



ANNUAL REPORT 2010-2011



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ABOUT THIS REPORT

This Annual Report documents Melton Shire Council's performance over the 2010/2011 financial year. It meets our obligations under Section 131 of the Local Government Act 1989 (Vic) and provides information on performance against the 2010/2011 Annual Plan and Budget.





MAYOR'S MESSAGE

I am honoured to present the 2010/11 Annual Report to you on behalf of Melton Shire Council.

As one of the fastest growing municipalities in Australia, it is critical for Council to respond to, and meet the needs of our community. In the past year, Council has stepped up its level of engagement with the State and Federal governments and heavily advocates and lobbies for funding for projects or initiatives to meet the ever growing needs of this Shire. Council will continue to work in partnership with all levels of government to ensure our community has the best available facilities required to meet the needs of our growing population.

The 2010/11 year saw Council celebrate the completion of a number of major projects, which provide much needed community infrastructure for residents. The opening of Kororoit Creek Community Hub in March 2011 was a highlight for the municipality. The Community Hub is unique in that it is a joint partnership approach that provides a wide range of children's services at the one location. The combined services facility with YMCA and the Department of Education and Early Childhood Development includes a primary school, Maternal and Child Health Services, kindergarten, long day care, a pool, an oval and a hard court.

A community celebration marked the opening of the Arnolds Creek Community Hub which includes Maternal and Child Health consulting rooms, kindergarten rooms, areas for playgroups and community rooms and meeting space. Another highlight was the opening of Morton Homestead in Taylors Hill, which provides space for Council's programs for older people and people with a disability including Planned Activity Groups.

Council also completed the Burnside Heights Community Pavilion, which complements the two sporting ovals at the site. The pavilion includes home and away change rooms, first aid rooms and umpires room, a community meeting room and function room complete with a kitchen and storage space.

We also completed an extension to the Melton West Kindergarten to increase capacity, and refurbished the Melton Central Kindergarten.

Council recognises that as our community continues to grow, so too does

the need for more infrastructure facilities to cater for a cross-section of our population and as such continues to invest in community infrastructure for our residents. Construction of the Taylors Hill Youth and Community Centre commenced this year and is expected to be completed in early 2012. The project will deliver an innovative, multi-purpose youth and community facility which will provide services and a recreational hub for young people and their families in the area, as the successful Melton Youth Facility continues to do.

The multimillion dollar Melton Library and Learning Hub development progressed throughout the past year. The project will deliver a state-of-the-art integrated community hub that will enable access to education, training, children's services, employment and business opportunities. In delivering the project, Council aims to lift the aspirations of the township and build a sense of growing community pride. The Melton Library and Learning Hub will be a meeting place and lounge room for the community and the building will set the standards for future buildings in the municipality.

As such a fast growing municipality, our Shire urgently needs more health services. Throughout the year Council continued to lobby the State Government for a 24 hour public hospital to be established in Melton. A promotional campaign that supports a zero tolerance approach to child abuse within our community continues to be a major focus for our Council.

On behalf of my Councillor colleagues I would like to thank the organisation's executive team and staff for their hard work and commitment in ensuring Melton Shire continues to be a great place to live.

A handwritten signature in blue ink, appearing to read 'Justin Mammarella'.

Cr Justin Mammarella, JP
Mayor of Melton Shire Council

CHIEF EXECUTIVE OFFICER'S REPORT



I am pleased to present the Melton Shire Council Annual Report 2010/11 to the community.

I commenced as Acting Chief Executive of Council in November 2010 following the resignation from Council of Mr Neville Smith, who had held the position of Chief Executive for nine years, in which time he led the Council through a period of unprecedented growth and development. Neville made an exceptional contribution to the development of the municipality, and I formally record my appreciation for his leadership and vision during his time with Council.

I was honoured to be appointed to the position of Chief Executive Officer on 11 May 2011, and I am excited by the opportunities and challenges that face Council at this time.

Throughout the past financial year, population growth continued at record levels, and Melton was the second fastest growing Council in Australia based on Australian Bureau of Census data to June 2010. This growth challenges Council as an organisation to deliver the services and infrastructure needed to meet community expectation.

I am pleased to note that the Local Government Community Satisfaction survey has again seen Council exceeding the median result for Councils in its group in several areas including its overall performance, community engagement, local roads and footpaths, appearance of public areas, economic development and town planning policy and approvals.

Council has continued with its successful joint-partnership model in delivering community infrastructure in order to achieve early delivery and to bring forward priority services at the earliest possible date. This partnership approach involves all levels of government, not-for-profit organisations and the private sector.

Council also made a major step forward in securing the long term sustainability of the municipality by entering into an agreement with Lend Lease as its joint venture partner for the development of 381Ha of residential land owned by Council at Toolern, in Melton South. This development will see the establishment of approximately 4,500 dwellings over the next 13 years as part of the overall Toolern area which will ultimately provide homes for 60,000 residents by 2030.

The past year has been a year of growth and change, and the staff and Councillors have been very focused on excelling through this period of change to deliver enhanced outcomes to the community.

I am extremely confident that 2010/11 has set a very solid foundation for Council to achieve even more significant outcomes in the years ahead.

A handwritten signature in black ink, appearing to read 'K. Tori'.

Kelvin Tori
Chief Executive Officer

MELTON SHIRE COUNCIL

OUR VISION

Council Strategic Objectives

- 1 Community Health and Wellbeing: Improve health and wellbeing for our diverse community
- 2 Environment: Protecting and enhancing our environment
- 3 Business and Employment: Increasing business and employment opportunities
- 4 Managing Growth: Ensure our fast growth is well planned and managed, and infrastructure is well maintained
- 5 Leadership: Leading the organisation and the community through accountability, transparency and advocacy
- 6 Community Engagement: Foster a well-connected and engaged community

ORGANISATIONAL VALUES

One organisation responding to the needs of the community

We value working together as one team

- We will help and respect each other
- We value each employee's contributions to the team
- We actively share ideas and information
- We will provide an enjoyable workplace for all employees

We value fair treatment for everyone

- We actively listen and respond appropriately
- We make decisions in a reasonable and consistent manner
- We actively promote the health and wellbeing of our employees
- We build trusted relationships

We value doing things better

- We always look to do things better, generating opportunities for improvement
- We make it easy for everyone to do business with us
- We seek excellence in everything we do
- We will support innovative ideas

We value recognising the efforts of others

- We actively support and promote our colleagues in their successes
- We will acknowledge employees exceeding expectations
- We will recognise each other's efforts with fairness and equity

OUR SHIRE

Melton Shire Council Snapshot

- Location: 19 km west of Melbourne CBD
- Population: 116,000 (Estimate June 2010)
- Ratepayers: 40,893
- Area: 528km²
- Annual Budget: \$134.9 million (income) including non cash revenue of \$37 million
- Staff: 475 (As at 30 June 2011)

Geographical area

The Shire of Melton covers an area of 528 square kilometres. It sits in a unique area of rolling volcanic and basalt plains, with the Mt Cottrell volcanic cone located in the south of the Shire, and bordered by the Wombat State Forest in the north and Djerrivarrh Creek in the west.

History and heritage

There is a strong sense of heritage that can be traced back to the time when travellers rested beside the Toolern Creek on their way to the goldfields. A visit to the ancient 'canoe tree' on the Melton Valley Golf Course confirms the presence of the Wurundjeri people as the original custodians of the area.

The landscape around the Shire of Melton bears the signs of its volcanic origins. Low hills that have long-extinct volcanic origins can be seen as well as the profusion of rocks that are scattered across the sparsely-treed plains. The characteristic rounded or oval shaped volcanic stones enabled the wallers of the past to build composite walls with materials at hand. The Shire has some of the oldest and most interesting examples of the different styles of dry stone wall fences.

On 18 March 1910, the famous American escapologist Harry Houdini made the first powered, controlled, sustained flight of an aircraft in Australia at Diggers Rest. This event was the start of the aviation industry in Australia.

The Shire of Melton is booming

The Shire of Melton is one of the fastest growing municipalities in Australia, offering the best in urban and rural lifestyles within a comfortable commuting distance from Melbourne, Victoria. The Shire of Melton embraces a series of townships and communities, the larger towns being Caroline Springs and Melton. Caroline Springs is 19 kilometres west of Melbourne's CBD, and Melton is 35 kilometres west of Melbourne's CBD. Other communities are Burnside, Burnside Heights, Brookfield, Chartwell, Diggers Rest, Eynesbury, Exford, Hillside, Kurunjang, Melton South, Melton West, Mt Cottrell, Parwan, Plumpton, Ravenhall, Rockbank, Taylors Hill, Toolern Vale and Truganina.

Fast-growing, young community

Between 2001 and 2006 the municipality's population grew at a rate of 10% per year.

Currently, the Shire of Melton has a population of 116,000 and a growth rate of 7.1% per annum. By 2031 it is expected that the Shire of Melton will have a population of more than 227,000. The Shire of Melton offers diverse lifestyles and affordable living, which is why the community grows by just over 52 families per week. The municipality has a very young population: 41 babies are born each week, 20% of our residents are aged between 12 and 25 years and over 70% of the population is under 45 years old.

Growth areas in the Shire of Melton include Melton West and Eynesbury in the township and Caroline Springs, Hillside, Taylors Hill, Burnside and Burnside Heights in the Shire of Melton's Eastern Growth Corridor. Toolern is the major future urban growth area within the Shire. Located southeast of Melton Township on about 2,500ha, Toolern will ultimately have about 60,000 people living in around 20,000 households.

In 2010, Council adopted a Toolern Precinct Structure Plan. Key features of the plan include:

- a new major activity centre based around a proposed railway station north south linear regional park of more than 130ha along the Toolern Creek in Melton South
- eight proposed state schools incorporating kindergartens
- eight proposed community centres
- open space / pavilions - seventeen active reserves

- a major new employment precinct
- recycled water from Surbiton Park.

The Melton North Precinct Structure Plan was approved in July 2010 and provides for more than 1,300 new homes and a neighbourhood activity centre to be built on approximately 100 hectares in Melton North. The Precinct Structure Plans for the Toolern area and Taylors Hill West were approved by the Minister for Planning in October 2010.

Quality Council services

Our residents have access to an excellent range of Council services from both the Civic Centre in Melton Township and the award-winning Caroline Springs Civic Centre Library. Libraries are located in both Melton and Caroline Springs and the Shire offers excellent education opportunities, including six secondary schools.

Melton Shire Council works for the wellbeing of the whole community and provides an extensive network of services and resources designed and managed to offer benefits and lifestyle choices for all residents. These include recreational facilities for the broader community, whether that be the younger generation or our senior citizens. The Adventure Playground, skate parks and bike paths are just some of the open-air leisure activities.

High-quality sports facilities and a calendar full of colourful festivals and cultural events means there is always plenty to do. Melton Shire Council cares for residents through its social, health and aged care services. We endeavour to do our best to ensure quality of life for all, be it through infant immunisation, meals on wheels, carer support, information and



community transport services. Youth counselling and amenities also contribute to opportunities for young people in our community. Recycling and rubbish collection have been upgraded to make a further contribution to a more sustainable environment and offer wider resource recovery services to all residents.

Council is also at work maintaining over 650 kilometres of primary and secondary roads on a regular basis. Management emphasis is also placed on working with and advocating to State and Federal governments on key issues to protect and enhance our municipality. By leading and serving the community, Melton Shire Council is committed to addressing the challenges ahead while meeting the needs of today. We will continue to make Melton Shire an enjoyable and secure place to live, work and play.

Exciting business opportunities

The Shire of Melton offers:

- close proximity to the Melbourne CBD and accessible by the Deer Park bypass;
- links to Melbourne's key freeways, airports and the Port of Melbourne
- affordable land;
- a vast resource of talented labour; and
- Council programs to help your business grow and prosper.

Great place to visit

The Shire of Melton is a great place to visit for a day trip or a longer stay. We have award-winning wineries, a dingo education centre, public art, parks, picnic areas, sports grounds, walking and cycling paths along tree lined creeks and plenty of heritage to explore.

Fun things to do within our municipality

With special events scheduled all year long there is always plenty to do. Our events page on Council's website has a list of what's on in the Shire of Melton, and we also have plenty of things to keep you active like bushwalking and sports activities.

Lakeside Live in January and the Djerrivarrh Festival in November are our biggest annual events, attracting thousands of residents and visitors.

Home of harness racing

Tabcorp Park, the harness racing and entertainment complex in Melton, opened its doors in March 2009. Along with many horse trainers, training facilities and breeders located in the Shire, Tabcorp Park enhances Melton Shire's reputation as one of the premier equine municipalities in the country.

Promoting Environmental Sustainability

We proudly protect our environment and preserve the great natural assets and character of our community, now and for the future.

- The Shire of Melton won the Keep Australia Beautiful Victoria Sustainable Cities Award in 2010. It previously won the National Keep Australia Beautiful Award in 2007.
- Council supports local environment and landcare groups.
- Eynesbury (south of Melton Township) is the first Victorian town that will be fully connected to recycled water. The Toolern development will also use recycled water.
- Council purchased the 48-hectare Mount Cottrell volcanic cone to protect state and nationally significant flora and fauna and geological features of the site.

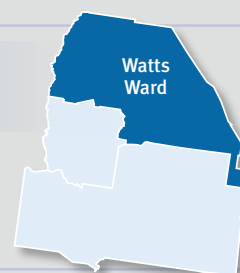


COUNCILLORS AND WARDS



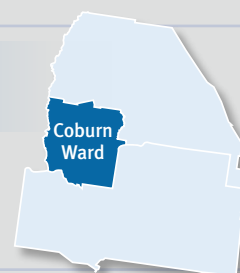
Cr Justin Mammarella JP, Mayor
Watts Ward

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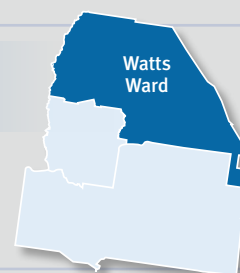
Cr Broden Borg, Deputy Mayor
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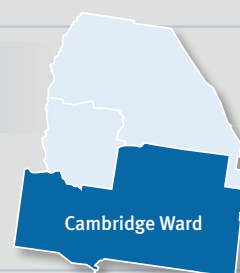
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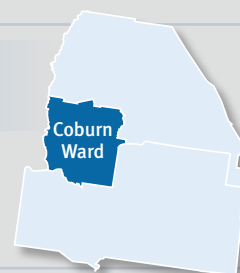
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COUNCILLORS AND WARDS



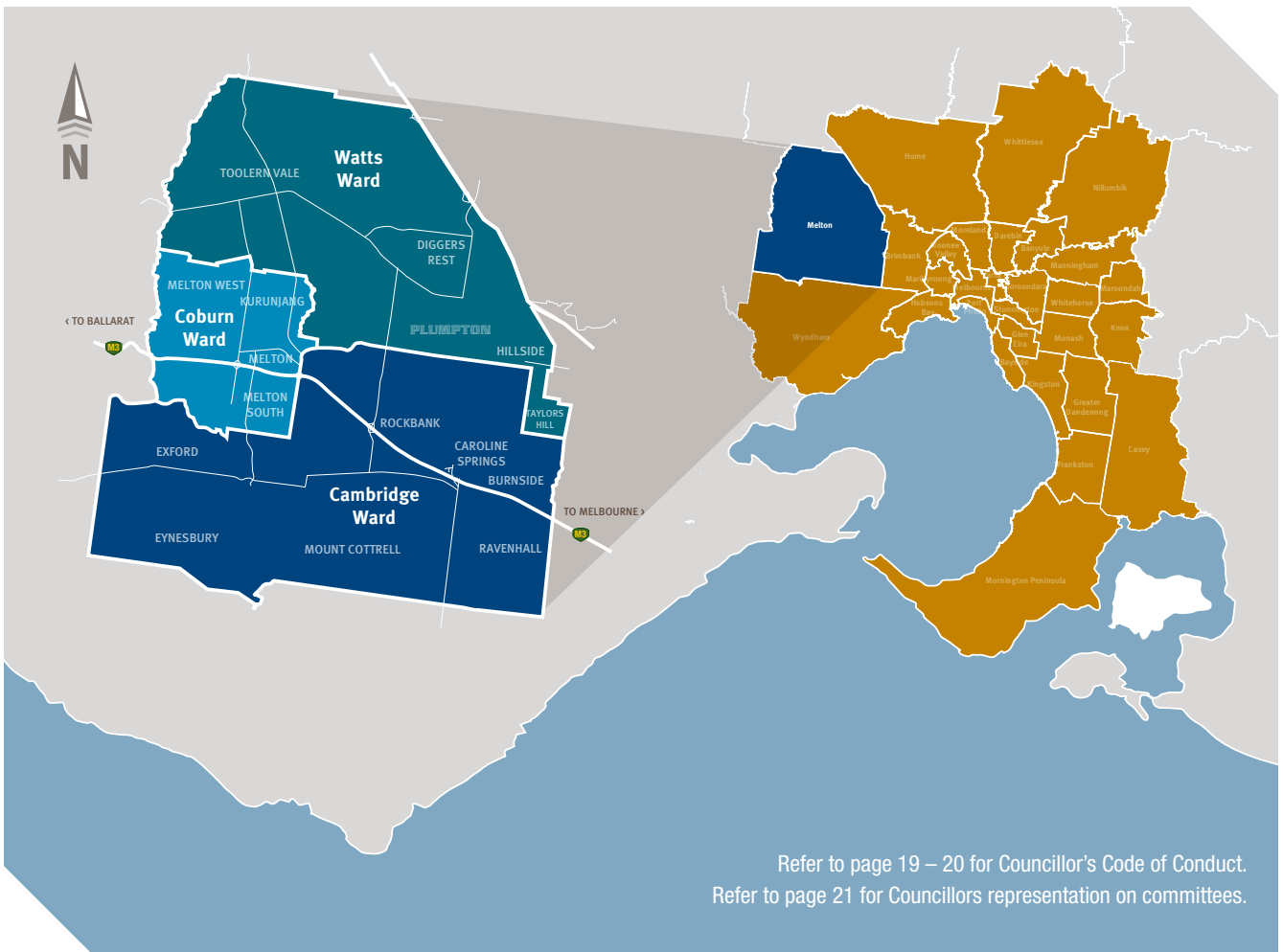
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Refer to page 19 – 20 for Councillor's Code of Conduct.
Refer to page 21 for Councillors representation on committees.

EXECUTIVE TEAM

The Executive Team consists of three General Managers led by the Chief Executive Officer. Each General Manager has designated areas of responsibility and is supported by Service Unit Managers.



Kelvin Tori
Chief Executive Officer

Appointed as Chief Executive Officer in May 2011, Kelvin Tori provides strategic guidance for the management and development of Melton Shire Council. Kelvin is responsible for providing strong leadership to the organisation and oversees the management and operations of Council.

Kelvin holds a Bachelor in Economics and is a qualified CPA. He has over 20 years experience in Local Government. He was previously Council's General Manager Corporate Services, which included responsibility for Human Resources, Information Technology, Finance, Administration, Local Laws, Internal Audit and Building Services.



Maurie Heaney
General Manager Community Services

Maurie Heaney has over 20 years of experience in Local Government in the management of service delivery. His experience in the past has been planning for major infrastructure and service delivery for Melton Council to meet the community's needs. His portfolio at Melton Shire Council includes a range of capital works new initiatives, the provision of general service delivery, which includes service units such as Community Care and Inclusion, Children's Services, Community Planning, Leisure Services and Community Infrastructure.



Luke Shannon
General Manager Planning and Development

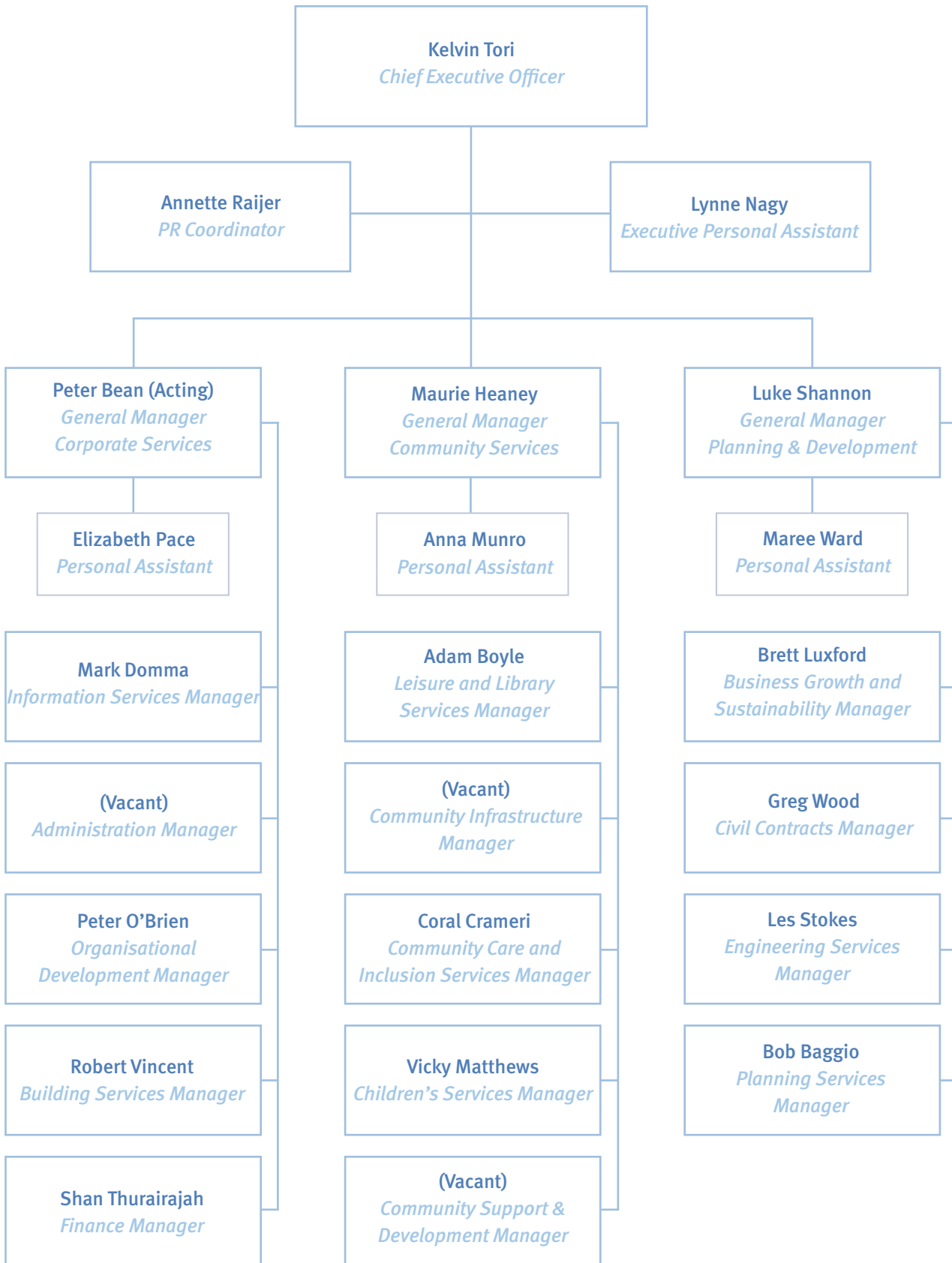
Luke Shannon is responsible for providing advice to Council and general management in the areas of Planning, Business Growth and Sustainability, Environmental Services, Engineering Services and Civil Contracts. Luke holds a Bachelor of Applied Science (Environmental Planning) and a Graduate Diploma in Cultural Heritage.



Peter Bean
Acting General Manager Corporate Services

Peter has worked in Local Government for over twenty years in Councils in metropolitan and interface areas of Melbourne as well as North Eastern Victoria. His portfolio covers areas such as Customer Service, Finance, Administration, Risk, Organisational Development, Regulatory Services and Information Technology. Peter holds a Bachelor of Business (Local Government), Graduate Certificate in Local Government Management and a Masters of Business Administration.

ORGANISATIONAL STRUCTURE



OVERVIEW

HIGHLIGHTS 2010/2011

New Growth Areas

The Toolern, Melton North and Taylors Hill West Precinct Structure Plans were approved in late 2010. The Structure Plans provide a framework for the future urban development of these areas, identifying major land uses, roads, open space and other community facilities. Since approval, Council has been working with a number of major developers on the design of future residential estates. Council has also been working with the Growth Areas Authority on the preparation of an Urban Design Framework for the future development on the Major Activity Centre in Toolern.

Shire wins National Energy Innovation Award

Council received the award for Energy Innovation at the prestigious National Keep Australia Beautiful Awards in November 2010. The Energy Innovation Award recognises the work undertaken by the Melton Sustainable Living Group in promoting saving energy and sustainable living. The Award also acknowledges Western Water in developing a cogeneration plant that uses renewable energy to power the Class A recycled water plant and Melton Shire Council in developing the case for solar in new developments especially within Toolern. The Award recognises sustainable energy management which focuses on innovative energy efficiency measures and climate change issues.

Intercultural Strategy

In August 2010, Council adopted its Intercultural Strategy 2010-2014. The Strategy sets out a number of key actions which will assist Council to work with the Shire's diverse communities to build relationships and ensure the Shire is an inclusive place for all.

Early Years Plan

Council's Municipal Early Years Plan 2010/14 was launched in February 2011. The Plan sets out the key priorities that will guide Council in its planning and development of early years services in the Shire of Melton for children aged zero to 12 over the next three years. It provides an outline on where effort should be focussed, how progress will be measured and what will be achieved. The strategy provides Council with direction on how it can better meet the needs of the community by advocating to State and Federal Governments for increased funding and services.

Caroline Springs Gallery

The CSGallery was opened at Caroline Springs Library in March 2011. This newly created arts space provides an excellent opportunity for artists to exhibit their work in a prominent location with no hire fee. Individual and group exhibition applications are welcome from professional, young and emerging artists. Community exhibitions will also be considered.

Kororoit Creek Community Hub

Kororoit Creek Early Learning Centre, which is part of the Kororoit Creek Community Hub, was officially opened in March 2011. The Kororoit Creek Community Hub, located in Burnside Heights, is the result of a joint initiative between Council, the Department of Education and Early

Childhood Development and the YMCA. It provides state-of-the-art community facilities, including a primary school, Maternal and Child Health Services, a double unit kindergarten, long day care, community spaces, office space for professional services, a pool, an oval and a hard court.

Morton Homestead

The redevelopment of Morton Homestead was completed and the facility was officially opened in March 2011. The facility provides additional service delivery space for Council's programs for older people and people with a disability, volunteers and community groups. The upgrade included refurbishment of the existing farmhouse, an extension to the building, a car park and landscaping. The historic property, one of the few remaining properties from early European settlement in the Shire's Eastern Growth Corridor, was formerly owned by the Morton family, and was handed over to Council as a developer contribution. Council also advocated for additional funding of \$500,000 from the Department of Planning and Community Development.

2011 YAC Award and Grant recipients

The outstanding achievements and contributions of young people in Melton Shire Council were recognised with the 2011 Youth Advisory Committee award and grant recipients which were announced on 1 April, to coincide with the start of National Youth Week.

Burnside Heights Community Pavilion

The Burnside Heights Community Pavilion was officially opened in April 2011 and provides amenities for sporting clubs using the reserve's two new ovals. The Pavilion includes home and away change rooms for ovals, first-aid rooms, an umpires room, a community meeting room and function room, kitchen and storage spaces. Council allocated \$1.5 million from its 2010/11 budget to the project. The State Government's Department of Planning and Community Development contributed \$500,000 from the Community Facilities for Growth Areas program and \$240,000 from the Community Support Fund.

Arnolds Creek Community Hub

The Arnolds Creek Community Hub was officially opened with an open day in April 2011. The Arnolds Creek Community Hub is a multi-purpose community facility which includes Maternal and Child Health consulting suites, kindergarten rooms, rooms for visiting specialist services, areas for playgroups, multipurpose community rooms and meeting places supporting the development of outdoor recreation areas. Council received \$500,000 from the State Government's Victorian Community Support Grants program towards delivery of the facility.

Melton Council goes green

Council adopted its Greenhouse Action Plan 2011-2015. The plan sets a target of 10% reduction in Council's corporate 2010 greenhouse gas emissions by 2015. The Greenhouse Action Plan 2011-2015 provides for an organisational wide response to climate change and details those actions Council will take to reduce its corporate emissions. The plan

contains a policy and an action plan with 69 actions to be delivered between 2011 and 2015. Besides the target of 10% reduction in Council's corporate 2010 greenhouse gas emissions by 2015, the plan also sets the foundation for Council to achieve zero net emissions from its operations by 2025.

Melton Library and Learning Hub

The Melton Library and Learning Hub development progressed with a detailed design for the project released and significant community consultation undertaken. Council also endorsed a temporary relocation of the library service to the Victoria University site in Rees Rd, Melton South. The Melton Library and Learning Hub will deliver a state-of-the-art integrated community hub that will enable access to education, training, children's services, employment and business opportunities. The hub will include the library collection, a seminar room, facilities for family and local history research, study and discussion areas as well as multimedia and computer-based learning areas. The building will have a focus on sustainable design and energy efficiency, with a proposed 5 Star Green Star accreditation from the Green Building Council of Australia, one of the first public buildings in the Western metropolitan area to do so. This will include extensive use of sustainable building material as well as energy efficient design to minimise heating and cooling costs.

Heritage Assistance Fund Established

Melton Shire Council voted to re-establish the Heritage Advisory Committee and to create the Heritage Assistance Fund, allocating \$10,000 in the 2011/2012 budget.

Taylor's Hill Youth and Community Centre

The Taylor's Hill Youth and Community Centre and Recreation Reserve began construction in 2010/11. The facility will provide a home base for Council's Youth Services provision in the area. The centre will also provide space for programs for young people such as self-development groups including young women's groups, young men's programs, life skills programs, assertiveness courses and a base for larger scale events. The facility will also feature multi-purpose recreational space such as ovals that will accommodate recreational activities such as cricket and football. Other infrastructure will include sports lighting, landscaping, paths and a carpark. The facility is planned to be completed by end of 2011 with the ovals and open space to be available for use by May 2012.

Campaign for public hospital in Melton

Council formally adopted a position of supporting the establishment of a public hospital in Melton. Council has continually identified the need for high level medical facilities and services for the Shire of Melton and



advocates on behalf of residents to the State and Federal Government. Council is currently lobbying the State Government requesting it fund a 24 hour public hospital for Melton.

Other highlights

- Australia Day celebrations
- Citizenship ceremonies
- Lakeside Live and Djerrivarrh Festivals
- Business Excellence Awards
- Seniors Festival
- Fishing Expo
- Children's Week

REPORT OF OPERATIONS

a) Legislative and economic factors impacting on Council's performance

The recovery from the Global Financial Crisis was clearly demonstrated by significantly increased activity in the plan checking and subdivision areas. Rising interest rates also led to a substantial recovery in the level of income Council derived from its investments.

Population growth continued at historically high levels, and the housing construction sector remains at the forefront of economic activity within the municipality.

Council received funding of \$632,000 from round two of the Regional and Local Community Infrastructure Program (RLCIP) which it directed towards the upgrade of infrastructure at a number of reserves.

The State Government introduced a Bill into Parliament for the introduction of a Growth Areas Infrastructure Charge, which is expected to have a significant impact on the land owners within the municipality given its status as a designated growth area.

b) Major policy initiatives

Council's Policy Review Panel continued the process of reviewing all Council policies, and developing a number of new policies in areas not previously addressed. The panel meets monthly and is an Advisory Committee to Council. It is also reviewing the terms of Reference for all Council Special and Advisory Committees.

Three precinct structure plans were incorporated into Council's Planning Scheme during the year:

- Toolern
- Taylors Hill West
- Melton North

Council's Heritage Study was also incorporated into the Planning Scheme which provides planning protection to the majority of heritage places in the municipality.

c) Structural changes to Council

The following structural changes occurred during 2010/2011:

- Children's Services – Better alignment of functions within the Unit
- Community Care and Inclusion – To ensure alignment of functions and to ensure that services can meet the demands of the community and extended future growth.

FINANCIAL OVERVIEW

Council's equity increased by \$85 million during 2010/2011, mainly due to assets contributed by developers of \$51 million and asset revaluation increments of \$27 million. Council's net worth to the community is \$1,016 million.

Operating Result

Council's operating result for the year was a surplus of \$58 million inclusive of \$58 million of contributions from developers of which \$51 million were contributed assets.

Cash Position

Council's cash position at 30 June 2011 increased by \$0.5 million to total cash on hand at year end of \$36.5 million.

Cash flows from rate revenue, borrowings for future capital works, and deferred capital works impacted on the result.

Financial Ratios

Council's debt servicing ratio, which is a measure of debt servicing cost as a percentage of Council's rate income, has decreased due to reduced borrowings and increased rates income. Council's debt commitment ratio, a measure of Council's rate revenue utilised to pay interest and redeem debt principal, has decreased slightly to 9.06%.

Council's working capital ratio increased to 2.45 from 2.16 mainly due to the improvement in the cash position of the Council and deferral of some capital works projects.

Capital Works

Council's expenditure on capital items for the year was \$17.8 million, an increase of \$4 million on the previous year, with 79% of the original approved budget program being completed. Capital projects worth \$8 million consisting of 30 projects were not completed as planned. These projects are expected to be completed in the 2011/2012 financial year.

Major projects completed included:

- | | |
|----------------------------|----------------|
| • Plant replacement | \$1.23 million |
| • Roads | \$3.43 million |
| • Community Infrastructure | \$9.26 million |
| • Tourism and Leisure | \$1.14 million |
| • Other | \$2.69 million |

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Corporate governance encompasses the processes, protocols, conduct and relationships that guide Melton Shire Council's actions and decision-making. Some actions are legislative requirements and others are initiatives of Council.

Corporate Planning and Reporting Framework

Melton Shire Council's Corporate Planning and Reporting Framework is based on an integrated approach linking the Council Plan with Council's operational planning and external reporting requirements.

The framework is driven by the Council Plan (which includes the Strategic Resource Plan) and feeds into and is supported by a number of key planning documents including the annual budget, action plan, operational plans and individual performance plans and a range of subsidiary strategies and policies adopted by Council.

The framework is underpinned by Council policies and plans and the Best Value principles around quality/cost standards, responsiveness, accessibility, consultation and continuous improvement.

Best Value

Melton Shire Council is committed to providing the best value for the resources we use and the best possible service for our community.

Councils are required by the Local Government Act to take into account Best Value principles to ensure that services:

- meet their agreed quality and cost standards;
- are responsive to the needs of our community;
- are accessible to those members of the community for whom the service is intended;
- achieve continuous improvement in the provision of services for the community;
- include consultation with its community in relation to the services it provides; and
- regularly report on their performance to the community.

Melton Shire Council's Corporate Planning and Reporting Framework applies these principles continuously to improve its strategic and operational planning as well as its service delivery. This ongoing improvement enables Council to maintain its flexibility to provide resources to meet the community's needs and expectations, building on our commitment to provide high quality, cost effective services and facilities that promote community wellbeing.

Risk Management

This year has seen Council consolidate the gains made last year in risk management.

- High quality reporting to the Executive, Audit Committee and Council

continues. This has enabled higher levels of accountability on mitigating risks

- We now have better communication and consultation about risk through the Risk Management Champions group
- Risk management is much more integrated into Council business processes.

Council's Role

The Local Government Act 1989 (Vic) sets out the primary purposes and objectives of Melton Shire Council and defines its functions and powers. The Council is a public statutory body incorporated under the Act. Its role is to govern the Shire of Melton in service of the community.

Melton Shire Council:

- acts as a representative government and considers community needs when making decisions;
- establishes strategic objectives for municipal services and monitors their achievement;
- ensures the responsible and accountable management of the organisation's resources;
- advocates local community interests to other communities and governments;
- is a responsible partner in government, taking the needs of other communities into account; and
- fosters community cohesion and encourages participation in civic life.

Councillor's Code of Conduct

The Councillor's Code of Conduct is designed to guide Councillors in the standards required of them by each other and the community.

In accordance with Section 76C of the Local Government Act 1989, Council reviewed the Code of Conduct within 12 months of the November 2008 general election, and adopted the revised Councillor Code of Conduct on 24 August 2009. Council varied the Code of Conduct by resolution of Council to include a requirement for Council to establish a "Register of Meetings", in which individual Councillors are required to record the details of any meetings that occur between a Councillor and a Member of Parliament, an employee of a Member of Parliament, or a representative of a commercial interest.

The Code of Conduct establishes specific standards for Councillors covering a range of areas including confidentiality, use of information, use of resources, acceptance of gifts, dispute resolution and relationships with staff and third parties.

In carrying out their role, Councillors will:

- Act with integrity
- Exercise their responsibilities impartially in the interests of the local community
- Not make improper use of their position to advantage or disadvantage any person.

In addition, in performing the role, Councillors will:

- Avoid conflicts between public duties as Councillors and personal interests and obligations
- Act honestly and avoid making oral or written statements and avoid actions that may mislead a person
- Treat all persons with respect and show due respect for the opinions, beliefs, rights and responsibilities of other Councillors, Council officers and other people
- Exercise reasonable care and diligence and submit to lawful scrutiny that is appropriate to their office
- Ensure that public resources are used prudently and solely in the public interest
- Act lawfully and in accordance with the trust required as elected representatives of the community
- Support and promote these principles by leadership and example so as to ensure the public has confidence in the office of Councillor.

The Code of Conduct is available from Council's website www.melton.vic.gov.au

Delegations

The Melton Shire Council powers under the Local Government Act 1989 (Vic) or any other Act may be delegated to a special committee of Council, to the CEO or to a Council officer via the CEO. Staff are accountable to the

CEO. The Council and its committees establish policy while staff make decisions in accordance with that policy. The exercise of delegations is subject to the Council's Instrument of Delegations.

Council Meetings

All interested members of the public are invited to attend Council's monthly meetings.

A full copy of the agenda is available on the day of the meeting from Council's website or is available in the Public Gallery section of the Council Chamber from 6.15pm on the evening of the meeting. Persons present in the Public Gallery will be given the opportunity to present any questions to Council during the meeting. All questions must be in writing and placed in the facility available in the Council Chamber Foyer by 7pm on the evening of the meeting. Questions will be directed through the Chief Executive Officer. Questions should be as brief as possible and are limited to two questions from any one person present in the Gallery.

Councillor Allowances

Councillors are paid an allowance set by Council within a prescribed range by State Legislation. The allowance range and other entitlements were reviewed by the Local Government (Councillor Remuneration Review) Panel in 2007, and changes implemented after 2008 general election of Councillors. This allowance is paid in recognition of their voluntary Councillor's roles in carrying out their civic and statutory duties as representatives of Melton Shire Council.

The Mayor and Councillor allowances for 2010-2011 financial year are listed below. This amount includes 9% superannuation contribution applicable to the basic allowances they are entitled to as per Category 2 of the prescribed schedule.

	July to November 2010	December 2010 to June 2011
Mayor's allowance	\$69,827 per annum	\$71,924 per annum
Councillor's allowance	\$22,568 per annum	\$23,245 per annum



Community Committees Representation

Name of Committee	Councillor Representative
Anthony's Cutting Reference Group	Cr Turner
Audit Committee	Cr Stock, Cr Borg
Best Start Committee	Cr Mammarella, Cr Borg, Cr Majdlik, Cr Cugliari (substitute)
Bullum Bullum Aboriginal Place CA 3A Advisory Committee	Cr Borg
Burnside Community Fund	Cr Majdlik
Calder Highway Improvement Committee	Cr Cugliari
Caroline Springs Leisure Centre Users Forum	Cr Mammarella, Cr Borg, Cr Majdlik
CEO Review Special Committee	Cr Borg, Cr Majdlik, Cr Mammarella
Collingwood / Shire of Melton Community Benefit Program	Cr Majdlik
Community Grants Assessment Panel	Cr Borg, Cr Mammarella, Cr Majdlik
Community Learning Board	Cr Borg, Cr Stock (Substitute)
Cultural and Linguistically Diverse Advisory Committee	Cr Stock
Disability Advisory Committee	Cr Majdlik
Djerriwarrh Festival Advisory Committee	Cr Borg
Establishment Support Scheme	Cr Majdlik
Heritage Advisory Committee	Cr Cugliari
Harness Racing Victoria Grants Committee	Cr Borg, Cr Cugliari
Interface Councils	Cr Mammarella
Leadwest Ltd Board	Cr Stock, Cr Ramsey (Substitute)
Learning and Innovation – West Committee	Cr Stock
Local Neighbourhood Grant Committee	Cr Mammarella
Local Priority Policing Safety Committee	Cr Mammarella, Cr Borg (Substitute)
MacPherson Park Committee of Management	Cr Borg
Melbourne Airport Noise Abatement Committee	Cr Cugliari, Cr Mammarella (Substitute)
Melton Indoor Recreation Centre Committee	Cr Borg, Cr Turner (Substitute)
Melton Waves Reference Group	Cr Ramsey, Cr Borg
Metropolitan Mayors Forum	Cr Mammarella
Metropolitan Waste Management Forum	Cr Turner, Cr Stock (Substitute)
Mt Cottrell Recreation Reserve Committee of Management	Cr Majdlik
Municipal Association of Victoria	Cr Borg, Cr Majdlik (Substitute)
Municipal Emergency Management Planning Committee	Cr Turner, Cr Ramsey and Cr Mammarella (Substitutes)
Municipal Fire Prevention Committee	Cr Turner, Cr Borg (Substitute)
PDAC (Planning & Development Advisory Committee)	Cr Mammarella, Cr Ramsey
Police & Community Consultative Committee	Cr Mammarella, Cr Majdlik,
Policy Review Panel	Cr Mammarella, Cr Borg, Cr Majdlik
Reconciliation Committee	Cr Cugliari
Road Safe Committee West Gate	Cr Ramsey
Shire of Melton Leisure & Arts Committee	Cr Borg, Cr Turner (Substitute)
Standing Committee on Local Government and Cultural Diversity	Cr Stock
Strategic Health Forum	Cr Mammarella, Cr Ramsey, Cr Turner
Sydenham Transit City Partnership	Cr Majdlik, Cr Cugliari (Substitute)
Western Highway Action Committee	Cr Borg, Cr Mammarella (Substitute)

Audit Committee

Melton Shire Council is committed to maintaining effective internal audit practices, inclusive of an Audit Committee that meets industry Best Practice guidelines. The Internal Audit function is an integral component of Melton Shire Council's commitment to good governance.

The Internal Audit Function for the period 2010-2013 is provided under contract by auditors Crowe Horwath.

The Audit Committee is an advisory body to Council. It ensures Council fulfils its corporate governance obligations, and oversees responsibilities in relation to the following:

- Application of accounting policies
- Financial management
- Effective internal control systems
- Council policies and practices
- Compliance with applicable laws, regulations and best practice guidelines
- Risk management, in particular monitoring and controlling of community and commercial risk.

Members of the Committee

The Committee is made up of three external independent persons and two Councillors with full voting rights. The Committee is chaired by one of the three external independent persons.

Members of the Committee during 2010/2011 were:

Ken Higginbotham	Chairperson (Independent External)
Adam Roberts	Independent External (to December 2010)
Alan Hall	Independent External
Mark Holloway	Independent External (from January 2011)
Garry Stock	Councillor
Broden Borg	Councillor

The Audit Committee met six times during the year and also reviewed the 2009-2010 Statement of Accounts and provided comments on the external auditors' management letter.

All recommendations of the Audit Committee were presented to Council for consideration at the next Ordinary Meeting of Council. The Administration Department provides secretarial support to the Audit Committee.

Audit Reviews Completed 2010/2011

During the 2010/2011 financial year, the following audits were undertaken by Council's Internal Auditors:

- Review on Tendering Processes
- Review on Conflicts of Interest
- Review on Family Day Care
- Review on Business Continuity Planning
- Review on Immunisation Management
- Review on Procurement & Accounts Payable

Memberships

Memberships 2010/2011	\$
Aquatics & Recreation Victoria	500
Arts Hub Australia	390
Association for Children with a Disability	50
Australasian Cemeteries & Crematoria Association	472
Autism Victoria	75
Cemeteries & Crematoria Association of Victoria	429
Community Child Care Association	0
Early Childhood Australia	340
Economic Development Australia	400
Family Day Care Australia	236
Family Day Care Victoria	560
Genealogical Society of Victoria	70
IPAA Victoria	200
Keep Australia Beautiful Victoria	1,000
Kindergarten Parents Victoria	590
LeadWest	82,994
Local Government Finance Professionals Association	575
Local Government Professionals	3,195
Municipal Association of Victoria	29,700
National Child Care Accreditation Council	101
Parks & Leisure Australia	888
Planning Institute of Australia	535
Playgroup Victoria	45
Records Management Association of Australia	1,200
Revenue Management Association	270
Risk Management Institute of Australasia	299
VECCI	10,000
Volunteering Victoria Inc	70
Western Melbourne Tourism Contribution	22,000

Memberships 2010/2011	\$
Public Libraries Victoria Network	4,143
Post and Antenatal Depression	27
PRAV	440
School Crossing Victoria Inc	150
Centre For Excellence in Child & Family Welfare	340
ECO Buy Australia	2,090
Western Alliance for Greenhouse Action	15,000
Municipal Works Officers Association	77
Safety Institute of Australia	140
Victorian Youth Mentoring Alliance	150
Victorian Men's Shed Association	10
Australian Men's Shed Association	Free
Golden Carers	40
Meals Victoria	80
Celiac Society	53
Council Arboriculture Victoria	50
Diabetes Victoria	50

Privacy Policy

Melton Shire Council believes in the responsible handling of personal information and is strongly committed to protecting individual's right to privacy. Accordingly, Council is committed to full compliance with its obligations under the Information Privacy Act 2000 (Vic). In particular, Council complies with the Information Privacy Principles contained in the Act.

Any person who feels aggrieved by Council's handling of their personal information may make a complaint to Council's Privacy Officer via telephone on 9747 7200. The complaint will be investigated within five business days and a written response provided. Alternatively, complaints may be made to the Privacy Commissioner (although the Commissioner may decline to hear the complaint if you have not first made a complaint to Melton Shire Council).

Community Engagement

Community consultation and engagement is a core ingredient in Council's Corporate Planning and Reporting Framework.

Council produces a Council Plan every four years which is subject to update and renewal in consultation with the community over the term of its currency.

Input and feedback are also sought from the community on an ongoing basis in regard to all the major strategies and policies developed and adopted by Melton Shire Council. This consultation is embedded in

Council business agendas through the obligation to address the issue of community consultation in all reports and recommendations that come before Council for consideration.

Melton Shire Council keeps the community informed of public meetings and events and other important information via our website www.melton.vic.gov.au and regular publications in local newspapers. Melton Shire Council's community newsletter 'Moving Ahead' provides relevant and timely information about Council services. 'Moving Ahead' is produced quarterly and distributed within the Shire.

Freedom of Information

The Freedom of Information Act provides the public with the opportunity to access Council documents.

In 2010/2011, Melton Shire Council received seven requests for information under the Freedom of Information Act, the results of the applications are as follows:

Result of Access	Number of Requests
Access granted in full	7
Access granted in part	0
Access denied	0
Request withdrawn	0
Request closed (no response from applicant)	0
Requests still being processed as at 30 June 2011	0
Requests transferred to another agency	0
Total Number of Requests	7

Requests for access to information under the Freedom of Information Act should be lodged with Council's Freedom of Information Officer.

Information Available for Inspection

The following information is available to the public for inspection on request at Melton Shire Council offices, 232 High Street, Melton.

- Details of current allowances fixed for the Mayor and Councillors under section 74 or 74A of the Act
- Details of senior officers' total salary packages for the current financial year and the previous year including the gross salary, the amount of the Council or employer contributions to superannuation, the value of any motor vehicle provided by the Council and the total value of any other benefits and allowances provided by Council.
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous twelve months, including the names of Council staff and the date, destination, purpose and total cost of the overseas and interstate travel

- Names of Council officers who were required to submit a Return of Interest during the financial year and the dates the returns were submitted
- Names of Councillors who submitted Returns of Interest during the financial year and the dates the returns were submitted
- Agendas for, and minutes of, ordinary and special meetings held in the previous twelve months kept under Section 93 of the Act except if the minutes relate to parts of special meetings which have been closed to members of the public under Section 89 of the Act
- A list of all special committees established by Council and the purpose for which each committee was established
- A list of all special committees established by Council which were abolished or ceased to function during the financial year
- Minutes of meetings of special committees established under Section 86 of the Act and held in the previous twelve months except if the minutes relate to parts of meetings closed to members of the public under Section 89 of the Act
- Applications for enrolment on the voters' roll under Section 12 and 13 of the Act for the immediate past roll and the next roll being prepared
- A register of delegations kept under Section 87, 88 and 98 of the Act
- Submissions received under Section 223 of the Act during the previous twelve months
- Agreements to establish regional corporations under Section 196 of the Act
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease
- A register of authorised officers appointed under Section 224 of the Act
- A list of donations and grants made by the Council during the financial year, including the names of persons or bodies that have received a donation or grant and the amount of each donation or grant
- A list of the names of the organisation of which Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by Council
- A list of contracts valued at \$100,000 (or such higher amount as may be fixed by an Order in Council) which the Council entered into during the financial year without first engaging in a competitive process which are not contracts referred to in Section 186(5) of the Act
- Council Policies

Whistleblowers Protection

Council will take all reasonable steps to protect the identity of the whistleblower. This includes the security of records whether paper or electronic. Council's General Manager Corporate Services has been appointed as the Welfare Manager responsible for looking after the general welfare of the whistleblower. An investigator will be responsible for carrying out an internal investigation into a disclosure. This may be an internal or external person. In accordance with Section 105 of the Whistleblower Protection Act 2001 ("the Act") Melton Shire Council has adopted the following:

Statement of support to whistleblowers

Melton Shire Council is committed to the aims and objectives of the Whistleblowers Protection Act 2001. It does not tolerate improper conduct by its Councillors or staff, nor the taking of reprisals against those who come forward to disclose such conduct.

Council recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Council will take all reasonable steps to protect people who make such disclosures from any detrimental action or reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

Disclosures of improper conduct or detrimental action by Council or its employees may be made to the following officers:

- Mr Peter Bean, General Manager Corporate Services; or
- Mr Kelvin Tori, Chief Executive Officer

Both are located at Council's Melton Civic Centre and can be contacted on 9747 7200.

All correspondence, telephone calls and emails from internal or external whistleblowers will be referred to Council's General Manager Corporate Services.

Where a person is contemplating making a disclosure and is concerned about approaching the Chief Executive Officer or the General Manager Corporate Services he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

Alternatively, contact may be made directly to the Ombudsman Victoria, Level 9, 459 Collins Street, Melbourne, telephone 9613 6222.

Domestic Animal Management Plan

Council adopted its Domestic Animal Management Plan in November 2008. Part of the document is an Action Plan, which sets out six key initiatives/objectives that Council will deliver on over the life of the plan. In some cases activities and initiatives will become ongoing across the life of the plan whilst in others; they will have finite lives, aimed at achieving specific objectives. Key objectives addressed during the 2010/11 from the plan were as follows:

Objective 1: Training and development - staff participated in manual handling and hazard identification training following a skills audit and attended all relevant regional and specific training opportunities during the year. New types of vehicles were introduced during the year to reduce risk of injury, improve animal welfare and provide a more effective service.

Objective 2: Responsible pet ownership - Council's web page on animal management was updated during the year and work has commenced on a range of informative and educative brochures. Council participated in additional public events this year as a way of promoting responsible pet ownership including micro chipping programs. Council continued its animal registration doorknock throughout the Shire.

Objective 3: Identification and registration - Staff have identified all non micro chipped animals on its animal system and are establishing arrangements with suitable providers to develop a subsidised program to encourage animal identification.

Objective 4: Compliance with Legislation and Orders - Staff have sought preliminary advice of enforcing compulsory desexing and micro- chipping of all animals and are developing a strategy to outline a clear way forward in this matter. "Off Leash" sites were identified by staff and are being considered as part of the review of the leisure and open space strategy.

Objective 5: Domestic animal businesses - a new program has been developed to address the annual inspection of domestic businesses.

Objective 6: Declared dogs - Council has recently completed its inspection of all premises housing declared dogs.

Council expects that over the life of the plan there will be measurable improvements in animal welfare, responsible domestic animal ownership and compliance with relevant legislation.



National Competition Policy Compliance 2010/2011

Certification by Chief Executive Officer

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

A. Trade Practices Compliance <i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i>	Compliant
B. Local Laws Compliance <i>State whether the Council is compliant or non-compliant. List all local laws made or remade during 2010-11 which impose a restriction on competition:</i>	Compliant
C. Competitive Neutrality Compliance <i>State whether the Council is compliant or non-compliant for all significant businesses. List any significant businesses that are non-compliant:</i>	Compliant

I certify that:

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

Signed: 
(Chief Executive Officer)

Date: 22/7/11



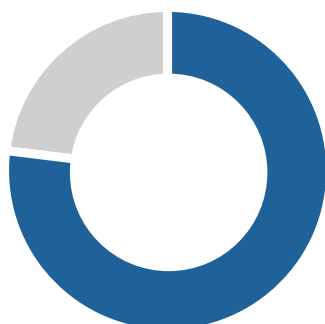
HUMAN RESOURCES

HUMAN RESOURCES

Equal Opportunity Requirements

Gender of staff

- 77.2% Female
- 22.8 % Male



Directorate	Female	Male
Office of Chief Executive	7	1
Community Services	217	45
Corporate Services	112	38
Planning and Development	50	38

Staff turnover rates Melton Shire Council (Full time & part time staff)

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of staff at 30 June	358	382	431	433	444	475
Resignations over year	48	40	45	51	42	46
Turnover Rate %	13.41	10.47	10.44	11.78	9.46	9.68

Industrial Relations

Council negotiated a three year Enterprise Agreement effective from 1 July, 2010. The key elements of the Agreement are:

- Focus on workforce planning particularly given the ageing workforce
- Training and development of staff
- Improved staff engagement processes
- Wellbeing initiatives focusing of work/life balance
- Workplace flexibility arrangements
- Greater focus on service units work improvements.

- Continued support is being provided to those with personal illnesses and injuries
- We are seeing improvements in our WorkCover performance
- Benchmarking with other Councils shows that our injury management is best practice.

Occupational Health and Safety

This has been an excellent year of improvement and consolidation.

- Council's leaders have worked hard with their teams to document all hazards to staff
- Defibrillators have been installed in the Community Hall and Caroline Springs Civic Centre
- A highly effective audit program has been developed and delivered
- The organisation has significantly improved its emergency preparedness

Injury Management

Council is continually improving the way it works with ill and injured staff.

- New approaches to managing work related illnesses and injuries are being developed

Risk Management

This year has seen much underpinning work done that will enable better risk management at Council.

- Training in risk management delivered to all organisational leaders
- New and revised policies, procedures and framework
- Extensive consultation with our leaders about our 'risk maturity' journey
- New 2011 – 2014 Strategy developed.

Leadership Development Program

Leadership development continues to be a key driver of Council's enhanced culture change program. All managers and coordinators undertake training in Stephen Covey's Seven Habits of Highly Effective People and are further developed in leadership training focusing on Coaching Skills, Presentation Skills and Interviewing Techniques.

This is further complimented with Council supporting leaders in undertaking professional development i.e. Certificate, Diploma, Degree or Master courses.

Council has also participated in the Local Government Management Association Management Challenge which is an internationally acclaimed professional and team development program that brings the best out of our present and potential leaders. In March 2011, Council had six representatives participate in the Management Challenge which is designed to deliver personal, team and organisational development.

Reward and Recognition Program

Council's Star program continues to reward and recognise staff for their achievements in two areas. The first is for their loyal service to Council and this is recognised through 5, 10, 15, 20, 25 and 30 years services

awards. The second area is recognition of outstanding performance by individuals and teams across a number of categories.

In this current year 60 staff received awards for their years of service and 16 staff were recognised for outstanding service.

Volunteers

Melton Shire Council is grateful for the valuable contribution made by volunteers who contributed their time, expertise and skills to assist across a variety of Council services, programs and events during 2010/11. The table shows how they contributed. This report does not include volunteer members on Council committees and advisory groups.

Melton Shire Council Volunteers		
Program Area	2010/11	PD Description / Role
Aged Care and Disability Programs at Melbacc	1	Assist with activities, craft, reading papers, talking, making cups of tea and chat.
Ageing Well	4	Promote healthy and active ageing across the Shire through exercise programs, and talks and promotions on Falls Prevention.
Art	17	Volunteers in delivering ArtBeat.
Events	90	Volunteers work at each of Council events throughout the year with services such as car parking, marshalling, information services and provision of food.
Environment	300	There are 17 Environment/Landcare/Waterwatch groups active in Melton Shire that participate in activities improving the land and waterways of Melton Shire including Clean Up Australia Day, National Tree Planting Day, Sustainable Cities Awards and regular planting, weeding, watering, seed collection and bird observing. Melton Shire Council won the 2010 Victorian Sustainable Cities Award with the help of these groups.
Food Services	3	Assist in food preparation, set up, packing and serving of meals.
Men's Shed	16	Shed Team Leaders supervise the delivery of programs and community projects at the Men's Shed. They support a safe, friendly and inclusive environment for men of all ages while promoting participation.
Neighbourhood House Program	22	Twenty volunteers who plan and run weekly playgroups. We have one volunteer offering admin support and one volunteer supporting our ballroom dancing class.
Planned Activity Groups	15	Volunteers assist with craft activities, exercise programs, making tea and coffees, morning tea, excursions and socialising with clients.
Visitor Information Centre	37	Volunteers at the Melton Visitor Information Centre assist with delivering a fully accredited and nationally recognised program of information service provision.
Volunteer Transport	11	Drive clients to medical appointments.
Home Library Services	11	Deliver books across the whole of Melton Shire to residents who otherwise would be unable to physically access the library.
Walking School Bus Program	12	Provides a safe, healthy and convenient way for children to travel to and from school. Each bus walks along a set route picking up children at designated stops along the way. The bus is supervised by volunteer parents who act as drivers and conductors.
Vision Talking Local Newspaper	4	Record and arrange for distribution, local newspapers for visually impaired residents.
Youth	43	Youth-led event programs that engage young people as volunteers include: Ignite Productionz, Youth magazine editorial team and skate park consultation group. The mentoring project has 16 volunteers for school based and community based one-to-one mentoring. One regular volunteer assisted with the young women's group for 2010/11.




OUR PERFORMANCE

Report against the Council Plan 2009 – 2013

In 2009, Council adopted a four-year Council Plan. Council's Annual Action Plan sets out the actions Council intends to deliver against the objectives, strategies and strategic indicators of the Council Plan for each financial year.

The 2010/11 Action Plan contained 80 actions. As at 30 June 2011, of these actions 57 were achieved, 12 were not achieved with a further 11 actions expected to be achieved by 30 September 2011.

KEY

	Achieved
	To be completed achieved by 30 September 2011
	Not achieved



Council Plan Objective 1

Community Health and Wellbeing - Improve health and wellbeing for our diverse community

Strategies

1. Ensure everyone has access to quality Council services
2. Provide opportunities for people to come together, socialise and be involved in their community
3. Improve physical, social and mental health and wellbeing for a safe, active and healthy community

Strategic Indicators

- Healthy, safe and inclusive communities
- Culturally rich and vibrant communities
- Accessibility to services provided by Council

Action	At 30 June 2011	Results
Deliver Council's Annual Event Program		Events delivered included Djerrivarrh Festival, Lakeside Live, ArtBeat and Carols by Candlelight (Melton, Caroline Springs, Diggers Rest).
Develop a three year Early Years Plan		The Municipal Early Years Plan 2010 – 2013 was adopted by Council in August 2010 and distributed to the community in February 2011.
Increase the number children attending four year old kindergarten within the municipality		Four year old kindergarten enrolments increased by of 6.4% this year.
Increase the accessibility of playgroups operating in the municipality		The number of playgroups operating within the municipality increased by 20% this year, servicing an additional 140 families.
Transition of food services to the Regional Kitchen Initiative		The successful transition of Council's food services to the Regional Kitchen was achieved, with an average of 72 meals delivered daily.
Develop quality framework for contracted kindergarten providers within the municipality		A quality framework built into kindergarten tender document to assist Council in monitoring kindergarten provider quality over the next two years. Council will continue to consult with kindergartens throughout the municipality.
Implementation of the Online Purchase Requestion System throughout Council		The system has been implemented in five Council business units and will be implemented in the remaining units by 30 September 2011. Twenty five per cent of purchase requestions are currently being processed online.
Develop Community Learning Plan for 2011-15		The Community Learning Plan 2011 - 2014, was adopted by Council in April 2011.
Deliver on the Reconciliation and Recognition Action Plan 2009-2014		All actions were delivered as scheduled for the last year including NAIDOC Week celebrations and ceremonies, and flag poles at Caroline Springs and Melton.
Produce Council's community newsletter		Council continued its regular communication with the community via quarterly Moving Ahead newsletters. Fortnightly Moving Ahead pages were published in local newspapers.

Action	At 30 June 2011	Results
Communication materials developed for special groups (CALD and sight impaired)		<p>An 'Interpreter page' in 20 languages was published in Council's March Moving Ahead newsletter and distributed to all residents. Interpreter information was made available via Council's website and corporate publications.</p> <p>Audio versions of the four Moving Ahead newsletters and a rates brochure were produced and available via Council's website.</p>
Commencement of the construction of the Springside Community Pavilion		Work on the construction of the Community Pavilion commenced onsite during March 2011 and is due to be completed by September 2011.
Deliver the actions identified from Council's Active Lifestyle Strategy		Twenty nine Active Lifestyle Strategy initiatives were delivered including the Huff and Puff program, Leisure Centre multisport days, the Club Manual launch, the Lydia Lassila Grant launch, Club Network Training, Fundraising and Sponsorship, the Responsible Serving of Alcohol Course, Food Handlers Course, Golf Course Operations Review, Club Network newsletters and new leisure groups were started.
Deliver on the delivery of the Road 2 Zero Action Plan		All scheduled actions have been completed within time-frames as set by the Action Plan.
Promote reading throughout Melton Shire		<p>The number of sessions organised this year to encourage reading and literacy at all levels were significantly increased.</p> <p>Library Strategic Plan activities included the development of collections in languages other than English, and launched August 2011.</p>
Deliver on the actions in the Access and Inclusion Strategy 2009-2013 (Opening Doors)		The Disability Action Plan was developed in accordance with Disability Act. Sixty eight per cent of the actions in the four-year Plan were delivered during 2010-11.
Safety Audit program		Only 70% of buildings were able to be checked during the past year due to staff shortages. There is now a full complement of staff.
Deliver on year one actions identified in Council's Youth Strategy Implementation Plan		<p>The youth portfolio system for staff commenced.</p> <p>The Taylors Hill project is on track for operational opening by March 2012.</p> <p>Delivery on year one actions included the introduction of two new services, the Breakfast Club and COACH mentoring, at the Youth Centre.</p> <p>Young people of Culturally and Linguistically Diverse (CALD) backgrounds were strongly involved as part of the Launch pad program. The NAIDOC Week Art Project was delivered.</p>
Deliver year one actions identified in Council's Intercultural Strategy		<p>Actions delivered this year included interpreter training for staff and a community Harmony Day event.</p> <p>The revised Terms of Reference for Council's Culturally and Linguistically Diverse Advisory Committee (CALDAC) were adopted by Council in May 2011.</p>

Council Plan Objective 2

Environment: Protecting and enhancing our environment

Strategies

1. Encourage and promote sustainable living
2. Protect and enhance our natural environment and cultural heritage
3. Enhance the quality of urban and natural environments
4. Provide services and infrastructure that are environmentally sustainable

Strategic Indicators

- Reduction of carbon footprint for future generations (e.g. Reduction in landfill, water usage, littering per annum)
- Responsible natural resource management (e.g. natural reserves, water and energy conservation)
- Environmental protection and enhancement

Action	At 30 June 2011	Results
Implement Council's Greenhouse Action Plan		Council's Greenhouse Action Plan was launched in May 2010. Green team terms of reference have since been approved by Executive and the Green Team established.
Review existing and develop a new Growth Area Framework Plan		The new Plan been completed and is awaiting State Government approval.
Develop the Green Wedge Management Plan		This project has been deferred until the urban growth boundary has been finalised following the State Government's Logical Inclusions process
Implement Council's Environmental Enhancement Program (EEP)		The annual compliance report was presented to Council at the March 2011 Council meeting. 94% of residents complied with the Environmental Enhancement Program.
Develop and implement a Litter Prevention and Surveillance Strategy.		Ongoing surveillance activities continuing in known dumping areas. Awaiting outcome of an Environmental Protection Authority grant application for a joint funded position to develop the Litter Prevention and Surveillance Strategy.
Develop a new Waste Management Strategy		The draft strategy was scheduled to be considered at the August Meeting of Council.
Preparation of a Retail / Activity Centres Strategy		A scoping paper has been prepared for this project. This project has been deferred to next year as the Urban Design Framework for the Toolern Major Activity Centre needs to be completed before work can commence.
Develop an Urban Design Framework for the Toolern Major Activity Centre		Consultants have prepared the draft plan and consulted with stakeholders. With the Greater Area Authority taking the lead in preparing the Urban Design Framework, timelines for adoption by Council have been delayed until to September 2011.
Establish the feasibility of a stockpiling and crushing facility at the Melton Recycling Facility for the supply of recycled concrete, bricks and asphalt		Review completed and presented to Council at the February meeting.
Ensure that Council meets or exceeds state Towards Zero Waste diversion targets.		A 55.39% diversion of waste was achieved, 5% over Council's target.

Council Plan Objective 3

Business and Employment: Increasing business and employment opportunities

Strategies

1. Identify and attract new investment opportunities
2. Develop and support existing businesses
3. Encourage local skill development and local employment opportunities
4. Identify requirements for future growth in business

Strategic Indicators

- Provision of training opportunities
- Business development (e.g. new business and growth of existing business)

Action	At 30 June 2011	Results
Develop Tourism Strategy 2011-14		The Tourism Strategy Review and Directions Paper presented to the Executive in May 2011, recommended to consolidate the Economic Development Strategy and Tourism Strategy. This project was delayed due to staff changes and vacancies throughout the year. There is now a full complement of staff.
Maintain the Online Business Directory		The Online Business Directory has been kept up-to-date. Currently the directory lists 726 businesses. The site had 2622 hits during the year.
Undertake Buy Local Campaign		Shopper surveys were completed and base data for program procured. This is a two year project.
Conduct Annual Business Excellence Awards		This year's Awards presentation was held at Witchmount Winery. UFS Dispensaries were awarded Business of the Year. There was 70% increase the number of entrants this year and 89% increase the number of attendees at the Awards presentation.
Deliver a series of training workshops for small business throughout the year		Fifteen events were held during the year, with 821 people participating. In March 2011, Council held a successful inaugural International Women's Day business luncheon.
Implement Economic Development Strategy (Year 3)		A draft Council report has been prepared highlighting progress of actions and general state of the economy. Awaiting final quarter ABR data and employment statistics before submitting to Council in September.

Council Plan Objective 4

Managing Growth: Ensure our fast growth is well planned and managed, and infrastructure is well maintained

Strategies

1. Proactively consult, plan, build, maintain and upgrade assets
2. Advocate for a range of housing choices to offer lifestyle options
3. Advocate for and further integrate and improve the transport network within the municipality

4. Provide access to quality infrastructure and services

Strategic Indicators

- Sustainable built and natural environment
- Enhancements to assets and service delivery
- Accessibility to community infrastructure provided by Council

Action	At 30 June 2011	Results
Construction of Arnolds Creek Community Hub facility		Arnolds Creek facility is now operational.
Construction and fit out of Morton Homestead facility		Morton Homestead facility is now operational.
Construction of Burnside Heights facility		Construction, fit-out and landscaping completed as contracted. Facility launched in April 2011.
Burnside Heights Early Years facility		Construction, fit-out and landscaping completed as contracted. Facility launched in March 2011.
Deliver year one actions identified in Council's Community Safety Plan 2010-14		All year one actions have been implemented throughout the year. Community Safety Day successfully conducted at Woodgrove Shopping Centre Graffiti removal trailer ordered Community Safety Forums held at Diggers Rest and Caroline Springs.
Deliver Council's Civil Capital Works Program		Sixty five of 76 projects/programs reached a stage of practical completion.
Maintain Road Assets in accordance with Council's Road Asset Management Plan (RAMP)		"my Data" strategic maintenance module implemented. Council scored a 59 indexed mean result for Roads and Footpaths in the CMP audit.
Establish an accelerated sealing program as a component of the Road Services Contract		Report to Council took place at the December meeting. Council decided not to go ahead with the contract.
Implementation of Aesthetic Maintenance Management System and Asset Protection systems		The Ascetic Maintenance Management System and establishment of an interface with Axim Pro Advancing were implemented.
Deliver traffic count program for the next 3 years		Contract awarded to Trans Traffic Survey in September 2010. Program Completed for 2010-2011. Two hundred and forty two counts conducted.
Creating of Public Lighting Policy for lighting in new developments		The Non-standard Public Lighting Policy was approved by Policy Review Panel in June 2011 and approved by Council August 2011 meeting.

Action	At 30 June 2011	Results
Implement, review and report on the delivery of Council's Asset Management Strategy and Road Asset Management Plan		Asset Management systems and Maloney model analysis completed. Draft Levels of Service and Road Infrastructure Risk registers completed. Draft buildings and Park condition assessment manuals complete. Consultant appointed to mentor Council staff on development of Asset Management Framework. Due to a change in focus by the MAV away from the Advanced STEP improvement program to the implementation of the National Asset Management Framework, including the requirement to meet "Core" maturity in Asset Management by December 2012. Council will need to revise the Action Plan within Council's Asset Management Strategy.
Implement new Asset Management System		All Roads and Drainage Assets migrated into new system and system fully operational.
Promotion of new community infrastructure facilities and services		<p>Quarterly updates on all major projects in the Moving Ahead community newsletter. The March edition of Moving Ahead contained 10 articles giving updates on major infrastructure projects. Monthly updates on Melton Library development in Moving Ahead page in Leader newspaper. Media releases on Arnold's Creek Community Hub, Kororoit Creek Community Centre (2x), Taylors Hill Youth & Community Hub & Reserve, Springside Pavilion and Morton Homestead.</p> <p>Media releases on Melton Library design, major contracts awarded and completion of Arnolds Creek, Melton West and Kororoit Community Hubs, Morton Homestead and Burnside Pavilion. Moving Ahead newsletters and media releases are all on website.</p>
Deliver Engineering Design of all projects and programs within Council's Civil Capital Works Program 2011/12		Fifty three projects designs completed. Six projects will rolled over to first quarter of 2011-2012.
Review, assess and approve infrastructure planning submissions from developers, consultants and service authorities.		Ninety per cent of projects completed in timeframe. Engineering plans (90%) - 24 days. Planning referrals (90%) - 11 days. OSD referrals (90%) - 15 days. Plan of Sub referrals (90%) - 11 days. Service Authority referrals (90%) - 8 days. SOC referrals (90%) - 10 days.
Complete the Engineering Standards Manual for Growth Area Councils		The Manual was adopted by Council at June 2011 meeting.
Investigate, assess and provide responses to Customer Requests, Build Over Easement Applications, Crossover Variations and Property Information Forms.		Councils Engineering unit investigates applications upon receipt and responds in writing to each applicant.
Commence planning for a new library facility in Melton Township		Designs completed and community consultation underway. Costings yet to be fully developed, subject to completion of design documentation and tender in late 2011. Provisional sum of \$7million allowed for in 2011/12 Council Budget.
Development of a Playground Strategy		The Playground Strategy has been drafted and is currently undergoing a stakeholder consultation.

Council Plan Objective 5

Leadership: Leading the organisation and the community through accountability, transparency and advocacy

Strategies

1. Practice good governance, social, economic and environmental responsibility
2. Provide clear direction and build organisational alignment
3. Develop excellent service delivery based on a culture of continual improvement, innovation and learning

4. Advocate to the State and Federal governments and to other service providers on behalf of our community

Strategic Indicators

- Compliance with legislative requirements
- Good governance practices
- Effective and efficient systems and processes
- Resourced by both State and Federal governments
- Community confident to have issues raised and addressed

Action	At 30 June 2011	Results
Implement the recommendations associated with the Bushfire Royal Commission including the annual review of Township Protection Plans and incorporation of Neighbourhood Safer Places within the Municipal Emergency Management Plan.		Four potential Neighbourhood Safer Places sites were identified with the Country Fire Authority approving one of these sites. This site was adopted by the Municipal Emergency Management Plan and Council. Township Protection Plan for Toolern Vale established.
Undertake regular reviews of the Municipal Emergency Management Plan		Reviews of the Plan were undertaken in August, November, February and May and update sent to all Municipal Emergency Management Plan stakeholders.
Development and implementation of Risk Management Strategy for 2010-13		A Risk Management Maturity Model was developed. The 2011 - 2014 Risk Management Strategy is 90% complete as at 30 June and approved by the Executive mid August.
Design, publication and promotion of Annual Report		The 2009/2010 Annual Report was published in October 2010. The 2011 Annual Report is due to the Minister by 30 September 2011. The report will be published and distributed the following month.
Review of Council's Heatwave, Pandemic and Fire Prevention Plans		The Heatwave Plan, Neighbourhood Safer Places Plan and Recovery Plan were integrated into Municipal Emergency Management Plan. The new Municipal Fire Management Plan under development and to be added to the Municipal Emergency Management Plan in November 2011. The Pandemic Plan is to remain a standalone linked plan.
Continue to rollout the implementation of Shire Safe via the Occupational Health and Safety Strategy		The Occupational Health and Safety Strategy continues to be introduced throughout Council. An internal audit of revealed that 64% of staff practices conforming to ShireSafe.
Corporate Performance and Reporting		Quarterly performance reports were presented and reviewed by Council's Audit Committee or Council.
Coordination of Council Policy reviews and maintenance of database		The Policy Intranet and Council Policy Register were maintained. Ninety five per cent of Council policies were current at 30 June 2011.
Undertake a service review and procurement process for Road Services		Outcomes of the review were presented to Council on 5 July 2010 and the contract awarded at the December Council meeting. The new contract commenced on 1 July 2011.

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Action	At 30 June 2011	Results
Undertake a service review and procurement process for Street & Footpath Sweeping Services.		The recommendations of the review were presented to Council in July 2010 and the contract awarded in December. The new contract commenced on 1 July 2011.
Undertake a service review and extend existing or procure new Hard Waste Collection Service.		The outcomes of the review were presented to Council on 25 October 2010 and the existing contract extended.
Undertake a service review and procurement process for Operation of Melton Recycling Facility The new service commenced on the 1 July 2011.		A new service contract was awarded in February 2011 by Council.
Development of operational business systems		<p>Projects status as of 30 June were: Fire Inspection System Project completed,</p> <p>Family Services Register 80% complete, Mobile Computing Requirements and Pilot 50% complete, Events Perfect-NAR Integration 50% complete, IAMS Development project under review, Electronic In/Out 80% complete, Local Laws Registers 90% complete and the Extension to Mobile Infringements has yet to commence.</p> <p>Projects scheduled to be completed by September 2011. Delays largely related to poor project planning, internal resourcing and vendor resource availability.</p>
Rollout Online Public Information Enquiries system		Awaiting vendor to implement solution which was partly delayed due to resolution of system hosting. Vendor to complete implementation by October 2011.
Review and implement the revised Organisational Development Framework		<p>The Organisational Development Framework was reviewed and the recommendations presented to the Executive in October 2010. Resignations of key staff driving this project have affected its ability to be implemented.</p> <p>The new Chief Executive has provided direction for the development of the OD Framework and work on a new version is underway.</p>
Implementation of the Employee Kiosk		Trials continue in Organisational Development and Customer Service to work through the system issues. This project has been delayed due to the Authority System requiring upgrading to 6.4 in November. This has yet to occur across the organisation as it impacts on other Council services which need to be worked through before the upgrade can occur.
Review and dissemination of planning information to developers and implement improvements		Review completed and improvements implemented. Information is now accessible to developers via the internet.
Commence online lodgement of planning applications through the SPEAR system		Ninety five per cent of planning applications are now lodged online.
Establish online services for permits, applications, registrations and tenders on Councils website		Tender and Cemetery information established online. Waiting on the vendor for Environmental Health and Local Laws online service to be implemented.

Action	At 30 June 2011	Results
Participate in Customers Service Benchmarking Surveys		Delayed due to altered staffing arrangements.
Advocate to Government for additional infrastructure funding		A total of \$4,214,650 worth of additional funding was raised community infrastructure contributing to the following projects: Calder Park Youth Community Centre, Recreational Reserve at Taylors Hill, Weather shelters for recreational reserves, Diggers Rest netball courts, multi-sports cube at Burnside Heights and Kurunjang Community Pavilion Extension
Advocate to State and Federal Governments for additional growth HACC funding for service delivery		Council received \$227,402 in growth funding.

Council Plan Objective 6

Community Engagement: Foster a well-connected and engaged community

Strategies

1. Consult and involve the community to provide responsive, high quality services and facilities
2. Enhance volunteering and leadership within the community

3. Build strong, productive relations to encourage the sharing of knowledge
4. Ensure that all groups have an equal opportunity to participate and be involved

Strategic Indicators

- Democratic and engaged communities
- Increase in volunteers in Council programs

Action	At 30 June 2011	Results
Increase proactive communication with community based recreation and leisure groups		In the 2010/11 year 260 people attended 12 training sessions. The Club User Guide was launched in September 2010 and distributed to over 85 clubs. Six bi-monthly Club Network newsletters were distributed to over 150 club volunteers.
Develop Events Strategy 2011-14		The Strategy was approved by Council on 20 December 2010.
Public Art Policy Review		The Policy was approved by Council on 26 July 2010.

Victorian Local Government Indicators

Year ended 30 June 2011

Category	Indicators	2008-2009	2009-2010	2010-2011
Overall Performance	Community satisfaction rating for overall performance generally of the Council	67	66	67
Advocacy	Community satisfaction rating for Council's advocacy and community representation on key local issues	67	63	64
Engagement	Community satisfaction rating for Council's engagement in decision making on key local issues	64	63	65
All Rates	Average rates and charges per assessment	1,239	1,305	1,382
Residential Rates	Average residential rates and charges per assessment	1,000	1,093	1,164
Operating Costs	Average operating expenditure per assessment	2,079	2,205	2,202
Capital Expenditure	Average capital expenditure per assessment	473	336	409
Infrastructure	Renewal	39%	52%	41%
	Renewal & maintenance	42%	55%	61%
Debts	Average liabilities per assessment	1,128	1,149	1,048
Operating Result	Operating result per assessment	965	1,249	1,341

Community Satisfaction Survey

As conducted by State Government annually across all local governments.

	2008	2009	2010	2010
Community satisfaction rating for overall performance generally of Council	69	67	66	67
Community satisfaction rating for overall performance in key service areas and responsibilities	67	66	65	66
Local roads and footpaths	60	60	59	59
Health and Human Services	74	73	74	72
Recreational Facilities	68	69	71	71
Appearance of Public Areas	69	67	65	67
Traffic Management and Parking Facilities	61	60	59	60
Waste Management	74	72	72	72
Enforcement of By Laws	65	64	63	63
Economic Development	65	63	60	65
Town Planning Policy and Approvals	69	66	63	65
Community satisfaction rating for Council's interaction and responsiveness in dealing with the public	73	74	75	75
Community satisfaction rating for Council's advocacy and community representation on key local issues	66	67	63	64
Community satisfaction rating for Council's engagement in decision making on key local issues	65	64	63	65

Community Grants Program 2010/2011

During 2010/2011, Melton Shire Council provided a number of grants to community groups and projects that would benefit the Shire as a whole through its three funding programs.

Grant Category	Organisation / Applicant Name	Program / Activity	Grant Amount
Community Funding Program Establishment Grants	1st Caroline Springs Sea Scouts	1st Caroline Springs Sea Scouts	\$2,500.00
	Burnside United Netball Club	Burnside United Netball Club	\$1,000.00
	Caroline Springs Auskick Centre	Caroline Springs Auskick Centre	\$2,500.00
	Caroline Springs Badminton Club	Caroline Springs Badminton Club	\$2,500.00
	Caroline Springs Volleyball Club Inc.	Caroline Springs Volleyball Club Inc.	\$2,491.51
	Cheeky Monkey's Play Group	Cheeky Monkey's Play Group	\$2,500.00
	Chinese Cultural Assoc Caroline Springs	Chinese Cultural Assoc Caroline Springs	\$2,500.00
	Da Kids Playgroup	Da Kids Playgroup	\$2,500.00
	Dolphins Basketball Club	Dolphins Basketball Club	\$2,500.00
	Elektrikaires Senior Marching Team	Elektrikaires Senior Marching Team	\$2,500.00
	Falcon Rebels	Falcon Rebels	\$2,453.50
	Hillside Family Support Group	Hillside Family Support Group	\$2,497.11
	Kororoit Creek Kinder	Kororoit Creek Kinder	\$2,500.00
	Magic Basketball Club	Magic Basketball Club	\$1,639.30
	Melton Residents Group	Melton Residents Group	\$2,500.00
	Melton Thoroughbreds CWA	Melton Thoroughbreds CWA	\$2,500.00
	Parents without Partners	Parents without Partners	\$2,500.00
	Taylors Hill Bowls Club	Taylors Hill Bowls Club	\$2,500.00
	Tiny Footsteps Playgroup	Tiny Footsteps Playgroup	\$2,500.00
	Springside Mums Playgroup	Springside Mums Playgroup	\$1,758.00
Bubaland Playgroup	Bubaland Playgroup	\$2,247.44	
Total Establishment Grants			\$49,086.86

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Grant Category	Organisation / Applicant Name	Program / Activity	Grant Amount
Community Funding Program Community Strengthening Grants	Australian Breastfeeding Association	Breast Pump Hire	\$3,099.00
	Caroline Springs Animal Welfare Network (CSAWN)	Cruelty Free Guide to the West	\$4,000.00
	Caroline Springs Cricket Club	Volunteer Skill Development Program	\$1,700.00
	Diggers Bowls	Diggers Rest Bowls Club - Community Open Day	\$4,000.00
	Kirrip Aboriginal Corporation	Melton Aboriginal Community Kitchen	\$4,000.00
	Melbourne Chinese Cultural Association	Connecting the Chinese Community to the Melton Shire Council	\$4,000.00
	Melton & District Riding for the Disabled Assoc	Melton & District RDA Upgrade	\$2,490.00
	Melton Bowling Club	Be Involved in Bowls	\$2,000.00
	Melton Combined Youth & Special Needs Club aka (Khaki Rebels)	Once in a Lifetime Event	\$2,500.00
	Melton Family History Group Inc.	Family Beginnings	\$3,900.00
	Melton Football Club Inc	Training volunteers for Sports Trainers	\$2,320.00
	Melton Football Club Juniors Inc	Update Team Equipment	\$3,834.50
	Melton Police - Melton Community Safety Register	Melton Community Safety Register (formerly Melton Senior's Register)	\$1,500.00
	Melton South Playgroup	Melton South Playgroup	\$4,000.00
	Mothers Network of Caroline Springs & Burnside	Mother's Network Kids Fit/Kindergym Program	\$4,000.00
Taylors Hill retirement Village Social Club	Staying Alive	\$3,150.00	
	Total Community Strengthening Grants		\$50,493.50
Community Funding Program Partnership Grants	3rd Melton Scouts	Get Active Expo 2011	\$4,592.00
	Compass Arts Downunder	Inside Out Pilot Project	\$10,000.00
	Djerriwarrh Health Services	Spice of Life	\$9,797.00
	Melton District Tennis Assoc	Get Active Expo Tennis	\$5,000.00
	Kirrip Aboriginal Corp	Strong & Proud	\$10,000.00
	Melton Basketball Assoc	MBA Primary Aged School Clinics/ Competition	\$3,945.00
	Central Highlands General Practice Network	Closing the Gap	\$3,700.00
	Toolern Vale Landcare Group	Community Vegetable Garden Partnership	\$4,776.00
	Total Partnership Grants		\$51,810.00
	Total Community Funding Program		\$151,390.36

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Grant Category	Organisation / Applicant Name	Program / Activity	Grant Amount
Community Assistance and Sponsorship Program	Tracey Troon	Open Horse Show	\$1,500.00
	Dickson Heaney	Annual community raffle - Rotary Club	\$4,000.00
	Canteen	National Bandanna Day	\$150.00
	Kamma Clarke	Western Youth Futures/Youth Now Vet Awards	\$400.00
	Variety the Children's Charity	Variety Xmas Party	\$1,100.00
	Doreen Cutajar	Cancer Council Relay for Life	\$200.00
	Amber Lucas	Kurunjang Secondary College Deb Ball	\$1,100.00
	Barry Leslie	Red Cross Calling	\$500.00
	Victoria Police	Victoria Police African Forum	\$3,000.00
Community Contribution and Sponsorship Grants	Grant Harrison	Westgate Blue Ribbon Foundation	\$500.00
	1st Taylors Lakes Scout Group	Camp in Tas - Wildayz	\$750.00
	Simon Camilleri	Promotion - Caroline Springs and Melton Social Soccer Groups	\$2,650.00
	Sunshine George Cross	Senior Soccer Goals	\$3,395.00
	Sunshine George Cross	1 Substitute Players Bench	\$2,400.00
	Lucy Charters	Participation in volunteer Eco Students Abroad Program to Ecuador	\$750.00
	1st Taylors Lakes Scout Group	Assist with purchase custom built kitchen trailer	\$1,000.00
	Racheal Downing	Dragon Boat World Championships	\$750.00
	Gabrielle Burnes	School Sports Aust Athletics Championships Darwin	\$500.00
	John & Pam Shepheard	Variety Vic Bash	\$500.00
Hillside Football Club	Change of Name	\$4,000.00	
Gwyneth Hammond & Norma Murray	Melton Trauma Teddy - Red Cross	\$1,000.00	
Total Community Contribution and Sponsorship Grants			\$30,145.00

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Grant Category	Organisation / Applicant Name	Program / Activity	Grant Amount
Community Assistance and Sponsorship Program Resident Achievement Grants	Steven Robertson	2010 Aust Indoor Cricket Open Championships Sydney	\$500.00
	Christian Surci	Vic U12 Rugby Championships - Adelaide	\$500.00
	Joshua Lee Hartford	Tas Dancesport Open Championships	\$500.00
	Roache Gauci	FATD Nat Capitol Dancesport South Pacific Championships	\$500.00
	Andrea Whittey	South Pacific Dancesport Championships Sydney	\$200.00
	Breanna Stockman	Aust Martial Arts Championships Sydney	\$500.00
	Brittany Wunhym	Aus U14 Girls Club Championships	\$500.00
	Scott Lindsay	Premier Dancesport Competition Dec 10	\$250.00
	Naomi Lindsay	Premier Dancesport Competition Sep 10	\$250.00
	Dylan Knight	U19 Vic Cricket Team	\$500.00
	Faustina Maae	11yo girls shot put National Championships	\$500.00
	Lachlan Smith	Rep Vic National Futsal Championships Canberra	\$500.00
	Nelly Fox-Tino	ISV State Netball U14 Nat team NSW	\$500.00
	Lulu Fox-Tino	ISV State Netball U14 Nat team NSW	\$500.00
	Zachary Santamaria	Aust U15 Volleyball Championships Albury NSW	\$500.00
	Joshua Lee-Hartford	Dancesport Competition Adelaide	\$480.00
	Jamie Ross	Masketta Falls EP Recording & Release	\$500.00
	Kyle Morrison	Play Baseball for Aust in Japan	\$750.00
	Kristy Robertson	Aust Nat Dancesport Championships Adelaide	\$500.00
	Lachlan Cossens	Telstra Aust Nat Swimming Championships Sydney	\$200.00
	Hayden Millard	Aust Junior Indoor Cricket National Championships Wantirna	\$500.00
	Hayley Saliba	Australian National Gymnastics Championships	\$500.00
	Lorenzo Fiu	NSW JRU State Championships	\$500.00
	Zak Wunhym	Boys 15 years & Under Football Championships Canberra	\$500.00
	Christian Carlyon	Joining Scouts (hardship)	\$178.00
	Ruby Guppy	2011 Vic State Track & Field Championships	\$500.00
	Terence McKinley	Australian Legends Dart Championships Gosford	\$500.00
	Tobey Courts	NZ National Kyokushin Karate Championships	\$750.00

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Grant Category	Organisation / Applicant Name	Program / Activity	Grant Amount	
Community Assistance and Sponsorship Program	Darcey Courts	NZ National Kyokushin Karate Championships	\$750.00	
	Emily Jane Smith	School Sports Vic U16 Girls Football Team	\$500.00	
	Alexandra Bulic	Youth Commonwealth Games Isle of Man	\$750.00	
	Resident Achievement Grants	David Szabo	Australian Junior Indoor Cricket Championships	\$500.00
		Steven Szabo	Australian Junior Indoor Cricket Championships	\$500.00
		Total Resident Achievement Grants	\$16,058.00	
		Total Community Assistance and Sponsorship Grants	\$46,203.00	
		Total Community Funding Program/CASP Grants	\$197,593.36	

Grant Category	Organisation / Applicant Name	Program / Activity	Grant Amount	
Shire of Melton / Collingwood Community Benefit Program	Lions Club of Caroline Springs & District	Extension of Playground Equipment at Springlake Park	\$10,000.00	
	Hillside Community Centre Playgroups	Cubby House for Hillside Community Centre	\$2,764.78	
	Rockbank Football Sporting Club	Safety Equipment	\$2,000.00	
	Banchory Grove Playgroup	Banchory Grove Playgroup Equipment	\$2,900.00	
	Capital/ Infrastructure/ Equipment Grants (Eastern Corridor)	1st Caroline Springs Sea Scouts	Equipment for 1st Caroline Springs Sea Scouts	\$2,665.00
		Caroline Springs Songsters	Establishment and Annual Concert	\$2,575.00
		Hillside Tennis Club	Safety Fences and Gates	\$10,000.00
		1st Taylors Lakes Scout Group (Melton Shire based)	Equipment Grant	\$4,699.00
		Total Infrastructure Equipment Grants (Eastern Corridor)	\$37,603.78	
Community Benefit Program	Eynesbury Bugs Playgroup	Playgroup Equipment	\$2,715.53	
	Melton Shire Council Youth Services	Making Connections Textiles Program	\$2,800.00	
	Djerriwarrh Health	Melton Homework Group	\$1,316.00	
	St Anthony's Cricket	Junior Training Equipment	\$1,875.00	
	Capital/ Infrastructure/ Equipment Grants (Melton)	Melton Garden Club	Audio Equipment	\$1,358.95
		Willows Quilting Group	Drinking Urns and Quilt Stand	\$285.00
		Melton South Community Centre	Multifunction printer/fax/scanner	\$650.00
		Total Infrastructure Equipment Grants (Melton)	\$11,000.48	

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Grant Category	Organisation / Applicant Name	Program / Activity	Grant Amount
Community Benefit Program Community Support (Eastern Corridor)	MG07 Rockbank Playgroup	Playgroup 2010/11	\$5,000.00
	Becca Way Playgroup	Becca Way Playgroup program	\$5,000.00
	Melton Shire Council Leisure Services	Huff n Puff	\$4,475.00
	Mothers Network of Caroline Springs & Burnside	Kid Fit Program	\$3,000.00
	Hillside Community Centre	Menopause Program	\$1,490.00
	Caroline Springs Seniors Group	Seniors Programs	\$5,000.00
	Burnside Springs United Cricket Club	Junior Start Up Program	\$3,000.00
		Total Community Support Grants (Eastern Corridor)	\$26,965.00
Community Benefit Program Community Support (Melton, Round 1)	Melton Cricket Club	Melton Female Cricket Program	\$4,450.00
	Operation Newstart Western	iLeaD2010 – adventure program for at risk students	\$5,000.00
	MacKillop Family Services	Siblings Program	\$3,946.00
	Melton Basketball Association	MBA Primary Aged Group Basketball Clinics	\$4,035.00
		Total Community Support (Melton)	\$17,431.00
		Total Shire of Melton/Collingwood Community Benefit Program	\$93,000.26

Grant Category	Organisation / Applicant Name	Program / Activity	Grant Amount
Shire of Melton / Harness Racing Victoria Community Grant Program Infrastructure/ Equipment Grants	Melton Fire Brigade	Portable Night Lights	\$2,400.00
	Willows Quilting Group	Storage Unit	\$439.00
	Melton South Community Centre	Playgroup & Childcare Furniture & Equipment	\$989.00
	Melton South Jnr Football Club	Melton Recreation Reserve Players Bench/ Coaches	\$7,500.00
	Warranooke Riding Club	Poles for Equestrian Show Jumping	\$3,500.00
	Multiple Sclerosis Ltd	Project Cool – Air conditioner for Opportunity Shop	\$1,582.00
		Total Infrastructure/ Equipment Grants	\$16,410.00

- OUR PERFORMANCE -

Grant Category	Organisation / Applicant Name	Program / Activity	Grant Amount
Shire of Melton / Harness Racing Victoria Community Grant Program Community Support Grants	Zonta Club of Melton	International Women's Day	\$2,000.00
	Melton Combined Youth & Special Needs	Blackwood 2011	\$3,790.00
	Melton & District Adult Riding Club	Open Horse Show 2012	\$2,000.00
	Mothers Network of Caroline Springs	It's not always Easy being a Parent	\$2,000.00
	Melton Owls CWA Branch	Melton Owls Banner	\$800.00
	Melton West Saints Cricket	Melton Junior Cricket Association	\$2,000.00
	Lakeview Later Years Campus CS	Performing Arts Event	\$6,000.00
		Total Infrastructure/Equipment Grants	\$16,410.00
Shire of Melton / Harness Racing Victoria Community Grant Program	Melton West Primary School	School Wellbeing Program	\$5,000.00
	Wedge Park Primary School	Building Resilience & Self Esteem for School Community	\$5,000.00
Student Welfare Grants	Diggers Rest Primary School	Diggers Rest Dig In	\$5,000.00
		Total Student Welfare Grants	\$15,000.00
		Total Shire of Melton/Harness Racing Victoria Community Grant Program	\$50,000.00
Summary	Community Funding Program		\$151,390.36
	Community Assistance and Sponsorship Grants		\$46,203.00
	Total CFP and CASP		\$197,593.36
	Shire of Melton / Collingwood Community Benefit Program		\$93,000.26
	Shire of Melton / HRV Community Grant Program		\$50,000.00
	TOTAL Combined Community Funding 2010/11		\$340,593.62



AUDITED STATEMENTS

MELTON SHIRE COUNCIL

STANDARD STATEMENTS

For the Year Ended 30 JUNE 2011

NOTES TO THE STANDARD STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. Basis of preparation of Standard Statements

Council is required to prepare and include audited Standard Statements within its Annual Report.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on an accounting basis consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Report.

The Standard Statements are not a substitute for the General Purpose Financial Report, which are included on pages 59 to 110 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent. Explanations have not been provided for variations below materiality threshold unless the variance is considered to be material because of its nature.

The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Report on pages 59 to 110. The detailed budget can be obtained by contacting Council or through Council's website. The Standard Statements must be read with reference to these documents.

**STANDARD INCOME STATEMENT
FOR THE YEAR ENDING 30 JUNE 2011**

	Budget 2010/11 \$'000	Variations \$'000	%	Ref	Actuals 2010/11 \$'000
Revenue					
Rates	59,058	968	1.6%		60,026
Statutory fees and fines	1,553	227	14.6%	1	1,780
User charges	4,207	38	0.9%		4,245
Grants	22,113	597	2.7%		22,710
Developer contributions & reimbursements	41,905	16,967	40.5%	2	58,872
Other revenue	1,606	292	18.2%	3	1,898
Interest	1,480	454	30.7%	4	1,934
Recognition of previously unrecognised non-current assets	-	2,977	100.0%	5	2,977
Total revenue	131,922	22,520			154,442
Expenses					
Employee benefits	32,366	(884)	(2.7)%		31,482
Materials and services	42,129	3,024	7.2%		45,153
Bad and doubtful debts	-	26	100.0%	6	26
Depreciation and amortisation	16,649	485	2.9%		17,134
Borrowing costs	1,712	135	7.9%		1,847
Fair value adjustments for investment property	-	165	100.0%	7	165
Assets written off	-	376	100.0%	8	376
Total expenses	92,856	3,327			96,183
Net gain/(loss) on disposal of assets	398	(416)	(104.5)%	9	(18)
Surplus (deficit) for the period	39,464	18,777			58,241

STANDARD INCOME STATEMENT
FOR THE YEAR ENDING 30 JUNE 2011

Variance Explanation Report		
Ref	Item	Explanation
1	Statutory fees and fines	The variance is due to parking fines increasing as additional Law Enforcement Officers were recruited and targeted enforcement programs completed. There has also been increased subdivisional activity bring additional subdivisional fees.
2	Developer contributions & reimbursements	Due to the large growth of the Council it is difficult to estimate the timing and therefore the valuation of the asset contributions to Council.
3	Other revenue	The variance was due to additional income for events that was not budgeted for but was offset by additional expenditure. There was also an increased demand at Leisure Centre Kiosk's resulting in additional catering revenue.
4	Interest	Council's cash position was much stronger during the year due to delays in capital works projects, therefore there was additions funds to invest than originally anticipated.
5	Recognition of previously unrecognised non-current assets	Amount not budgeted for.
6	Bad and doubtful debts	All attempts are made to recover outstanding debts and therefore these are not budgeted for.
7	Fair value adjustments for investment property	The value of investment property fair value increases/decreases are not taken into account in the preparation of the budget.
8	Assets written off	Written off assets not budgeted for.
9	Net gain/(loss) on disposal of assets	Due to revaluation of land and buildings effecting the carrying values of assets to be sold.

**STANDARD BALANCE SHEET
FOR THE YEAR ENDING 30 JUNE 2011**

	Budget 2010/11 \$'000	Variance \$'000	%	Ref	Actuals 2010/11 \$'000
Current assets					
Cash and cash equivalents	28,090	8,460	30.1%	10	36,550
Trade and other receivables	5,248	801	15.3%	11	6,049
Inventories	-	61	100.0%	12	61
Non-current assets classified as held for sale	2,136	(2,136)	(100.0)%	13	-
Total current assets	35,474	7,186			42,660
Non-current assets					
Property, plant and equipment, infrastructure	761,141	243,120	31.9%	14	1,004,261
Inventories	-	289	100.0%	15	289
Investment property	-	6,574	100.0%	16	6,574
Financial assets	-	1,362	100.0%	17	1,362
Intangibles	-	5,973	100.0%	18	5,973
Total non-current assets	761,141	257,318			1,018,459
Total assets	796,615	264,504			1,061,119
Current liabilities					
Payables	4,943	1,081	21.9%	19	6,024
Employee benefits	1,463	3,481	237.9%	20	4,944
Interest bearing liabilities	3,918	(291)	(7.4)%		3,627
Other liabilities	1,064	1,752	164.7%	21	2,816
Total current liabilities	11,388	6,023			17,411
Non-current liabilities					
Employee benefits	3,072	(1,598)	(52.0)%	22	1,474
Interest bearing liabilities	23,329	559	2.4%		23,888
Other liabilities	3,190	(454)	(14.2)%	23	2,736
Total non-current liabilities	29,591	(1,493)			28,098
Total liabilities	40,979	4,530			45,509
Net assets	755,636	259,974			1,015,610
Equity					
Accumulated surplus	547,737	92,578	16.9%	24	640,315
Reserves	207,899	167,396	80.5%	25	375,295
Total equity	755,636	259,974			1,015,610

**STANDARD BALANCE SHEET
FOR THE YEAR ENDING 30 JUNE 2011**

Variance Explanation Report		
Ref	Item	Explanation
10	Cash and cash equivalents	Variation is due to delays in the completion capital works of capital works projects during the year. There was also a difference of approximately \$5.5m in the budgeted opening cash position.
11	Trade and other receivables	Variation is mainly due to the sale of land and buildings during the year which will not settle until November 2011 of \$425k.
12	Inventories	Inventories for cemetery land had not been budgeted for.
13	Non-current assets classified as held for sale	Land that had been earmarked for sale at time of the preparation of budget had subsequently not been sold.
14	Property, plant and equipment, infrastructure	Revaluation of land and buildings, roads and drains had occurred in the previous year after the budget had been prepared. There had also been a subsequent revaluation of land in the current year. There were also adjustments to prior year figures in the prior year accounts which had occurred after the preparation of the budget.
15	Inventories	See note 12.
16	Investment property	The budgeted figures had been included in the property plant and equipment line item.
17	Financial assets	Not included in budgeted balance sheet.
18	Intangibles	Not included in budgeted balance sheet.
19	Payables	The variation is due to timing of key contract payment instalments and finalisation of capital works projects.
20	Employee benefits	Actual figures include movement of Long Service Leave from non current to current. Greater number of employees with higher long service leave balances than anticipated.
21	Other liabilities	Decrease due to timing of the maintenance period of completed capital works. The Council withholds final payment on certain projects until the maintenance period has expired.
22	Employee benefits	Actual figures include movement of Long Service Leave out of non current to current.
23	Other liabilities	Payment from trust for completed capital works projects.
24	Accumulated surplus	The variance is due to additional developer contributions, refer note 2 and movements in property plant and equipment infrastructure, refer note 14.
25	Reserves	Increase in Reserves is due to revaluation of assets which was not budgeted for.

**STANDARD CASH FLOW STATEMENT
FOR THE YEAR ENDING 30 JUNE 2011**

	Budget 2010/11 \$'000	Variance \$'000	%	Ref	Actuals 2010/11 \$'000
Cash flows from operating activities					
Receipts from rates and other customers	69,470	5,092	7.3%		74,562
Payments to suppliers	(44,884)	(9,523)	21.2%	26	(54,407)
Net cash inflow (outflow) from customers/suppliers	24,586	(4,431)			20,155
Interest received	1,480	291	19.7%	27	1,771
Grants and contributions	22,113	(149)	(0.7)%		21,964
Other receipts	1,858	1,272	68.5%	28	3,130
Employees	(30,866)	73	(0.2)%		(30,793)
Trust Moneys	-	684	100.0%	29	684
Borrowing costs	(1,712)	(135)	7.9%		(1,847)
GST refunds	-	5,417	100.0%	30	5,417
Net cash inflow (outflow) from operating activities	(7,127)	7,453			326
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment, infrastructure	1,048	(202)	(19.3)%	31	846
Payments for intangibles	-	(3,100)	100.0%	32	(3,100)
Payments for property, plant and equipment, infrastructure	(21,071)	3,358	(15.9)%	33	(17,713)
Net cash inflow (outflow) from investing activities	(20,023)	56			(19,967)
Cash flows from financing activities					
Proceeds from interest bearing loans and borrowings	3,600	-	0%		3,600
Repayment of interest bearing loans and borrowings	(3,642)	48	(1.3)%		(3,594)
Net cash inflow (outflow) from financing activities	(42)	48			6
Net increase (decrease) in cash and cash equivalents	(2,606)	3,126	(119.9)%		520
Cash and cash equivalents at the beginning of the year	30,532	5,498	18.0%	34	36,030
Cash and cash equivalents at the end of the year	27,926	8,624			36,550

Reconciliation of Surplus (Deficit) and Net Cash Flows from Operating Activities For the year ending 30 June 2011

Surplus (deficit)	39,464	18,777	47.6%		58,241
Depreciation and amortisation	16,649	485	2.9%		17,134
Developer Contributions	(41,905)	(8,749)	20.9%	35	(50,654)
(Profit)/Loss on sale of property, plant and equipment, infrastructure	398	(4)	(1.0)%		394
Fair value adjustments for investment property	-	165	100.0%	36	165
Recognition of previously unrecognised non-current assets	-	(2,977)	100.0%	37	(2,977)
Net movement in current assets and liabilities	(222)	(1,600)	720.7%	38	(1,822)
Net cash inflow (outflow) from operating activities	14,384	6,097			20,481

**STANDARD CASH FLOW STATEMENT
FOR THE YEAR ENDING 30 JUNE 2011**

Variance Explanation Report		
Ref	Item	Explanation
26	Payments to suppliers	Cashflows to suppliers are higher than budgeted due to timing of payments of large operational contract payments towards the end of the prior year.
27	Interest received	Refer note 4.
28	Other receipts	The variance is mainly due to the inclusion of trust moneys in the budgeted figure.
29	Trust Moneys	Trust moneys not seperately identified in the budgeted cashflow.
30	GST refunds	GST refunds not seperately identified in the budgeted cashflow.
31	Proceeds from sale of property, plant and equipment, infrastructure	Not as many plant sale occurred as budgeted for.
32	Payments for intangibles	Included in budgeted payments of property, plant and equipment infrastructure.
33	Payments for property, plant and equipment, infrastructure	Due to delays in the completion of capital works, refer note 39.
34	Cash and cash equivalents at the beginning of the year	Refer to note 10.
35	Developer Contributions	Refer to note 3.
36	Fair value adjustments for investment property	Fair value adjustments for investment property is not in the budgeted cashflow.
37	Recognition of previously unrecognised non-current assets	Refer to note 5.
38	Net movement in current assets and liabilities	Variation due to the larger than budgeted accounts payable and employee provision balances at year end.

**STANDARD STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDING 30 JUNE 2011**

	Budget 2010/11 \$'000	Variances \$'000	%	Ref	Actuals 2010/11 \$'000
Roads	6,420	(2,989)	(46.6)%		3,431
Drainage	132	(8)	(6.1)%		124
Recreation	4,712	(3,571)	(75.8)%		1,141
Buildings	6,875	2,380	34.6%		9,255
Other Infrastructure	-	-	100.0%		-
Plant and equipment	1,595	(361)	(22.6)%		1,234
Furniture and fittings	697	(299)	(42.9)%		398
Land	-	1,664	100.0%		1,664
Other	640	(136)	(21.3)%		504
Total capital works	21,071	(3,320)	(15.8)%	39	17,751

Represented by:

Renewal	5,192	(2,743)	(52.8)%		2,449
Upgrade	2,746	1,893	68.9%		4,639
New assets	13,133	(2,470)	(18.8)%		10,663
Total capital works	21,071	(3,319)			17,751

Property, plant and equipment, infrastructure movement reconciliation worksheet	Budget 2010/11 \$'000	Variances \$'000	%	Ref	Actuals 2010/11 \$'000
The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:					
Total capital works	21,071	(3,320)	(15.8)%		17,751
Asset revaluation movement	-	26,820	100.0%		26,820
Developer Contributions	37,052	13,600	36.7%		50,652
Depreciation and amortisation	(16,649)	(312)	1.9%		(16,961)
Written down value of assets sold	398	(1,089)	(273.6)%		(691)
Assets written off	-	(376)	100.0%		(376)
Other movements		4,202	100.0%		4,202
Net movement in property, plant and equipment, infrastructure	41,872	39,525			81,397

**STANDARD STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDING 30 JUNE 2011**

Variance Explanation Report		
Ref	Item	Explanation
39	Total capital works	The current year actual figures includes capital works carried over from prior year budgets. The carry forward capital works from the prior year amounts to \$6.2m, which then increase the budgeted figure to \$27.2m. The difference between the actual of \$17.7m and the budget plus carry forward capital works of \$27.2m is \$9.5m. Major projects not completed include \$0.78m Neal Road due to native vegetation issues, \$1.8m Gourlay Road Duplication due to wet weather, \$1.5m Westwood Drive bridge delayed due to land acquisition issues and 0.47m Melton Library Design works. There was also a reallocation of Kororoit Creek Early Learning Centre to intangible assets during the year amounting to \$3.1m.

Certification of Standard Statements

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989*, the *Local Government (Financial and Reporting) Regulations 2004*.



Thurairajah Shanmugapalan CPA
Principal Accounting Officer

Dated: 12 September 2011

In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

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

We have been authorised by the Council on 1 September 2011 to certify the standard statements in their final form.



Cr. Justin Mammarella
Mayor

Dated: 12 September 2011



Cr. Broden Borg
Deputy Mayor

Dated: 12 September 2011



Kelvin Tori
Chief Executive Officer

Dated: 12 September 2011

MELTON SHIRE COUNCIL

ANNUAL FINANCIAL REPORT For the Year Ended 30 JUNE 2011

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Melton Shire Council Financial Report for the year ended 30 June 2011

COMPREHENSIVE INCOME STATEMENT

Income	Note	2011 \$'000	2010 \$'000
Rates	2	60,026	53,318
Statutory fees and fines	3	1,911	1,644
User charges	4	5,869	5,648
Grants	5	21,550	20,796
Contributions - Cash	6 (a)	6,991	4,692
Contributions - Non-Monetary Assets	6 (b)	50,654	50,387
Reimbursements	7	1,227	2,033
Other revenue	8	1,303	1,369
Interest		1,934	1,257
Recognition of previously unrecognised non-current assets		2,977	-
Total income		154,442	141,144
Expenses			
Employee benefits	10	31,482	27,596
Materials and services	11	45,153	44,278
Bad and doubtful debts	12	26	19
Depreciation and amortisation	13	17,134	15,156
Borrowing costs	14	1,847	1,835
Net loss (profit) on sale of property, plant and equipment	9	18	(62)
Assets written off	9	376	1,272
Fair value adjustments for investment property	20 (a)	165	95
Total expenses		96,201	90,189
Surplus for the year		58,241	50,955
Other comprehensive income			
Net asset revaluation increment (decrement)	27	26,820	131,272
Financial assets available for sale reserve - Gain/(loss) taken to equity	20 (b)	(262)	595
Comprehensive result		84,799	182,822

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

Melton Shire Council Financial Report for the year ended 30 June 2011

BALANCE SHEET

Assets	Note	2011 \$'000	2010 \$'000
Current assets			
Cash and cash equivalents	15	36,550	36,030
Trade and other receivables	16	6,049	5,654
Inventories	21	61	81
Land classified as held for sale	22	-	172
Total current assets		42,660	41,937
Non-current assets			
Property, infrastructure, plant and equipment	18	1,004,261	922,864
Inventories	21	289	292
Investment property	20 (a)	6,574	8,002
Financial assets	20 (b)	1,362	1,624
Intangible assets	17	5,973	3,045
Total non-current assets		1,018,459	935,827
Total assets		1,061,119	977,764
Liabilities			
Current liabilities			
Payables	23	6,024	7,246
Employee benefits	25	4,944	4,379
Interest bearing liabilities	26	3,627	3,594
Other liabilities	24	2,816	4,191
Total current liabilities		17,411	19,410
Non-current liabilities			
Employee benefits	25	1,474	1,350
Interest bearing liabilities	26	23,888	23,915
Other liabilities	24	2,736	2,278
Total non-current liabilities		28,098	27,543
Total liabilities		45,509	46,953
Net Assets		1,015,610	930,811
Equity			
Accumulated surplus		640,315	588,706
Reserves	27	375,295	342,105
Total Equity		1,015,610	930,811

The above balance sheet should be read with the accompanying notes

Melton Shire Council Financial Report for the year ended 30 June 2011

STATEMENT OF CHANGES IN EQUITY

	Note	Total 2011 \$'000	Accumulated Surplus 2011 \$'000	Asset Revaluation Reserve 2011 \$'000	Other Reserves 2011 \$'000
2011					
Balance at beginning of the financial year		930,811	588,706	330,486	11,619
Comprehensive result		84,799	58,241	26,820	(262)
Transfers to other reserves	27	-	(8,541)	-	8,541
Transfers from other reserves	27	-	1,909	-	(1,909)
Balance at end of the financial year		1,015,610	640,315	357,306	17,989

	Note	Total 2010 \$'000	Accumulated Surplus 2010 \$'000	Asset Revaluation Reserve 2010 \$'000	Other Reserves 2010 \$'000
2010					
Balance at beginning of the financial year		747,989	539,895	199,214	8,880
Comprehensive result		182,822	50,955	131,272	595
Transfers to other reserves	27	-	(4,666)	-	4,666
Transfers from other reserves	27	-	2,522	-	(2,522)
Balance at end of the financial year		930,811	588,706	330,486	11,619

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

Melton Shire Council Financial Report for the year ended 30 June 2011

CASH FLOW STATEMENT

	Note	Inflows/(Outflows) 2011 \$'000	Inflows/(Outflows) 2010 \$'000
Cash flows from operating activities			
Rates		59,688	53,157
Statutory fees and fines		1,827	1,606
User charges (inclusive of GST)		6,656	5,487
Grants received (inclusive of GST)		21,964	21,372
Contributions and reimbursements (inclusive of GST)		8,218	6,725
Interest received		1,771	1,220
Receipt of trust monies		684	1,376
Other receipts (inclusive of GST)		1,303	1,369
Net GST refund/(payment)		5,417	4,450
Payments to suppliers (inclusive of GST)		(54,407)	(51,633)
Payments to employees		(30,793)	(27,218)
Borrowing costs		(1,847)	(1,644)
Net cash provided by (used in) operating activities	28a	20,481	16,267
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(17,713)	(12,909)
Payments for intangibles	17	(3,100)	-
Proceeds from sale of property, plant and equipment, infrastructure	9	846	1,679
Net cash provided by (used in) investing activities		(19,967)	(11,230)
Cash flows from financing activities			
Proceeds from borrowings		3,600	5,500
Repayment of borrowings		(3,594)	(3,313)
Net cash provided by (used in) financing activities		6	2,187
Net increase (decrease) in cash and cash equivalents		520	7,224
Cash and cash equivalents at the beginning of the financial year		36,030	28,806
Cash and cash equivalents at the end of the financial year	15	36,550	36,030
Non cash financing and investing activities			
Financing arrangements	29		
Restrictions on cash assets	30		

The above cash flow statement should be read with the accompanying notes

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Introduction

- (a) The Melton Shire Council was established by an Order of the Governor on 15 December 1994 and is a body corporate. The Council's main office is located at 232 High Street, Melton.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

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

Note 1 Significant accounting policies

(a) Basis of Accounting

This financial report has been prepared on the accrual and going concern bases.

This financial report has been prepared under the historical cost convention, except where specifically stated.

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

(b) Revenue Recognition

Rates, grants and contributions

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

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

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

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

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 1 Significant accounting policies (Continued)

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

User fees and fines

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

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, plant and equipment, infrastructure

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

Trade and other receivables

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

Rental

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental; payments received in advance are recognised as a prepayment until they are due.

Interest

Interest is recognised progressively as it is earned.

Dividends

Dividend revenue is recognised when the Council's right to receive payment is established.

(c) Trade and other receivables

Trade and other receivables

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

Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 1 Significant accounting policies (Continued)

(d) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles

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

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

Road earthworks are not depreciated.

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

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

	2010/11
Road - Seals	20 years
Road - Pavements	10-70 years
Road - Earthworks	N/A
Bridges	25-100 years
Drainage	80-100 years
Recreation reserve	3-30 years
Other	20-100 years
Plant and machinery	5 years
Buildings	50 years
Furniture and fittings	3-5 years
Land	N/A
Land under roads	N/A
Library assets	10 years

(e) Repairs and maintenance

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

(f) Borrowing costs

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

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

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 1 Significant accounting policies (Continued)

(g) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

The following classes of assets have been recognised in note 18. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold Limit \$
Road - Seals	10,000
Road - Pavements	10,000
Road - Earthworks	10,000
Bridges	25,000
Drainage	25,000
Recreation reserve	1,000
Other	Nil
Plant and machinery	1,000
Buildings	Nil
Furniture and fittings	1,000
Land	Nil
Land under roads	Nil
Library assets	Nil

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 1 Significant accounting policies (Continued)

(g) Recognition and measurement of assets (cont.)

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the cost basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

(h) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(i) Financial assets

Managed funds are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(j) Investments

Investments (non-financial), other than investments in associates, are measured at cost.

(k) Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the comprehensive income statement.

(l) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 24).

(m) Employee benefits

Wages and salaries

Liabilities for wages and salaries and rostered days off are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled.

Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 1 Significant accounting policies (Continued)

(m) Employee benefits (cont.)

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Classification of employee benefits

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 15%.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 31.

(n) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(o) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an 'as incurred' basis.

(p) Web site costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 1 Significant accounting policies (Continued)

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Impairment of assets

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

(s) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

(t) Non-current assets held for sale

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non current assets, disposal groups and related liabilities assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

(u) Investment property

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term.

(v) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 1 Significant accounting policies (Continued)

(w) New Accounting Standards and Interpretations

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
<p>AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]</p>	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; * removing the tainting rules associated with held-to-maturity assets; * simplifying the requirements for embedded derivatives; * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and 	<p>Applicable for annual reporting periods commencing on or after 1 January 2013.</p>	<p>These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments</p>

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 1 Significant accounting policies (Continued)

(w) New Accounting Standards and Interpretations (cont.)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
	<p>* reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:</p> <p>a. the objective of the entity's business model for managing the financial assets; and</p> <p>b. the characteristics of the contractual cash flows.</p>		
AASB 124: Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.
AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 2 Rates

2011
\$'000

2010
\$'000

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and improvements. The valuation base used to calculate general rates for 2010/2011 was \$14,533,778,100 (2009/2010 \$12,360,650,250)

The rate in the CIV dollar was:

	2011	2010
Developed	0.0032461	0.003241
Vacant	0.0048567	0.005638
Quarries	0.0080512	0.008970
Retirement Village	0.0027826	0.003259
Residential (Including Retirement Village)	39,418	35,059
Commercial	2,557	2,250
Industrial	2,265	2,055
Rural	4,386	4,091
Municipal charge	4,368	3,956
Garbage charge	6,765	5,662
Interest on rates	267	245
	60,026	53,318

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation first applied to the rating period commencing 1 July 2010.

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

Note 3 Statutory fees and fines

Infringements and costs	685	561
Town planning fees	133	134
Land information certificates	98	107
Permits	793	617
Property Information Requests	202	225
	1,911	1,644

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 4 User charges	2011 \$'000	2010 \$'000
Recreation fees	820	807
Child care and children's program fees	409	450
Aged services fees	531	548
Registration fees	634	600
Building services fees	233	220
Youth program fees	57	42
Council governance fees	4	51
Infrastructure management fees	868	579
Health program fees	43	28
Subdivision fees	871	895
Transfer Station fees	928	626
Sundry fees and charges	471	802
	5,869	5,648

Note 5 Grants

Grants were received in respect of the following:

Recurrent

<i>Commonwealth Government</i>		
Roads to Recovery	602	602
Family and children	182	191
Other	652	1,691
	1,436	2,484
<i>Victorian Grants Commission</i>		
Unallocated	8,793	7,992
Local roads	1,333	1,055
	10,126	9,047

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 5 Grants (continued)	2011 \$'000	2010 \$'000
Recurrent		
<i>State Government</i>		
Aged and disability services	3,185	2,908
Children's services	1,651	1,665
Community support and development	895	1,017
Environment	282	417
Recreation and leisure	340	510
Community health	96	82
Roads	15	57
Libraries	662	642
Business growth and sustainability	-	12
Planning and Development	10	60
Youth Services	73	25
Other	154	147
	7,363	7,542
Total recurrent	18,925	19,073

Non-recurrent		
<i>Commonwealth Government</i>		
Family and children	200	78
Environment	-	350
Other	98	693
	298	1,121

<i>State Government</i>		
Aged and disability services	47	-
Business growth and sustainability	22	-
Children's services	219	300
Community support and development	34	-
Community safety	65	79
Recreation and leisure	682	37
Roads	733	
Environment	120	119
Family, youth and housing	400	40
Other	5	27
	2,327	602

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 5 Grants (continued)	2011 \$'000	2010 \$'000
Non-recurrent		
Total non-recurrent	2,625	1,723
Total grants	21,550	20,796

Conditions over grants

Grants which were recognised as revenues during the year and which were obtained on the condition that they be expended in a specified manner but had yet to be applied in that manner as at the reporting date were:

Community infrastructure	7,487	4,160
	7,487	4,160

Grants which were recognised as revenues in previous periods and were expended during the current year in the manner specified by the grantor were:

Community infrastructure	1,017	2,522
	1,017	2,522
Net increase/(decrease) in restricted assets resulting	6,470	1,638

Note 6 Developer contributions

(a) Cash

Contributed cash	6,868	4,590
Street lighting	123	102
	6991	4692

(b) Non-Monetary Assets

Land	2,750	4,493
Land under roads	3,334	2,705
Roads	30,416	23,785
Drainage	14,154	19,404
	50,654	50,387
Total	57,645	55,079

Note 7 Reimbursements

Road maintenance	388	408
Child Care Assistance	839	1,026
Network Contribution Rebates	-	599
	1,227	2,033

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 8 Other revenue	2011 \$'000	2010 \$'000
Home and Community	125	122
Festival sponsorship	101	32
Program Revenue	678	741
Other	399	474
	1,303	1,369

Note 9 Disposal of property, plant and equipment

Plant, furniture and equipment

Proceeds from sale of assets	421	404
Written down value of assets sold	(397)	(436)
Profit/(loss) on sale of plant, furniture and equipment	24	(32)

Land and buildings

Proceeds from sale of assets	253	1,275
Written down value of assets sold	(295)	(1,181)
Profit/(loss) on sale of land and buildings	(42)	94

Land held for Resale

Proceeds from sale of assets	172	-
Written down value of assets sold	(172)	-
Profit/(loss) on sale of land held for resale	-	-

Proceeds from sale of assets	846	1,679
Written down value of assets sold	(864)	(1,617)
Profit/(loss) on sale of assets	(18)	62

Library books

Proceeds from sale of assets	-	-
Written down value of assets written off	(146)	(131)
Profit/(loss) on disposal of land and buildings	(146)	(131)

Road assets

Proceeds from sale of assets	-	-
Written down value of assets written off	(135)	-
Profit/(loss) on disposal of land and buildings	(135)	-

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 9 Disposal of property, plant and equipment (continued)	2011 \$'000	2010 \$'000
Drainage assets		
Proceeds from sale of assets	-	-
Written down value of assets written off	(86)	-
Profit/(loss) on disposal of land and buildings	(86)	-
Other assets		
Proceeds from sale of assets	-	-
Written down value of assets written off	(9)	(1,141)
Profit/(loss) on disposal of land and buildings	(9)	(1,141)
Written down value of assets written off	(376)	(1,272)

Note 10 Employee benefits

Salaries and wages	24,174	22,262
Casual staff	1,056	1,220
Annual leave and long service leave	1,291	852
Superannuation	2,311	1,925
Superannuation - Defined benefit call	920	-
Other	1,730	1,337
	31,482	27,596

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 11 Materials and services	2011 \$'000	2010 \$'000
Administrative support	3,450	3,350
Program expenses Youth, Family, Aged and Children Services	2,992	2,856
Contract payments	18,133	15,030
Utilities	2,351	2,722
Garbage collection and disposal	1,564	946
Consultants	719	481
Maintenance	10,308	13,267
Professional fees	1,425	1,168
Audit fees	125	131
Contributions and donations	565	873
Environmental services	807	828
Insurances	819	828
Council governance	225	224
Civic promotion and planning	366	296
Recreation programs	402	552
Regulatory services	202	226
Health Services	40	1
Transport and vehicle operations	660	499
	45,153	44,278

Note 12 Bad and doubtful debts

Bad debts	10	8
Provision for doubtful debts	16	11
	26	19

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 13 Depreciation and amortisation	2011 \$'000	2010 \$'000
Buildings	1,862	1,484
Plant and machinery	587	519
Furniture and equipment	1,144	1,259
Library books	422	527
Infrastructure		
Roads and streets	9,200	7,857
Bridges	177	160
Drainage	2,099	1,822
Recreation facilities	1,360	1,169
Others	111	187
Intangible assets	172	172
	17,134	15,156

Note 14 Borrowing costs

Interest - borrowings	1,847	1,835
	1,847	1,835

Note 15 Cash and cash equivalents

Cash on hand	4	5
Cash at Bank	405	3,748
Short Term Investments	36,141	32,277
	36,550	36,030

Users of the financial report should refer to Note 30 for details of restrictions on cash assets and Note 32 for details of existing Council commitments.

Note 16 Receivables

Current

Rates debtors	2,876	2,538
Parking infringement debtors	217	133
Other debtors	3,386	3,568
Less: provision for doubtful debts on other debtors	(694)	(686)
Accrued interest	264	101
	6,049	5,654
Total receivables	6,049	5,654

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 17 Intangible assets	2011 \$'000	2010 \$'000
Non-Exclusive Licences		
- Caroline Springs College Creekside Campus	1,108	1,182
- Springside Childrens and Community Centre	1,765	1,863
- Koroiot Creek Early Learning Centre	3,100	-
	5,973	3,045

- The Department of Education and Early Childhood Development and the Caroline Springs College have granted non-exclusive licences to the Melton Shire Council to use the Creekside facility. Amortisation of the licence is expensed over the term of the licence until the 30 June 2026.

- The Department of Education and Early Childhood Development has granted non-exclusive licences to the Melton Shire Council to use the Springside and Koroiot Creek facilities. Amortisation of the licence is expensed over the term of the licence until the 30 June 2029 (Springside) and 30 June 2031 (Koroiot Creek).

Gross carrying amount	Non-Exclusive Licences \$'000	Total \$'000
Balance at 1 July 2009	3,440	3,440
Additions	-	-
Balance at 1 July 2010	3,440	3,440
Additions	3,100	3,100
Balance at 30 June 2011	6,540	6,540

Accumulated amortisation and impairment

Balance at 1 July 2009	(222)	(222)
Amortisation expense	(172)	(172)
Balance at 1 July 2010	(394)	(394)
Amortisation expense	(172)	(172)
Balance at 30 June 2011	(566)	(566)

Net book value at 30 June 2010	3,045	3,045
Net book value at 30 June 2011	5,975	5,975

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 18 Infrastructure, property, plant and equipment	2011 \$'000	2010 \$'000
Land		
At fair value	274,058	238,806
	274,058	238,806
Land under roads		
At fair value	8,126	4,792
	8,126	4,792
Buildings		
At fair value	91,802	91,372
At cost	9,605	-
Less accumulated depreciation	(30,602)	(28,192)
	70,805	63,180
Plant and machinery		
At cost	3,633	3,155
Less accumulated depreciation	(1,498)	(1,269)
	2,135	1,886
Furniture and equipment		
At cost	10,497	10,097
Less accumulated depreciation	(8,596)	(7,452)
	1,901	2,645
Library books		
At cost	3,792	3,580
Less accumulated depreciation	(1,722)	(1,446)
	2,070	2,134

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 18 Infrastructure, property, plant and equipment (Continued)

	2011 \$'000	2010 \$'000
Infrastructure assets		
<i>Roads - Surfacing</i>		
At cost	262	-
At fair value	70,497	65,971
Less accumulated depreciation	(24,060)	(19,905)
	46,699	46,066
<i>Roads - Substructure</i>		
At cost	749	-
At fair value	224,998	213,709
Less accumulated depreciation	(20,626)	(18,089)
	205,121	195,620
<i>Roads - Earthworks</i>		
At cost	76	-
At fair value	55,570	52,793
	55,646	52,793
<i>Kerb and Channel</i>		
At cost	110	-
At fair value	45,919	43,782
Less accumulated depreciation	(10,432)	(9,606)
	35,597	34,176
<i>Traffic Management</i>		
At cost	397	1,841
At fair value	27,246	23,437
Less accumulated depreciation	(1,811)	(1,361)
	25,832	23,917
<i>Car Parks</i>		
At cost	1,112	-
At fair value	2,421	2,421
Less accumulated depreciation	(845)	(789)
	2,688	1,632

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 18 Infrastructure, property, plant and equipment (Continued)	2011 \$'000	2010 \$'000
<i>Footpaths</i>		
At cost	628	88
At fair value	81,054	73,371
Less accumulated depreciation	(16,251)	(15,117)
	65,431	58,342
<i>Bridges</i>		
At cost	1,528	1,432
At fair value	8,306	8,306
Less accumulated depreciation	(2,844)	(2,667)
	6,990	7,071
<i>Drainage works</i>		
At cost	124	100
At fair value	211,395	197,282
Less accumulated depreciation	(32,352)	(30,256)
	179,167	167,126
<i>Recreation facilities</i>		
At cost	6,146	5,005
At fair value	19,242	19,242
Less accumulated depreciation	(9,612)	(8,251)
	15,776	15,996
<i>Others</i>		
At cost	81	81
At fair value	2,765	2,783
Less accumulated depreciation	(959)	(857)
	1,887	2,007
<i>Works in progress</i>		
Buildings at cost	3,042	4,662
Roads at cost	1,243	-
Recreation facilities at cost	47	13
	4,332	4,675

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 18 Infrastructure, property, plant and equipment (Continued)	2011 \$'000	2010 \$'000
Summary		
At cost	43,072	30,054
At fair value	1,123,399	1,038,067
Less accumulated depreciation	(162,210)	(145,257)
Total infrastructure, property, plant and equipment	1,004,261	922,864

Land was revalued at 30 June 2011, buildings revalued at 30 June 2010, undertaken by a qualified independent valuer (Landlink Opteon, the municipal valuers). The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Road and Street infrastructure assets were revalued at 30 June 2010 by Council Engineers. Drainage infrastructure assets were revalued at 30 June 2010 by Council Engineers. Infrastructure assets revalued at other times were conducted independently by Mr. P. Maloney Dip CE, MIE Aust of Maloney Asset Management Systems Ltd. The basis of the infrastructure revaluation was written down replacement cost. Recreational and other infrastructure assets were revalued at 30 June 2009 by Council Engineers.

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 19 Reconciliation of non-current asset carrying amounts for the year ended 30 June 2011

2011	WDV at end of previous period	Additions: Purchases	Transfers	Developer contributed assets (Note 6)	Disposals (Note 9)	Net revaluation increments/ (decrements) (Note 27)	Depreciation expense (Note 13)	Movements in Assets Available for Sale	Other Movements	Balance at end of the year
Asset Class	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	238,806	1,664	-	2,750	-	26,820	-	-	4,018	274,058
Land Under Roads	4,792	-	-	3,334	-	-	-	-	-	8,126
Buildings	63,179	4,936	4,662	-	(294)	-	(1,862)	184	-	70,805
Plant & Equipment	1,885	1,234	-	-	(397)	-	(587)	-	-	2,135
Furniture & Fittings	2,647	398	-	-	-	-	(1,144)	-	-	1,901
Library Books	2,134	504	-	-	(146)	-	(422)	-	-	2,070
<i>Infrastructure</i>										
Roads - Surfacing	46,066	262	-	4,526	-	-	(4,155)	-	-	46,699
Roads - Substructures	195,619	749	-	11,336	(26)	-	(2,557)	-	-	205,121
Roads - Earthworks	52,793	76	-	2,793	(16)	-	-	-	-	55,646
Footpaths	58,342	628	-	7,708	(93)	-	(1,154)	-	-	65,431
Kerb and Channel	34,176	110	-	2,136	-	-	(825)	-	-	35,597
Car Parks	1,632	1,112	-	-	-	-	(56)	-	-	2,688
Traffic Management	23,918	397	-	1,968	-	-	(451)	-	-	25,832
Bridges	7,071	97	-	-	-	-	(178)	-	-	6,990
Drainage	167,126	124	-	14,101	(86)	-	(2,098)	-	-	179,167
Recreation	15,996	1,141	-	-	-	-	(1,361)	-	-	15,776
Others	2,007	-	-	-	(9)	-	(111)	-	-	1,887
WIP	4,675	4,319	(4,662)	-	-	-	-	-	-	4,332
Total	922,864	17,751	-	50,652	(1,067)	26,820	(16,961)	184	4,018	1,004,261

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 19 Reconciliation of non-current asset carrying amounts for the year ended 30 June 2011 (Continued)

2010	WDV at end of previous period	Additions: Purchases	Transfers	Developer contributed assets	Disposals	Net revaluation increments/ (decrements)	Depreciation expense	Movements in Assets Available for Sale	Other Movements	Balance at end of the year
Asset Class	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	172,717	299	-	4,494	(11)	60,010	-	1,297	-	238,806
Land Under Roads	2,026	28	33	2,705	-	-	-	-	-	4,792
Buildings	62,643	810	809	-	-	778	(1,484)	145	(522)	63,179
Plant & Equipment	1,883	957	-	-	(436)	-	(519)	-	-	1,885
Furniture & Fittings	3,191	715	-	-	-	-	(1,259)	-	-	2,647
Library Books	2,473	320	-	-	(131)	-	(528)	-	-	2,134
<i>Infrastructure</i>										
Roads - Surfacing	44,516	-	-	3,019	-	2,406	(3,876)	-	-	46,066
Roads - Substructures	149,437	-	-	7,087	-	41,044	(1,949)	-	-	195,619
Roads - Earthworks	52,793	-	-	-	-	-	-	-	-	52,793
Footpaths	54,513	88	1,113	7,959	-	(4,488)	(843)	-	-	58,342
Kerb and Channel	31,971	-	-	2,474	-	494	(763)	-	-	34,176
Car Parks	1,688	-	-	-	-	-	(56)	-	-	1,632
Traffic Management	17,731	1,422	419	3,248	-	1,470	(370)	-	-	23,918
Bridges	6,872	346	12	-	-	-	(160)	-	-	7,071
Drainage	119,886	100	-	19,404	-	29,558	(1,822)	-	-	167,126
Recreation	13,719	3,900	(454)	-	-	-	(1,169)	-	-	15,996
Others	3,255	81	-	-	(1,141)	-	(187)	-	-	2,007
WIP	1,932	4,675	(1,932)	-	-	-	-	-	-	4,675
Total	743,246	13,741	-	50,390	(1,719)	131,272	(14,985)	1,442	(522)	922,864

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 20 (a) Investment property	2011 \$'000	2010 \$'000
Opening balance	8,002	8,377
Transfers to land and buildings	(1,263)	(280)
Additions	-	-
Revaluation Increment/(Decrement)	(165)	(95)
Total	6,574	8,002

Valuation of investment property has been determined in accordance with an independent valuation by Landlink-Opteon who has recent experience in the location and category of the property being valued.

Note 20 (b) Financial Assets

Unlisted shares - Regional Kitchen Pty Ltd		
Council's share of accumulated surplus(deficit):		
Council's share of accumulated surplus(deficit) at start of year	830	830
Reported surplus(deficit) for year	-	-
Council's share of accumulated surplus(deficit) at end of year	830	830

Movement in carrying value of specific investment		
Carrying value of investment at start of year	1,624	1,029
Share of surplus(deficit) for year	(18)	559
Adjustment to Council's equity share	(244)	36
Carrying value of investment at end of year	1,362	1,624

Council's share of expenditure commitments		
Operating commitments	25	117
	25	117

Note 21 Inventories

Current		
Land for Interment Purposes	61	81
Non-current		
Land for Interment Purposes	289	292
Total Inventories	350	373

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 22 Land classified as held for sale	2011 \$'000	2010 \$'000
Opening balance	172	2,813
Reclassification - transfers to land	-	(1,642)
Additions	-	172
Sales (WDV)	(172)	(1,171)
Total	-	172

Note 23 Payables

Creditors	4,970	6,423
Accrued Expense	1,054	823
	6,024	7,246

Note 24 Other liabilities

Current

Maintenance Bonds	1,347	1,121
Construction retention monies	1,469	3,070
	2,816	4,191

Non-current

Maintenance Bonds	2,736	2,278
	2,736	2,278
	5,552	6,469

Note 25 Employee benefits

Current (i)

Annual leave	2,246	1,962
Long service leave	2,698	2,417
	4,944	4,379

Non-current

Long service leave	1,474	1,350
	1,474	1,350
Total employee benefits	6,418	5,729

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Annual leave

It is expected that \$2,109,715 of the liability is to be settled no more than 12 months after the reporting date. This is measured at nominal value. It is expected that \$136,275 of the liability is to be settled more than 12 months after the reporting date. This is measured at present value.

Long service leave

It is expected that \$146,140 of the liability is to be settled no more than 12 months after the reporting date. This is measured at nominal value. It is expected that \$4,025,752 of the liability is to be settled more than 12 months after the reporting date. This is measured at present value.

The following assumptions were adopted in measuring the present value of long service leave and retiring gratuity:

	2011	2010
Weighted average increase in employee costs	4.600%	4.475%
Weighted average discount rates	5.278%	5.160%
Weighted average settlement period	12	12

(i) Current

All annual leave entitlements, and the long service leave entitlements representing 10 or more years of continuous service, are classified as current liabilities.

Note 26 Interest bearing liabilities

	2011 \$'000	2010 \$'000
Current		
Loans- secured	3,627	3,594
	3,627	3,594
Non-current		
Loans- secured	23,888	23,915
	23,888	23,915
Total interest-bearing liabilities	27,515	27,509

The maturity profile for Council's borrowings is:

	2011	2010
Not later than one year	3,627	3,594
Later than one year and not later than five years	21,089	18,817
Later than five years	2,799	5,098
	27,515	27,509

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 27 Reserves		
(a) Asset revaluation surplus		
Balance at beginning of reporting period	330,486	199,214
Increment (decrement)	26,820	131,272
Balance at end of reporting period	357,306	330,486
(b) Other reserves		
Balances		
Street trees/drainage	909	878
Economic development	-	17
Community infrastructure	15,607	9,137
Asset replacement	997	892
Perpetual Maintenance	104	100
Public Art	39	-
Available for Sale Financial Assets	333	595
Total other reserves	17,989	11,619
Total reserves	375,295	342,105

	Opening balance \$'000	Movement \$'000	Closing balance \$'000
Asset revaluation surplus			
Net movement in asset valuations			
Land	156,712	26,820	183,532
Buildings	2,721	-	2,721
Roads	110,470	-	110,470
Bridges	2,067	-	2,067
Drains	54,787	-	54,787
Recreation	3,099	-	3,099
Other	630	-	630
Total	330,486	26,820	357,306

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 27 Reserves (Continued)	2011 \$'000	2010 \$'000
Street trees/drainage		
<i>Developer contributions for provision of drainage assets and street beautification</i>		
Balance at beginning of the financial year	878	837
Transfer from accumulated surplus	31	41
Transfer to accumulated surplus	-	-
Balance at end of the financial year	909	878
Economic development		
<i>Provision of economic development initiatives</i>		
Balance at beginning of the financial year	17	16
Transfer from accumulated surplus	-	1
Transfer to accumulated surplus	(17)	-
Balance at end of the financial year	-	17
Community infrastructure		
<i>Provision of community infrastructure in developing subdivisions</i>		
Balance at beginning of the financial year	9,137	7,499
Transfer from accumulated surplus	7,487	4,160
Transfer to accumulated surplus	(1,017)	(2,522)
Balance at end of the financial year	15,607	9,137
Asset replacement		
<i>Provision for ongoing replacement of plant and equipment</i>		
Balance at beginning of the financial year	892	528
Transfer from accumulated surplus	911	364
Transfer to accumulated surplus	(806)	-
Balance at end of the financial year	997	892
Perpetual Maintenance		
<i>Provision for cemetery perpetual maintenance</i>		
Balance at beginning of the financial year	100	-
Transfer from accumulated surplus	4	100
Transfer to accumulated surplus	-	-
Balance at end of the financial year	104	100

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 27 Reserves (Continued)		
Public Art Reserve		
<i>Provision for public art</i>		
Balance at beginning of the financial year	-	-
Transfer from accumulated surplus	108	-
Transfer to accumulated surplus	(69)	-
Balance at end of the financial year	39	-
Available for Sale Financial Assets		
<i>Provision for movements in available for sale financial assets. (Regional Kitchen Refer 20 (b))</i>		
Balance at beginning of the financial year	595	-
Gain taken to equity	-	595
Loss taken to equity (note 20(b))	(262)	-
Balance at end of the financial year	333	595

Note 28a Reconciliation of operating result with net cash from operations

Surplus for the year	58,241	50,955
Depreciation and amortisation	17,134	15,156
Developer contributed assets included as revenue	(50,654)	(50,387)
(Profit)/loss on disposal property, plant and equipment	394	1,210
Fair value adjustments for investment property	165	95
Recognition of previously unrecognised non-current assets	(2,977)	-
Change in assets and liabilities		
(Increase)/decrease in rate debtors	(338)	(161)
(Increase)/decrease in other receivables	(57)	(804)
Increase/(decrease) in payables	(1,222)	(2,597)
Increase/(decrease) in provisions and other payables	(228)	3,173
(Increase)/Decrease in inventories	23	(373)
Net cash provided by operating activities	20,481	16,267

Note 28b Non-cash financing and investing activities

During the reporting period, Council acquired property with an aggregate fair value of \$50,654,343 by means of developer contributions (2009/2010 \$50,386,505). These acquisitions are not reflected in the Cash Flow Statement.

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 29 Financing arrangements	2011 \$'000	2010 \$'000
Bank overdraft		
Facility available	1,900	1,900
Unused facility	1,900	1,900

Bank overdraft facilities could be drawn at any time as per the existing banking agreement.

Note 30 Restricted assets

Council has cash and cash equivalents (Note 15) that are subject to restrictions. As at the reporting date, Council has legislative restrictions in relation to employee entitlements (Long Service Leave) and developer contributed reserve funds.

Long service leave-cash and investments	3,849	3,538
Reserve Funds	17,989	11,619
Other restricted asset include:		
- Trust funds (note 24)	5,552	6,469
	27,390	21,626

Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 25 due to a different basis of calculation prescribed by the regulation.

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 31 Superannuation

Post - Employment Benefit

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

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Plan

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

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

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

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

Following an actuarial review conducted by the Trustee in late 2010, as at 31 December 2008, a funding shortfall of \$71 million for the Fund was determined. A call to Employers for additional contributions was made for the financial year 30 June 2011. The amount of the call for Melton Shire Council was \$919,768 and this amount was paid prior to 30 June 2011. A further actuarial review will be undertaken as at 31 December 2011 by mid 2012. Based on the result of this review, a detailed funding plan will be developed and implemented to achieve the target of fully funding the Fund by 31 December 2013. The Melton Shire Council will be notified of any additional required contributions by late 2012.

Accounting Standard Disclosure

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

	31-Dec-08 \$'000
Net Market value of Assets	3,630,432
Accrued Benefits (per accounting standard)	3,616,422
Difference between Assets and Accrued Benefits	14,010
Vested benefits	3,561,588

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 31 Superannuation (Continued)

Vested benefits

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

	31-Dec-08 \$'000
Net Investment Return	8.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

Details of contributions to the superannuation fund during the year and contributions payable at 30 June 2011 are as follows:

	2011 \$'000	2010 \$'000
Fund		
<i>Defined benefit plan</i>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super) *	1,179	209
	1,179	209

* Includes \$919,768 relating to additional call made in 2011.

Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	-
	-	-

<i>Accumulation funds</i>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,052	1,716
	2,052	1,716

Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	104	-
	104	-

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 32 Commitments for capital and other expenditure	2011 \$'000	2010 \$'000
At the reporting date, the municipality had entered into contracts for the following capital and other expenditures:		
Garbage collection and disposal	2,182	4,392
Kerbside recycling collection	3,647	6,677
Health services and cleaning services	360	1,051
Corporate Services	809	880
Parks maintenance services	14,040	18,261
Road maintenance	29,207	6,103
Recycling facility operations	8,531	1,031
Building Services	9,251	4,234
Leisure Services	699	-
IT Services	430	-
Social	-	400
	69,156	43,029
These expenditures are due for payment:		
Not later than one year	29,549	21,698
Later than one year and not later than five years	39,607	21,331
Later than five years	-	-
	69,156	43,029

Note 33 Contingent liabilities and contingent assets

Contingent liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Contingent assets

Developer contributions to be received in respect of estates currently under development is in the range of \$45m to \$50m. (2009/10, \$35m to \$40m).

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 34 Financial instruments

(a) Accounting Policy, terms and conditions

Recognised Financial Instruments	Accounting Policy	Terms and Conditions
Financial assets		
Cash and cash equivalents	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.</p>	<p>On call deposits returned a floating interest rate of between 4.50% to 4.75% (2.45% to 4.50% in 2009/2010). The interest rate at balance date was 4.75% (4.64% in 2009/2010).</p> <p>Funds returned fixed interest rate of between 5.84% to 6.60% (3.98% to 5.84% in 2009/2010) net of fees.</p>
Trade and other receivables		
Other debtors	<p>Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectibility of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and arrears attract an interest rate of 10.5% (10% in 2009/2010). Credit terms are based on 30 days.</p>
Financial liabilities		
Trade and other payables	<p>Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.</p>	<p>General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice date.</p>
Interest-bearing loans and borrowings	<p>Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.79% during 2010/2011 (6.78% 2009/2010).</p>
Bank overdraft	<p>Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.</p>	<p>The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. The interest rate on available overdraft facility was 9.62% during 2010/2011 (9.12% in 2009/2010). The interest rate as at balance date was 9.76% (9.33% in 2009/2010).</p>

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 34 Financial instruments (Continued)

(b) Interest rate risk

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

2011	Floating Interest Rate	Fixed Interest Maturing in:			Non-Interest Bearing	Total	Average Interest Rate	
		1 year or less	Over 1 to 5 years	More than 5 years			Floating	Fixed
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Financial assets								
Cash assets	405	36,141	-	-	4	36,550	4.75%	5.97%
Receivables	-	-	-	-	6,049	6,049	-	-
Available for Sale	-	-	-	-	1,362	1,362	-	-
	405	36,141	-	-	7,415	43,961		
Financial liabilities								
Payables	-	-	-	-	6,024	6,024	-	-
Int. bearing liabilities	-	3,627	21,089	2,799	-	27,515	-	6.79%
Trust funds	-	-	-	-	4,083	4,083	-	-
	-	3,627	21,089	2,799	10,107	37,622		

2010	Floating Interest Rate	Fixed Interest Maturing in:			Non-Interest Bearing	Total	Average Interest Rate	
		1 year or less	Over 1 to 5 years	More than 5 years			Floating	Fixed
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Financial assets								
Cash assets	3,748	32,277	-	-	5	36,030	4.50%	5.84%
Receivables	-	-	-	-	5,654	5,654	-	-
Available for Sale	-	-	-	-	1,624	1,624	-	-
	3,748	32,277	-	-	7,283	43,308		
Financial liabilities								
Payables	-	-	-	-	7,246	7,246	-	-
Int. bearing liabilities	-	3,594	18,817	5,098	-	27,509	-	6.78%
Trust funds	-	-	-	-	3,399	3,399	-	-
	-	3,594	18,817	5,098	10,645	38,154		

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 34 Financial instruments (continued)

(c) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value. The net fair value of other monetary financial assets and financial liabilities is based on discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

	2011		2010	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
Financial assets				
Cash assets	36,550	36,550	36,030	36,030
Receivables	6,049	6,049	5,654	5,654
Available for Sale	1,362	1,362	1,624	1,624
	43,961	43,961	43,308	43,308
Financial liabilities				
Payables	6,024	6,024	7,246	7,246
Int. bearing liabilities	27,515	26,998	27,509	26,467
Trust funds	4,083	4,083	3,399	3,399
	37,622	37,105	38,154	37,112

(d) Credit risk

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

(e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

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

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 34 Financial instruments (continued)

(e) Risks and mitigation (Continued)

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

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

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

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

Credit risk

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

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

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 33.

	2011 \$'000	2010 \$'000
Movement in Provisions for Doubtful Debts		
Balance at the beginning of the year	686	755
New Provisions recognised during the year	16	11
Amounts already provided for and written off as uncollectible	(7)	(80)
Balance at end of year	695	686

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 34 Financial instruments (continued)

2011 \$'000	2010 \$'000
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Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

Current (not yet due)	1,622	1,088
Past due by up to 30 days	1,303	1,750
Past due between 31 and 180 days	118	1,558
Past due between 181 and 365 days	715	765
Past due by more than 1 year	2,985	1,179
Total Trade & Other Receivables	6,743	6,340

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$853,517 (2010: \$686,314) were impaired. The amount of the provision raised against these debtors was \$853,517 (2010: \$686,314). The individually impaired debtors relate to general and sundry and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

	2011 \$'000	2010 \$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	3	11
Past due by more than 1 year	692	675
Total Trade & Other Receivables	695	686

Liquidity risk

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

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

To help reduce these risks we:

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

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

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts.

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 34 Financial instruments (continued)

	6 Months of less	6-12 Months	1-2 Years	2-5 Years	>5 Years	Contracted Cash Flow	Carrying Amount
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2011							
Trade and other payables	6,024	-	-	-	-	6,024	6,024
Trust funds and deposits	1,408	1,408	2,736	-	-	5,552	5,552
Interest-bearing loans and borrowings	2,740	2,737	8,823	13,982	5,781	34,063	27,515
Total financial liabilities	10,172	4,145	11,559	13,982	5,781	45,639	39,091
2010							
Trade and other payables	7,246	-	-	-	-	7,246	7,246
Trust funds and deposits	2,096	2,096	2,278	-	-	6,469	6,469
Interest-bearing loans and borrowings	2,720	2,720	5,232	15,518	8,976	35,166	27,509
Total financial liabilities	12,062	4,816	7,510	15,518	8,976	48,881	41,224

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are reasonably possible over the next 12 months (Base rates are sourced from Reserve Bank of Australia):
 - A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 5.97%.

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

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	-2% -200 basis points		1% 100 basis points	
		Profit	Profit	Profit	Profit
		\$'000	\$'000	\$'000	\$'000
2011					
<i>Financial assets:</i>					
Cash and cash equivalents	36,546	(731)	(731)	365	365

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	-2% -200 basis points		1% 100 basis points	
		Profit	Profit	Profit	Profit
		\$'000	\$'000	\$'000	\$'000
2010					
<i>Financial assets:</i>					
Cash and cash equivalents	36,025	(721)	(721)	360	360

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 35 Related party transactions

(a) Names of persons holding the position of a responsible person at the Melton Shire Council during the reporting period are:

Councillors

21 October 2001 - Current	Sophie Ramsey
1 December 2004 - Current	Renata Cugliari
21 October 2001 - Current	Garry Stock
1 December 2004 - Current	Justin Mammarella (Mayor 2 December 2009 - current)
10 December 2008 - Current	Broden Borg
10 December 2008 - Current	Kathy Majdlik
10 December 2008 - Current	Bob Turner

Chief Executive Officer

April 2002 - November 2010	Neville Smith
November 2010 - Current	Kelvin Tori

(b) Remuneration of responsible persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2011 No.	2010 No.
< \$20,000	-	-
\$20,000 to \$29,999	6	5
\$30,000 to \$39,999	-	1
\$50,000 to \$59,999	-	1
\$70,000 to \$79,999	1	-
\$110,000 to \$119,999	1	-
\$190,000 to \$199,999	1	-
\$260,000 to \$269,999	-	1
	9	8

	2011 \$'000	2010 \$'000
Total remuneration for the reporting year for Responsible Persons included above amounted to:	471	474

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 35 Related party transactions (continued)

(c) Senior officers remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$124,000. The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2011 No.	2010 No.
< \$124,000	4	2
\$124,000 to \$129,999	1	4
\$130,000 to \$139,999	3	4
\$140,000 to \$149,999	5	-
\$160,000 to \$169,999	1	-
\$170,000 to \$179,999	-	1
\$180,000 to \$189,999	1	-
\$190,000 to \$199,999	-	3
\$200,000 to \$209,999	1	-
\$210,000 to \$219,999	1	-
	17	14

	2011 \$'000	2010 \$'000
Total remuneration for the reporting period for Senior officers included above, amounted to:	2,400	2,008

(d) Retirement benefits

Retirement benefits paid by the Council in connection with the retirement of responsible persons of the Council amounted to \$0. (2009/2010 - \$0)

(e) Loans

No loans have been made, guaranteed or secured by the Council to a responsible person of the Council during the reporting period.

(f) Other transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2009/10, Nil)

Note 36 Auditor's remuneration

	2011 \$'000	2010 \$'000
Audit fee to conduct external audit - Victorian Auditor-General	49	48
	49	48

Note 37 Subsequent Events

There have been no subsequent events since balance date.

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 38 Income and expenses by function

	Corporate and Executive Services		Community		Planning and Development		Total	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000
INCOME								
Grants	10,373	9,269	9,326	9,187	1,851	2,340	21,550	20,796
Other	125,708	111,474	3,637	4,858	3,547	4,016	132,892	120,348
TOTAL	136,081	120,743	12,963	14,045	5,398	6,356	154,442	141,144
EXPENSES	36,651	32,696	32,375	29,537	27,175	27,956	96,201	90,189
Surplus (Deficit) for the Year	99,430	88,047	(19,412)	(15,492)	(21,777)	(21,600)	58,241	50,955

It is not practicable or efficient to allocate individual assets across Council's operations, due to cross functioning and joint utilisation of assets.

Component functions/activities of the Shire

Corporate and Executive Services

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

This division includes the following business units:

Organisational Development	Regulatory Services
Administration	Building Services
Finance	Information Services
Health Services	Communications & Promotion

Community Services

Community Services promotes and enhances community wellbeing. This division includes the following business units:

Aged & Disability Services	Children Services
Community Infrastructure Services	Recreation & Leisure Services
Community Support & Development Services	Library Services

Planning and Development

Planning and Development is responsible for protecting and enhancing and developing the Council's social and physical environment.

This division includes the following business units:

Civil Contracts	Business Growth & Sustainability
Town Planning	Environmental Services
Engineering Services	

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 39 Financial ratios

		2011	2010	2009	
(a)	Debt servicing ratio <u>Debt servicing costs</u> Total rate revenue	To identify the capacity of Council to service its outstanding debt. Debt servicing costs refer to the payment of interest on loan borrowings. The ratio expresses the amount of interest paid as a % of Council's total rate revenue.	3.08%	3.44%	2.68%
(b)	Debt commitment ratio <u>Debt servicing & redemption costs</u> Total rate revenue	To identify Council's debt redemption strategy. The strategy involves the payment of loan principal and interest. The ratio expresses the % of rate revenue utilised to pay interest and redeem principal debt.	9.06%	9.66%	10.52%
(c)	Revenue ratio <u>Total rate revenue</u> Total revenue	To identify Council's dependence on rate income. The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.	38.87%	37.78%	40.96%
(d)	Debt exposure ratio <u>Total indebtedness</u> Total realisable assets	Enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of the Council. Total realisable assets are all Council assets not subject to any restriction and are able to be realised.	11.56%	13.40%	15.99%
(e)	Working capital ratio <u>Current assets</u> Current liabilities	To assess Council's ability to meet current commitments. The ratio expresses the level of current assets the Council has available to meet its current liabilities.	2.45 to 1	2.16 to 1	1.81 to 1
(f)	Adjusted Working capital ratio <u>Current assets</u> Current liabilities	To assess Council's ability to meet current commitments. The ratio expresses the level of current assets the Council has available to meet its current liabilities. Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.	2.90 to 1	2.47 to 1	2.07 to 1

Melton Shire Council Notes to the Financial Report for the year ended 30 June 2011

Note 40 Capital Expenditure	2011 \$'000	2010 \$'000
Capital expenditure areas		
Roads	3,431	1856
Drainage	124	100
Recreation	1,141	3913
Buildings	9,255	5472
Other Infrastructure	-	81
Plant and equipment	1,234	957
Furniture and fittings	398	715
Land	1,664	327
Other	504	320
Total capital works	17,751	13,741
Represented by:		
Renewal (a)	2,449	81
Upgrade (b)	4,639	-
New assets	10,663	13,660
Total capital works	17,751	13,741

Property, plant and equipment, infrastructure movement

The movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:

Total capital works		17,751	13,741
Asset revaluation movement	27	26,820	13,741
Developer Contributions	6(b)	50,654	50,387
Depreciation	13	(16,961)	(14,982)
Written down value of assets sold	19	(693)	(447)
Assets written off	19	(376)	(1,273)
Other movements	19	4,202	920
Net movement in property, plant and equipment, infrastructure	19	81,397	62,087

(a)Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

(b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the Council's asset base.

Certification of the Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Financial and Reporting) Regulations 2004*, *Australian Accounting Standards* and other mandatory professional reporting requirements.



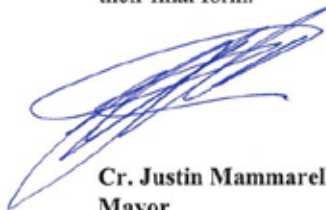
Thurairajah Shanmugapalan CPA
Principal Accounting Officer

Dated: 12 September 2011

In our opinion the accompanying financial statements present fairly the financial transactions of Melton Shire Council for the year ended 30 June 2011 and the financial position of the Council as at that date.

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

We have been authorised by the Council on 1 September 2011 to certify the financial statements in their final form.



Cr. Justin Mammarella
Mayor

Dated: 12 September 2011



Cr. Broden Borg
Deputy Mayor

Dated: 12 September 2011



Kelvin Tori
Chief Executive Officer

Dated: 12 September 2011

VAGO

Victorian Auditor-General's Office
INDEPENDENT AUDITOR'S REPORT
To the Councillors, Melton Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2011 of the Melton Shire Council which comprises of comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2011 of the Council which comprises of standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

The Councillor's Responsibility for the Financial Report and Standard Statements

The Councillors of the Melton Shire Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 of the statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

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Victorian Auditor-General's Office

Independent Auditor's Report (continued)

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

Independence

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

Auditor's Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Melton Shire Council as at 30 June 2011 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

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

MELBOURNE
14 September 2011


J D R Pearson
Auditor-General

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MELTON SHIRE COUNCIL

PERFORMANCE STATEMENT For the Year Ended 30 JUNE 2011

NOTES TO THE PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

Council must prepare a Performance Statement as soon as is reasonably practicable after the end of each financial year. Under Section 132 paragraph 2(a) and 2(b), the Performance Statement must include “the Key Strategic Activities and performance targets and measures specified in the budget under section 127 for that financial year” and “the actual results achieved for that financial year having regard to those performance targets and measures”.

The Key Strategic Activities are outlined in the Adopted Annual Plan and Budget 2010-2011.

This report provides the actual results achieved for 2010-2011 financial year compared with the performance targets and measures. Where Council has failed to (substantially) achieve the performance targets in relation to any Key Strategic Activity a note is provided as to why the Activity was not achieved.

PERFORMANCE STATEMENT 2010/2011

In accordance with Section 127 of the Local Government Act 1989 (Vic), Council must provide a description of key strategic activities to be funded in the Budget. The activities are also included in Council's Annual Action Plan.

The following performance statement outlines Council's achievement against the five 2010/2011 key strategic activities.

Council Plan Strategies	Key Strategic Activity	Performance Measure	How data is reported	Performance Target	Achievement	Explanation
Council Plan Objective 1: Community Health and Wellbeing						
Improving health and wellbeing for our diverse community						
1.1	Increase number children attending four year old kindergarten within the municipality	Increase in four year old kindergarten places	Council Report via 4 year old kindergarten Central enrolment system	≥ 5% increase	6%	Target achieved
1.2	Develop Community Learning Plan for 2011-15	Plan adopted by Council	Council Minutes	31 December 2010	The Community Learning Plan 2011 - 2014, was adopted at Council's meeting of 7 April 2011	Target achieved
1.1 + 1.2	Produce Council's community newsletter	12 Moving Ahead pages in local paper and 4 Moving Ahead newsletter	DataWorks, publications, Council's website	by 30 June 2011	24 Moving Ahead pages and 4 Moving Ahead newsletter	Target achieved
Council Plan Objective 2: Environment						
Protecting and enhancing our environment						
2.2	Implement Council's Environmental Enhancement Program (EEP)	≥95% of rural landholders retain their rebate	Annual Report to Council on failure rate of properties inspected. Council Minutes	≥95%	94%	Target not achieved
2.1 2.2 2.3	Develop and implement a Litter Prevention and Surveillance Strategy	Strategy adopted by Council 30 June 2011	Council Report	by 30 June 2011	Awaiting outcome of EPA grant application for a joint funded position to facilitate this initiative	Target not achieved
2.3	Preparation of a Retail / Activity Centres Strategy	Strategy adopted by Council 30 June 2011	DataWorks	by 30 June 2011	Due to a decision being made to prepare an urban design framework for the Toolern Major Activity Centre first, the preparation of the strategy has been deferred until next year	Target not achieved
2.4	Develop an Urban Design Framework for the Toolern Major Activity Centre	Framework adopted by Council by 30 June 2011	DataWorks	by 30 June 2011	With the GAA taking the lead in preparing the UDF, timelines for adoption by Council have been changed to August / September 2011	Target not achieved
2.4	Ensure that Council meets or exceeds state Towards Zero Waste diversion targets.	≥50% of total waste from Council operations diverted from landfill.	Monthly statistics from waste processes. Civil Contracts Scoreboard	≥50%	55.39%	Target achieved

Council Plan Strategies	Key Strategic Activity	Performance Measure	How data is reported	Performance Target	Achievement	Explanation
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Council Plan Objective 3: Business and Employment

Increasing business and employment opportunities

3.2	Develop Tourism Strategy 2011-14	Strategy adopted by Council	Council minutes	by 30 June 2011	Tourism Strategy Review & Directions Paper recommended to consolidate the Economic Development Strategy and Tourism Strategy	Target not achieved
3.3	Provide local employment opportunities within the municipality	Increase customer satisfaction rating	LGV Customer Satisfaction Survey	≥65	65	Target achieved
3.4	Expand and diversity economic growth within the municipality	Increase customer satisfaction rating	LGV Customer Satisfaction Survey	≥65	65	Target not achieved

Council Plan Objective 4: Managing Growth

Ensuring our fast growth is well planned and managed, and infrastructure is well maintained

4.1	Maintain Road Assets in accordance with Council's Road Asset Management Plan (RAMP)	Annual Community Satisfaction Survey rating of Council roads	LGV Customer Satisfaction Survey	≥60	59	Target achieved
4.1	Deliver traffic count program for the next 3 years	Traffic counts undertaken annually	DataWorks	≥40	242	Target achieved
4.1	Creating of Public Lighting Policy for lighting in new developments	Policy Adopted by Council	Council Report	by 30 June 2011	Policy approved by Policy Review Panel in June. Scheduled to go to Council in July 2011	Target not achieved
4.1 4.3 4.4	Deliver Engineering Design of all projects and programs within Council's Civil Capital Works Program 2011/12	All designs sent to Civil Contracts by the end of March 2011	Engineering Services Quarterly Report	by 31 March 2011	53 design of projects completed and sent to Civil Contracts. 6 projects rolled over to next year	Target achieved
4.4	Development of a Playground Strategy	Playground Strategy adopted by Council	Council report	by 30 June 2011	Draft Strategy undergoing consultation	Target not achieved

Council Plan Objective 5: Leadership

Leading the organisation and the community through accountability transparency and advocacy

5.2	Review of Council's Heatwave, Pandemic and Fire Prevention Plans	New plans integrated into Council's Municipal Emergency Management Plan 31 December 2010	MEMP in DataWorks	by 31 December 2010	Heatwave Plan, Neighbourhood Safer Places Plan and Recovery Plan integrated into MEMP in July 2011. Pandemic Plan to remain stand alone linked plan	Target not achieved
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Council Plan Strategies	Key Strategic Activity	Performance Measure	How data is reported	Performance Target	Achievement	Explanation
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Council Plan Objective 5: Leadership (continued)

Leading the organisation and the community through accountability transparency and advocacy

5.3	Undertake a service review and procurement process for Street & Footpath Sweeping Services.	Review completed and recommendation to Council by 31/8/2010 Tender awarded by 31/12/2010 Service implemented by 30/6/2011	Council Report	by 30 June 2011	Review presented to Council 5/7/2010 Contract Awarded December meeting of Council. New contract commenced 1 July 2011	Target achieved
5.3	Undertake a service review and procurement process for Operation of Melton Recycling Facility	Review completed and recommendation to Council by 30/9/10. Tender awarded by 31/3/2011. Service implemented by 30/6/2011	Council Report	by 30 June 2011	Review presented to Council 5/7/2010 Contract Awarded December meeting of Council. New contract commenced 1 July 2011	Target achieved
5.3	Undertake a service review and procurement process for Road Services	Review completed and recommendations to Council by 31/8/2010. Tender process completed and awarded by 31/12/2010. Service implemented 30/6/2011	Council Report	by 30 June 2011	Approved by Council December 2010	Target achieved

Council Plan Objective 6: Community Engagement

Fostering a well-connected and engaged community

6.1	Develop Events Strategy 2011-14	Strategy adopted by Council	Council minutes	by 30 June 2011	Approved by Council 20 December 2010	Target achieved
6.1	Public Art Policy Review	Reviewed policy adopted by Council	Council minutes	by 30 June 2011	Approved by Council 26 July 2010	Target achieved
6.4	Develop Cultural Strategy 2011-14	Strategy adopted by Council	Council Report	by 30 June 2011	Draft Strategy to be presented to Council in August 2011	Target not achieved

Certification of Performance Statement

In our opinion the accompanying performance statement of the Melton Shire Council in respect of the 2010-2011 financial year is presented fairly in accordance with the Local Government Act 1989.

This statement outlines the performance targets and measures set out in relation to the achievement of the Key Strategic Activities in respect of that year described in the Council's 2010-2011 Annual Budget and described the extent to which the activities have been met in that year having regard to those targets and measures.

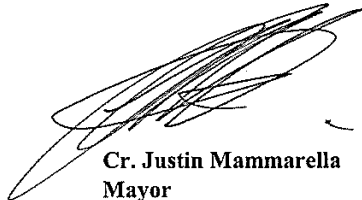
As at the time of signing, we are not aware of any circumstances, which would render any particular in the statement to be misleading or inaccurate.



Thurairajah Shanmugapalan CPA
Principal Accounting Officer

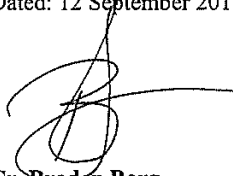
Dated: 12 September 2011

We were authorised by the Council on 1 September 2011 to certify the performance statement in their final form on behalf of the Council.



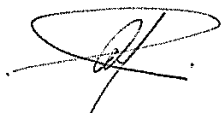
Cr. Justin Mammarella
Mayor

Dated: 12 September 2011



Cr. Broden Borg
Deputy Mayor

Dated: 12 September 2011



Kelvin Tori
Chief Executive Officer

Dated: 12 September 2011

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Melton Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2011 of the Melton Shire Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independence

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

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

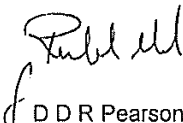
Auditor's Opinion

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

Matters Relating to the Electronic Publication of the Audited Performance Statement

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

MELBOURNE
14 September 2011


D D R Pearson
Auditor-General



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A copy of this Annual Report is available from our website.