romp **(S)**

National Ride to Work Day 2007 **(S)**

Melbourne Cycling Festival 2007 **(S)**

Melbourne Cup Carnival Live Sites and Activities **(S)**

November

Boating Vic Melbourne Cup Weekend MotorCruiser Rally 2007 **(S)**

Melbourne Cup Carnival 2007 **(S)**

Emirates Melbourne Cup Parade **(S)**

Crown Oaks Day **(S)**

Festival Indonesia **(S)**

Christmas – Santa's Grand Arrival **(O)**

Emirates Stakes Day **(S)**

Myer Store Windows Launch **(S)**

Thessaloniki Festival **(S)**

Christmas – Tree Lighting Spectacular **(O)**

Olympic Dream Run 2007 **(S)**

December

Christmas in the City – Breakfast with Santa **(O)**

World AIDS Day Concert **(S)**

Christmas – Advent Calendar **(S)**

Christmas in the City – Santa in the City Square **(S)**

Christmas Magazine Launch **(O)**

49th Annual L'Oréal Paris AFI Awards 2007 **(S)**

Tattersalls Australian DanceSport Championships 2007 **(S)**

Lord Mayor's Christmas Stakeholder Function **(O)**

Docklands Cup – Dragon Boat Festival **(S)**

Chanukah in the City 2007 **(S)**

Carols by Candlelight 2007 **(S)**

Carols by Candlelight 2007 – Live Site **(S)**

3 mobile Boxing Day Test Match **(S)**

Melbourne Boxing Day Test – Live Site **(S)**

New Year's Eve 2007 **(O)**

January

Summer Fun in the City 2008 **(O)**

La Befana 2008 **(S)**

Summer Fun in the City – KidzDance (Bollywood) **(O)**

Kids in the Docklands Art Competition **(S)**

Summer Fun in the City – Red Hot Rhythms (O)
 Summer Fun in the City – Twilight Rhythms (O)
 Summer Fun in the City – Sundays in the Park (O)
 Summer Fun in the City – Twilight Moves (O)
 Summer Fun in the City – Mosaic Mural (O)
 Summer Fun in the City – Tianjin Dancing Kite Festival (O)
 Australian Open 2008 (S)
 Summer Fun in the City – Circus Capers (O)
 Midsumma Opening Party (S)
 Skandia Docklands Invitational 2008 (S)
 Summer Fun in the City – Set Sail (O)
 Australian Open Live Site 2008 (S)
 Australia Day Eve Comedy Debate (S)
 Australia Day 2008 (S)
 Australia Day Voyages Concert (S)
 Asia Pacific Outgames, Melbourne 2008 (S)

February

Melbourne Outgames Rowing Regatta (S)
 Melbourne International Boating and Lifestyle Show (S)
 Victoria Harbour School Teams Sailing Program and Championships (S)
 Chinese New Year Dragon Boats @ Docklands (S)
 Chinese New Year Festival 2008 (S)
 Sustainable Living Festival 2008 (S)
 NAB Cup (S)
 Sony Tropfest 2008 (S)
 Summer Fun in the City – Osaka Twilight Festival (O)
 Midsumma Festival (S)
 World Athletics Tour 2008 – Melbourne Meet (S)
 Melbourne Food and Wine Festival 2008 (S)
 Melbourne Food and Wine Festival – Slow Food City Market (S)

March

Medieval Imagination Illuminated Manuscripts from Cambridge (S)
 Thai Culture and Food Festival 2008 (S)
 L'Oréal Melbourne Fashion Festival 2008 (S)
 Melbourne Queer Film Festival 2008 (S)
 Kensington Women's Dinner (S)
 Contempora2 2008 (S)

Autobarn International Moomba Masters Waterskiing (O)

Moomba Waterfest 2008 (O)

Moomba Active Melbourne and Moomba Beach (O)

Moomba Fireshow (O)

Melbourne International Dragon Boat Festival @ Docklands (S)

Moomba Beat the Boat (O)

Moomba Jetstar Birdman Rally (O)

Moomba Waterfest @ Docklands (O)

Moomba Waterfest presents RockWiz Live (O)

Moomba Dripple Drop Children's Theatre (O)

Moomba Parade 2008 (O)

Moomba Trans Tasman Cup Skate Competition (O)

Formula 1 Australian Grand Prix – Live Site (S)

Formula 1 ING Australian Grand Prix 2008 (S)

Telstra NRL Premiership Season (Melbourne Storm) (S)

Victoria Harbour School Teams Sailing Championships (S)

Opera in the Market (S)

Melbourne International Comedy Festival 2008 (S)

2008 Australian International Beer Awards (S)

Earth Hour 2008 (S)

Herald Sun/CityLink Run for the Kids 2008 (S)

April

Melbourne International Flower and Garden Show 2008 (S)

East Melbourne Festa 2008 (S)

Turkish Cultural Connections Festival (S)

Victoria Harbour School Teams Sailing Championships (S)

ANZAC Day 2008 (S)

Dutch Orange Day 2008 (S)

Lord Mayor's International Student Welcome (O)

Melbourne International Jazz Festival (S)

May

Mothers Day Classic Walk/Run for Breast Cancer Research (S)

Victorian Law Week 2008 (S)

2008 Next Wave Festival (S)

2008 Buddha's Day and Multicultural Festival (S)

Melbourne Italian Festival 2008 (S)

Italian Connection Rally (S)

June

Circus Oz 2008 (S)

The Age Run to the G 2008 (S)

Docklands Winter Festival (S)

Global Reporting Initiative (GRI) content index

About the Global Reporting Initiative

The City of Melbourne's sustainability reporting journey began in our *Annual Report 2004–2005* where we identified our intention to progress towards GRI reporting in 2010. As we have grown in our ability to report on the GRI indicators, so too has the Global Reporting Initiative continued to evolve in response to feedback from reporting organisations.

The Global Reporting Initiative is a multi-stakeholder-governed initiative that has developed the world's most widely used sustainability reporting framework. This framework sets out the principles and indicators that organisations can use to measure and report their economic, environmental and social performance.

The Global Reporting Initiative's internationally recognised indicators make it easier for stakeholders to compare our organisation's performance with that of our peers and any other organisation. Transparency, accountability and accuracy are important factors in sustainability reporting and the Global Reporting Initiative encourages all three. You can find out more about this initiative at www.globalreporting.org.

Reading this index

The Global Reporting Initiative (GRI) appears in this annual report as a list of indicators that demonstrate the City of Melbourne's sustainable practices.

Each of the indicators is listed in the following index with a page reference or a comment. Some of the GRI indicators are not relevant to our organisation and we are still developing our data collection systems to be able to report on other indicators.

To see how we performed against any of the indicators, turn to the page numbers listed and locate the relevant information on that page. To see how the City of Melbourne has applied the 10 United Nations Global Compact (UNGC) principles, refer to the reference next to the GRI indicator number.

GRI application level

Under the *Sustainability Reporting Guidelines*, reports intended to qualify for level C, C+, B, B+, A or A+ must contain each of the criteria that are presented in the column for the relevant level.

This report was prepared to meet the requirements of **application level B**. This level maintains the standard of reporting and disclosure from the previous year.

Initially the City of Melbourne had intended to seek external assurance for its GRI data. Instead we have decided to strengthen and broaden our internal reporting processes for the entire range of activities in which the City of Melbourne is involved.

An external assurance process is an expensive exercise. Already parts of the annual report are subject to various audit processes, so instead of further external assurance, the improvement of internal reporting processes will be an important focus in 2008–09.

Report application level	C	C+	B	B+	A	A+
G3 Profile Disclosures	Report on: 1.1, 2.1–2.10, 3.1–3.8, 3.10–3.12, 4.1–4.4, 4.14–4.15		Report on all criteria listed for Level C, plus: 1.2, 3.9, 3.13, 4.5–4.13, 4.16–4.17		Same as requirement for Level B	
G3 Management Approach Disclosures	Not required	Report externally assured	Management Approach Disclosures for each indicator category	Report externally assured	Management Approach Disclosures for each indicator category	Report externally assured
G3 Performance Indicators and Sector Supplement Performance Indicators	Report on a minimum of 10 performance indicators, including at least one from each of: social, economic and environmental.	Report externally assured	Report on a minimum of 20 performance indicators, including at least one from each of: economic, environmental, human rights, labour, society, product responsibility.	Report externally assured	Respond on each core G3 and Sector Supplement indicator with due regard to the materiality principle by either: a) reporting on the indicator, or b) explaining the reason for its omission.	Report externally assured

GRI Content Table

Topic	GRI indicator	Requirements	Reference (page/comment)
Report profile			
Strategy and analysis	1.10 (UNGC- P8)	<p>The statement from CEO to include:</p> <ul style="list-style-type: none"> • strategic priorities and key topics for short/medium term with regard to sustainability • broader trends affecting the organisation and influencing sustainability priorities • key events, achievements and failures during the reporting period • views on the performance with respect to targets • outlook on the main challenges and targets for the next year and goals for the coming three to five years • other items pertaining to our strategic approach. 	<i>Message from the Chief Executive Officer – page 12</i>
	1.2	Description of key risks and opportunities.	<i>Message from the Chief Executive Officer – page 12</i>
	1.3 (UNGC-P2)	Statement of continued support for the United Nations Global Compact.	<i>The United Nations Global Compact – page 4</i>
Organisational profile	2.1	Name of the organisation.	<i>Melbourne City Council</i>
	PA1	Describe the relationship to other governments.	<i>Relationships with other tiers of government – page 20</i>
	2.2	Primary brands, products, and/or services including volume or quantity.	<i>List of Council services – page 31</i>
	2.3	Operational structure.	<i>Organisational structure – page 27</i>
	2.4	Location of organisation's headquarters.	<i>The City of Melbourne as an organisation – page 25</i>
	2.5	Number of countries where the organisation operates.	<i>Our City – Melbourne today – page 15</i>
	2.6	Nature of ownership and legal form.	<i>Melbourne City Council – page 18</i>

2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	<i>The Council's role – page 18</i>
2.8	<p>Scale of the reporting organisation, including:</p> <ul style="list-style-type: none"> • number of employees • net revenues • total capitalisation broken down in terms of debt and equity. <p>In addition to the above, we are encouraged to provide additional information as appropriate, such as total assets.</p>	<ul style="list-style-type: none"> • <i>Staff profile – page 83</i> • <i>Standard Statements – page 150</i> • <i>Standard Statement – page 150</i>
2.9	Significant changes during the reporting period regarding size, structure or ownership.	<i>Taking responsibility for Docklands – page 12</i>
2.10	Awards received in the reporting period.	<i>Awards to the City of Melbourne – page 89</i>

Report parameters

Report profile

3.1	Reporting period.	<i>About this report – page 2</i>
3.2	Date of most recent previous report.	<i>About this report – page 2</i>
3.3	Reporting cycle.	<i>About this report – page 2</i>
3.4	Contact point.	<p><i>City of Melbourne</i></p> <p><i>PO Box 1603</i></p> <p><i>Melbourne VIC 3001</i></p>
3.5	<p>Process for determining report content, including:</p> <ul style="list-style-type: none"> • determining materiality • prioritising topics within the annual report • identifying stakeholders the organisation expects to use the annual report. 	<ul style="list-style-type: none"> • <i>Developing this report – page 2</i> • <i>About this report – page 2</i> • <i>Our stakeholders – page 92</i>

Report scope and boundary

3.6	Boundary of the report.	<i>Developing this report – page 2</i>
3.7	State any specific limitations on the scope or boundary of the report.	<i>Developing this report – page 2</i>
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	<i>At this stage the City of Melbourne does not include data on subsidiary and outsourced entities. Our financial statements, however (page 159), contain financial information about our subsidiaries</i>
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	<i>Data measurement techniques are reported throughout the report.</i>
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statements (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	<i>No re-statements of information in earlier reports</i>
3.11	Significant changes from previous years in the inclusion of, and measurement methods applied to, economic, environmental and social issues and indicators.	<i>No significant changes from previous years</i>

GRI Content Index	<p>3.12</p> <p>Table identifying the location of the Standard Disclosures in the report.</p> <p>Identify the page numbers or web links where the following can be found:</p> <ul style="list-style-type: none"> a. strategy and analysis 1.1 –1.2 b. organisational profile 2.1 – 2.10 c. report parameters 3.1 – 3.13 d. governance, commitments and engagement 4.1 – 4.17 e. disclosure of management approach, per category f. core performance indicators g. any GRI additional indicators that were included h. any GRI Sector Supplement indicators included in the report. 	<ul style="list-style-type: none"> a. <i>Our management approach – page 6</i> b. <i>The City of Melbourne as an organisation – page 25</i> c. <i>Developing this report – page 2</i> d. <i>Our corporate governance – page 75</i> e. <i>Our management approach – page 6</i> f. <i>Strategic indicators under each strategic objective – from page 37</i> g. <i>Nil</i> h. <i>Nil</i>
Assurance	<p>3.13</p> <p>Policy and current practice with regard to seeking external assurance for the report.</p> <p>If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s).</p>	<p><i>GRI application level – page 121</i></p>
Governance commitments and engagements		
Governance	<p>4.1</p> <p>Governance structure of our organisation, including committees under the highest governance body responsible for specific tasks such as setting strategy or organisational oversight.</p> <p>4.2</p> <p>Indicate whether the Chair of the highest governance body is also an executive officer (and if so, their function within the organisation’s management and the reasons for this arrangement).</p>	<p><i>Meet your Council – page 21</i></p> <p><i>Our corporate governance – page 75</i></p> <p><i>The Lord Mayor of the City of Melbourne is not an executive officer</i></p>

4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	<i>Not relevant to the City of Melbourne</i>
4.4	<p>Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.</p> <p>Include reference to processes regarding:</p> <ul style="list-style-type: none"> • the use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body • informing and consulting employees about the working relationships with formal representation bodies such as organisation level 'work councils' • representation of employees in the highest governance body. 	<ul style="list-style-type: none"> • <i>Engaging with stakeholders – page 93</i> • <i>Listening to our staff – page 95</i>
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements) and the organisation's performance (including social and environmental performance).	<i>Staff profile – from page 83</i>
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	<p><i>On an annual basis, all councillors and senior management are required to complete pecuniary and conflict of interest documentation to declare what interests they hold. These are recorded in a publicly accessible document.</i></p> <p><i>Councillors are also required to declare any pecuniary and/or conflict of interest before committee and Council meetings.</i></p>
4.7	Process for determining required qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental and social performance.	<i>The Local Government Act 1989 (Vic) empowers councils to establish advisory and special committees of the council. These committees have delegated powers, duties and functions relating to the terms of reference of that committee.</i>

4.8	<p>Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.</p> <p>Explain the degree to which these:</p> <ul style="list-style-type: none"> • are applied across the organisation in different regions and departments • relate to internationally agreed standards. 	<i>Our mission and values – page 25</i>
4.9	<p>Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities and adherence or compliance with internationally agreed standards, codes of conduct and principles.</p>	<i>Risk management – page 80</i>
4.10	<p>Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.</p>	<p><i>As a democratically elected body, Council is subject to public elections every four years. Their performance over this period is measured against the delivery of the council plan they develop in the first year of their Council term.</i></p>
4.11 (UNGC-P7)	<p>Explanation of whether and how the precautionary approach or principle is addressed by the organisation.</p>	<p><i>The City of Melbourne does not explicitly reference the precautionary approach in our risk management statements. However, our risk management framework is aligned to the Australian Standard AS/NZS 4360:2004 which includes our environmental risk assessment.</i></p>
4.12	<p>Externally developed voluntary economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.</p>	<i>Our management approach – page 6</i>

4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation:

- has positions in governance bodies
- participates in projects or committees
- provides substantive funding beyond routine membership dues
- views membership as strategic.

Meet your Council – page 21

4.14

Disclosure

Our stakeholders – page 92

List of stakeholder groups engaged by the organisation. For example:

- communities
- civic society
- customers
- shareholders and providers of capital
- suppliers
- employees, other workers and their trade unions.

4.15

Disclosure

Engaging with stakeholders – page 93

Basis for identification and selection of stakeholders to engage.

This includes the organisation's process for defining its stakeholder groups, with which to engage and not to engage.

4.16

Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

Engaging with stakeholders – page 93

4.17

Key issues and concerns that have been raised through stakeholder engagement and how the organisation has responded to those key topics and concerns, including through its reporting.

Our stakeholders – page 92

PA2	State the definition of sustainable development adopted and identify any statements or principles adopted to guide sustainable development policies.	<i>Our management approach – page 6</i>
PA3	Identify the aspects for which the organisation has established sustainable development policies.	<i>Our management approach – page 6</i>
PA4	Identify the specific goals of the organisation for each of the aspects listed in PA3.	<i>The appropriate goals are reported throughout Our performance (Section 3) – from page 31</i>
PA5	Describe the process by which the aspects and goals in both PA3 and PA4 were set.	<i>All strategies incorporating performance goals are approved by Council</i>
PA6	For each goal, provide the following information: <ul style="list-style-type: none"> • implementation measures • results of relevant assessments of the effectiveness of those measures before they are implemented • state targets and key indicators used to monitor progress, with a focus on outcomes • describe progress with respect to goals and targets in the reporting periods, including results of key indicators • actions to ensure continuous improvement towards reaching the public agency's goals and targets • post-implementation assessment and targets for next time period. 	<i>Our performance (Section 3) – from page 31 (partially reported)</i>
PA7	Describe the role and engagement with stakeholders with respect to the items disclosed in PA6.	<i>Engaging with stakeholders – page 93</i>

Economic indicators

Economic performance	EC1	Direct economic value generated and distributed including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.	<i>Our financials – from page 143</i>
	EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	<i>Data not available for 2007–08. However, the Council is finalising its Climate Adaptation Strategy which will formalise future cost implications.</i>
	EC3	Coverage of the organisation's defined benefit plan obligations.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	EC4	Significant financial assistance from government.	<i>Our financials – from page 143</i>
Market presence	EC5	Range of ratios of standard entry level wage compared with local minimum wage at significant locations of operation.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	<i>The City of Melbourne's Purchasing Policy provides for factors other than cost, which includes social and environmental factors when determining suppliers used for procurement of goods and services. At present the extent of purchasing locally and against the principles in the policy is unable to be measured.</i>
	EC7	Procedures for local hiring and proportion of senior management hired from local community at locations of significant operation.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
Indirect economic impacts	EC8	Development and impact of infrastructure investment and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	EC9	Understanding and describing significant indirect economic impacts, including the extent of the impacts.	<i>Determined as not of material impact on the City of Melbourne's operations</i>

Expenditures	PA8	Gross expenditure broken down by type of payment.	<i>Our financials – from page 143</i>
	PA9	Gross expenditure broken down by financial classification.	<i>Our financials – from page 143</i>
	PA10	Capital expenditures by financial classification.	<i>Our financials – from page 143</i>
	PA11	Describe procurement policy of the public agency as it relates to sustainable development.	<i>Our management approach – page 6</i>
	PA12	Describe economic, environmental and social criteria that apply to expenditures and financial commitments.	<i>Our management approach – page 6</i>
Procurement	PA13	Describe linkages between the public agency's procurement practices and its public policy priorities.	<i>The Strategic Services Review process, undertaken before contract tendering, assesses procurement strategies against community needs and Council policy and ensures that such needs are addressed accordingly.</i>
	PA14	Percentage of total value of goods purchased that were registered with voluntary environmental or social labels and/or certification programs broken down by type.	<i>Invitation to Tender (ITT) and RFQ templates would require changes to request this data, and data would then need collating into a report. Social sustainability management schedules are optional in the ITT template and are used where appropriate.</i>
Environmental indicators			
Materials	EN1	Weight of materials used.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	EN2	Percentage of materials used that are recycled input materials.	<i>For this information to be reported, data would need to be collected internally and from contactors. ITT and RFQ templates would require changes to request this data. Environmental sustainability management schedules are optional in the ITT template and are used where appropriate.</i>

Energy	EN3	Direct energy consumption by primary energy source.	<i>Energy use – page 61 – 63</i>
	EN4	Indirect energy consumption by primary source.	<i>Determined as not of material impact on the City of Melbourne’s operations</i>
	EN5	Energy saved due to conservation and efficiency improvements.	<i>Energy use – page 61 – 63</i>
	EN6	Initiatives to provide energy-efficient or renewable energy based products and services and reductions in energy requirements as a result of these initiatives.	<i>Energy use – page 61 – 63</i>
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	<i>Energy use – page 61 – 63</i>
Water	EN8	Total water withdrawal by source.	<i>Water use – page 63 – 65</i>
	EN9	Water sources significantly affected by withdrawal of water.	<i>Determined as not of material impact on the City of Melbourne’s operations</i>
	EN10	Percentage and total volume of water recycled and reused.	<i>Water use – page 63 – 65</i>
Biodiversity	EN11	Location and size of land owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	<i>Determined as not of material impact on the City of Melbourne’s operations</i>
	EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	<i>Determined as not of material impact on the City of Melbourne’s operations</i>
	EN13	Habitats protected or restored.	<i>Waterfront City awarded Clean Marina accreditation – page 59</i>
	EN15	Number of ICUN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	<i>Determined as not of material impact on the City of Melbourne’s operations</i>

Emissions, effluents and waste	EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	<i>Strategic objective 4 'Environmentally responsible city' – from page 58</i>
	EN16 (UNGC-P8)	Total direct and indirect greenhouse gas emissions by weight.	<i>Greenhouse gas emissions – page 60</i>
	EN17	Other relevant indirect greenhouse gas emissions by weight.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	<i>Greenhouse gas emissions – page 60</i>
	EN19 (UNGC-P8)	Emissions of ozone-depleting substances by weight.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	EN20 (UNGC-P8)	NO, SO and other significant air emissions by type and weight.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	EN21	Total water discharge by quality and destination.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	EN22	Total weight of waste by type and disposal methods.	<i>Waste generation – page 66 – 67</i>
	EN23	Total number and volume of significant spills.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex and percentage of transported waste shipped internationally.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	<i>Determined as not of material impact on the City of Melbourne's operations</i>	
Products and services	EN26	Initiatives to mitigate environmental impacts of products and services and extent of mitigation.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	<i>Determined as not of material impact on the City of Melbourne's operations</i>

Compliance	EN28 (UNGC-P8)	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	<i>No significant fines for 2007–08</i>
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
Overall	EN30	Total environmental protection expenditures and investments by type.	<i>Determined as not of material impact on the City of Melbourne's operations</i>

UNGC9

Business should encourage the development and diffusion of environmentally friendly technologies.

The City of Melbourne has a sustainable approach to procurement and disposal of our assets.

PC energy saving initiatives

The City of Melbourne bought a software product called 'Night Watchman' which automatically shuts down every PC across the council at 8pm each evening, subsequently reducing power consumption.

Recycled paper

Based on extensive research (including testing and visiting an actual paper mill), A4 Reflex 100 per cent recycled paper replaced the UK-produced A4 Evolve paper as the preferred paper of the City of Melbourne. The objective of the project was to ensure the City of Melbourne bought a 100 per cent recycled paper that complied with the Council's policies and guidelines to achieve the best outcome environmentally, socially, and for cost effectiveness.

Disposal of IT assets

In relation to asset disposal, we have policies and procedures to ensure environmentally sound disposal of IT assets, including regenerating equipment through resale or redeployment. We also have environmentally sound disposal methods for printer cartridges and mobile phones.

CH₂ building achieves proven cost saving

See page 59

Corporate fleet

Following on from the successful trial of the City of Melbourne's first all-electric car, the Fleet Management team has arranged to buy a second electric car; converted from a stock-standard Hyundai Getz Sedan, the car has a 40 kw DC motor and 55 Lithium battery cells. With a driving range of 120 km and boasting running costs of just \$1 per 100 km, the Blade Runner is the ideal electric alternative for journeys. As we are charging it with 100 per cent GreenPower, it releases no greenhouse gas emissions.

Labour practices and decent work indicators

Employment	LA1	Total workforce by employment type, employment contract and region.	<i>Our people – page 83</i>
	LA2	Total number and rate of employee turnover by age group, gender and region.	<i>Our people – page 83</i>
	LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	<i>Determined as not of material impact on the City of Melbourne’s operations</i>
Labour/management relations	LA4 (UNGC-P3)	Percentage of employees covered by collective bargaining agreements.	<i>Union representation – page 88</i>
	LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	<i>Under the City of Melbourne 2005 Enterprise Agreement, the period of notice given to employees whose employment with Council is terminated shall be entitled to notice dependent on continuous years of service.</i>
Occupational health and safety	LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.	<i>100 per cent of the workforce has joint management. Employee representation is achieved with three Designated Work Group (DWG) OHS committees: Central Business District, Parking and Traffic, and Community Services Group. Members from each DWG form the Corporate OHS Committee chaired by the Director Corporate Services and meet quarterly.</i>
	LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work related fatalities by region.	<i>WorkCover – page 87</i>
	LA8	Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.	<i>The employee assistance program is a contracted confidential counselling service available to all staff and immediate family members. This service included career assistance and manager assistance programs. The average access to services is 28 contacts per quarter.</i>
	LA9	Health and safety topics covered in formal agreements with trade unions.	<i>Determined as not of material impact on the City of Melbourne’s operations</i>

Training and education	LA10	Average hours of training per year per employee by employee category.	<p><i>0.73 training hours per full-time employee</i></p> <p><i>0.31 training hours per part-time employee (including irregular and regular part-time employees)</i></p> <p><i>(excluding departmental training and external study assistance)</i></p>
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	<i>Programs help staff balance work and life – page 86</i>
	LA12	Percentage of employees receiving regular performance and career development reviews.	<p><i>100 per cent of eligible staff</i></p> <p><i>(excluding employees on extended leave, vacant positions and newly appointed positions)</i></p>
Diversity and equal opportunity	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	<i>Our people – page 83</i>
	LA14	Ratio of basic salary of men to women by employee category.	<i>Our people – page 83</i>
Investment and procurement policies	HR1 (UNGC-P1, P2)	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	HR3 (UNGC-P1)	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	<i>Determined as not of material impact on the City of Melbourne's operations</i>

Human rights performance indicators

Non-discrimination	HR4 (UNGC-P6)	Total number of incidents of discrimination and actions taken.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
Freedom of association and collective bargaining	HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
Child labour	HR6 (UNGC-P4, P5)	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	<i>The City of Melbourne only employs an adult workforce and ensures that our contractors and outsourced service providers also share this commitment</i>
Forced and compulsory labour	HR7 (UNGC-P4)	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	<i>The City of Melbourne does not engage in forced or compulsory labour</i>
Security practices		Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
Indigenous rights	HR9	Total number of incidents of violations involving rights of Indigenous people and actions taken.	<i>No incidents reported. Equal Employment Opportunity – page 88</i>

Social performance indicators

Community	SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	<i>Section 3, Strategic indicators – from page 31 Best Value 2007–08 – page 116</i>
Corruption	SO2 (UNGC-P10)	Percentage and total number of business units analysed for risks relating to corruption.	<i>96 per cent All business units undertake a risk management analysis as part of business planning requirements. See Risk management on page 80</i>
	SO3	Percentage of employees training in organisation's anti-corruption policies and procedures.	<i>56 per cent of City of Melbourne staff attended nine different risk management courses this year and training options were expanded to cover new topics and cater to specific operational needs. See Risk management on page 80</i>
	SO4	Actions taken in response to incidents of corruption.	<i>One incident of alleged fraud for 2007–08, currently under police investigation.</i>
Public policy	SO5	Public policy positions and participation in public policy development and lobbying.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions and lobbying.	<i>The City of Melbourne did not receive any funding from political parties</i>
Anti-competitive behaviour	SO7	Total number of legal actions for anti-competitive behaviours, anti-trust and monopoly practices and their outcomes.	<i>No legal actions for 2007–08</i>
Compliance	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	<i>No significant fines for 2007–08</i>

Product responsibility indicators

Customer health and safety	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts or products and services during their life cycle, by type of outcomes.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
Product and service labelling	PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	<i>Determined as not of material impact on the City of Melbourne's operations</i>
	PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling.	<i>Determined as not of material impact on the City of Melbourne's operations.</i>
	PR5	Practices related to customer satisfaction including results of surveys measuring customer satisfaction.	<i>Engaging with stakeholders – page 93</i>
Marketing communications	PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	<i>The City of Melbourne's marketing and communications (advertisements) produced during the year have adhered to the relevant laws, standards and voluntary codes in accordance with Free TV Australia Limited, the free-to-air commercial television broadcasters. In a broader sense the ACCC governs the industry and the Advertising Federation of Australia is a self-regulated body affiliated with the industry.</i>
	PR7	Total number of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.	<i>All of the City of Melbourne's advertising has adhered to the relevant codes.</i>

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	<i>Privacy Act – page 80</i>
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	<i>Determined as not of material impact on the City of Melbourne's operations</i>

SECTION SIX – OUR FINANCIALS

This section is prepared in accordance with the *Local Government Act 1989* (Vic), the Local Government Regulations 2001 and applicable Australian Accounting Standards.

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Understanding our financials

What do the Financial Statements show?

Our Financial Statements provide an insight into the City of Melbourne's financial health. Our Financial Statements show:

- how the City of Melbourne and its subsidiaries performed during the year
- the value of assets held by the City of Melbourne
- the ability of the City of Melbourne to pay its debts.

How are the Financial Statements audited?

These Financial Statements are prepared in accordance with the *Local Government*

Act 1989 (Vic) and the Australian Accounting Standards. They are audited by the Victorian Auditor-General, approved in principle by the City of Melbourne's Audit Committee and by the Melbourne City Council. These auditing measures ensure the information provided is correct. The City of Melbourne has received a clear audit of its Financial Statements for 2007–08.

What is in the Financial Statements?

The Financial Statements consist of four financial reports, explanatory notes supporting the reports and endorsement from the Melbourne City Council and the Victorian Auditor-General. The four financial reports are:

- income statement
- balance sheet
- statement of cash flows
- statement of changes in equity.

The explanatory notes detail the City of Melbourne's accounting policies and the make-up of values contained in the statements.

Consolidated and Council

Our Financial Statements show our results for the last two years in two columns. Our subsidiary companies are companies owned by the City of Melbourne, but managed independently. Subsidiary companies included in our Financial Statements are:

- CityWide Service Solutions
- the Queen Victoria Market
- the Melbourne Wholesale Fish Market.

The City of Melbourne has 100 per cent ownership of these subsidiaries. Our Sustainable Melbourne Fund Trust is also included in the consolidated financial reports, but this is a trust and not a subsidiary company.

CONSOLIDATED	COUNCIL
THIS COLUMN SHOWS THE CITY OF MELBOURNE'S FINANCIAL RESULTS INCLUDING SUBSIDIARY COMPANIES.	THIS COLUMN SHOWS THE CITY OF MELBOURNE'S FINANCIAL RESULTS EXCLUDING OUR SUBSIDIARY COMPANIES.

Our financial statements

Read on for a brief explanation of our four financial statements.

1. Income statement

The *income statement* shows how well we have performed during the year. This statement is prepared on an accrual basis, which means that all revenue and costs for the year are recognised even though the income may not yet be received or expenses not yet paid. The statement lists the sources of the City of Melbourne's revenue under income headings (such as rates, grants and parking fines) and the expenses incurred in running the City of Melbourne during the year (such as employee costs and contract payments).

Expenses included in the *income statement* relate only to our operations (our day-to-day running costs). Costs associated with the purchase or building of assets are not included in the *income statement*. However, depreciation (the value of an asset that is used up during the year) is included.

The key figure to look at is the 'surplus for the year' figure. A surplus means that our revenue was greater than our expenses. Being in surplus for the year is equivalent to being in profit. For 2007–08, the *income statement* is in surplus. This means that in 2007–08, the City of Melbourne created sufficient funds to replace infrastructure assets when they needed to be replaced and met all of our expenditure commitments. The recognition of assets receivable as part of the Kensington and North Melbourne municipal boundary change to the City of Melbourne was a large contributing factor to this year's surplus.

2. Balance sheet

The *balance sheet* shows the assets the City of Melbourne owns and what it owes (its liabilities) as at 30 June 2008.

Assets and liabilities are separated into 'current' and 'non-current'. Current assets or liabilities will fall due in the next 12 months, such as money owed to the City of Melbourne by ratepayers (a current asset), or the amount provided to pay employees when they take annual leave (a current liability).

Non-current assets and liabilities will fall due beyond 12 months, or will not be converted to cash in the next 12 months, such as roads owned by the City of Melbourne (a non-current asset), or the amount paid to employees when they take long service leave (a non-current liability).

Assets, with the exception of assets held at cost, are reviewed each year to ensure they reflect their 'fair' value. The bottom line of the *balance sheet* is net assets. This is the net worth of the City of Melbourne, built up over many years.

As at 30 June 2008, our *balance sheet* shows the City of Melbourne is in a sound financial position. Our current assets are 2.8 times our current liabilities. This means for every one dollar of current liabilities, the City of Melbourne has \$2.80 of current assets to pay the debt. This demonstrates the City of Melbourne has sufficient funds on hand to pay liabilities as they fall due.

3. Statement of cash flows

The *statement of cash flows* summarises our cash receipts and payments for the financial year and shows the net increase or decrease in cash held by the City of Melbourne. The *statement of cash flows* represents cash 'in hand', whereas the *income statement* is prepared on an accrual basis (including money not yet paid or spent). This means the values in both statements may differ.

The City of Melbourne's cash arises from, and is used in, four main areas:

- the 'cash flows from operating activities' section summarises all income and expenses relating to the City of Melbourne's delivery of services

- the 'net cash provided by operating activities' figure must be in surplus to ensure we can maintain our day-to-day operations and provide funds for future community assets.
- The 'cash flows from financing activities' represents any proceeds from borrowings the City of Melbourne has received during the year.
- The 'cash flows from investing activities' refers to the City of Melbourne's capital works expenditure or other long-term revenue producing assets, as well as money received from the sale of assets. During the year, the City of Melbourne has operated with a net inflow of cash. An inflow of cash means that the City of Melbourne has increased cash holdings as cash receipts exceeded cash payments. In 2007–08, our cash at the end of the financial year increased by \$4 million.

4. Statement of changes in equity

The *statement of changes in equity* summarises changes in the City of Melbourne's net worth. Our net worth can change as a result of:

- a surplus (profit) or deficit (loss) recorded in the income statement
- the use of monies from the City of Melbourne's reserves (such as the Public Open Space Reserve, used to fund capital projects)
- an increase in the value of non-current assets resulting from a revaluation of those assets.

With re-valued assets, the increased value amount is transferred to an Asset Revaluation Reserve until the asset is sold.

The note column

Our Financial Statements contain a note column, with additional information relating to an item. Notes are particularly useful where there has been a significant change from the previous year's comparative figure.

Our Standard Statements

Our Standard Statements provide a comparison between the actual results for the year and the budget that was set at the start of the year. Any major differences are explained in the accompanying notes.

The Standard Statements section includes three of the four statements mentioned above (income statement, balance sheet and statement of cash flows) together with another statement, *the statement of Council works*.

The *statement of Council works* sets out our expenditure on maintaining, creating or buying property, infrastructure, plant and equipment assets. This statement shows how much has been spent on renewing, refurbishing, upgrading, expanding or creating new assets.

Statement by Councillors, Chief Executive Officer and Principal Accounting Officer

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of the City of Melbourne, that in his (or her) opinion, the Financial Statements have met all the statutory and professional reporting requirements.

The Certification of Councillors is made by two councillors on behalf of the Melbourne City Council that, in their opinion, the Financial Statements are fair and not misleading.

Auditor-General's Report on the Financial Report

This document provides a written undertaking of the accuracy, fairness and completeness of the accounts. The audit report from the Auditor-General provides an independent view of the statements and advises the reader if there are any issues of concern.

No issues were raised by the Auditor-General in regard to the 2007–08 statements.

Who do we work with?

- The City of Melbourne’s external auditor is the Victorian Auditor-General.
- The City of Melbourne’s internal auditor is Ernst & Young.
- The City of Melbourne’s banker is Westpac Banking Corporation.

Acronyms used in these notes include:

A-IFRS	Australian equivalents to International Financial Reporting Standards
IFRS	International Financial Reporting Standards
GAAP	Generally Accepted Accounting Principles
AASB	Australian Accounting Standards Board
GST	Goods and Services Tax
PINS	Parking Infringement Notice System
VAGO	Victorian Auditor General’s Office

Definitions

Current assets	Total current assets as shown in the balance sheet.
Current liabilities	Total current liabilities as shown in the balance sheet.
Debt redemption	Includes the principal component of repayments on loans and financial leases and capital items purchased on vendor terms, and contributions to sinking funds.
Debt servicing costs	Includes interest and charges on loans, overdrafts, and interest on payments for capital items purchased on vendor terms.
Rate revenue	Includes revenue from general rates, municipal charges, special rates, special charges, service rates and service charges.
Total indebtedness	Total liabilities, both current and non-current, as shown in the <i>balance sheet</i> .
Total realisable assets	Total current assets and total realisable non-current assets.
Total revenue	Total revenue as shown in the income statement.

Basis of preparation

The City of Melbourne is required to prepare and include audited Standard Statements within its annual report. Under the *Local Government Act 1989* (Vic), four statements (and explanatory notes) are required:

- a standard statement of income
- a standard statement of balance sheet
- a standard statement of cash flows
- a standard statement of Council works.

These statements and supporting notes form a special-purpose Financial Report prepared to meet the requirements of the *Local Government Act 1989* (Vic) and the Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the financial reports and the budget. The results reported in these statements are consistent with those reported in the Financial Report. They are not a substitute for the financial reports, and have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare the City of Melbourne's financial plan, expressed through its annual budget, with actual performance. The *Local Government Act 1989* (Vic) requires explanation of any material variances. The City of Melbourne has adopted a materiality threshold of 10 per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Standard Statements are those adopted by the Melbourne City Council on 24 June 2007. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Melbourne City Council set guidelines and parameters for revenue and expense targets in this budget in order to meet the City of Melbourne's business plan and financial performance targets for both the short and long term.

The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable. Detailed information on the actual financial results is contained in the financial reports.

The detailed budget can be obtained by consulting the City of Melbourne's website www.melbourne.vic.gov.au or phoning the City of Melbourne on (03) 9658 9658.

The Standard Statements must be read with reference to these documents.

Standard Statements

Standard statement of income

	Actuals 2007/08 \$'000's	Budget 2007/08 \$'000's	Variance \$'000's	%
Revenues from ordinary operations				
Rates	156,804	156,817	(13)	(0%)
Grants and other contributions				
- Operating	10,955	9,497	1,458	15%
- Capital Contributions	6,950	6,229	721	12%
Parking Fees	31,312	32,148	(836)	(3%)
Fines	38,993	40,489	(1,496)	(4%)
Property revenue	26,468	6,315	20,153	319%
Other Fees & Charges	14,898	12,519	2,379	19%
Intercompany Revenue	13,199	12,637	562	4%
Finance Income	8,512	6,337	2,175	34%
Sales & Recoveries	4,109	2,955	1,154	39%
Total Revenue	312,200	285,943	26,257	9%
Expenses from ordinary operations				
Employee benefit expense	81,109	87,857	6,748	8%
Contract Payments, Materials and Services	122,564	122,300	(264)	(0%)
Depreciation and amortisation	42,501	40,976	(1,525)	(4%)
Financial costs	11,897	10,811	(1,086)	(10%)
Other Expenses	18,534	21,827	3,293	15%
Productivity Dividend	-	(4,308)	(4,308)	-
Total Expenses	276,605	279,463	2,858	1%
Share of net profits/(loss) of associates & joint venture	-	-	-	-
Net gain (loss) on disposal of property, plant & infrastructure	4,880	-	4,880	100%
Contributed assets	53,532	-	53,532	100%
Surplus for the year	94,007	6,480	87,527	1351%

Commentary for variances > five per cent to budget is provided on the following page.

Standard statement of income – comparison report

Ref.	Item	Commentary
1	<i>Grants and other contributions(Revenue) – Operational</i>	The favourable variance results from additional grants and contributions received in relation to : <ul style="list-style-type: none"> • Inner Melbourne Action Plan • Victorian Government grant for Red Bus Lane project • community and art-related projects EcoEdge2 Conference.
2	<i>Grants and other contributions(Revenue) – Capital</i>	Council received additional external contributions for Sandridge Bridge Project and Grant Street Reserve which resulted in a favourable variance.
3	<i>Property Revenue</i>	The favourable variance results from a gain on the revaluation of Council's investment properties. In accordance with accounting standards the reporting of gains/(losses) on revaluation of investment properties should be recognised as revenue in the Income Statement.
4	<i>Other Fees & Charges</i>	The favourable variance is largely explained by additional fees received for: <ul style="list-style-type: none"> • building, planning and vendor right fees • EcoEdge2 Conference registration fees • culture development projects • Docklands waterways berthing fees and City Bath fees • promotional banner and admission fees at Council events and Moomba ground/facilities hire and temporary sign authority fees.
5	<i>Finance Income</i>	Finance income was higher as a direct result of favourable upward movements in interest rates and a higher cash balance partially due to proceeds from the sale of Council property and carry forward capital projects.
6	<i>Sales and Recoveries</i>	The favourable variance results from additional recoveries received for work undertaken in relation to: <ul style="list-style-type: none"> • cleaning services in Docklands • Arts House projects • Tianjin Government Leadership Program • East-West Transport Strategy Plan • AFL Grand Final Week, Melbourne Awards, Melbourne Spring Fashion Week, School Holiday program.
7	<i>Employee Costs</i>	The favourable variance is predominantly attributable to salary savings as the result of the operational and efficiency review undertaken.
8	<i>Finance Costs</i>	The favourable variance is largely due to higher than expected lapsed parking fines (unbudgeted), offsetting the favourable reduction in the doubtful debt provision.

9	<i>Other Expenses</i>	Predominantly due to Council's contribution to the Melbourne Convention Centre being recognised in 2006-07 financial statements.
10	<i>Productivity Dividend</i>	The productivity dividend was a budgeted savings across the Council for 2007-08. This saving was achieved for the year, predominantly through savings in materials and services.
11	<i>Net gain/(loss) on disposal of property, plant & infrastructure</i>	The favourable variance resulted largely from the gain on disposal of one investment property.
12	<i>Contributed assets</i>	The variance in contributed assets arises from the transition of Kensington and North Melbourne to the City of Melbourne from the 1 July 2008 and contributed municipal assets from Docklands during the year.

Standard statement of balance sheet

Commentary for variances > five per cent to budget is provided on the following page.

	Actuals 2007/08 \$'000's	Budget 2007/08 \$'000's	Variance \$'000's	%
ASSETS				
Current Assets				
Cash and Cash Equivalents	108,993	85,051	23,942	28%
Trade and Other Receivables	68,277	26,667	41,610	156%
Other Financial Assets	14,379	0	14,379	100%
Other Assets	6,914	3,900	3,014	77%
	198,563	115,618	82,945	72%
Non-current asset held for sale	2,770	0	141,948	100%
Total Current Assets	201,333	115,618	224,893	195%
Non-Current Assets				
Other Financial Assets	31,759	31,831	(72)	(0%)
Intangible Assets	3,744	5,194	(1,450)	(28%)
Property, Plant and Infrastructure	2,535,238	2,301,473	233,765	10%
Investment Property	79,336	61,004	18,332	30%
Total Non-Current Assets	2,650,077	2,399,502	250,575	10.4%
TOTAL ASSETS	2,851,410	2,515,120	475,468	19%
LIABILITIES				
Current Liabilities				
Trade and Other Payables	53,744	42,717	(11,027)	(26%)
Employee Benefits	16,862	18,103	1,241	7%
Provisions	555	800	245	31%
Total Current Liabilities	71,162	61,621	(9,542)	(15%)
Non-Current Liabilities				
Employee Benefits	2,929	3,316	387	12%
Non-Current Payables	7,954	-	(7,954)	100%
Total Non-Current Liabilities	10,883	3,316	387	12%
TOTAL LIABILITIES	82,045	64,937	(9,155)	(14%)
NET ASSETS	2,769,365	2,450,183	466,312	19%
Equity				
Accumulated Surplus	1,700,761	1,424,007	276,754	19%
Reserves	1,068,604	1,026,066	42,538	4%
TOTAL EQUITY	2,769,365	2,450,073	319,291	13%

Standard statement of balance sheet – comparison report

Ref.	Item	Commentary
1	<i>Cash and cash equivalents</i>	Higher cash balances results from the combination of proceeds from the sale of Council assets, a higher underlying surplus generated from operations and higher level of carry forward capital expenditure.
2	<i>Trade and other receivables (asset)</i>	Debtors are higher largely due to the recognition of assets from Kensington and North Melbourne that will transfer to the City of Melbourne from 1 July 2008.
3	Other financial Assets	This item represents Council's fixed interest investment and was budgeted in cash and cash equivalents.
4	<i>Other (current) assets</i>	Dividends and tax equivalents from Council's subsidiaries at the 30 June 2008 were recognised as revenue but not yet received. In the prior year Queen Victoria Market Pty Ltd paid the City all dividends and tax equivalents due before the end of June.
5	<i>Non-current asset held for sale</i>	The signed Memorandum of Understanding and Council resolution commitment to the sale of the Drill Hall requires specific disclosure. Accordingly, Council has reclassified this asset as a 'held for sale' asset in accordance with accounting standards. This was unanticipated at the time of developing the budget.
6	<i>Intangible assets, property, plant & infrastructure, and investment properties</i>	A strong increase in land values across the municipality resulted in a significant increase in investment properties and land and building valuations. Accordingly Council's asset values have been increased to reflect the increase. During the year Council also capitalised municipal assets such as roads and footpaths which have been received following completion of capital developments in Docklands.
7	<i>Trade and other payables</i>	Recognition of Council's contribution to the Melbourne Convention Centre as a liability (moved from non current) and higher than anticipated capital works and operating accruals resulted in trade and other payables being higher than budgeted.
8	<i>Employee benefits</i>	Employee benefits are moderately lower as a result of reduced staffing levels during the year.
9	<i>Provisions</i>	The assessed provision required for rates objection and insurance claim was moderately lower than budgeted.
10	<i>Non-current payables</i>	The non current payables represent payables to Docklands and Centre for Adult Education. This was budgeted under trade and other payables.

Standard statement of cash flows (reconciliation)

	Actuals 2007/08 \$'000's	Budget 2007/08 \$'000's	Variance \$'000's	%
Surplus for the year	94,007	6,480	87,527	
Add back non cash items				
Depreciation and amortisation	42,502	40,976	1,526	4%
(Gain)/Loss on sale of property, plant and equipment	(4,880)	-	(4,880)	(100%)
Non current asset additions	(6,994)	-	(6,994)	(100%)
(Gain)/Loss on revaluation of investment properties	(20,411)	-	(20,411)	(100%)
Surplus before non cash items	104,224	47,456	56,768	120%
Total Movement in Working Capital plus Provisions	(45,830)	(298)	(45,532)	15279%
Capital				
Capital expenditure	(62,989)	(80,731)	17,742	(22%)
Loan to subsidiary	76	56	20	36%
Joint Venture payment	-	(600)	600	(100%)
Proceeds from sale of assets	10,673	1,884	8,789	467%
Financing Activities				
Finance costs	(2,115)	-	(2,115)	(100%)
Cash inflow / (outflow)	4,039	(32,232)	36,271	(113%)
Represented by:				
Movement in Cash Investments	4,039	(32,232)	36,271	(113%)

Standard statement of cash flows – comparison report

Ref.	Item	Commentary
1	<i>(Gain)/Loss on sale of property, plant and equipment</i>	A gain on the disposal of one investment property was unbudgeted.
2	<i>Non-current asset additions</i>	During the year Council capitalised municipal assets such as roads and footpaths, which have been received following completion of capital developments in Docklands which was unbudgeted.
3	<i>(Gain)/Loss on revaluation of investment properties</i>	In accordance with accounting standards the reporting of gains/(losses) on revaluation of investment properties are recognised as revenue in the income statement. This was unbudgeted.
4	<i>Movement in working capital</i>	The difference largely reflects the receivable recognised in relation to North Melbourne/Kensington assets that will transfer to the City of Melbourne on 1 July 2008. This was unbudgeted.
5	<i>Capital expenditure</i>	The higher carry forward capital works program, resulted in lower cash outlay for capital expenditure.
6	<i>Loan to subsidies</i>	The cash inflow relates to repayments by CityWide on a loan made in 2004–05.
7	<i>Joint Venture payment</i>	The Joint Venture (City Library) with Centre for Adult Education was dissolved last financial year. At the 30 June 2008, Council was still to make the second instalment payment to the Centre for Adult Education.
8	<i>Proceeds from sale of assets</i>	The inflow of funds was a result of proceeds from the sale of one property. These proceeds were unbudgeted.
9	<i>Finance costs</i>	A change in the classification of finance costs from an operating expense to a financing activity in the cash flow statement in accordance with accounting requirements resulted in this variance.

Standard statement of Council works

	Actuals 2007/08 \$'000's	Budget 2007/08 \$'000's	Variance \$'000's	%
Maintenance				
Capital Grants	1,527	2,280	(753)	(33%)
Maintenance	4,061	4,348	(287)	(7%)
Minor	315	340	(25)	(7%)
Total Maintenance	5,903	6,968	(1,065)	(15%)
Capital Works				
New Works/Upgrade	36,163	29,158	7,005	24%
Renewal/Refurbishment	27,244	29,785	(2,541)	(9%)
Total Capital Expenditure	63,407	58,943	4,464	8%
Total Council Works Expenditure	69,310	65,911	3,399	5%
Carried Forward Capital Works				
- Other	23,492	21,788	1,704	8%
	23,492	21,788	1,704	8%
Total Council Works Expenditure	92,802	87,699	5,103	6%

Council works – comparison report

Ref.	Item	Commentary
1	Maintenance	Deferred expenditure on the Signal Redevelopment project resulted in a favourable variance. This maintenance expenditure will be undertaken in 2008–09.
2	Capital expenditure	<p>City of Melbourne's Council works program in 2007–08 included the unbudgeted purchase of the Boyd Girls' High School site for (\$10.5 million)</p> <p>Highlights for the year included the completion or progress of the following projects.</p> <p>New works/upgrade:</p> <ul style="list-style-type: none"> • The Harbour Family and Children's Centre, \$9.85 million (including Council's contribution of \$6.95 million) • Melbourne Zoo Northern Entrance Car Park, \$2.27 million • drought-proofing parks, \$2.1 million • Manningham Street pedestrian and bicycle bridge, \$2.3 million • Tan Track lighting, \$1.05 million • Kensington Child Care Expansion, \$1.77 million • redevelopment of grounds at AFL clubs, (\$6.million Council contribution) • streetscapes improvement, \$2.2 million. <p>Renewal/refurbishment:</p> <ul style="list-style-type: none"> • Flagstaff Gardens Bowling Club, \$4.3 million • Fawkner Park, southern pavilion renovation, \$1.3 million • parks renewals, \$6.1 million • roadways/footpaths renewals, \$7.4 million.

Financial Statements

Income statement

For the year ended 30 June 2008

	Consolidated		Note	Council	
	2008 \$'000	2007 \$'000		2008 \$'000	2007 \$'000
Revenues from ordinary operations					
Rates	156,804	139,159	1(d),3(a)	156,804	139,159
Grants and other contributions	18,020	16,104	1(d),3(d)	17,905	16,052
Parking Fees	34,475	34,090	3(b)	31,312	30,907
Fines	38,993	35,734	1(d)	38,993	35,734
Property revenue	41,400	25,055		26,468	10,925
Other Fees & Charges	118,384	93,648		14,898	12,324
Intercompany Revenue	-	-		13,199	11,970
Finance Income	9,656	7,673	3(c)	8,512	6,755
Sales & Recoveries	7,753	10,245		4,109	5,791
	268,680	222,550		155,396	130,458
Total Revenue	425,484	361,709		312,200	269,617
Expenses from ordinary operations					
Employee benefit expense	130,480	122,225	4(a)	81,109	80,915
Contract Payments, Materials and Services	171,252	146,292	4(b)	122,564	110,759
Depreciation and amortisation	49,840	43,782	4(c)	42,501	37,169
Finance costs	14,565	13,782	4(d)	11,897	11,693
Other Expenses	18,985	34,824	4(e)	18,534	34,495
Total Expenses	385,123	360,904		276,605	275,031
Net gain/(loss) on disposal of property, plant & infrastructure	4,968	3,671	16	4,880	3,671
Contributed Assets	53,532	175,757	19(b,c)	53,532	175,757
Surplus for the year	98,861	180,232		94,007	174,014

The income statement should be read with the accompanying notes to the financial statements.

Balance sheet

As at 30 June 2008

	Consolidated		Note	Council	
	2008 \$'000	2007 \$'000		2008 \$'000	2007 \$'000
ASSETS					
Current Assets					
Cash and cash equivalents	120,210	119,983	17(b)	108,993	104,336
Trade and other Receivables	87,097	211,118	5	68,277	200,833
Accrued Income	3,381	3,777		2,402	1,231
Inventories	497	462	6	-	-
Other Financial Assets	14,379	15,000	7,17(b)	14,379	15,000
Other Assets	581	1,155	8(a)	4,512	1,657
	226,145	351,495		198,563	323,057
Non Current Assets held for sale	2,770	-	8(b)	2,770	-
Total Current Assets	228,915	351,495		201,333	323,057
Non-Current Assets					
Other Financial Assets	3,042	3,042	7	31,759	31,791
Net Assets of City of Melbourne's Defined Benefits Superannuation Fund	3,784	8,445	1(f), 20	-	-
Intangible assets	12,975	12,911	10	3,744	3,680
Property, Plant and Infrastructure	2,604,309	2,161,912	9	2,535,238	2,103,963
Investment Property	79,336	63,795	11	79,336	63,795
Total Non-Current Assets	2,703,446	2,250,105		2,650,077	2,203,229
TOTAL ASSETS	2,932,361	2,601,600		2,851,410	2,526,286
LIABILITIES					
Current Liabilities					
Trade and Other Payables	71,051	57,718	12	53,744	41,362
Employee benefits	23,369	24,823	13(a)	16,862	18,753
Provisions	755	598	14	555	398
Total Current Liabilities	95,175	83,139		71,162	60,513
Non-Current Liabilities					
Interest Bearing Liability	10,600	9,400		-	-
Employee benefits	4,336	4,362	13(b)	2,929	3,150
Non-Current Payables	7,954	18,493	12(a)	7,954	18,493
Total Non-Current Liabilities	22,890	32,255		10,883	21,643
TOTAL LIABILITIES	118,065	115,394		82,045	82,156
NET ASSETS	2,814,296	2,486,206		2,769,365	2,444,130
Equity					
Accumulated Surplus	1,729,147	1,635,898		1,700,761	1,607,029
Reserves	1,085,149	850,310	15	1,068,604	837,101
TOTAL EQUITY	2,814,296	2,486,208		2,769,365	2,444,130

The balance sheet should be read with the accompanying notes to the financial statements.

Statement of cash flows

For the year ended 30 June 2008

	Consolidated		Note	Council	
	2008 \$'000	2007 \$'000		2008 \$'000	2007 \$'000
Cash Flows from Operating Activities					
Receipts					
Rates, Fees and Charges (inclusive of GST)	340,625	317,189		250,527	231,849
Grants and Other Contributions (inclusive of GST)	19,134	17,338		19,019	17,286
Interest	9,610	7,670		8,466	6,752
Dividends Received	46	3		3,803	2,903
Tax equivalents	-	-		3,701	3,291
Other (including Sales & Recoveries) (inclusive of GST)	27,500	21,356		18,426	16,991
Payments					
Employee benefit expense	(124,560)	(117,400)		(75,770)	(78,947)
Materials and Services (inclusive of GST)	(193,037)	(167,611)		(161,399)	(138,297)
Other (inclusive of GST)	(8,844)	(6,567)		(8,381)	(6,568)
Net Cash provided by Operating Activities	70,472	71,978	17(a)	58,394	55,260
Cash Flows from Investing Activities					
Proceeds from sale of property, infrastructure, plant and equipment	10,674	10,212		10,673	9,721
Payments for property, infrastructure, plant and equipment	(77,957)	(74,449)		(62,989)	(57,552)
Acquisition of Business	-	(8,714)		-	-
Loans to subsidiaries	-	-		76	76
Net Cash used by Investing Activities	(67,283)	(72,951)		(52,240)	(47,755)
Cash Flows from Financing Activities					
Proceeds from borrowings	1,200	9,400		-	-
Finance costs (inclusive of GST)	(4,783)	(2,618)		(2,115)	(2,141)
Net Cash used by Financing Activities	(3,583)	6,782		(2,115)	(2,141)
Net Increase/(decrease) in Cash Held	(394)	5,809		4,039	5,365
Cash at beginning of the financial year	134,979	129,170		119,334	113,969
Cash at end of the financial year	134,586	134,979	17(b)	123,372	119,334

The statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

For the year ended 30 June 2008

Statement of changes in equity (consolidated)

For the year ended 30 June 2008

	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Balance at beginning of the financial year		2,486,208	2,238,222	1,635,896	1,409,855	848,198	826,467	2,114	1,900
Found Assets	1k	-	41,518	-	41,518	-	-	-	-
Surplus for the year		98,861	180,232	98,861	180,232	-	-	-	-
Actuarial expense - City of Melbourne's Defined Benefits Superannuation Fund		(5,337)	5,299	(5,337)	5,299	-	-	-	-
Asset Revaluation	15	235,185	21,731	-	-	235,185	21,731	-	-
Reserve for Public Open Space	15	-	-	(276)	(214)	-	-	276	214
Investments Revaluation Reserve	15	(621)	-	-	-	-	-	(621)	-
Prior year losses relating to City Library	1t	-	(794)	-	(794)	-	-	-	-
Balance at end of the financial year		2,814,296	2,486,208	1,729,144	1,635,896	1,083,383	848,198	1,769	2,114

This statement of changes in equity (consolidated) should be read in conjunction with the accompanying notes to the financial statements.

For the year ended 30 June 2008

Statement of changes in equity (Council)

For the year ended 30 June 2008

	Note	Total Equity		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Balance at beginning of the financial year		2,444,130	2,213,569	1,607,027	1,392,503	834,989	819,166	2,114	1,900
Found Assets	1k	-	41,518	-	41,518	-	-	-	-
Surplus for the year		94,007	174,014	94,007	174,014	-	-	-	-
Asset Revaluation	15	231,850	15,823	-	-	231,850	15,823	-	-
Reserve for Public Open Space	15	-	-	(276)	(214)	-	-	276	214
Investments Revaluation Reserve	15	(621)	-	-	-	-	-	(621)	-
Prior year losses relating to City Library	1t	-	(794)	-	(794)	-	-	-	-
Balance at end of the financial year		2,769,365	2,444,130	1,700,758	1,607,027	1,066,839	834,989	1,769	2,114

This statement of changes in equity (Council) should be read in conjunction with the accompanying notes to the financial statements.