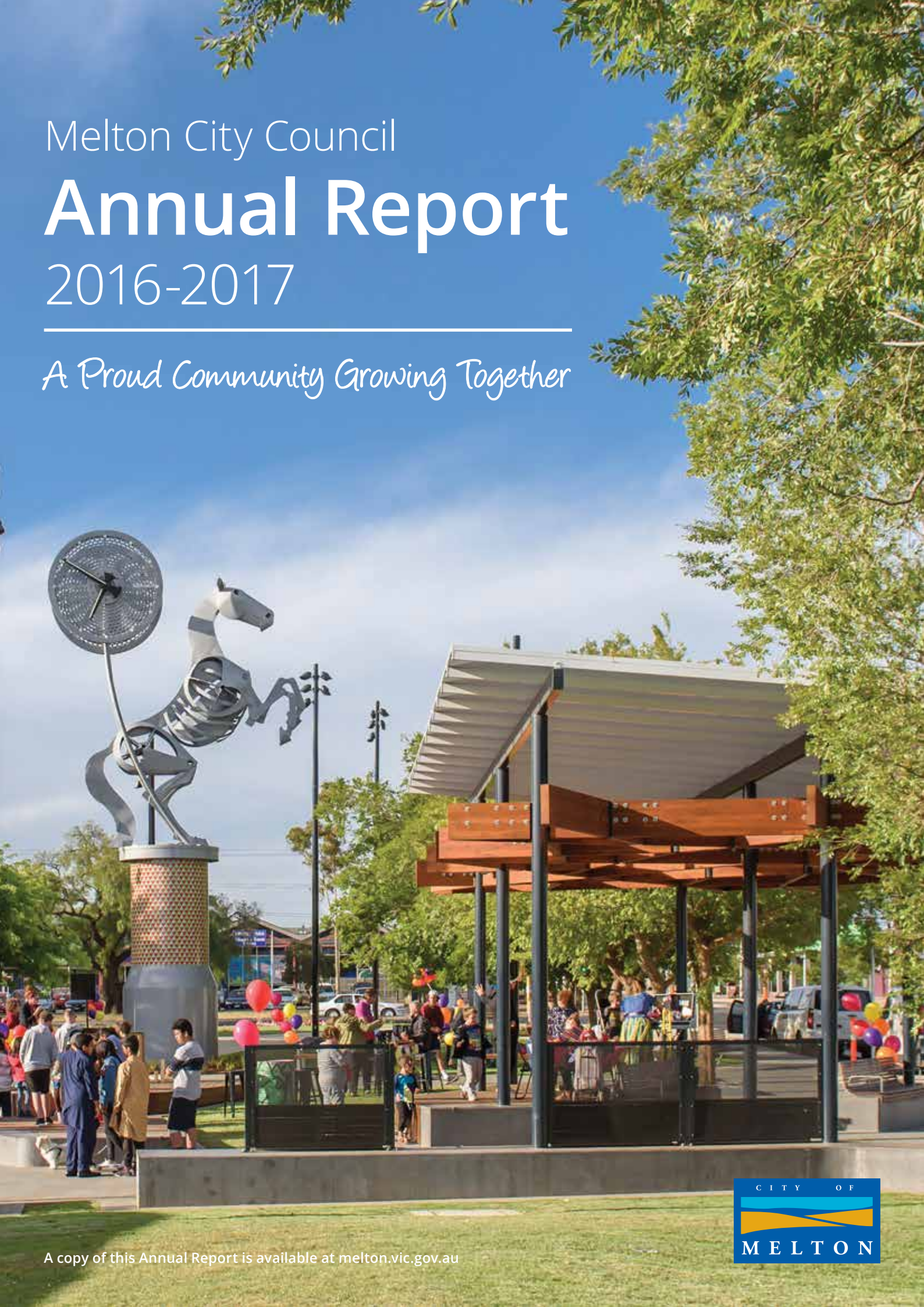


Melton City Council

Annual Report

2016-2017

A Proud Community Growing Together



About this Annual Report

Welcome to Melton City Council's 2016/2017 Annual Report.

Council is committed to transparent reporting and accountability to the community.

This Annual Report provides the City of Melton community with information about Council's operations and performance during the financial year, and meets all obligations under Section 131 of the *Local Government Act 1989 (Vic)*.

OUR PURPOSE

VISION

A Proud Community Growing Together

MISSION

To support the growth, wellbeing and aspirations of our community through leadership, excellence and inclusion.

OUR VALUES

CONTINUOUS IMPROVEMENT

- We encourage and support innovation and creativity
- We commit to driving continuous improvement
- We constantly review what we do
- We embrace and respond to change as it occurs
- We strive to deliver the best possible outcomes

RECOGNITION

- We recognise and encourage the contributions of others
- We actively support and promote our colleagues
- We acknowledge and reward employees exceeding performance expectations
- We give credit where credit is due
- We celebrate success

ACCOUNTABILITY

- We work in an open and transparent manner and follow through on commitments
- We take responsibility for our personal decisions and actions
- We adhere to policies and procedures
- We make the best use of our time and resources
- We all take responsibility for the way we treat each other

FAIRNESS

- We show respect when speaking to and about others
- We build trusting and productive relationships
- We deal with others fairly and consistently
- We actively listen and respond appropriately
- We respect all people and celebrate our diversity

TEAMWORK

- We help each other to achieve organisational goals
- We involve team members in solving problems and decision-making
- We encourage everyone's contribution to the team
- We communicate clearly, openly and respectfully
- We provide positive, constructive and timely feedback

OUR OFFICES

MELTON CIVIC CENTRE

A 232 High Street, Melton
T 03 9747 7200 **F** 03 9743 9970

PO Box 21 Melton Victoria 3337

DX 33005 Melton
 ABN 22 862 073 889

W melton.vic.gov.au
E csu@melton.vic.gov.au

MELTON LIBRARY AND LEARNING HUB

A 31 McKenzie Street, Melton
T 03 9747 7200

CAROLINE SPRINGS LIBRARY AND LEARNING HUB

A 193 Caroline Springs Boulevard, Caroline Springs
T 03 9747 7200 **F** 03 9363 1491

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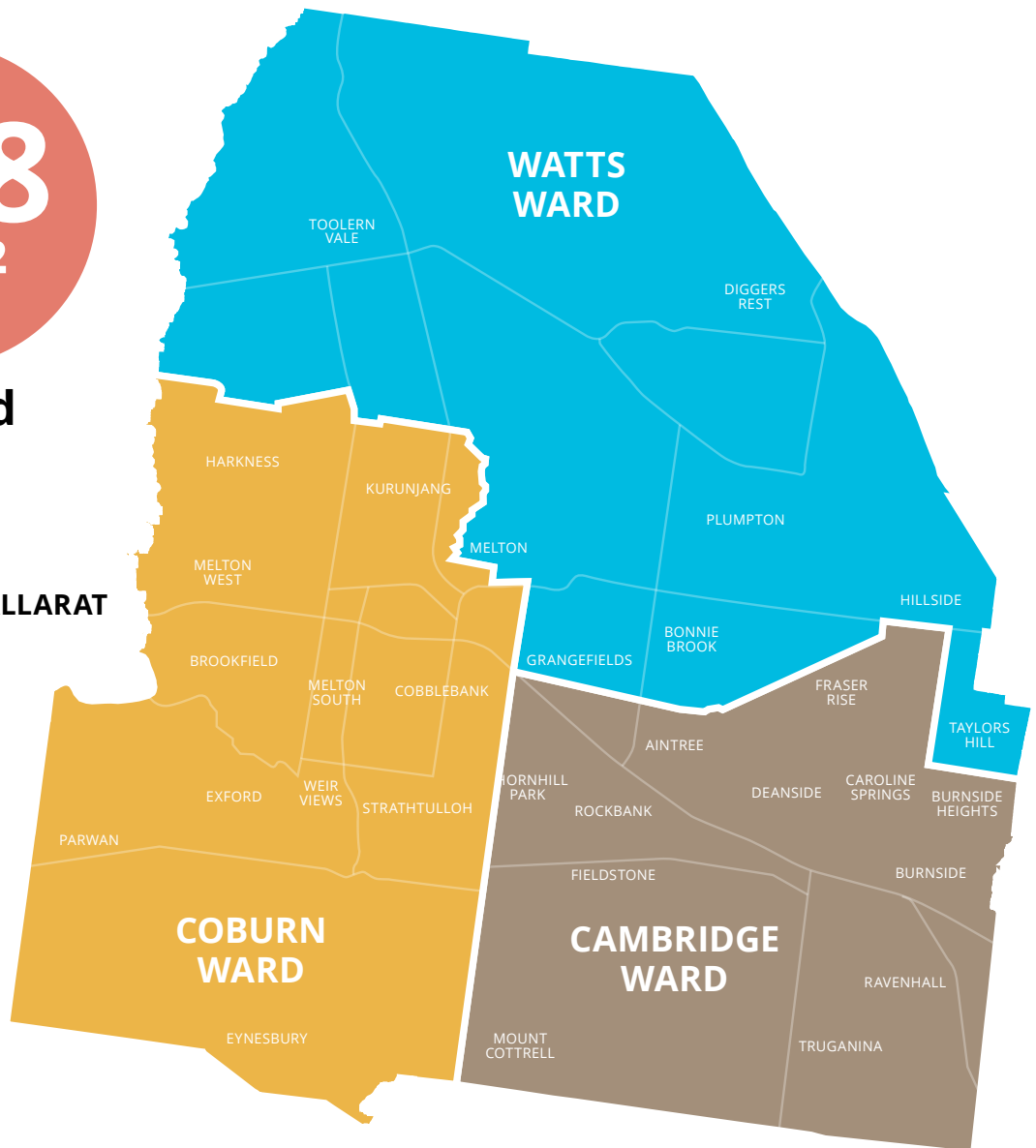
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Municipal snapshot

528
km²

of land

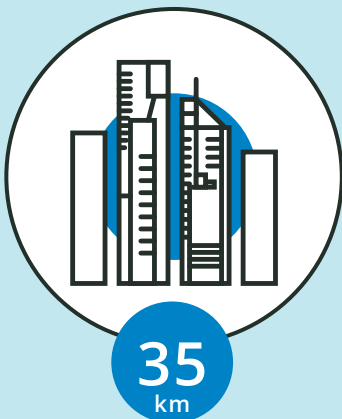
← **TO BALLARAT**



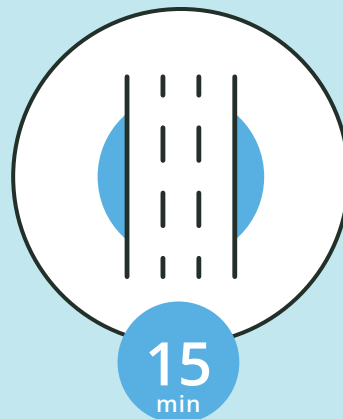
Eleven new suburbs were Gazetted by the State Government in February 2017.

TO MELBOURNE ▶

Melton township is:



to Melbourne CBD



from Western Ring Road



to Melbourne Airport



Population 140,408
(as at 30 June 2017)



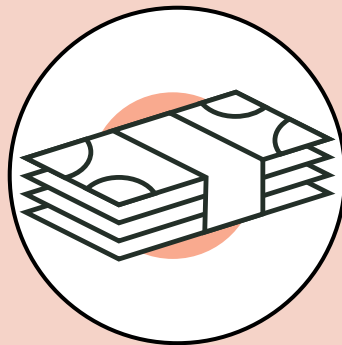
4 per cent estimated annual
growth rate



Home to 30,000 migrants
representing more than
130 nations



54,208 ratepayers
(as at 30 June 2017)



\$267 million
annual income for 2016/2017



484 full time
equivalent employees



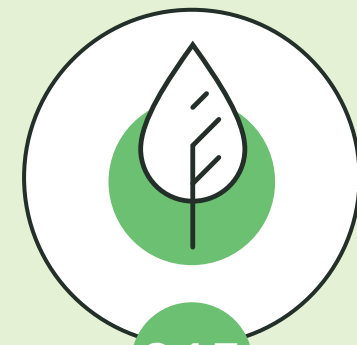
52

sporting fields
and reserves managed



140

playspaces
managed



915

hectares of
open space managed

Highlights

In 2016/2017, Melton City Council successfully delivered on 126 actions from 149 outlined in the annual Action Plan. This represented 86.5 per cent of actions completed.

Here are some of the year's highlights, reported under each of Melton City Council's four themes from the Council Plan 2013–2017.



THEME ONE

MANAGING OUR GROWTH

A clear vision to connect and develop a sustainable City

Melton City Council will lead the development of a well-connected community through managing the responsible development of new physical, social and economic infrastructure to meet the needs of our residents.

2016/2017 HIGHLIGHTS

The Bridge Road Regional Playspace opened, which includes a flying fox, slides, swings, and trampolines. It also has custom-made monkey bars, a water play area, picnic and barbecue facilities, and visitor parking. Council received \$750,000 of funding for this project from the State Government's Growing Suburbs Fund.

Upgrading 2km of Minns Road, Kurunjang, from an unsealed to a sealed road was completed in June. The Mount Cottrell Road widening project between Greigs Road and Boundary Road was also completed.

The Melton Re-sale Centre was upgraded to provide a better drop-off zone for residents bringing reusable material to the facility. Melton City Council received \$200,000 for this project from the State Government's Metropolitan Local Government Waste and Resource Recovery Fund (Metro Fund).

Stage 2 of the \$13 million Melton Town Centre Redevelopment Project was completed, including new footpaths connecting the Visitor Information Centre, taxi rank and amphitheatre. Trees, street furniture and public lighting improved the streetscape in Palmerston Street, and the amphitheatre was revitalised. A new outdoor decking area at the Visitor Information Centre was also built. Stage 3 works, which includes upgrading McKenzie Street between Palmerston and Alexandra Streets, commenced in January. Melton City Council received \$5.45 million from the Australian Government and \$5.3 million from the State Government's Growing Suburbs Fund.



THEME TWO

A WELL GOVERNED AND LEADING ORGANISATION

Operating with innovation, transparency, accountability and sustainability

Council is committed to providing strategic leadership and working in collaboration to better engage, represent and communicate with our diverse community. We will ensure that our services and facilities are efficient, effective and appropriate to seek the best outcomes for our community.

2016/2017 HIGHLIGHTS

The Melton City Council general election was held on 22 October 2016 by postal voting.

In total 66,226 ballot papers envelopes were received at the close of the extended postal vote period.

Nominations were received with a total of 40 candidates involved in the election.

- 14 candidates in Cambridge ward (three councillor representation)
- 16 candidates in Coburn ward (four councillor representation)
- 10 candidates in Watts ward (two councillor representation)

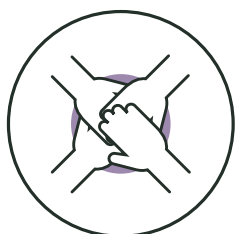
Four councillors were returned, having previously been elected to Melton City Council (one Cambridge, two Coburn, one Watts). Five new councillors were elected, not having been elected in a local government general election previously (two Cambridge, two Coburns, one Watts).

The new Council was sworn in on Friday 4 November, comprising five female and four male Councillors.

The State Government's Office of Geographic Names approved 11 new suburbs for the City of Melton in February. These are Harkness, Weir Views, Cobblebank, Strathtulloh, Thornhill Park, Grangefields, Bonnie Brook, Aintree, Fieldstone, Fraser Rise and Deanside.

The 2017–2021 Council and Wellbeing Plan integrated the Municipal Health and Wellbeing Plan for the first time.

Council's 20 year community vision, *Melton City 2036 – The City We Imagine*, was endorsed.



THEME THREE

DIVERSE, CONFIDENT AND INCLUSIVE COMMUNITIES

A culturally rich, active, safe and connected City

Through a range of services, Council is committed to supporting a strong, diverse and motivated community that is connected through access to a range of cultural, lifelong learning and leisure activities.

2016/2017 HIGHLIGHTS

The \$2.8 million redevelopment of the McKenzie Street Aged Services Centre was completed in March. This included a new standalone building constructed on vacant land adjacent to the former facility, which was known as 5 McKenzie Street. The two structures are now linked by an undercover walkway. The new facility provides expanded administrative space while the existing facility provides additional program areas for activities for participants. Melton City Council received \$1.8 million from the State Government's Growing Suburbs Fund for this project.

Events were held to celebrate International Women's Day, Harmony Day, White Ribbon Day and Refugee Week.

A number of exhibitions were held, showcasing the City's diversity. This included stories from 16 community members who took part in the *I Belong* exhibition held in March at the CS Gallery. Local Aboriginal artists were celebrated during NAIDOC Week with an exhibition by acclaimed Australian artist, Damien Shen, entitled *On the Fabric Ngarriindjeri Body - Volume II*, inspired by geographical and sacred sites in Aboriginal culture. The Melton GO! Arty Photography Exhibition displayed 16 photographs taken by eight local young people affected by a disability who captured images of local places important to them.

The Melton City Council Intercultural Plan was developed as Council's commitment to contribute to and foster a harmonious, welcoming community where everyone belongs.



THEME FOUR

COMMUNITY HEALTH AND WELLBEING

A City of people leading healthy and happy lives

Council is committed to a partnership approach to develop solutions and opportunities for healthy communities. We will focus on enhancing the community's mental and physical health and wellbeing, and promote social inclusion through engagement across all community sectors.

2016/2017 HIGHLIGHTS

Tennis facilities improved in Caroline Springs with three courts re-surfaced and stormwater inlets repaired to reduce rubbish.

Diggers Rest Recreation Reserve Masterplan was developed under the Diggers Rest Precinct Structure Plan.

Artificial bowling greens were replaced at Reserve Road, Melton.

Melton and Taylors Hills Men's Sheds hosted 1,064 programs, and welcomed 8,237 participants (average 22.5 per day), combined.

Twelve walking groups with an average of 125 participants per month, were supported.

Redevelopment of Fraser Street Reserve was completed.

Challenges and future outlook



CHALLENGES

Council was faced with the following challenges in 2016/2017:

- Managing its growing population
- Advocating for improved public transport, particularly a new railway station at Toolern
- Delivering key community infrastructure at the right time
- Revitalising strip shopping centres such as Melton Town Centre
- Addressing family violence and community perceptions of safety.

BEYOND 2016/2017

Council is looking ahead to 2017/2018 and plans to undertake the following actions:

- Continue to advocate for the electrification of the Melton rail line, improved health services, more schools and road improvements
- Continue the development of Toolern Regional Park
- Develop precinct structure plans for urban growth areas
- Complete projects identified in the Capital Works Plan
- Undertake service reviews to identify efficiencies and cost saving opportunities



Harmony Day

AUSTRALIA DAY CELEBRATIONS

Volunteers were acknowledged for their work at Council's Australia Day celebration on Monday 26 January. Alan Perry was named Citizen of the Year, Amy Bell was chosen as Young Person of the Year, and Woman of the Year was awarded to Joy Lawn. Bob and Barb Patterson received the Access & Inclusion Leader of the Year and the Community Project of the Year went to Western Emergency Relief Network, which has provided support to almost 250 families and individuals in need.

SUMMERSAULT

A crowd of around 35,000 people headed to the heart of Caroline Springs for music, entertainment and food on Saturday 11 February as part of the annual Summersault Festival. Limited antisocial activity at the conclusion of Summersault marred the event for some, which received extensive media coverage.

HARMONY DAY

On Saturday 18 March, more than 700 people from across the City of Melton came together at the Caroline Springs Library to celebrate Harmony Day.

The event was packed with cultural performances and food. Activities included face painting, henna tattoos, community performances, African drumming, kinder gym and other children's activities, Bollywood dance and cultural story time.

DJERRIWARRH FESTIVAL

The 37th Djerriwarrh Festival was held on Saturday 5 November, attracting around 35,000 people to the Melton Recreation Reserve. The 2016 annual event included the return of the bonfire, market stalls, expos, an international food bazaar and continuous main stage entertainment headlined by 1980s music icons Eurogliders and Dragon.

CAROLS BY CANDLELIGHT

More than 5,000 people gathered at Hannah Watts Park for Carols by Candlelight on Saturday 10 December.

ANZAC DAY

Council provided white commemorative crosses, made by members of the Men's Shed, to the public, in exchange for a gold coin donation. Donations were then given to the Partners of Veterans Association. The crosses were placed in a specially marked area on the Melton Civic Centre lawn in High Street Melton to commemorate Anzac Day on 25 April 2017.

Mayor's message



Cr Sophie Ramsey
Mayor of the City of Melton

It is a pleasure to present Melton City Council's Annual Report for 2016/2017. We are extremely proud of the achievements and positive outcomes we have delivered to our residents this past year.

Firstly, I'd like to express how grateful I was to have been elected as your community representative once again, in October 2016. I was even further honoured to have been sworn in as Mayor for the fourth time during my 16 years as a Melton City Councillor. I've certainly enjoyed my time as Mayor, and look forward to continuing to dedicate myself to the people of our community for the remainder of this Council term.

This financial year, five City of Melton projects were given a boost, thanks to the announcement of \$4.38 million through the State Government's Growing Suburbs Fund. The projects, which include improvements to leisure infrastructure, community facilities and environmental projects, will deliver significant economic and social benefits to the City of Melton, and further strengthen our community in years to come.

Furthermore, Council completed a number of major projects, including the redevelopment of McKenzie Street Aged Services Centre, the construction of the Bridge Road Regional Playspace, the completion of stage two and the commencement of stage three of the Melton Town Centre Redevelopment project, the long awaited construction of Minns Road, Kurunjang, and the redevelopment of Fraser Street Reserve, Melton.

These exciting projects were delivered as part of our extensive Capital Works program, alongside the delivery of over 120 services that range from Maternal and Child Health, through to Social Support Groups for our older residents.

One of the most exciting achievements of 2016/2017 was the State Government approval of 11 new suburbs within our City boundaries. The new suburbs were established in key growth areas including Plumpton, Rockbank and Truganina, while smaller changes also took place in well-established areas like Melton South and Melton West. The establishment of the new suburbs was great news for the Melton community, enabling Council to plan smaller, character-filled neighbourhoods that will

have their own landmarks, are easy to find and navigate, and will remain as unique and diverse as the people who live there.

Council also reaffirmed its commitment to engaging the community by working with the community to develop a shared vision for the future of our City. An aspirational vision, *Melton City 2036 - The City We Imagine* uses the ideas and words of community members to describe what they want the City of Melton to look like, feel like

“ One of the most exciting achievements of 2016/2017 was the unprecedented establishment of 11 new suburbs within our City boundaries. ”

and offer its residents over the next 20 years. At its core, the vision describes the ideal environments that we are all surrounded by and connect to – our social, natural, built and economic environments.

On behalf of my fellow Councillors, I would like to take this opportunity to thank our residents for their support in helping shape our community, and we would also like to thank the Executive Team and staff for the delivery of the quality services we have come to expect.

I'm confident that the next year will bring many new opportunities and outstanding achievements for our community, and will further cement the City of Melton as one of Melbourne's most desirable places to live, work and play.

Chief Executive Officer's message

On behalf of Melton City Council, I am pleased to present this Annual Report which outlines the organisation's performance in 2016/2017.



Kelvin Tori
Chief Executive Officer

The past year has once again seen some very positive financial results for Melton City Council, achieving an operating surplus of \$125.6 million, \$18.5 million higher than the previous year and \$58.3 million higher than budgeted. This result was predominantly driven by developer contributions and increasing land sales stemming from Council's joint venture agreement with LendLease Communities, facilitating the development of Atherstone; a 4,300-lot masterplanned community in Cobblebank and Strathtulloh, 35km west of the CBD.

This innovative partnership is a first of its kind in Australia, making Council's move to initiate and establish the joint venture both ground-breaking, and highly beneficial for our fast-growing community.

The partnership allows Council to keep up with the surging demand for housing in the municipality, while maintaining a level of control over the scheduling of the infrastructure being delivered. Victorian rate-capping laws have restricted revenue for councils across the board, but the joint venture with LendLease has meant Council's financial commitment to the timely delivery of infrastructure and affordable housing, has been sustained without compromising on quality or value for money.

The Atherstone development includes the delivery of much-needed transport infrastructure, including roads and bridges, as well as an abundance of educational, recreational and retail offerings.

Melton remains one of the most affordable markets in Melbourne and offers families larger than average lot sizes. Fuelled by strong population growth due to migration, local birth rates (42 births per week), as well as the value of the new home offer in this location, our municipality continues to be one of the leading choices for new arrivals, young families and business investors alike.

The completion of key infrastructure projects including the redevelopment of our aged and disability services facility in McKenzie Street, Melton; construction of the Bridge Road Hockey and Athletics Facility, and Regional Playspace; rehabilitation of key road infrastructure including Mt Cottrell Road and Minns Road, Melton, and the completion of Stage 2 of the Melton Town Centre Redevelopment project and Fraser Street Reserve, further cemented Council's commitment to the early delivery of quality infrastructure to our community in 2016/2017.

The delivery of these projects, totalling over \$28.251 million, was made possible by Council's ongoing advocacy efforts that secured in excess of \$9.58 million of capital grant funding through both the State and Federal Government. A pleasing result by anyone's standards.

Council faced a number of challenges this financial year, in particular managing our continued, sustained population growth. Eleven new suburbs were approved by the State Government within our municipal bounds in key growth areas including Plumpton, Rockbank and Truganina; as well as long-established suburbs like Melton South and Melton West.

Melton City Council experiences a growth rate in excess of 4 percent per annum, far outstripping Melbourne's growth rate of 2 percent, and the State rate of 1 percent.

In 2016/2017, Council continued to advocate for improved public transport—particularly a new railway station at Toolern—and sought to actively address family violence and community perceptions of safety in the face of growing media and community pressure.

Going forward, Council plans to continue to advocate for the electrification of the Melton rail line, improved health services, more schools and major improvements to road and transport infrastructure.

We will continue to develop the Toolern Regional Park, develop Precinct Structure Plans (PSPs) for our urban growth areas and complete an extensive capital works program that includes a \$52.1 million investment across the municipality including recreation (\$19 million), road works (\$15.7 million), buildings (\$5.4 million), and bridge works (\$4.6 million).

We will also undertake service reviews to identify efficiencies and cost saving opportunities across our organisation.

Organisationally, Council seeks to maintain high standards of service delivery through a strategic approach, and understand community needs.

In closing, I'd like to take this opportunity to extend my appreciation to our Council staff, for their ongoing commitment to our community, the organisation, and their significant contribution to enhancing the lives of residents.

I would also like to acknowledge and thank all Councillors for the positive manner in which they partner with staff to ensure a well serviced community and their strategic guidance and leadership to the organisation.

A handwritten signature in black ink, appearing to be 'K. Tori', written over a light blue grid background.

Financial summary

Melton City Council's equity increased by \$406 million in 2016/2017.

At the end of the financial year, Council's net worth to the community was \$1,987 million.

\$1.987B
net worth

\$125.6M
operating surplus

\$100.2M
cash liquidity

\$11.9M
spent on infrastructure renewal

OPERATING POSITION

Council achieved an operating surplus of \$125.6 million for the 2016/2017 reporting period. This is \$18.5 million higher than the previous year, and \$58.3 million higher than budgeted.

The result was predominantly driven by development contributions and Atherstone land sales driven up by market forces.

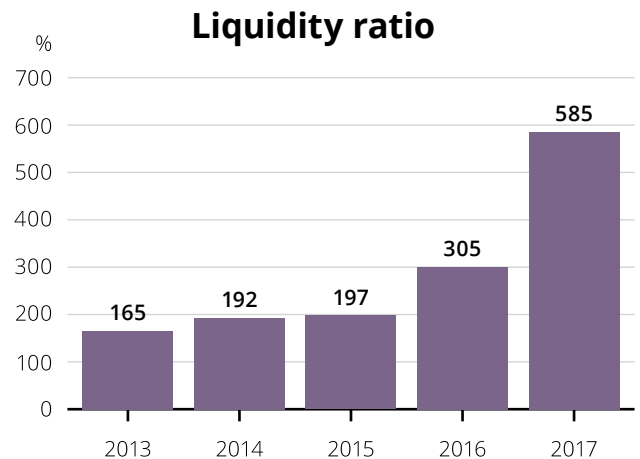
LIQUIDITY POSITION

Council's cash position at the end of the year increased by \$22.7 million to \$100.2 million.

This was mainly due to higher operating income.

The working capital (liquidity) ratio, which is the measure of Council's ability to pay existing (current) commitments in the next 12 months, is calculated by measuring Council's current assets as a percentage of current liabilities.

For 2016/2017 this measure was 585 per cent. A ratio higher than 100 per cent means there is more cash and liquid assets than short-term liabilities.



FINANCIAL SUMMARY

Council aims to ensure that it is in a position to maintain its infrastructure assets at expected levels while continuing to deliver essential services and new infrastructure required for a growing community.

In 2016/2017, Council spent \$11.9 million in infrastructure renewal during the reporting period.

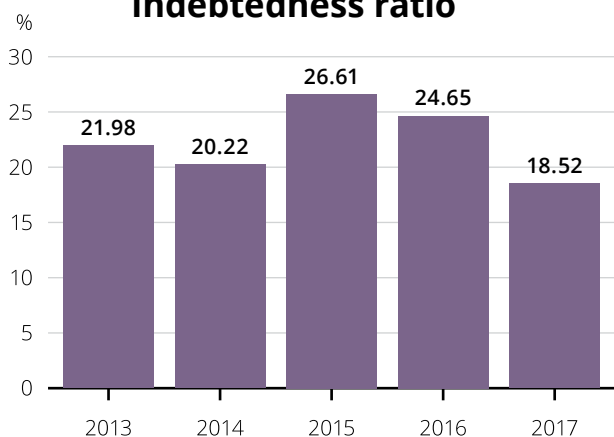
At the end of the financial year, Council had \$22 million in outstanding borrowings.

Council's indebtedness ratio is a comparison of non-current liabilities (mainly comprised of borrowings) to own-sourced revenue. It is a measure of Council's capacity to pay non-current liabilities when they fall due. The higher the percentage, the less able to cover non-current liabilities from the revenues the entity generates itself.

For 2016/2017, the indebtedness ratio was under 18.53 per cent.

A percentage under 40 per cent is considered as no concern over the ability to repay debt from own-sourced revenue.

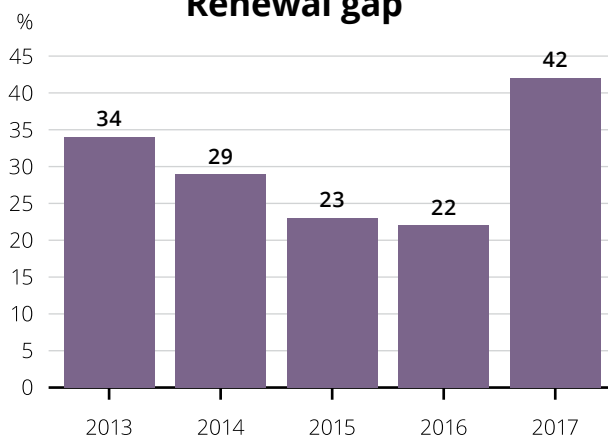
Indebtedness ratio



ASSET RENEWAL RATIO

This is a measure of Council's expenditure on maintaining existing assets as a percentage of depreciation expenses. Council more than doubled its renewal expenditure in the 2016/2017 year.

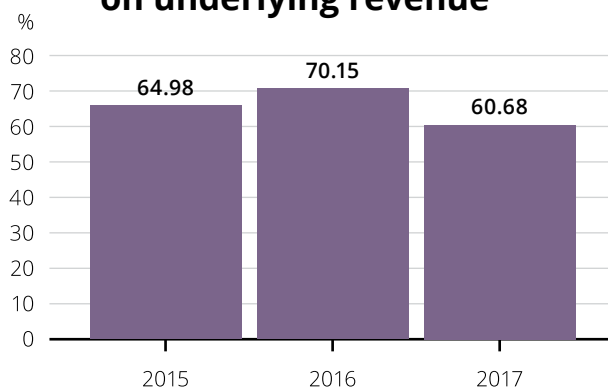
Renewal gap



STABILITY

Council's revenue stream comprises of rates revenue, land sales, grants and contributions, fees, fines and charges. Rates form a significant part of the Council's revenue stream. Council is focused on maximising income from government grants and contributions in its attempt to reduce the dependence on rates revenue. The stability ratio trended favourably in 2016/2017 due to land sales.

Percentage of rate income on underlying revenue



Description of operations



Bridge Road Regional Playspace

Melton City Council is responsible for more than 120 services. These include family and children's services, traffic regulation, open space, youth facilities, waste management and community planning. Other matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget are also part of day-to-day operations at Melton City Council. Council's broad range of community services and infrastructure support the wellbeing and prosperity of its community.

Council's vision, strategic objectives and strategies to further improve services and facilities are described in the Council and Wellbeing Plan, the Budget, and reported in this annual report.

The delivery of services, facilities, support and advocacy to achieve strategic objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under Victorian legislation.

ECONOMIC FACTORS

The rate of growth in Melton accelerated in 2016/2017 compared to recent years.

Continuing historically low interest rates proved to benefit the residential housing market, and provide some relief to the community in terms of mortgage stress, which still remains an issue.

Construction progressed on the new 1,000-bed medium security men's prison at Ravenhall, which is due to open in November 2017. This major project has created thousands of jobs during the construction phase, and will create more than 1,000 ongoing jobs once operational, providing a major boost to the local economy.

The State Government imposed rate capping on all Victorian councils of 2.5 per cent for the 2017/2018 year. Land sales at Council's joint-venture project with LendLease Communities, Atherstone, were extremely strong with more than 600 lots sold, contributing significantly to Council's strong financial position.

MAJOR CAPITAL WORKS

Major capital works in 2016/2017 included:

MELTON TOWN CENTRE REDEVELOPMENT

The central business district of Melton is being transformed to create a vibrant and pedestrian-friendly town centre.

The redevelopment works are within Palmerston Street between High Street and McKenzie Street and along McKenzie Street between Alexandra Street and Palmerston Street.

The redevelopment aims to improve the space by making clear pathways to encourage people movement, creating spaces that enable both passive and organised use and provide more opportunities for traders to utilise the streetscape.

Stage 3 of the Melton Town Centre Redevelopment works commenced in February 2017 and is scheduled for completion in November 2017. This stage involves upgrading McKenzie Street, adjacent to the Melton Library and Learning Hub, improving traffic management, installing public art works, establishing an area for public events and activities, and upgrading linkages to High St.

The total project cost is approximately \$13.5 million, including \$5.5 million from the Federal Government through the National Stronger Regions Fund and \$3.5 million from the State Government through the Growing Suburbs Fund.



Minns Road construction

AGEING WELL PRECINCT

The \$2.8 million redevelopment of Council's facility at 5 McKenzie St Melton was completed during the year. This centre assists older adults and people with disabilities and their carers to enjoy happy, healthy and fulfilled lives. It forms a core element within Council's Ageing Well Precinct and provides a strategic approach to offering lifelong support to residents. Council was supported in this project by a State Government Growing Suburbs Fund grant of \$1.8million.

ABEY ROAD BRIDGE

The Abey Road Bridge construction project provides a vital east-west connection across the Toolern Creek, connecting Abey Road and Brooklyn Road.

The \$6.1 million Council-funded project provides alternative access to the Western Freeway, reduces traffic on Station Road and increases access to Melton train station.

BRIDGE ROAD REGIONAL PLAYSACE

The regional playspace in Bridge Road, Strathtulloh, opened in November 2016 and has become a popular venue for local families and young people. The playspace includes a flying fox, slides, swings and trampolines. It also has custom-made monkey bars, a water play area, picnic and barbecue facilities, and visitor parking.

The total cost of this project was \$1.6 million, supported by a Growing Suburbs Fund grant of \$900,000.

MINNS ROAD CONSTRUCTION

Minns Road was upgraded from a rural unsealed road to a sealed road between Black Knight Way and Coburns Road, and Gisborne Melton Road and Croxton Drive. This road provides a significant east-west link between Coburns Road and the Melton-Gisborne Road. The total project cost was \$1.37 million.

MT COTTRELL ROAD CONSTRUCTION AND WIDENING

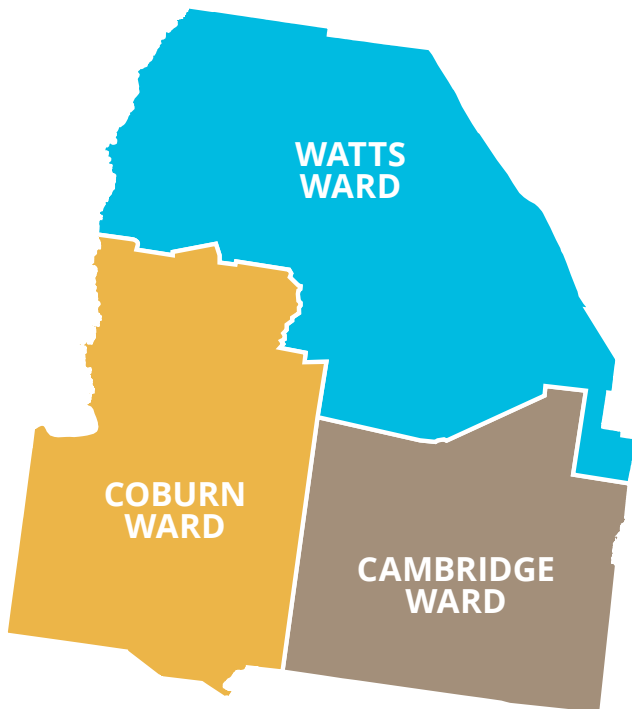
Mt Cottrell Road was constructed and widened during the year. This road is a significant link in the road network needed to service the growth area. The total project cost was \$3.5 million.

ORGANISATIONAL CHANGES

- A number of changes to the organisational structure occurred during the year to better equip Council to meet challenges such as growth, rate capping and changes in government direction and policy.
- Significant changes were made in Libraries, Compliance and Finance. Minor changes in Food Services, City Design, Strategy and Environment, Traffic Management and Supported Playgroups were also made. All of the changes were made after a substantial service review in each area.
- Within Libraries, the structure was revised to achieve better integration and consistency across the service to incorporate the Arts and Culture portfolio, and to structure the unit better to deliver the expectations of a modern library service.
- The Compliance unit was restructured to recognise the growing scale and complexity of the school crossing function, as well as to improve coordination of back-end resources.
- The new Finance structure will ensure good management practices are embedded to cope with Council's growth.

City profile

Melton City Council is divided into three wards



Wurundjeri people

are the original custodians

6,895

registered businesses

Major employment sectors:

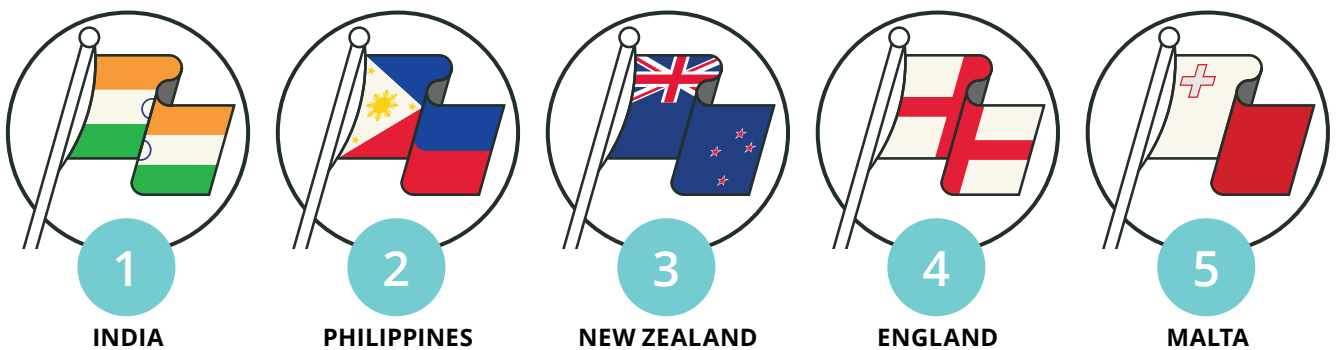
retail, education and training, construction, health care, social assistance and public administration and safety

TOP 5 AGE GROUPS

- 1 **35 to 39** 12,024 (8.6%)
- 2 **5 to 9** 12,018 (8.6%)
- 3 **30 to 34** 11,997 (8.5%)
- 4 **0 to 4** 10,975 (7.8%)
- 5 **25 to 29** 10,885 (7.8%)

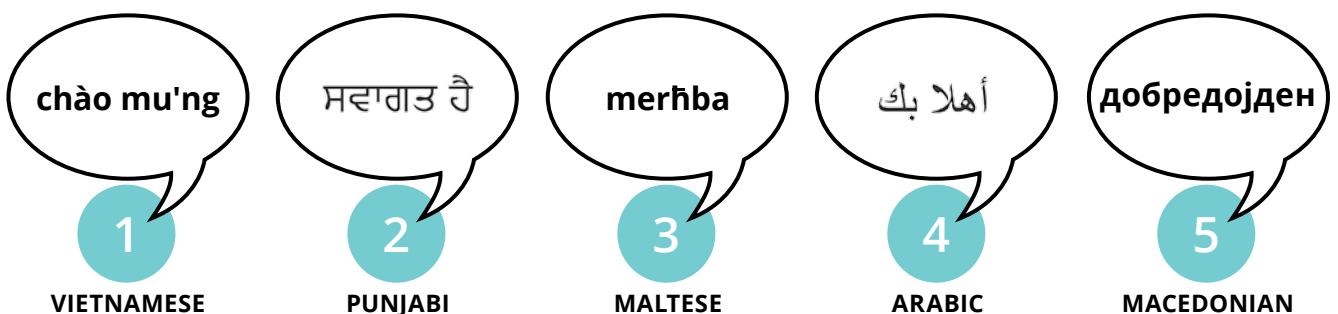
TOP 5 COUNTRIES OF BIRTH

Other than Australia which is the highest



TOP 5 LANGUAGES SPOKEN AT HOME

Other than English which is the highest



Councillors

CAMBRIDGE WARD

CR STEVE ABBOUSHI

Served: November 2016-June 2017
First elected: November 2016
E: steve.abboushi@melton.vic.gov.au
M: 0437 231 680



CR NOLA DUNN

Served: July-October 2016
First elected: October 2012
E: nola.dunn@melton.vic.gov.au
M: 0408 794 232



CR GORAN KESIC

Served: November 2016-June 2017
First elected: November 2016
E: goran.kesic@melton.vic.gov.au
M: 0437 241 436



CR KATHY MAJDLIK

Served: July 2016-June 2017
Mayor: October 2015-October 2016
First elected: November 2008
E: kathy.majdlik@melton.vic.gov.au
M: 0412 584 058



COBURN WARD

CR MYLES BENTLEY

Served: July-October 2016
First elected: April 2015
E: myles.bentley@melton.vic.gov.au
M: 0408 794 232



CR MELISSA DE SANTIS

Served: November 2016-June 2017
First elected: November 2016
E: melissa.desantis@melton.vic.gov.au
M: 0437 236 597



CR KEN HARDY

Served: November 2016-June 2017
First elected: November 2016
E: ken.hardy@melton.vic.gov.au
M: 0437 226 887



CR SOPHIE RAMSEY

Served: July 2016-June 2017
Mayor: November 2016-June 2017
First elected: October 2001
E: sophie.ramsey@melton.vic.gov.au
M: 0412 584 067



CR BOB TURNER

Served: July 2016-June 2017
Deputy Mayor: November 2016-June 2017
First elected: November 2008
E: bob.turner@melton.vic.gov.au
M: 0412 584 224



WATTS WARD

CR LARA CARLI

Served: July 2016-June 2017
First elected: October 2012
E: lara.carli@melton.vic.gov.au
M: 0409 951 020



CR RENATA CUGLIARI

Served: July-October 2016
First elected: November 2004
E: renata.cugliari@melton.vic.gov.au
M: 0438 057 807



CR MICHELLE MENDES

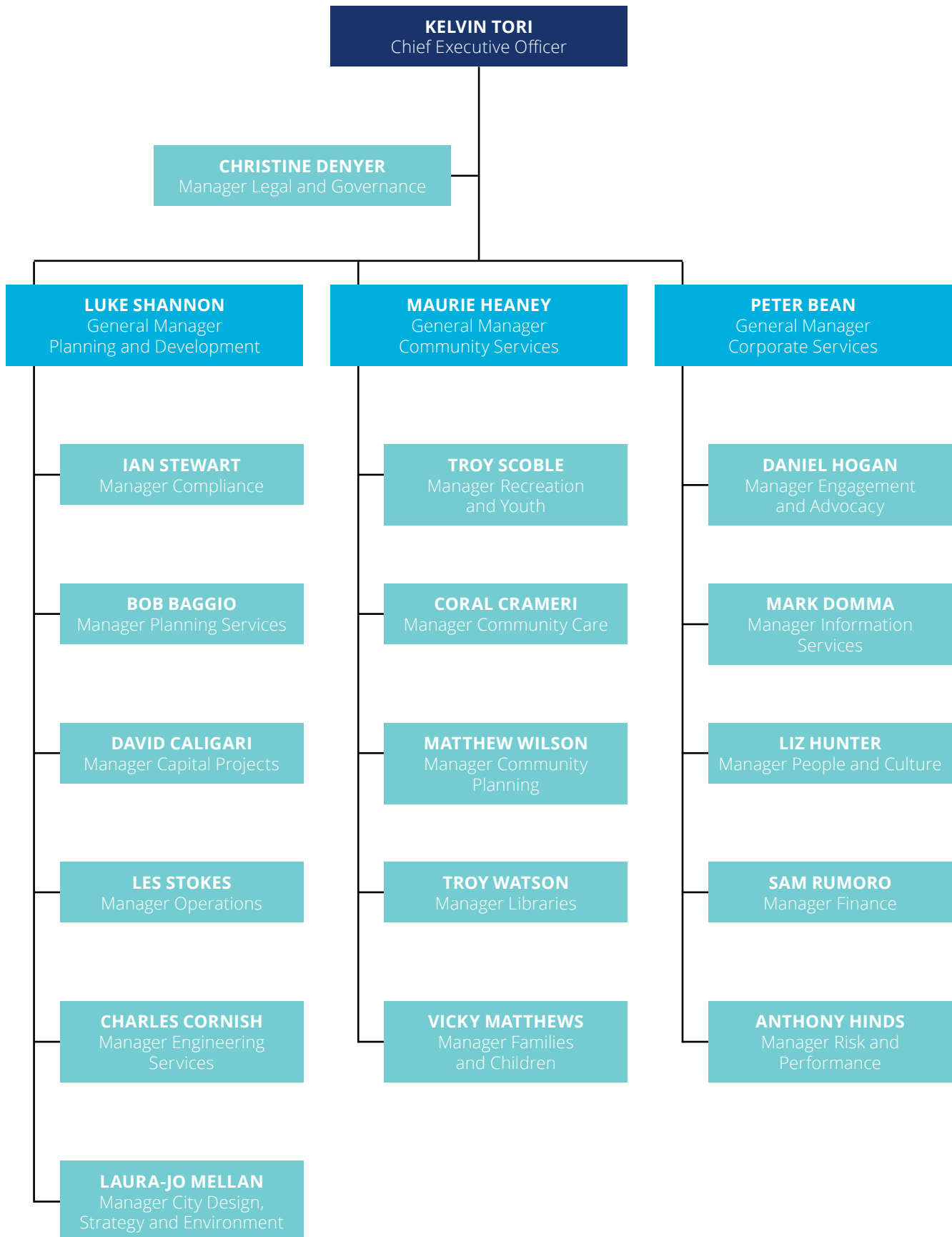
Served: November 2016-June 2017
First elected: November 2016
E: michelle.mendes@melton.vic.gov.au
M: 0437 249 824



Our people



Organisational structure



Executive

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.

CHIEF EXECUTIVE OFFICER

Kelvin Tori

Appointed as Chief Executive Officer in May 2011, Kelvin Tori provides strategic guidance for the management and development of Melton City Council. Kelvin is responsible for providing strong leadership to the organisation and oversees the management and operations of Council, including the Legal and Governance portfolio. Kelvin Tori holds a Bachelor of Economics and Politics and has over 30 years' experience in Local Government.

Contract period: May 2016-May 2020.



Senior Officers reporting directly to the Chief Executive Officer

GENERAL MANAGER CORPORATE SERVICES

Peter Bean

Peter Bean holds a Bachelor of Business (Local Government), Graduate Certificate in Local Government Management and a Masters of Business Administration. Peter has worked for metropolitan Melbourne, interface and north eastern Victorian councils for over 20 years. His portfolio covers these areas: Engagement and Advocacy; Finance; Information Technology; People and Culture; and Risk and Performance.



GENERAL MANAGER COMMUNITY SERVICES

Maurie Heaney

Maurie Heaney has over 25 years' experience in local government. Maurie manages infrastructure provision and community service delivery for Melton City Council. His portfolio covers these areas: Community Care; Families and Children; Community Planning; Recreation and Youth; and Libraries.



GENERAL MANAGER PLANNING AND DEVELOPMENT

Luke Shannon

Luke Shannon holds a Bachelor of Applied Science (Environmental Planning) and a Graduate Diploma in Cultural Heritage and has worked in Local Government for 25 years. His portfolio covers these areas: Capital Projects; City Design, Strategy and Environment; Compliance; Engineering Services; Operations; and Planning Services.

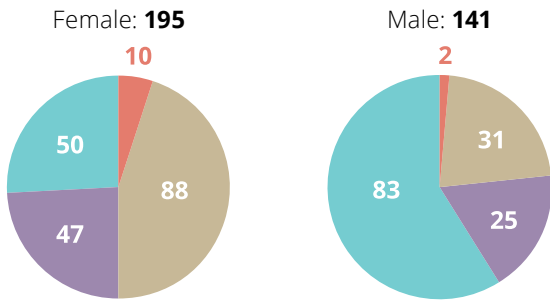


Our workforce

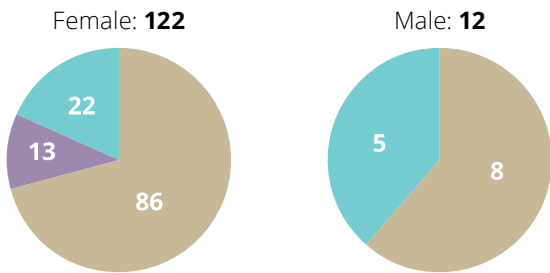
COUNCIL STAFF

- Office of the CEO
- Corporate Services
- Community Services
- Planning and Development

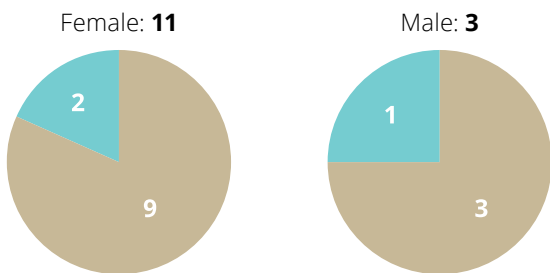
FULL-TIME



PART-TIME



CASUAL



EMPLOYMENT BY REMUNERATION CLASSIFICATION

	F	M	Total
Band 1	19	4	23
Band 2	3	5	8
Band 3	36	9	45
Band 4	84	14	98
Band 5	61	25	86
Band 6	53	41	94
Band 7	29	27	56
Band 8	8	14	22
Nurses	27	0	27
Others	7	17	24
Total	327	156	484

EQUAL OPPORTUNITY

Council aims to create a workplace where the best applicants secure employment opportunities. This is achieved by creating equal opportunity and removing unreasonable barriers to entry that are unrelated to job suitability.

Council's Equal Employment Opportunity Program continues to provide a comprehensive induction for all staff early in their employment. This ensures staff are aware of their responsibilities and Council's expectations during employment.

Recruitment panels are balanced to ensure gender diversity and to eliminate unintentional gender bias in the selection process.

Training programs in cultural awareness enable leaders to be aware of issues for staff and recipients of Council services.

A Prevention of Bullying and Harassment training program was rolled out to all staff in 2016-2017 to ensure all staff are aware of their rights and responsibilities.

Council will continue to identify the barriers to equal opportunity and implement contemporary, relevant initiatives that promote equality in employment.

ENTERPRISE BARGAINING AGREEMENT

The Enterprise Bargaining Agreement (EBA) negotiations, which commenced in March 2016, were completed in July 2016. Staff voted overwhelmingly in favour of the proposed EBA (322 voted yes, 15 voted no) in August 2016. The EBA was subsequently lodged, and ratified by the Australian Industrial Relations Commission on 7 October 2016, and came into effect from 1 July 2016. This agreement will last for three years.

Our workforce

PROFESSIONAL DEVELOPMENT

Extensive professional development opportunities are offered to all professional staff via the Corporate Training Framework. This framework provides staff with access to free training in a range of relevant skills for professionals. Council provided 123 free face-to-face training sessions to staff in 2016/2017.

LEADERSHIP DEVELOPMENT

Comprehensive Leadership Development training opportunities are offered to staff who lead people or aspire to lead people. This includes the Leadership Training Framework, which offered 12 free face-to-face training sessions for leaders, who each made their own course selection. Council also organised and hosted a multi-council event, the Emerging Leader Challenge, and ran a targeted training program called Elevate, which is designed for nominated future leaders. Council also ran two mentoring cycles that resulted in the establishment of 23 mentoring relationships, and held a development day for all Council Coordinators.

REWARD AND RECOGNITION

The Reward and Recognition framework provides opportunities for staff to nominate one another to be recognised for their contribution in a range of ways. In 2016/2017, 80 reward and recognition nominations were given to staff. The annual STAR awards recognised the contributions of eight outstanding staff members, and another 90 for their length of service.

PREVENTION OF VIOLENCE AGAINST WOMEN

Council provides a Family Violence policy and procedure, and provided further enhancements in the 2016 Enterprise Agreement, which were explained to staff at the EBA information sessions. Staff provided feedback that they greatly appreciated Council's provision for staff who require support at this time.

HEALTH AND SAFETY

Occupational Health & Safety (OHS), Injury Management, and Workplace Health & Wellbeing continue to perform strongly. Reviews were conducted of staff emergency preparedness and response procedures, and SunSmart procedures. A successful program was implemented to empower staff to have greater control over their OHS and client service delivery duties.

- Days lost due to injury decreased by 99 days from the previous year
- Employees returned to pre-injury duties in 67 per cent of WorkCover claims
- WorkCover premium reduced, despite greater staff numbers
- Participants in Dry July (alcohol awareness) raised \$850 for the Ballarat Regional Integrated Cancer Centre.

OH&S PERFORMANCE

- 2016/17 Lost Time Injuries (LTI): 12
- 2016/17 Lost Days: 312
- 2016/17 Lost Time Injury Frequency Rate: 12.70 (LTI/total hours worked x 1,000,000)

RISK MANAGEMENT

The major focus of this year was the renewal of Council's online Enterprise Risk Management system. An extensive process was undertaken to identify requirements, and the best value solution. System improvements have been achieved as a result; training has been rolled out and the new application is now in use.

The identification and management of risks associated with major projects is now well-embedded in Council's processes, with reporting to the Project Steering Group, the top governance body for project management.

Fraud and Corruption Control has been extensively reviewed, with a revised policy and procedure approved by Council now being implemented. Risk assessments have been undertaken and staff awareness training delivered.

VOLUNTEERS

Melton City Council thanks the 1,974 people who volunteered their time, skills and expertise to assist in Council programs, events and festivals in 2016/2017.

The accompanying table shows the number of volunteers for each of the Council areas listed. This report does not include volunteer members on Council Committees and Advisory Groups.

COUNCIL SERVICE UNIT	NUMBER OF VOLUNTEERS	VOLUNTEER ROLE
Ageing Well	5	Ambassadors delivered Council's Ageing Well exercise programs. Programs included Tai Chi for Arthritis and Seniors Walking Group. Nordic Walking Groups were also held in Melton, Melton South and Taylors Hill.
Carers Group	1	Volunteer assisted carers by encouraging social and peer support, and helped at outings and activities from the Carers Social Calendar. Volunteer also took a lead role at the 2016 CARE Melton Expo by engaging and consulting with carers.
Events	106	Volunteers worked at Council events and festivals helping out with car parking, marshalling, providing information to attendees and food service.
Environment	1,713	Volunteers participated in activities to improve the City of Melton's land and waterways including Clean Up Australia Day, Friends of Toolern Creek, Friends of the Melton Botanic Garden, Toolern Vale Landcare Group, Eynesbury Bird Enthusiasts Group, Pinkerton Landcare and Environment Group, Utsav Malayalee Samaj, Melton Environment Group, Parwan Landcare, Dingo Discovery Sanctuary, Edible Harvest Out West, CS Animal Welfare Network, and Melton Sustainable Living Group.
Food Services	3	Volunteers assisted with general duties in the kitchen and dining rooms for Council's meals on wheels service, centre-based meals program and Social Support Groups. They also hosted the Chat and Chew program.
Men's Shed	19	Volunteers provided around 364 hours of support to Men's Shed classes, projects and groups each month across both Melton and Taylors Hill Men's Sheds.
Neighbourhood House Program	23	Neighbourhood House volunteers planned and supported the operation of weekly children's programs and walking groups, and offered support to neighbours at community events and in administration duties.
Social Support	17	Volunteers assisted Social Support staff to deliver programs and activities.
Libraries	24	Library volunteers assisted with home service deliveries, family history research, the digitised project, chess club and English conversation classes.
Visitor Information Centre	30	The Visitor Information Centre is operated by a dedicated team of volunteers who use their local area knowledge to act as ambassadors, helping people who are visiting or looking to move to the City of Melton.
Volunteer Transport	11	Volunteers provided door-to-door transport for people in need to get to medical or other appointments.
Youth	46	Youth volunteers took part in 46 youth-led event programs that engaged young people.

Our performance

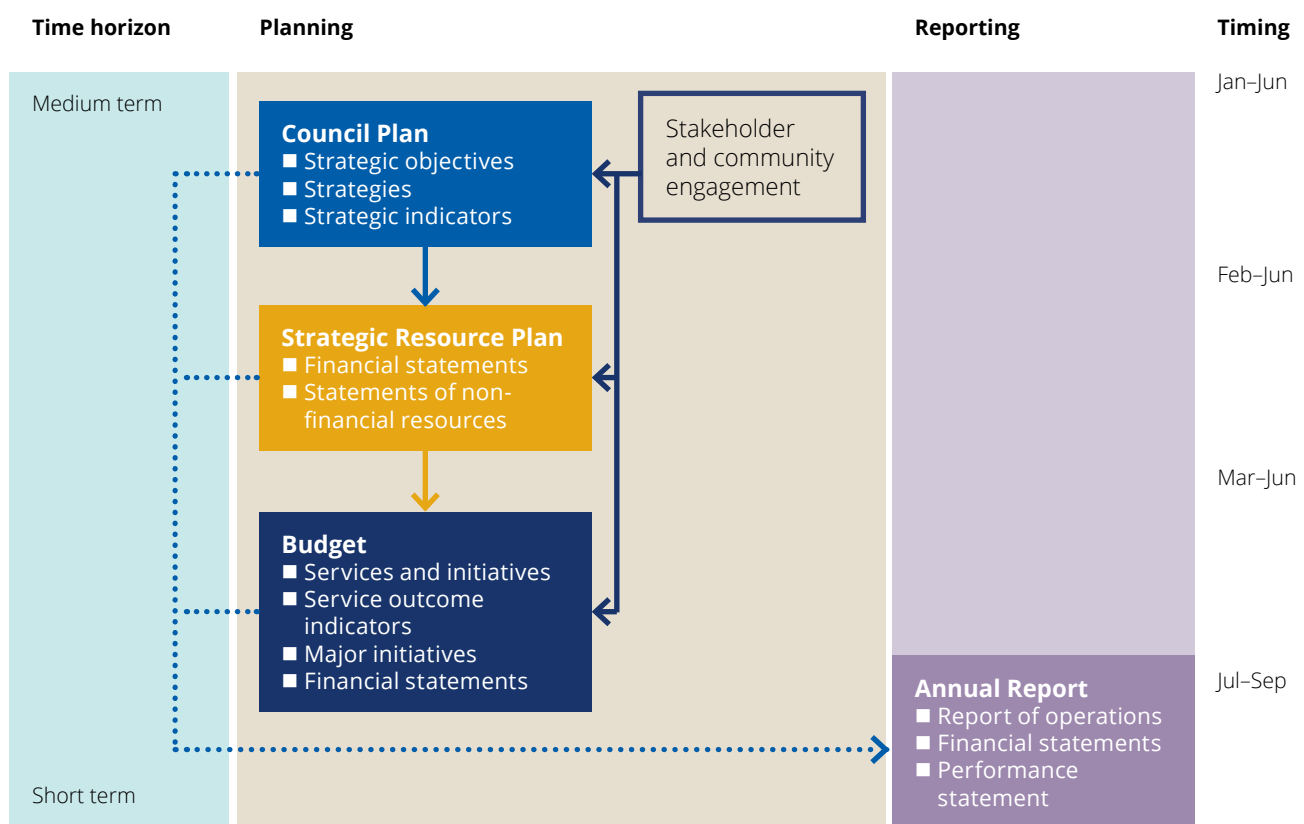


Planning and accountability framework

The Victorian Local Government Act requires councils to prepare:

- A Council Plan within the six months after each general election or by 30 June, whichever is later
- A Strategic Resource Plan for a period of at least four years and include this in the Council Plan
- A Budget for each financial year
- An Annual Report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Melton City Council Plan 2013-2017

The Council Plan guides all Council activities over the four-year term of the elected Council. The key elements of the Council Plan are:

Themes	Used to focus a council's strategic planning into common subject matter using a few key words followed by a short statement of explanation.
Strategic Outcome	Describes the desired future condition upon the achievement of the stated objectives.
Objectives	The strategic purpose statements that set the direction to manage underlying issues or take advantage of presenting opportunities.
Strategies	Set of approaches directed at achieving the objectives in the council plan.
Strategic Performance Indicators	How councils' performance is measured against the council plan strategic objectives.

The Melton City Council Plan 2013-2017 themes and strategic outcomes are:

THEME	STRATEGIC OUTCOME
Managing our growth	A clear vision to connect and develop a sustainable city
A well governed and leading organisation	Operating with innovation, transparency, accountability and sustainability
Diverse, confident and inclusive communities	A culturally rich, active, safe and connected city
Community health and wellbeing	A city of people leading healthy and happy lives

PERFORMANCE

Council's performance for the 2016/2017 year has been reported against each Council Plan theme, desired outcome and objective. This demonstrates how Council is performing in achieving the 2013-17 Council Plan.

Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan
- Progress in relation to the major initiatives identified in the budget
- Services funded in the budget and the persons or sections of the community who are provided those services
- Results against the Local Government Victoria service performance indicators and measures.

COUNCIL ANNUAL ACTION PLAN

Melton City Council activities including services, programs and projects, are recorded in service unit business plans in Council's SharePoint Business Planning System. This ensures all activities align to the Melton City Council Plan objectives and strategies. The Melton City Council Action Plan is an annual plan that documents key activities and initiatives. Progress reports are prepared on a quarterly basis and published on Council's website.

The *2016/2017 Council Annual Action Plan End of Year Performance Report* was presented to Council at the 21 August 2017 ordinary meeting. The report provides commentary on achievements, progress and explanations for delays and postponements. Of the 149 actions documented in the plan as at 30 June 2017, 126 actions were completed, two actions were on track, 19 actions were not on track, and two actions were postponed. Of the actions not on track, two actions had the scope and completion date amended during the year.

A copy of this report is available on Council's website under Publications.

Theme 1

Managing our growth



Managing our growth

STRATEGIC OUTCOME:

A clear vision to connect and develop a sustainable City

The following statement reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic indicators.

1.1 STRATEGICALLY PLAN FOR A WELL DESIGNED AND BUILT CITY

STRATEGIC INDICATOR	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Percentage of Council owned or managed heritage sites preserved or adapted for use <i>Source: Asset Management System</i>	100%	100%	100%	
Increase the number of social and public housing opportunities in the City <i>Source: Rates Authority System & local housing associations</i>	1.96%	1.98%	0%	Social housing stock remained the same as at 30 June 2016.
Community satisfaction with planning for growing population <i>Source: Local Government Victoria Customer Satisfaction Survey – Index score out of 100</i>	N/A	57	52	

1.2 BUILD A SENSE OF PLACE THROUGH AN ENGAGING RANGE OF COMMUNITY FACILITIES AND SHARED OPEN SPACES

STRATEGIC INDICATOR	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Community satisfaction with facilities and services <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.62	7.67	7.48	
Community satisfaction with recreational facilities and leisure centres <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	8.99	7.99	7.86	
Community satisfaction with maintenance of parks and gardens <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.39	7.44	7.14	
Community satisfaction with maintenance and cleaning of shopping strips <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.59	7.69	7.45	
Community satisfaction with litter collection in public areas <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.33	7.29	6.78	
Community satisfaction with the condition of local roads (sealed road maintenance and repairs) <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	6.99	7.09	6.71	
Community satisfaction with the condition of footpaths <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	6.69	6.72	6.27	



1.3 GENERATE AN INNOVATIVE LOCAL ECONOMY THAT STIMULATES OPPORTUNITIES FOR INVESTMENT, BUSINESS AND TRAINING

STRATEGIC INDICATOR	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Businesses registration rates <i>Source: Australian Business Register portal</i>	3,222	3,415	3,296	
Rate of school leavers entering higher education, vocational education or employment <i>Source: On Track Survey LGA website</i>	74.8%	80.7%	71.3%	

1.4 VALUE AND PROTECT THE NATURAL ENVIRONMENT FOR FUTURE GENERATIONS

STRATEGIC INDICATOR	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Reduction in energy consumption of the City's street light emissions	20%	71%	Not Available	This measure relates to a specific project that was funded by the Australian Government and completed in the 2015/2016 financial year. There have been no large-scale street light replacements in the 2016/2017 financial year and therefore no data has been collected.
Reduction in energy consumption of Council's top four buildings – Caroline Springs Indoor Stadium, Melton Civic Centre Caroline Springs Library and Melton Library	3%	Melton Civic Centre (42%), Melton Waves (12%), Caroline Springs Leisure Centre (21%) Caroline Springs Library & Civic Centre (16%)	Not available	This measure relates to a specific project that was funded by the Australian Government and completed in the 2015/2016 financial year. No further works have been undertaken on any of these buildings and therefore no further data has been collected.
Percentage of waste diverted from landfill	44.4%	43.4%	47.04%	
Volunteer rates in local environment groups	566	1,041	527	This information is provided by the various environment groups, which are administered by community members.
Percentage of eligible landowners who retain the Environment Enhancement Protection rebate	96%	93%	93%	

1.5 SUPPORT A TRANSPORT SYSTEM THAT CONNECTS AND MOVES OUR COMMUNITY

STRATEGIC INDICATOR	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Community satisfaction with access to public transport services <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	6.80	6.23	6.61	
Percentage of residents who reside within 400 metres of bus stops <i>Source: Geographic Information System</i>	77%	69%	69%	

Managing our growth

The following statement reviews the progress of Council in relation to initiatives identified in the 2016-2017 Budget for the year.

INITIATIVES	PROGRESS	COMMENTS
1 Develop the Integrated Water Cycle Management Plan to set the direction of how Council more efficiently manages its water use and stormwater runoff	Ongoing	This project is now called the Integrated Water Management Plan. A consultant was appointed during the year and work has commenced. Technical analysis work is underway and the consultation stage is scheduled to commence in July 2017 with the project scheduled for completion in March 2018.
2 Construct a speed hump across Inglewood Road in Burnside Heights, which is funded within the Traffic Management Device Program budget	Ongoing	Inglewood Drive is a bus route and Council has been working with bus operators to obtain approval of an effective speed hump. The installation of a speed hump endorsed by the bus operator is included in Council's 2017-2018 Traffic Management Device Program.

The following statement provides information in relation to the services funded in the 2016-2017 Budget and the people or sections of the community who provided the service.

SERVICE	DESCRIPTION	NET COST BUDGET	ACTUAL VARIANCE
		\$000	
Capital Projects	Responsible for the planning, design and construction of a complex suite of new civil and community infrastructure within an operational framework delivering a works program via project management processes and controls. The unit's primary responsibility is to achieve the timely programming and roll-out of Council's capital projects.	\$13,965	\$14,925
			\$960
Economic Development and Advocacy	Undertakes a range of initiatives and projects to enhance the economic growth of the City as well as advocate to various levels of Government on key advocacy priorities.	\$935	\$957
			\$22
Engineering Services	Provides design for capital works, traffic management planning, built assets management, civil and landscape infrastructure planning, and geographic information systems.	\$3,277	\$2,380
			-\$897
City Design, Strategy and Environment	Provides strategic planning and administration of the Melton Planning Scheme, environmental planning and management, environmental education programs, urban design and landscape architecture for assessment of planning permits, design and delivery of Council assets and facilities.	\$2,425	\$3,403
			\$978
Planning	Assesses planning and subdivision proposals under the relevant planning and subdivision legislation. Services also include pre-application consultation, planning advice, post permit approvals, issue of statements of compliance, and collection, monitoring and reporting of development contributions.	-\$5,579	-\$16,378
			-\$10,799

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations. (No material variation means the result is within the permissible range figure provided by Local Government Victoria).

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	MATERIAL VARIATIONS
STATUTORY PLANNING				
Timeliness	79	63	63	
<i>Time taken to decide planning applications</i>				
(The median number of days between receipt of a planning application and a decision on the application)				



SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	MATERIAL VARIATIONS
Service standard	65%	76.97%	74.12%	
<i>Planning applications decided within 60 days</i> (Number of planning application decisions made within 60 days/number of planning application decisions made) x 100				
Service cost	\$2,029.62	\$2,190.41	\$2,393.29	Higher cost of planning service as a result of greater spend on contractors to assist with resourcing issues in the Major Developments unit.
<i>Cost of statutory planning service</i> (Direct cost of the statutory planning service/ number of planning applications received)				
Decision-making	50%	46.67%	28.57%	Data is slightly skewed due to the smaller quantum of VCAT appeals overall compared to last year.
<i>Council planning decisions upheld at VCAT</i> (Number of VCAT decisions that did not set aside Council's decision in relation to a planning application/number of VCAT decisions in relation to planning applications) x 100				
ROADS				
Satisfaction of use	15.49	22.45	26.48	Council's sealed road network has increased by approximately 30km and increased traffic volumes associated with population growth have both contributed to the increase in requests.
<i>Sealed local road requests</i> (Number of sealed local road requests/ kilometres of sealed local roads) x 100 <i>Source: Customer Request System/ Asset Management System</i>				
Condition	100%	98.69%	92.69%	
<i>Sealed local roads below the intervention level</i> (Number of kilometres of sealed local roads below the renewal intervention level set by Council/ kilometres of sealed local roads] x 100				
Service cost	\$79.46	\$142.40	\$76.02	The sealed local road reconstruction program was much larger this year and included two very large rural roads. The previous year included urban courts that are more expensive per square metre.
<i>Cost of sealed local road reconstruction</i> (Direct cost of sealed local road reconstruction/ square metres of sealed local roads reconstructed)				
Service cost	\$18.60	\$18.70	\$9.71	The resurfacing program had more spray seal projects in comparison to last year where there were more asphalt treatments. Spray seal treatments are significantly cheaper than asphalt treatments.
<i>Cost of sealed local road resealing</i> (Direct cost of sealed local road resealing/ square metres of sealed local roads resealed)				
Satisfaction	62	64	62	
<i>Satisfaction with sealed local roads</i> (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads) <i>Source: Local Government Victoria Customer Satisfaction Survey – Index score out of 100</i>				

A well governed and leading organisation





STRATEGIC OUTCOME:

Operating with innovation, transparency, accountability and sustainability

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

2.1 BUILD COMMUNITY TRUST THROUGH SOCIALLY RESPONSIBLE GOVERNANCE FOR LONG TERM SUSTAINABILITY

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Community satisfaction that decisions are made in the best interest of the community. <i>Source: Local Government Victoria Customer Satisfaction Survey – Index score out of 100</i>	60	56	55	Melton remains above the state average, which is 54.
Working Capital Ratio	1:1.97	1:1.91	1:5.85	Increased cash was generated from operational activities due to growth of income.
Long Term Obligations Ratio	19.7%	31.4%	22.3%	Council reduced its borrowings during the year.
Debt Repayments Ratio	14.6%	9.4%	7.0%	Council reduced its borrowings during the year.
Percentage of Council asset base outside of intervention levels	0.8%	0.71%	0.81%	This figure includes roads only. No data exists for other asset classes. Condition surveys are conducted on a three-yearly cycle in accordance with the Australian Accounting Standard and the International Infrastructure Management Manual.

2.2 PROVIDE LEVELS OF SERVICE THAT BALANCE COMMUNITY NEED WITH ORGANISATIONAL CAPACITY

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Percentage of community satisfaction overall with Council Services <i>Source: Local Government Victoria Customer Satisfaction Survey – Index score out of 100</i>	63	61	59	

2.3 FACILITATE COMMUNITY ENGAGEMENT IN PLANNING AND DECISION MAKING

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Community satisfaction with consultation and engagement <i>Source: Local Government Victoria Customer Satisfaction Survey – Index score out of 100</i>	59	54	55	Melton's score is on par with the state average, which is also 55.
Community satisfaction with informing the community <i>Source: Local Government Victoria Customer Satisfaction Survey – Index score out of 100</i>	N/A	59	55	

A well governed and leading organisation

2.4 INVEST IN A SKILLED, MOTIVATED, ALIGNED AND PERFORMING WORKFORCE

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Staff turnover	8.8%	9.0%	10.68%	
Percentage of employees who achieved a satisfactory or above level in their performance plans	98%	99%	99%	
<i>Source: PES staff performance evaluation system.</i>				
Number of lost time injuries	15	12	12	
Number of lost time hours	359	413	312	This is presented as lost days for the financial year.

2.5 ADVOCATE IN THE BEST INTERESTS OF OUR COMMUNITY AND REGION

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Community satisfaction with the Council's lobbying on behalf of the community	58	56	54	Melton's score is on par with the state average, which is also 54.
<i>Source: Local Government Victoria Customer Satisfaction Survey - Index score out of 100</i>				
Percentage of Council annual budget funded by external sources	20.5%	19.2%	23.72%	

2.6 ENSURE TIMELY COMPLIANCE WITH STATUTORY AND REGULATORY OBLIGATIONS

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Level of compliance with procurement process	100%	100%	100%	
Emergency Management Audit Rating	Compliant	Compliant	Compliant	
<i>Source: State Emergency Service (SES) Audit</i>				
Number of registered animals per household	0.35	0.47	0.42	

The following statement reviews the progress of Council in relation to Initiatives identified in the 2016-2017 Budget for the year.

INITIATIVES	PROGRESS	COMMENTS
12 Facilitate a Community Vision – was originally allocated to Strategic Outcome 4 in the Budget papers	Completed	<i>Melton City 2036 – The City We Imagine</i> was endorsed by Council at the Ordinary Council Meeting on 3 April 2017.
13 Develop the 2017-21 Council Plan – was originally allocated to Strategic Outcome 4 in the Budget papers	Completed	The 2017-21 Council and Wellbeing Plan was adopted by Council on 26 June 2017.
14 Develop the 2017-21 Municipal Public Health and Wellbeing Plan – was originally allocated to Strategic Outcome 4 in the Budget papers	Completed	The Municipal Public Health and Wellbeing Plan was developed in conjunction with and incorporated into the 2017-21 Council and Wellbeing Plan which was formally adopted by Council on 26 June 2017



The following statement provides information in relation to the services funded in the 2016/17 Budget and the people or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL	
		BUDGET	VARIANCE
		\$000	
Compliance	Administer general local laws enforcement, planning enforcement, building services, environmental health (food safety and immunisation programs), animal management, parking enforcement and school crossings.		\$2,675
			\$2,972
			\$297
Customer Engagement	Provide inbound call handling and counter services, communication strategies, civic functions and governance, events, arts and cultural activities.		\$4,420
			\$4,114
			-\$305
Finance	Provide financial services to both internal and external customers including the management of Council's finances, raising and collection of rates and charges and property valuation.		-\$116,687
			-\$82,721
			\$33,966
Information Services	Provides leadership, support and improvement capability in the area of information and technology so the organisation can deliver effective services.		\$7,555
			\$5,620
			-\$1,935
Operations	Provide waste management and cleaning services that include kerbside waste, recycling and organics collection, street and footpath sweeping services, litter collection, graffiti removal and the operation of the Melton Recycling Facility. Maintain our parks, open spaces, trees, property, drainage and roads. Emergency management planning and business continuity planning.		\$36,833
			\$36,336
			-\$497
People and Culture	Provide human resources, learning and development payroll, industrial relations, injury management, occupational health & safety, risk management and health & wellbeing initiatives.		\$1,675
			\$1,482
			-\$193
Executive and Councillors	This area of governance includes the Mayor, Councillors, Chief Executive Officer and executive management team and associated support which cannot be easily attributed to the direct service provision areas.		\$3,431
			\$4,006
			\$575
Legal and Governance	Provides a range of internal legal advice to Council in all relevant areas of law and report on all legal matters across Council. Process freedom of information requests and protected disclosure. Provide procurement, fleet management, contract services and internal audit services.		\$1,371
			\$1,296
			-\$75
Risk and Performance	Provides risk management services through occupational health and safety programs, workers' compensation services, health and wellbeing initiatives, fraud and corruption control, municipal fire prevention, business continuity management, and community emergency management (planning, preparedness and recovery). Also provides performance management through corporate planning and performance reporting functions.		\$1,111
			\$837
			-\$274

A well governed and leading organisation

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	MATERIAL VARIATIONS
GOVERNANCE				
Transparency <i>Council decisions made at meetings closed to the public</i> (Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public/number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors) x 100	26%	18.71%	9.20%	To achieve greater transparency, Council is attempting to reduce the number of confidential reports presented at in-camera meetings.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	59	54	55	Melton's score is on par with the state average, which is also 55.
Attendance <i>Councillor attendance at council meetings</i> (The sum of the number of Councillors who attended each ordinary and special Council meeting/number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election) x 100	89%	85.71%	98.6%	There were two meetings where a Councillor was unable to attend, giving rise to the higher attendance percentage this year.
Service cost <i>Cost of governance</i> (Direct cost of the governance service/number of Councillors elected at the last Council general election)	\$53,421.71	\$52,678.96	\$56,195.22	The number of Councillors increased from seven to nine at the last election.
Satisfaction <i>Satisfaction with council decisions</i> (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community) <i>Source: Local Government Victoria Customer Satisfaction Survey</i>	60	56	55	



SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	MATERIAL VARIATIONS
ANIMAL MANAGEMENT				
Timeliness <i>Time taken to action animal management requests</i> (Number of days between receipt and first response action for all animal management requests/number of animal management requests)	N/A	2.67	2.47	
Service standard <i>Animals reclaimed</i> (Number of animals reclaimed/number of animals collected) x 100	47%	45.02%	39.29%	The number of registered animals being collected decreased, which reduced the number of animals reunited with their owners.
Service cost <i>Cost of animal management service</i> (Direct cost of the animal management service/number of registered animals)	\$48.56	\$39.78	\$46.44	The number of registered animals decreased slightly from last year. This, combined with the increased cost of providing the service, increased unit cost.
Health and safety <i>Animal management prosecutions</i> (Number of successful animal management prosecutions)	18	2	8	Council was more proactive with animal attacks, which resulted in an increase on the number of prosecutions during the year.
FOOD SAFETY				
Timeliness <i>Time taken to action food complaints</i> (Number of days between receipt and first response action for all food complaints/number of food complaints)	0	2.79	2.73	
Service standard <i>Food safety assessments</i> (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> /number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>) x 100	85%	93.55%	94.82%	
Service cost <i>Cost of food safety service</i> (Direct cost of the food safety service/number of food premises registered or notified in accordance with the <i>Food Act 1984</i>)	\$585.53	\$559.85	\$572.25	
Health and safety <i>Critical and major non-compliance outcome notifications</i> (Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises) x 100	NA	100%	100%	

A well governed and leading organisation

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	MATERIAL VARIATIONS
WASTE COLLECTION				
Satisfaction <i>Kerbside bin collection requests</i> (Number of kerbside garbage and recycling bin collection requests/number of kerbside bin collection households) x 1000	95.25	102.75	130.84	This rise was due to an increase in bin replacement requests. The original results for 2015 (129.72) and 2016 (82.15) have been amended owing to an incorrect calculation.
Service standard <i>Kerbside collection bins missed</i> (Number of kerbside garbage and recycling collection bins missed/number of scheduled kerbside garbage and recycling collection bin lifts) x 10,000	5.22	4	5.14	An increase in the number of suburbs/residential tenements resulted in an increase in missed services.
Service cost <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service/number of kerbside garbage collection bins)	\$102.19	\$101.32	\$105.34	
Service cost <i>Cost of kerbside recyclables collection service</i> (Direct cost of the kerbside recyclables bin collection service /number of kerbside recyclables collection bins)	\$22.70	\$25.04	\$21.99	Although the number of kerbside recyclable collection bins increased, this did not impact the direct cost of the service as the contract is based on the number of lifts in the year. The rate paid per lift fluctuates from quarter to quarter on CPI. The result for 2015/2016 has been amended from \$26 due to an incorrect calculation.
Waste diversion <i>Kerbside collection waste diverted from landfill</i> (Weight of recyclables and green organics collected from kerbside bins/weight of garbage, recyclables and green organics collected from kerbside bins) x 100	43%	43.39%	53.03%	Kerbside volumes increased due to growth. The result for 2015/2016 has been amended from 42.49% owing to an incorrect calculation.

Diverse, confident and inclusive communities



Diverse, confident and inclusive communities

STRATEGIC OUTCOME:

A culturally rich, active, safe and connected City

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

3.1 PROVIDE AN ACCESSIBLE RANGE OF SERVICES FOR ALL INCLUDING CHILDREN, YOUNG PEOPLE, FAMILIES AND OLDER ADULTS

STRATEGIC/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Client satisfaction with aged care services <i>Source: Client survey</i>	98%	95.48%	Not Available	The survey is scheduled for July/August 2017.
Community satisfaction with children's services <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	8.06	8.21	8.16	
Client satisfaction with disability support services <i>Source: Client survey</i>	100%	95.48%	Not available	The survey is scheduled for July/August 2017.
Client satisfaction with family support services <i>Source: Integrated Family Service Client survey</i>	80%	80%	90%	
Client satisfaction with youth services <i>Source: Youth Services Client survey</i>	80%	93%	100%	Satisfaction results were extracted from the Evaluating the Effectiveness of Melton Youth Services survey. This survey was delivered to youth across the Melton with 847 respondents of which all respondents who had attended Youth Services provided a satisfactory response.

3.2 BUILD RESILIENT PEOPLE AND COMMUNITIES THROUGH OPPORTUNITIES TO PARTICIPATE IN COMMUNITY LIFE

STRATEGIC/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Volunteer rates <i>Source: Metropolis Melton Household Survey</i>	60.8%	13.4%	Not Available	This question was not asked as part of the 2017 Metropolis survey. This question was asked as a rating scale question in 2015 and as a yes/no question in 2016. This variation will be the significant factor in the variation between the two results.
Residents that feel they are part of the community <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.52	6.98	6.35	



3.3 DEVELOP AN ENVIRONMENT THAT SUPPORTS IMAGINATION, CREATIVE EXPRESSION AND ENGAGEMENT IN CULTURAL EXPERIENCES

STRATEGIC/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Residents who have participated in local community festivals over past 12 months <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.48	7.9	7.17	
Residents who have participated in local arts/ cultural events over past 12 months <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.94	7.7	7.41	

3.4 PROVIDE LIFE-LONG LEARNING OPPORTUNITIES TO BUILD SOCIAL CONNECTIONS AND SELF-DEVELOPMENT

STRATEGIC/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Eligible population who are library members	34%	35%	34%	
Client satisfaction with library services <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	8.66	8.68	8.83	

3.5 BUILD AN INCLUSIVE COMMUNITY THAT EMBRACES AND VALUES CULTURAL DIVERSITY AND CELEBRATES OUR COLLECTIVE HERITAGE

STRATEGIC/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Residents who feel their community is accepting people from diverse cultures and backgrounds <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	NA	7.68	7.44	
Attendance levels at Indigenous and multicultural events and activities	930	1,100	930	

3.6 CREATE A SAFER COMMUNITY THROUGH BUILDING A SENSE OF BELONGING AND COMMUNITY PRIDE

STRATEGIC/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Residents who feel safe during the day <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	8.45	8.33	7.61	There was a significant decline in the 2017 results across all of the safety indicators, however, these are in line with outer regions of metropolitan Melbourne and have been identified as the top issue for Council to address.
Residents who feel safe in and around the High Street Melton shopping area <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.77	7.70	7.21	
Residents who feel safe in and around the Woodgrove Shopping Centre <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	8.05	7.94	7.17	
Residents who feel safe travelling on/waiting for public transport <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.47	7.19	6.52	

Diverse, confident and inclusive communities

3.7 ENSURE OUR ESTABLISHED AND NEW COMMUNITIES ARE WELL CONNECTED AND SUPPORTED

STRATEGIC/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Residents who feel part of the community	7.52	6.98	6.35	

Source: Metropolis Melton Household Survey – Index score out of 10

The following statement reviews the progress of Council in relation to initiatives identified in the 2016-2017 Budget for the year.

INITIATIVES	PROGRESS	COMMENTS
3 Provision of additional seniors technology training from Libraries and Community centres	Not completed	No additional seniors technology training was provided during the year
4 Develop the 2017-2021 Municipal Early Years Learning Plan	Delayed	The proposed plan was superseded by a new four-way plan that combines Early Years, Youth, Disability and Ageing Well.

The following statement provides information in relation to the services funded in the 2016-17 Budget and the people or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL BUDGET VARIANCE \$000
Families and Children's Services	Provides services for children aged 0-12 years and their families. Programs include maternal and child health, childcare, kindergarten enrolments, playgroup, family parenting, family support, preschool field officer, best start and housing support to vulnerable individuals and families. The service also facilitates Council's Early Years Partnership committee, which delivers Melton's Municipal Early Years Plan.	\$3,159 \$3,928 \$769
Community Care	Provides services and programs for older people and people with a disability, and their carers. This includes delivered and centre-based meals, personal care, domestic assistance, community transport, property maintenance, community and centre-based respite and Men's Shed.	\$2,010 \$2,350 \$340
Libraries	Provides public library services including collections, programs and activities from two library locations, online and via home library services to promote reading, learning and literacy.	\$2,616 \$2,965 \$349

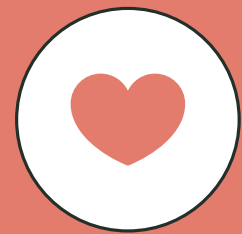


The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	MATERIAL VARIATIONS
LIBRARIES				
Utilisation	4.07	4.25	4.17	
<i>Library collection usage</i> (Number of library collection item loans/ number of library collection items)				
Resource standard	60%	57.79%	57.59%	
<i>Standard of library collection</i> (Number of library collection items purchased in the last five years /number of library collection items) x 100				
Service cost	\$5.60	\$5.96	\$6.47	The results for 2014/2015, \$4.11, and 2015/2016, \$4.10, have been amended due to an incorrect calculation.
<i>Cost of library service</i> (Direct cost of the library service/number of visits)				
Participation	12.48%	11.26%	10.26%	
<i>Active library members</i> (Number of active library members/ municipal population) x 100				
MATERNAL AND CHILD HEALTH (MCH)				
Satisfaction	100%	105.54%	104.91%	
<i>Participation in first MCH home visit</i> (number of first MCH home visits /number of birth notifications received) x 100				
Service standard	95%	100%	100%	
<i>Infant enrolments in the MCH service</i> (Number of infants enrolled in the MCH service (from birth notifications received)/number of birth notifications received) x 100				
Cost of Service	N/A	\$90.40	\$92.93	
<i>Cost of the MCH service</i> (Cost of the MCH service/hours worked by MCH nurses)				
Participation	73%	73.05%	72.05%	
<i>Participation in the MCH service</i> (Number of children who attend the MCH service at least once (in the year)/number of children enrolled in the MCH service) x 100				
Participation	62%	61.62%	58.81%	
<i>Participation in the MCH service by Aboriginal children</i> (Number of Aboriginal children who attend the MCH service at least once (in the year)/ number of Aboriginal children enrolled in the MCH service) x 100				

Community health and wellbeing





STRATEGIC OUTCOME:

A City of people leading healthy and happy lives

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

4.1 COLLABORATE FOR AN ACCESSIBLE, INTEGRATED AND ALIGNED HEALTH SERVICE SYSTEM

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Community satisfaction with the level of access to local health service <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.52	7.22	7.42	
Ratio of general practitioners per 1000 people <i>Source: Department of Health Modelling, GIS and Planning Products Unit</i>	0.9	0.9	0.7	

4.2 ADDRESS HEALTH INEQUALITIES IN OUR COMMUNITY

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Percentage of persons reporting high/very high degrees of psychological stress <i>Source: Victorian Population Health Survey 2011/12</i>	20.7%	20.7%	15%	
Community satisfaction with support services for disadvantaged residents (e.g. assistance for disadvantaged and minority groups) <i>Source: Metropolis Melton Household Survey – Index score out of 10</i>	7.71	7.55	7.73	The figure given refers to support for disabled residents as the question relating to this indicator was not asked as part of the 2017 Metropolis survey.

4.3 ENCOURAGE THE COMMUNITY TO BE PHYSICALLY ACTIVE AND HEALTHY

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Persons who participate in organised activity (e.g. sporting clubs, gym etc) <i>Source: Metropolis Melton Household Survey</i>	N/A	58.8%	Not Available	The question relating to this indicator was not asked as part of the 2017 Metropolis survey.
Persons who participate in informal activity (e.g. walking, swimming, cycling, golf) <i>Source: Metropolis Melton Household Survey</i>	N/A	80.8%	Not Available	The question relating to this indicator was not asked as part of the 2017 Metropolis survey.
Increase in length of dedicated walk and cycle trails in the City <i>Source: Geographic Information System</i>	3%	5%	7%	
Residents who regularly use local playgrounds, parks, plazas and gardens <i>Source: Metropolis Melton Household Survey</i>	N/A	80.3%	Not available	The question relating to this indicator was not asked as part of the 2017 Metropolis survey.

Community health and wellbeing

4.4 MINIMISE SOCIAL HARMS CAUSED BY GAMBLING, TOBACCO, ALCOHOL AND OTHER DRUGS

STRATEGIC INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	COMMENTS
Percentage of gaming machines per 1,000 people <i>Source: Victorian Commission for Gambling and Liquor Regulation</i>	5.2%	5.3%	5.03%	
Infringements in sale of tobacco to minors	0	1	2	

The following statement reviews the progress of Council in relation to initiatives identified in the 2016-2017 Budget for the year.

MAJOR INITIATIVES	PROGRESS	COMMENTS
5 Replacement of artificial bowling greens at Reserve Road Melton	Completed	

INITIATIVES	PROGRESS	COMMENTS
6 Replace three Caroline Springs tennis court surfaces. Repair area around stormwater inlets to stop mulch and rubbish coming onto the tennis courts	Completed	
7 Develop Diggers Rest Recreation Reserve Masterplan as identified in the approved Diggers Rest Precinct Structure Plan	Ongoing	This project is expected to be delivered by September 2017.
8 MacPherson Park Directions Review: Develop a Directions Paper for Council's regional active open space MacPherson Park	Ongoing	A draft directions paper for this project is expected early July 2017.
9 Lighting upgrade at MacPherson Park	Completed	
10 Contribution to works at Melton Pistol Club, pending successful State Government grant application	Ongoing	A contractor was appointed and works are expected to be completed early 2017/2018.
11 Support Friends of Melton Botanic Gardens	Completed	
15 Erection of storage and signage shed for Melton Historical Society	Completed	
16 Public showing of ANZAC Film Melton ANZAC's remember them on ANZAC Day	Not completed	The film was not shown as part of the 2017 ANZAC ceremonies.
17 Support the Combined Churches Caring Melton Food Bank, which distributes food and material aid to Melton residents	Completed	
18 Support Australian Community Logistics, which redistributes food to vulnerable people in the community, to establish a place of operation within Caroline Springs	Completed	



The following statement provides information in relation to the services funded in the 2016-17 Budget and the people or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL BUDGET VARIANCE \$000
Recreation and Youth	Provides leisure and aquatic centres, sports infrastructure, reserves, youth support services and youth programs through Melton and Taylors Hill Youth Centres. The service also provides advice to Council on open space planning, sport development, leisure needs and access to recreation activities.	\$3,507 \$4,193 <hr/> \$686
Community Planning	Plans, promotes and supports a more inclusive, engaged, sustainable, healthier, learned and safer community. This is delivered through the provision of strategic planning, policy development, and program delivery services in the functions of Council planning, social research, social planning, community infrastructure planning, health and wellbeing, community safety, road safety and active travel, the prevention of violence against women, community capacity development, reconciliation, culturally and linguistically diverse engagement, community engagement, policy management, community funding, neighbourhood houses, community facilities management, and community learning planning and programs.	\$2,825 \$3,227 <hr/> \$402

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations

SERVICE/INDICATOR/MEASURE	RESULT 2015	RESULT 2016	RESULT 2017	MATERIAL VARIATIONS
AQUATIC FACILITIES				
Service standard <i>Health inspections of aquatic facilities</i> (Number of authorised officer inspections of Council aquatic facilities/number of Council aquatic facilities)	1	2	4	Waves is a high-profile community facility and Council increased its number of inspections during the year.
Health and Safety <i>Reportable safety incidents at aquatic facilities</i> (Number of WorkSafe reportable aquatic facility safety incidents)	0	0	0	There were no reportable safety incidents in 2016/2017.
Service cost <i>Cost of indoor aquatic facilities</i> (Direct cost of indoor aquatic facilities less income received/number of visits to indoor aquatic facilities)	\$1.48	\$1.68	\$2.02	A four-week closure of the pool hall at the end of 2016 resulted in lower attendance numbers and income. Although the pool hall was closed, the contractor still received contracted payments, contributing to the higher unit cost.
Utilisation <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities/municipal population)	2.17	1.93	1.80	

Governance, management and statutory information

12

Ordinary Meetings

5

Special Meetings

\$343,535

spent on Councillor allowances

6

internal audits completed

27

Freedom of Information requests received

19,345

animals registered





Governance, management and statutory information

GOVERNANCE

The *Local Government Act 1989* sets out the purpose and objectives of Melton City Council and defines its functions and powers. Council is a statutory body incorporated under the Act. Its role is to provide leadership for the City of Melton in service of the community.

Melton City 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 its resources
- advocates local community interests to other communities and governments
- is a responsible partner in government, taking the needs of other communities into account
- fosters community cohesion and encourages participation in civic life.

COUNCILLOR VACANCIES AND APPOINTMENTS

In 2015, the Victorian Electoral Commission (VEC) reviewed Melton City Council's elected representation. It recommended Council increase the number of elected Councillors from seven to nine. These councillors would be elected from one ward made up of four Councillors, a three-Councillor ward and a two-Councillor ward. An Order in Council made by the Governor in Council was published in the Victoria Government Gazette on 14 April 2016 to implement the VEC's recommendation to the Minister for Local Government, which came into effect at the general election held on 22 October. This resulted in the vacancies and appointments listed below.

VACANCIES:

Cr Myles Bentley	Cr Kathy Majdlik
Cr Lara Carli	Cr Sophie Ramsey
Cr Renata Cugliari	Cr Bob Turner
Cr Nola Dunn	

APPOINTMENTS:

Cr Steven Abboushi	Cr Kathy Majdlik
Cr Lara Carli	Cr Michelle Mendes
Cr Melissa De Santis	Cr Sophie Ramsey
Cr Ken Hardy	Cr Bob Turner
Cr Goran Kesic	

COUNCILLOR'S CODE OF CONDUCT

The *Local Government Act 1989* requires Victorian councils to adopt a Councillor Code of Conduct, and each councillor make a declaration that he/she will abide by it within four months of a general election. In accordance with section 76C of the Act, the 2017 Councillor Code of Conduct was adopted at the special meeting of Council held on 20 February 2017.

The 2017 Councillor Code of Conduct includes sections on courtesy, integrity, responsibility, stewardship, discretion, decision-making, acceptance of gifts, conflicts of interest, functional separation and a comprehensive section on dispute resolution procedures.

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 this 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 to ensure the public has confidence in the office of Councillor.

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

CONFLICTS OF INTEREST

Councils are entrusted with a range of decision-making powers to govern in the best interests of local communities. These powers must only be exercised impartially, with integrity, and must not seek to deliberately confer an advantage or disadvantage on any person. It must be clear that the private interests of Councillors are not affecting public duties and the position of Councillor is not being used for personal benefit.

The *Local Government Act 1989* defines the specific circumstances that give rise to a conflict of interest and describes the actions that Councillors must take where a conflict arises. The Local Law Meeting Procedure of Council facilitates declarations of interest and the appropriate manner in which to meet statutory obligations.

DELEGATIONS OF AUTHORITY

With few exceptions, the powers granted to Melton City Council under the *Local Government Act 1989* or any other Act may be delegated to a special committee of Council, to the Chief Executive Officer or to a Council officer through a properly authorised instrument of delegation.

The delegation of powers is a mechanism to ensure the effective day-to-day functioning of Council where resolutions of Council would prove impractical.

In accordance with Section 98 of the *Local Government Act 1989*, Council periodically revises and updates instruments of delegation to ensure appropriate authorisation.

GOVERNANCE CHARTER

Council represents the broad interests of the community and will implement decisions and follow processes that are informed by good information and data, along with stakeholder views. Council is committed to the principles of good governance and adopted a Governance Charter at the ordinary meeting of Council on 6 February 2017. Specifically, the charter aims to provide:

- clear information on decision-making processes
- advice on the authorising environment of Council
- guidelines for Councillors, Executive and Managers in relation to roles and responsibilities
- a reference point for disputes, and clarifies the relationship between the law and internal rules/policies/documents.

The Governance Charter is available on Council's website melton.vic.gov.au

COUNCIL MEETINGS

Ordinary meetings of Council are typically held monthly in Council chambers at 232 High Street, Melton, and are open to the public. Controlled by the Mayor as chairperson, a range of matters are considered from local planning applications through to advocacy work targeting State and Federal governments. For any agenda item requiring a resolution, a vote among Councillors occurs, through which the powers of Council are discharged.

Encouraging the participation of the community, public questions from the gallery may be asked during Council meetings. Questions must be received by Council before 5pm on the day of the scheduled meeting, and asked in person.

Meeting agendas are available on the Council website, as are minutes of any meeting, including audio recordings.

Council meetings were held on these dates in 2016/2017:

- 11 July 2016 (special meeting of Council)
- 25 July 2016 (ordinary meeting of Council)
- 22 August 2016 (ordinary meeting of Council)
- 12 September 2016 (ordinary meeting of Council)
- 17 October 2016 (ordinary meeting of Council)
- 8 November 2016 (special meeting of Council)
- 21 November 2016 (ordinary meeting of Council)
- 12 December 2016 (ordinary meeting of Council)
- 12 December 2016 (ordinary meeting of Council)
- 6 February 2017 (ordinary meeting of Council)
- 20 February 2017 (special meeting of Council)
- 6 March 2017 (ordinary meeting of Council)
- 3 April 2017 (ordinary meeting of Council)
- 11 April 2017 (special meeting of Council)
- 1 May 2017 (ordinary meeting of Council)
- 15 May 2017 (special meeting of Council)
- 29 May 2017 (ordinary meeting of Council)
- 26 June 2017 (ordinary meeting of Council)

COUNCILLOR ALLOWANCES

Councillors are paid an allowance set by Council within a prescribed range by state legislation. This allowance is paid in recognition of their voluntary Councillor roles in carrying out their civic and statutory duties as representatives of Melton City Council. For the purposes of calculating allowances payable, Melton City Council is classified as a Category 3 Council.

In accordance with section 74(1) of the *Local Government Act 1989*, Council reviewed and determined the level of the Councillor and Mayoral allowance within six months of the October 2016 election, confirming allowances at the ordinary meeting of Council on 6 March 2017.

Governance, management and statutory information

MAYOR AND COUNCILLORS' ALLOWANCES FOR 2016/2017

COUNCILLOR	ALLOWANCE \$
Cr Sophie Ramsey (Mayor 8 November 2016 – current)	84,550
Cr Steven Abboushi	24,268
Cr Myles Bentley (term ceased 21 October 2016)	7,913
Cr Lara Carli	32,181
Cr Renata Cugliari (term ceased 21 October 2016)	7,913
Cr Melissa De Santis	24,268
Cr Nola Dunn (term ceased 21 October 2016)	7,913
Cr Ken Hardy	24,268
Cr Goran Kesic	24,268
Cr Kathy Majdlik (Mayor 27 October 2015 – 21 October 2016)	49,544
Cr Michelle Mendes	24,268
Cr Bob Turner	32,180

COUNCILLOR EXPENSES

Councillors are entitled to be reimbursed for any necessary out-of-pocket expenses they incur while performing their duties as a Councillor.

A review panel endorsed an updated policy for Councillors and special committee members resource, support and expenses in July 2016. This review was to ensure that Council policy in relation to the appropriate provision of resources and support provided to Councillors meets current probity standards and community expectations. The new policy was approved at the 22 August 2016 Council meeting.

The policy governs the appropriate provision of motor vehicles, office equipment, secretarial support, travel expenses, training and seminar expenses, hospitality and caring allowances. The policy applies to the Mayor, Councillors and appointed members of special committees of Council.

MANAGEMENT

AUDIT COMMITTEE

The audit committee is an independent advisory committee of Council established under Section 139 of the *Local Government Act 1989*.

The audit committee terms of reference sets out the committee's objectives, authority, composition, responsibilities and reporting. The audit committee does not have executive powers or authority to implement actions in areas over which Council management has responsibility. The audit committee does not have any management functions and is therefore independent of management.

Melton City 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 City Council's commitment to good governance.

As part of Council's governance obligations to its community, the audit committee oversees responsibilities in relation to:

- 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 AUDIT COMMITTEE

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

The audit committee met five times during the year, and reviewed the 2015/2016 Statement of Accounts, which included the provision of comments on the external auditors' management letter.

MAYOR AND COUNCILLORS' EXPENSES FOR 2016/2017

	CR SOPHIE RAMSEY	CR STEVEN ABBOUSHI	CR MYLES BENTLEY	CR LARA CARLI	CR RENATA CUGLIARI	CR MELISSA DE SANTIS
Conferences, Seminars & Training	7,226	518	0	0	0	1,978
Travel Local	642	0	0	0	0	0
Communications	1,952	438	868	1,470	1,391	491
Functions External to Civic Centre	1,089	400	0	483	224	323
Carer Expenses	0	687	0	0	0	0
Councillor Allowances	84,550	24,268	7,913	32,181	7,913	24,268

	CR NOLA DUNN	CR KEN HARDY	CR GORAN KESIC	CR KATHY MAJDLIK	CR MICHELLE MENDES	CR BOB TURNER
Conferences, Seminars & Training	45	1,121	0	11,431	0	0
Travel Local	0	376	0	1,883	262	0
Communications	725	548	379	1,492	469	2,156
Functions External to Civic Centre	0	128	137	745	323	2,228
Carer Expenses	0	0	0	11,377	0	0
Councillor Allowances	7,913	24,268	24,268	49,544	24,268	32,181

MEMBERS OF THE AUDIT COMMITTEE AND MEETINGS ATTENDED DURING 2016/2017

AUDIT COMMITTEE MEMBER	POSITION	MEETINGS ATTENDED
Adam Roberts	Chairperson (from December 2016)	5
Alan Hall	Chairperson (to December 2016)	5
Stan Naylor	Independent External (to December 2016)	0
Robert Tommasini	Independent External (from April 2017)	2
Lara Carli	Councillor (reappointed from December 2016)	2
Myles Bentley	Councillor (to November 2016)	0
Ken Hardy	Councillor (from December 2016)	4

All recommendations from the audit committee were presented to Council for consideration at the next ordinary meeting of Council. The Legal and Governance Department provides secretarial support to the audit committee.

INTERNAL AUDIT

The internal audit function for 2016/2017 was provided under contract by auditors Oakton Services.

During 2016/2017, the following audits were undertaken by Council's internal auditors:

- Strategic Internal Audit Plan 2018-2020
- Review of Planning Processes (Permits & Statutory Planning)
- Review of Financial Sustainability & Budgeting
- Review of Rates Management
- Review of Asset Management
- Review of Developer Contributions
- Review of Corporate Management Reporting.

EXTERNAL AUDIT

The Victorian Auditor-General externally audits Council each year. The Victorian Auditor-General's representative conducted the annual external audit of Council's financial statements and performance statement. The external auditors attended the August 2016 and April 2017 audit committee meetings to present the independent audit report and annual audit plan. The external audit management letter and responses are also provided to the audit committee.

Governance and management checklist

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT	
1 Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Date of operation of policy: 23 June 2015.	✓
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Date of operation of current guidelines: 23 June 2015.	✓
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act. Date of adoption: 26 June 2017.	✓
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act. Date of adoption: 26 June 2017.	✓
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Road Asset Management Plan Buildings Asset Management Plan, Open Spaces Asset Management Plan, Drainage Asset Management Plan. Date of operation of all current plans: 3 February 2015.	✓
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Date of operation of current strategy: 26 June 2016.	✓
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of operation of current policy: 9 July 2014.	✓
8 Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: 6 February 2017.	✓
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Act. Date of preparation: 22 June 2017.	✓
10 Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Act. Date of approval: 16 December 2014.	✓
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Date of current plan: 6 January 2016.	✓
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Information Technology Disaster Recovery Plan. Date of preparation: 23 May 2014.	✓
13 Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Date of operation of current framework: 19 January 2017.	✓
14 Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act. Date of establishment: 2 February 1998.	✓

GOVERNANCE AND MANAGEMENT ITEMS	ASSESSMENT
15 Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	New auditors are appointed every 3 years. Date of engagement of current provider: 10 July 2015. ✓
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Council has incorporated the Local Government Performance Reporting Framework Performance Indicators Service indicators into the Council Budget which was adopted by Council 26 June 2017. ✓
17 Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Dates for Council Annual Action Plan Progress Reporting to Council: 12 September 2016, 6 March 2017, 29 May 2017. ✓ Reporting on the Council Plan Strategic Indicators occurs twice a year via the Annual Report, adopted by Council, 17 October 2016 and the Midterm Performance Report to Executive, 12 May 2017.
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to council in accordance with section 138(1) of the Act. ✓ Date statements were adopted by Council: 6 February 2017, 3 April 2017, 29 May 2017 and 12 September 2016.
19 Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Annual Risk Report adopted by Council 18 August 2016. ✓ Six-monthly update to Council 20 April 2017.
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reporting on the indicators occurs twice a year via the Annual Report, adopted by Council, 17 October 2016 and the Midterm Performance Report to Executive, 12 May 2017. ✓
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of council in accordance with section 134 of the Act. ✓ Date Report presented to the Minister: 30 September 2016. Adopted by Council: 17 October 2016.
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act. ✓ Date reviewed: 20 February 2017.
23 Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act. ✓ Date of review: 26 June 2017.
24 Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 9(1) of the Act. ✓ Date local law made: 23 July 2013.

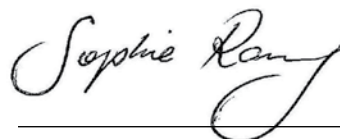
I certify that this information presents fairly the status of Council's governance and management arrangements.



Kelvin Tori

Chief Executive Officer

Dated: 18 September 2017



Cr Sophie Ramsey

Mayor

Dated: 18 September 2017

STATUTORY INFORMATION

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

The following is a list of documents that are available for inspection at Melton City Council offices in accordance with Regulation 12 of the *Local Government (General) Regulations 2015*. Copies of the documents can be obtained for the purposes of Section 222 of the *Local Government Act 1989*. Some of these documents may also be available on Council's website melton.vic.gov.au:

- 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 officers in the previous 12 months
- Agendas and minutes for ordinary and special meetings held in the previous 12 months, except if the minutes relate to parts of meetings which have been closed to members of the public
- Minutes of meetings of special committees held in the previous 12 months, except if the minutes relate to parts of meetings which have been closed to members of the public
- A register of delegations
- Details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease
- A register of authorised officers
- A list of donations and grants made by Council during the financial year.

BEST VALUE

Melton City Council incorporates Best Value principles through regular business planning and performance monitoring processes, and through a commitment to continuous improvement.

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 the community in relation to the services it provides
- Regularly report on their performance to the community.

Council undertook the following Best Value activities during 2016/2017:

- Developed an Environment Plan to address climate change impacts and the protection of natural resources
- Adopted the 2017-2021 Council and Wellbeing Plan, integrating for the first time the Municipal Health and Wellbeing Plan
- Completed the 20 year Community Vision, *Melton City 2036 – The City We Imagine*
- Adopted the Community Infrastructure Plan to ensure compliance with appropriate standards
- A review of six service units was completed, with some restructured for better efficiency
- Developed engineering guidelines for industrial developments
- Delivered five 'My City, My Say' community engagement events across the municipality
- Participated in a working group to establish the Melton Community Health Facility and commenced construction
- Developed a program to enhance and strengthen community leadership skills and networks
- Developed and adopted the Melton City Council Intercultural Plan as part of Council's commitment to contribute to and foster a harmonious and welcoming community where everyone belongs

CONTRACTS

During the year Council did not enter into any contracts valued at \$150,000 or \$200,000 or more for works of a kind specified in section 186(5)(a).

Under Section 186(5)(c) of the Act, in accordance with arrangements approved by the Minister for the purposes of this subsection, Council did not enter into any contract for works of \$200,000 or more. The following contracts for goods/services valued at \$150,000 or more included:

- 1806-0711 – Information Technology Products & Services through Procurement Australia Contract
- 1906/0836 – Library Collections, Furniture, Equipment & Associated Requirements through a Procurement Australia Contract.

Council did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

DISABILITY ACTION PLAN

The following actions from the Disability Action Plan 2013-2017 were implemented by Council in 2016/2017.

- Worked in partnership with Disability, Mental Health, Early Childhood Intervention Services and carer organisations to enhance capacity and service delivery responses across the municipality.
- Advocated to State and Federal governments to attract specialist health services, programs and funding.
- Received extensive funding for the municipality, including \$21 million investment in Melton Health and Community Centre.
- Secured funding from youth mental health services Headspace.
- Delivered Council's Carer Support Program to enhance carers' physical and emotional wellbeing, and supported them to access other carer support initiatives.
- Delivered the annual CARE Melton Expo.
- Utilised the expertise of the Melton Disability Advisory Committee to support community planning and decision-making.
- Reviewed and disseminated 2,500 copies of A Guide to Disability and Aged Services in the City of Melton.
- Supported and initiated a range of inclusive programs through the Community Grants Scheme.
- Continued to support the Business Excellence Awards as a platform to educate local businesses of the benefits of engaging people of all abilities.
- Continued to build and upgrade accessible Council facilities and path systems throughout the municipality.
- Delivered new and improved infrastructure for people living with a disability including the Melton Town Centre redevelopment, McKenzie Street Aged Services Centre and a regional play space at Bridge Road Recreation Reserve.

DOMESTIC ANIMAL MANAGEMENT PLAN

Council adopted the Domestic Animal Management Plan 2012-2016 in accordance with the *Domestic Animals Act 1994* on 5 March 2013.

Key achievements in 2016/2017 included:

- Officer training including Certificate IV in Animal Control and Regulation, Certificate IV in Government (Statutory Compliance), OH&S – dealing with aggressive customers and conflict resolution.
- Council's website was updated daily to include information on animals impounded.
- A review of Council's arrangements for re-homing animals resulted in 21 Section 84Y agreements under the *Domestic Animal Act 1994* put in place.
- Between January and June 2017, 24 menacing, restricted and dangerous dog inspections were completed on premises.
- All 13 domestic animal businesses operating in the City of Melton were inspected and complied with the *Domestic Animal Act 1994*.
- Work commenced on the new Domestic Animal Management Plan for 2016-2020 and will be submitted to the Minister by 3 November 2017.

FAST FACTS:

- 84 reported dog attacks (down by 10 reports from 2015/2016)
- 8 prosecutions
- Two declared dangerous dogs
- The cost of dog registration rose from \$114 in 2015/2016 to \$120 in 2016/2017
- 19,345 animal registrations (4% decrease from 2015/2016)

FOOD ACT MINISTERIAL DIRECTIONS

Council received no Ministerial directions during the financial year.

Governance, management and statutory information

FREEDOM OF INFORMATION

Access to Council's documents may be obtained through written request to the Freedom of Information Officer.

As detailed in Section 17 of the *Freedom of Information Act 1982*, the request should:

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

Further information can be found at foi.vic.gov.au and on Council's website melton.vic.gov.au

In 2016/2017, Melton City Council received 27 requests for information under the *Freedom of Information Act 1982*.

The results of the applications are as follows:

RESULT OF ACCESS	NUMBER OF REQUESTS
Access granted in full	1
Access granted in part	17
Access denied in full	1
Other	
No documents	1
Request withdrawn	1
Request closed / did not proceed / not valid (no response from applicant)	3
Request not yet finalised as at 30 June 2017	3
Request outside the Act	0
Request transferred to another agency	0
Total number of requests	27

PROTECTED DISCLOSURE PROCEDURES

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

During 2016/2017, no disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

In accordance with Section 22 of the *Road Management Act 2004*, no Ministerial directions were received during 2016/2017.

CARERS RECOGNITION

Council took all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012*.

Council promoted the principles of the Act to people in care relationships who receive Council services, to people in care relationships, and to the wider community by:

- Distributing and displaying printed material through relevant Council services and at Council events
- Providing information to organisations represented in Council and community networks
- Involving carers in decision-making, planning and reviews of the support for carers program.

Council took all practicable measures to ensure staff, agents and volunteers are informed about the principles and obligations of the *Carers Recognition Act 2012* by including information on the care relationship in:

- Council induction and training programs for staff working in community care.
- Council induction and training programs for staff working in front-line positions with the general community.

Council's process, policies and procedures as well as Council's enterprise bargaining agreement include the principles of the *Carers Recognition Act 2012* such as:

- Flexible working arrangements
- Employee wellbeing
- Personal/carers leave provisions
- Induction and training programs for volunteers working directly with the community.

Development Contributions Plan (DCP)

TOTAL DCP LEVIES RECEIVED 2016-2017

DCP NAME AND YEAR APPROVED	LEVIES RECEIVED IN 2016-2017 FINANCIAL YEAR (\$)*
Diggers Rest (2012)	\$2,338,701.30
Melton North (2010)	\$941,197.67
Rockbank North (2012)	\$-
Taylors Hill West (2010)	\$3,245,413.35
Toolern (2011)	\$3,529,827.76
Paynes Road	\$1,240,553.39
Toolern Park (2014)	\$-
Total	\$11,295,693.47

* Levies include Developer Infrastructure Levy
and Community Infrastructure Levy

DCP LAND, WORKS, SERVICES OR FACILITIES ACCEPTED AS WORKS IN KIND 2016-2017

DCP NAME AND YEAR APPROVED	PROJECT ID	PROJECT DESCRIPTION	ITEM PURPOSE	PROJECT VALUE (\$)
Diggers Rest (2012)	IT02	Vineyard Road and Houdini Drive Intersection. Construction of signalised 4-way intersection (interim layout). Purchase of 0.17 hectares of additional required land (ultimate takeup)	The construction of the intersection was required as part of works associated with PA2012/3782 for a residential subdivision at the Bloomdale estate.	\$5,060,737.99
Melton North (2010)	IT02	Coburns Road and east-west connector: Intersection	The construction of the intersection was required as part of works associated with PA2010/2823 for a residential subdivision at the Willandra estate.	\$60,275.26
Melton North (2010)	RD04	Coburns Road upgrade (from rural to urban standard) between southern boundary of PSP (eastern side) and Minns Road	The construction of the road was required as part of works associated with PA2010/2823 for a residential subdivision at the Willandra estate.	\$269,560.95
Taylors Hill West (2010)	DI_TR_02	Bicycle and Pedestrian Trail 2 – construction	The construction of the bicycle and pedestrian trail was required as part of works associated with PA2011/3370 for a residential subdivision at the Auburn estate.	\$127,466.37

Development Contributions Plan (DCP)

DCP NAME AND YEAR APPROVED	PROJECT ID	PROJECT DESCRIPTION	ITEM PURPOSE	PROJECT VALUE (\$)
Taylors Hill West (2010)	DI_TR_03	Bicycle and Pedestrian Trail 3 – construction	The construction of the bicycle and pedestrian trail was required as part of works associated with PA2012/3628 for a residential subdivision at the Infinity estate.	\$48,054.30
Taylors Hill West (2010)	DI_OS_2	Revegetation of overland flow path	Revegetation of overland flow path was required as part of works associated with PA2012/3628 for a residential subdivision at the Infinity estate.	\$207,983.77
Taylors Hill West (2010)	DI_RO_11	Culverts	Culverts were required as part of works associated with PA2012/3628 for a residential subdivision at the Infinity estate.	\$286,929.54
Taylors Hill West (2010)	DI_RO_12 West	City Vista Court - upgrade and extension (construction) for 1,035 metres between Taylors Road and 100 metres north of its intersection with Hume Drive – western 23 metres of cross section	City Vista Court - upgrade and extension (construction) was required as part of works associated with PA2012/3628 for a residential subdivision at the Infinity estate.	\$358,135.71
Taylors Hill West (2010)	DI_RO_12 East	City Vista Court - upgrade and extension (construction) for 1,035 metres between Taylors Road and 100 metres north of its intersection with Hume Drive – eastern 5 metres of cross section	City Vista Court - upgrade and extension (land acquisition) was required as part of works associated with PA2012/3628 for a residential subdivision at the Infinity estate.	\$32,150.03
Taylors Hill West (2010)	DI_LA_05 West	City Vista Court - upgrade and extension (land acquisition) between Taylors Road and 100 metres north of its intersection with Hume Drive	City Vista Court - upgrade and extension (land acquisition) was required as part of works associated with PA2012/3628 for a residential subdivision at the Infinity estate.	\$63,000.00
Taylors Hill West (2010)	DI_LA_05 East	City Vista Court - upgrade and extension (land acquisition) between Taylors Road and 100 metres north of its intersection with Hume Drive	City Vista Court - upgrade and extension (land acquisition) was required as part of works associated with PA2012/3628 for a residential subdivision at the Infinity estate.	\$27,000.00
Taylors Hill West (2010)	DI_LA_02	Hume Drive Extension (internal) - land acquisition 0.27Ha	Hume Drive Extension (internal) - land acquisition was required as part of works associated with PA2010/2896 for a residential subdivision at the Springlands estate.	\$304,700.00

DCP NAME AND YEAR APPROVED	PROJECT ID	PROJECT DESCRIPTION	ITEM PURPOSE	PROJECT VALUE (\$)
Toolern (2011)	RD12	Mount Cottrell Road: Western Freeway to Melbourne Ballarat Rail Line. Upgrade of existing 2-lane unsealed road to provide 2-lane carriageway of primary arterial road (45 metre road reserve, length 1,680 metres) *Interim layout*. Purchase land (including native vegetation re-alignment) to increase reserve width from 20 metres to 45 metres for 1,680 metres (ultimate)*.	The upgrade of existing 2-lane unsealed road to provide 2-lane carriageway of primary arterial road (45 metre road reserve, length 1,680 metres) was required as part of works associated with PA2015/5038 for a residential subdivision at the Thornhill Park estate.	\$2,891,077.69
Toolern (2011)	IT10	Mount Cottrell Road and Shogaki Drive: Intersection. *Interim layout*. Construction of signalised 4-way intersection and slip lanes. Purchase of 0.301 hectares of additional required land.	The Mount Cottrell Road and Shogaki Drive Intersection was required as part of works associated with PA2015/5038 for a residential subdivision at the Thornhill Park estate.	\$364,828.13
Paynes Road**	BR01	Mt Cottrell Road freeway flyover/interchange (Land)	The Mt Cottrell Road freeway flyover/interchange (Land) was required as part of works associated with PA2015/5038 for a residential subdivision at the Thornhill Park estate.	\$546,105.79
Total				\$10,648,005.53

** Paynes Road was part of Toolern DCP

TOTAL DCP CONTRIBUTIONS RECEIVED AND EXPENDED TO DATE (FOR DCPS APPROVED AFTER 1 JUNE 2016)

DCP NAME AND YEAR APPROVED	TOTAL LEVIES RECEIVED (\$)	TOTAL LEVIES EXPENDED (\$)	TOTAL WORKS-IN-KIND ACCEPTED (\$)	TOTAL DCP CONTRIBUTIONS RECEIVED (LEVIES AND WORKS-IN-KIND) (\$)
Rockbank (August 2016)	\$-	\$-	\$-	\$-
Total	\$-	\$-	\$-	\$-

Development Contributions Plan (DCP)

LAND, WORKS, SERVICES OR FACILITIES DELIVERED IN 2016-2017 FROM DCP LEVIES COLLECTED

PROJECT DESCRIPTION	PROJECT ID	DCP NAME AND YEAR APPROVED	DCP FUND EXPENDED (\$)
Construction (rural standard, spray seal surface) of Minns Road from Coburns Road for a distance of 1,225 metres in an easterly direction	RD07	Melton North (2010)	\$848,963.67
2 senior football/cricket ovals - construction	DI_OS_1	Taylor's Hill West (2010)	\$117,499.90
Tennis courts - construction	CI_OS_2	Taylor's Hill West (2010)	\$26,772.13
Outdoor Netball Courts - construction	CI_OS_3	Taylor's Hill West (2010)	\$4,462.02
Pavilion - construction	CI_OS_1	Taylor's Hill West (2010)	\$158,208.01
Abey Road Bridge: 2-lane bridge over Toolern Creek, incorporating abutments and street lighting (12 metre wide concrete structure, deck length 61 metres).	BD01	Toolern (2011)	\$1,270,547.00
Abey Road: Toolern Creek to Ferris Road. Upgrade of existing 2-lane sealed/ unsealed road to provide 2-lane carriageway of divided secondary arterial road (38 metre road reserve, length 2,160 metres) *Interim layout*. Purchase land to increase reserve width from 19 metres to 38 metres for 270 metres east of Toolern Creek (ultimate)*.	RD18	Toolern (2011)	\$2,665,073.87
Offset cost estimate associated with removal of scattered trees for RD18.	RD18A	Toolern (2011)	\$118.41
Offset cost estimate associated with removal of EVC for RD18.	RD18B	Toolern (2011)	\$11,407.25
			\$5,103,052.27

WORKS-IN-KIND ACCEPTED (\$)	COUNCIL'S CONTRIBUTION (\$)	OTHER CONTRIBUTION (\$)	TOTAL PROJECT EXPENDITURE (\$)	PERCENTAGE OF ITEM DELIVERED
\$-	\$480,462.00	\$-	\$1,329,425.67	100.00%
\$-	\$-	\$-	\$117,499.90	4.40%
\$-	\$-	\$-	\$26,772.13	0.04%
\$-	\$-	\$-	\$4,462.02	2.03%
\$-	\$-	\$-	\$158,208.01	8.46%
\$-	\$-	\$-	\$1,270,547.00	90.00%
\$-	\$305,547.00	\$-	\$2,970,620.87	90.00%
\$-	\$-	\$-	\$118.41	90.00%
\$-	\$-	\$-	\$11,407.25	90.00%
\$-	\$786,009.00	\$-	\$5,889,061.27	

Committees

COMMITTEE	COUNCILLOR REPRESENTATIVE	
	NOVEMBER 2015 TO OCTOBER 2016	NOVEMBER 2016 TO OCTOBER 2017
Arts & Culture Advisory Committee	Cr Carli Cr Turner	Cr Turner Cr Carli Cr Mendes
Audit Committee	Cr Carli Cr Bentley Cr Ramsey (substitute)	Cr Carli Cr Hardy
Boral Deer Park Community Liaison Committee	Cr Dunn	Cr Abboushi
CALD Advisory Committee	Cr Turner	Cr Turner Cr De Santis
Calder Highway Improvement Committee (CHIC)	Cr Dunn	Officer Representation
Caroline Springs Leisure Centre Users Forum	Cr Cugliari Cr Dunn	Cr Abboushi Cr Kesic
CEO Review Special Committee	Cr Majdlik Cr Ramsey Cr Turner	Cr Ramsey Cr Turner Cr Kesic
Collingwood/City of Melton Community Benefit Program	Cr Bentley Cr Cugliari (Substitute)	Cr Hardy Cr Carli
Community Achievement Awards Assessment Panel	Cr Majdlik Cr Cugliari	Cr Ramsey Cr Turner
Community Grants Program – Annual Grants Panel	Cr Dunn Cr Ramsey Cr Turner	Cr Ramsey Cr Turner Cr Kesic
Community Grants Program – Monthly Response Grant Panel	Cr Cugliari	Cr Mendes
Community Learning Board	Cr Ramsey	Cr Ramsey
Community Safety Committee	Cr Majdlik Cr Cugliari Cr Ramsey (Substitute)	Cr Ramsey Cr Turner
Disability Advisory Committee	Cr Majdlik Cr Ramsey (Substitute)	Cr Majdlik
Early Years Partnership Committee	Cr Carli Cr Ramsey	Cr Ramsey Cr Carli
Heritage Advisory Committee	Cr Dunn Cr Ramsey (Substitute)	Cr Turner
HRV Grants Panel	Cr Ramsey Cr Turner Cr Bentley (Substitute)	Cr Carli Cr De Santis
Interface Councils	Cr Ramsey	Cr Ramsey
LeadWest Ltd	Cr Ramsey	Cr Ramsey
Leisure Advisory Committee	Cr Bentley Cr Turner	Cr Turner Cr Abboushi
Melbourne Regional Landfill Community Reference Group	Cr Turner	Cr Kesic Cr Turner
Melton Highway Action Committee	Cr Carli Cr Cugliari	Committee dissolved
Melton Indoor Recreation Centre	Cr Bentley	Cr Ramsey Cr De Santis
Melton Waves Reference Group	Cr Bentley Cr Ramsey	Cr Ramsey Cr De Santis

COMMITTEE	COUNCILLOR REPRESENTATIVE	
	NOVEMBER 2015 TO OCTOBER 2016	NOVEMBER 2016 TO OCTOBER 2017
Melton Weir Development Advisory Group	Cr Dunn Cr Turner	Cr Turner Cr De Santis
Metropolitan Waste Management Forum	Cr Turner	Cr Turner
Military Commemoration Investment Advisory Committee (MCIAC)		All Councillors
Municipal Association of Victoria	Cr Majdlik Cr Ramsey (Substitute)	Cr Majdlik
Municipal Emergency Management Planning Committee	Cr Turner Cr Dunn (Substitute)	Cr Turner
Municipal Fire Management Planning Committee	Cr Dunn	Cr Ramsey
National Growth Areas Alliance (NGAA)	Cr Dunn Cr Ramsey Cr Majdlik (Substitute)	Cr Ramsey Cr Hardy Cr Kesic
Property Development Advisory Committee (PDAC)	Cr Dunn Cr Ramsey	Cr Ramsey Cr De Santis Cr Hardy
Policy Review Panel	Cr Majdlik Cr Bentley Cr Ramsey Cr Carli (Substitute)	Cr Ramsey Cr Carli Cr Hardy Cr Majdlik
Public Hospital for Melton Advisory Committee	In hiatus Cr Bentley Cr Carli Cr Cugliari Cr Turner	Committee to be reactivated
Ravenhall Prison Project – Community Advisory Group (CAG)	Cr Cugliari Cr Dunn	Cr Kesic Cr Majdlik
Reconciliation Advisory Committee	Cr Cugliari	Cr Carli Cr De Santis
Road Safe Westgate	Cr Ramsey	Cr Ramsey
Road to Zero Steering Committee	Cr Dunn Cr Ramsey	Cr Ramsey Cr Carli
Strategic Health Forum	Cr Ramsey Cr Turner	Cr Ramsey Cr Turner Cr Hardy (substitute)
Victorian Local Governance Association	Cr Turner	Cr Hardy
Western Highway Action Committee (WHAC)	Cr Dunn	Cr Mendes
Western Melbourne Tourism Board	Cr Dunn Cr Ramsey (substitute)	Cr Ramsey Cr Abboushi
Western Region Mayors Forum	Cr Majdlik	Cr Ramsey
West Waters/City of Melton Community Benefit Program	Cr Dunn Cr Cugliari Cr Majdlik (substitute)	Cr Abboushi Cr Majdlik
Youth Consultative Committee	Cr Ramsey Cr Turner	
Youth Council		Cr Turner Cr Abboushi Cr De Santis

Victorian Local Government Indicators

The Victorian Government requires all Victorian councils to measure and annually report against 11 Victorian Local Government Indicators (VLGI). These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance.

The following table presents the results of the VLGI for the 2016/2017 year.

INDICATORS	CALCULATION	2015/2016	2016/2017
1 Average rates and charges per assessment	Total rates and charges receivable at the beginning of the year/number of assessments in the adopted budget	\$1,828	\$2,173
2 Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at the beginning of the year / number of residential assessments in the adopted budget	\$1,608	\$1,704
3 Average liabilities per assessment	Total liabilities/number of assessments in the adopted budget	\$1,193	\$961
4 Operating result per assessment	Net surplus/number of assessments in the adopted budget	\$2,166	\$2,433
5 Average operating expenditure per assessment	Operating expenditure/number of assessments in the adopted budget	\$2,622	\$2,735
6 Community satisfaction rating for overall performance generally of Council	Result from the annual Local Government Community Satisfaction Survey*	61	59
7 Average capital expenditure per assessment	Capital expenditure/number of assessments in the adopted budget	\$582	\$591
8 Renewal gap	Capital renewal/average annual asset consumption	22%	42%
9 Renewal and maintenance gap	Capital renewal and maintenance/average annual asset consumption planned maintenance	39%	53%
10 Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the annual Local Government Community Satisfaction Survey*	56	54
11 Community satisfaction rating for Council's engagement in decision-making on key local issues	Result from the annual Local Government Community Satisfaction Survey*	56	55

*The Local Government Community Satisfaction Survey is an independent survey of a sample 400 residents to gauge their views about Council's performance over the last 12 months. It is conducted by Local Government Victoria on behalf of councils across Victoria and participation is optional. Results are benchmarked against a state-wide average and other large rural shires.

Financials



Performance Statement

For the year ended 30 June 2017

DESCRIPTION OF MUNICIPALITY

The Melton City Council (the Council) is one of the fastest growing municipalities in Australia, offering the best in urban and rural lifestyles and affordable land within a comfortable commuting distance from Melbourne, Victoria and links to Melbourne's key freeways, airports and the Port of Melbourne.

The City of Melton embraces a series of townships and communities including Caroline Springs (19 kilometres west of Melbourne's CBD) and Melton (35 kilometres west of Melbourne's CBD).

The council is also the home of harness racing. Tabcorp Park, the harness racing and entertainment complex in Melton, along with many horse trainers, training facilities and breeders located in the City of Melton enhances the City's reputation as one of the premier equine municipalities in the country.

OTHER INFORMATION

FOR THE YEAR ENDED 30 JUNE 2017

1. BASIS OF PREPARATION

Council is required to prepare and include a performance statement within its annual report.

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

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

The performance statement presents the actual results for the current and three preceding years and for the prescribed financial performance indicators

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

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 26 June 2017 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statement. The strategic resource plan can be obtained by contacting Council.

SUSTAINABLE CAPACITY INDICATORS

FOR THE YEAR ENDED 30 JUNE 2017

INDICATOR/MEASURE	RESULTS			MATERIAL VARIATIONS
	2015	2016	2017	
Population				
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$969.62	\$940.98	\$996.14	No material variation.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$7485.4	\$9741.57	\$13247.46	Revaluation of infrastructure assets, new infrastructure and the Capital Works program all contributed to the 2017 result.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	129.3	130.93	130.89	No material variation.
Own-source revenue				
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$756.07	\$810.41	\$928.95	Increase in income due to land sales and growth in other operating income.
Recurrent grants				
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$232.82	\$143.85	\$225.15	Council has been more successful in obtaining grants in 2017 in addition to Grants Commission 2017/18 paid in advance.
Disadvantage				
<i>Relative socio-economic disadvantage</i>	7	7	7	No material variation.

Performance Statement

For the year ended 30 June 2017

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MELTON CITY COUNCIL | ANNUAL REPORT 2016-2017

SERVICE PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2017

SERVICE/INDICATOR/MEASURE	RESULTS			MATERIAL VARIATIONS
	2015	2016	2017	
Aquatic facilities				
Utilisation	2.17	1.93	1.8	A 4-week closure of the pool hall during the 4th quarter contributed to the reduced utilisation of the aquatic facilities.
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]				
Animal management				
Health and safety	18	2	8	Council has taken a more proactive approach to attacks this financial year with an increase over last year.
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]				
Food safety				
Health and safety	0%	100%	100%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100				
Governance				
Satisfaction	60	56	55	No material variation.
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]				
Home and community care				
Participation	14%	10.52%	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100				
Participation	4%	6.95%	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100				

SERVICE/INDICATOR/MEASURE	RESULTS			MATERIAL VARIATIONS
	2015	2016	2017	
Libraries				
Participation	12.48%	11.26%	10.26%	No material variation.
<i>Active library members</i>				
[Number of active library members / Municipal population] x100				
Maternal and child health				
Participation	73%	73.05%	72.05%	No material variation.
<i>Participation in the MCH service</i>				
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100				
Participation	62%	61.62%	58.81%	No material variation.
<i>Participation in the MCH service by Aboriginal children</i>				
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100				
Roads				
Satisfaction	62	64	62	No material variation.
<i>Satisfaction with sealed local roads</i>				
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]				
Statutory Planning				
Decision-making	50%	50%	28.57%	Data is somewhat skewed owing to the smaller quantum of VCAT appeals overall compared to last year. One decision was set aside by consent, which was an appeal against Melbourne Airport conditions, which Council had no option but to place on the initial permit.
<i>Council planning decisions upheld at VCAT</i>				
[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100				
Waste Collection				
Waste diversion	43%	43.39%	53.03%	An increase in population has resulted in additional waste generation in our municipality however initiatives including greater resource education has resulted in an increase in kerbside recycling in 2017.
<i>Kerbside collection waste diverted from landfill</i>				
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100				

Performance Statement

For the year ended 30 June 2017

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FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2017

DIMENSION/ INDICATOR/MEASURE	RESULTS			FORECASTS			MATERIAL VARIATIONS	
	2015	2016	2017	2018	2019	2020		2021
Efficiency								
Revenue level	\$1566.11	\$1608.42	\$1704.23	\$1713.73	\$1748.07	\$1802.97	\$1844.50	No material variation.
<i>Average residential rate per residential property assessment</i>								
[Residential rate revenue / Number of residential property assessments]								
Expenditure level	\$2622.65	\$2494.77	\$2733.24	\$2749.21	\$2667.77	\$2684.52	\$2750.48	No material variation.
<i>Expenses per property assessment</i>								
[Total expenses / Number of property assessments]								
Workforce turnover	13%	11.26%	10.08%	9.92%	10.62%	10.63%	10.63%	No material variation.
<i>Resignations and terminations compared to average staff</i>								
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100								
Liquidity								
Working capital	197.27%	304.95%	584.96%	344.38%	471.98%	557.2%	561.79%	Increased cash was generated from operational activities due to growth of income. The 4-year forecast trend is stable.
<i>Current assets compared to current liabilities</i>								
[Current assets / Current liabilities] x100								
Unrestricted cash	11.35%	11.97%	91.56%	82.84%	111.37%	183.29%	205.9%	Increased cash from operating activities due to growth of income. This is forecast to continue over the medium term.
<i>Unrestricted cash compared to current liabilities</i>								
[Unrestricted cash / Current liabilities] x100								

DIMENSION/ INDICATOR/MEASURE	RESULTS			FORECASTS			MATERIAL VARIATIONS	
	2015	2016	2017	2018	2019	2020		2021
Obligations								
Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	23.47%	22.32%	42.35%	55.46%	44.14%	40.78%	39.63%	Asset renewal expenditure has increased as a result of an increase in the asset base. The 4-year forecast trend is stable.
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	33.16%	31.37%	22.32%	18%	13.85%	10.49%	8.22%	Council has reduced its borrowings and is forecast to do so over the medium term.
Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	12.98%	9.37%	8.27%		3.14%	2.92%	2.16%	The improved position is as a result of Council repaying borrowings and rates revenue increasing aligned with population growth. This is forecast to continue over the medium term.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	26.61%	24.65%	18.53%	16.94%	13.6%	11.15%	9.09%	Council has reduced its borrowings and is forecast to do so over the medium term.
Operating position								
Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	2.78%	1.81%	13.69%	2.73%	4.27%	5.78%	5.35%	Increase in income and forecasted income is due to growth in land sales.
Stability								
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	64.98%	70.15%	60.68%	68.44%	70.67%	71.22%	71.4%	The 2017 result is impacted by an increase in land sales. The 4-year forecast trend is stable.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.42%	0.44%	0.43%	0.44%	0.44%	0.45%	0.43%	No material variation.

Certification of Performance Statement

For the year ended 30 June 2017

Certification of Performance Statement

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



Salvatore Rumoro CPA
Principal Accounting Officer

Dated: 16 September 2017

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

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

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

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



Cr. Sophie Ramsey
Mayor

Dated: 19 September 2017



Cr. Bob Turner
Deputy Mayor

Dated: 16 September 2017



Kelvin Tori
Chief Executive Officer

Dated: 18 September 2017



Independent Auditor's Report

To the Councillors of Melton City Council

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

Certification of Performance Statement

For the year ended 30 June 2017

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Auditor's responsibilities for the audit of the performance statement

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

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

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

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

MELBOURNE
25 September 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria

Melton City Council Financial Report

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Comprehensive Income Statement

For the year ended 30 June 2017

	NOTE	2017 \$'000	2016 \$'000
Income			
Rates and charges	3	99,268	92,672
Statutory fees and fines	4	4,351	3,366
User fees	5	8,607	8,580
Grants - operating	6	31,915	18,200
Grants - capital	6	8,968	13,390
Contributions - cash	7	13,555	19,078
Contributions - non-monetary assets	7	80,743	59,834
Other income	8	5,420	4,379
Net gain/(loss) on disposal of property, plant and equipment	9	13,858	2,113
Recognition of previously unrecognised non-current assets		-	14,639
Fair value adjustments for investment property	21	174	617
Total income		266,859	236,868
Expenses			
Employee costs	10	45,321	43,051
Materials and services	11	60,217	56,056
Utilities		5,012	3,690
Depreciation and amortisation	12	28,168	25,103
Borrowing costs	13	1,297	1,422
Bad and doubtful debts	14	496	406
Asset Impairments	22	691	-
Total expenses		141,202	129,728
Surplus/(deficit) for the year		125,657	107,140
Other comprehensive income			
Net asset revaluation increment(decrement)	28	59,408	298,931
Financial assets available for sale reserve			
- Gain/(loss) taken to equity		-	(41)
Total comprehensive result		185,065	406,030

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

Balance Sheet

For the year ended 30 June 2017

	NOTE	2017 \$'000	2016 \$'000
Assets			
Current assets			
Cash and cash equivalents	15	100,295	77,555
Trade and other receivables	16	29,505	15,055
Inventories	17	12	11
Land classified as held for sale	18	223	1,108
Other assets	19	17,773	2,148
Total current assets		147,808	95,877
Non-current assets			
Inventories	17	37	47
Property, infrastructure plant and equipment		1,878,199	1,753,527
Investment property	21	6,791	6,617
Financial assets	22	370	1,349
Intangible assets	23	4,012	4,338
Total non-current assets		1,889,409	1,765,878
Total assets		2,037,217	1,861,755
Liabilities			
Current liabilities			
Trade and other payables	24	9,435	13,697
Provisions	25	10,372	8,736
Interest bearing liabilities	26	3,380	6,915
Trust funds and deposits	27	2,081	2,092
Total current liabilities		25,268	31,439
Non-current liabilities			
Provisions	25	1,713	1,491
Interest bearing liabilities	26	18,773	22,153
Trust funds and deposits	27	3,911	3,896
Total non-current liabilities		24,397	27,540
Total liabilities		49,664	58,979
Net Assets		1,987,553	1,802,776
Equity			
Accumulated surplus		1,104,847	1,004,766
Reserves	28	882,705	798,010
Total Equity		1,987,553	1,802,776

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

Statement of Changes in Equity

For the year ended 30 June 2017

	NOTE	TOTAL 2017 \$'000	ACCUMULATED SURPLUS 2017 \$'000	ASSET REVALUATION RESERVE 2017 \$'000	OTHER RESERVES 2017 \$'000
2017					
Adjusted Balance at beginning of the financial year		1,802,776	1,004,766	752,124	45,886
Surplus/(deficit) for the year		125,657	125,657	-	-
Net asset revaluation increment/(decrement)	28	59,408	-	59,408	-
Financial Assets Gain/(loss) taken to equity	28	(289)	-	-	(289)
Transfers to other reserves	28	-	(51,179)	-	51,179
Transfers from other reserves	28	-	25,603	-	(25,603)
Balance at end of the financial year		1,987,553	1,104,847	811,532	71,173

	NOTE	TOTAL 2016 \$'000	ACCUMULATED SURPLUS 2016 \$'000	ASSET REVALUATION RESERVE 2016 \$'000	OTHER RESERVES 2016 \$'000
2016					
Balance at beginning of the financial year		1,365,274	881,704	453,193	30,377
Adjustment for prior periods	1(y)	31,471	31,471	-	-
Surplus/(deficit) for the year		107,141	107,141	-	-
Net asset revaluation increment/(decrement)	28	298,931	-	298,931	-
Financial Assets Gain/(loss) taken to equity	28	(41)	-	-	(41)
Transfers to other reserves	28	-	(30,920)	-	30,920
Transfers from other reserves	28	-	15,370	-	(15,370)
Balance at end of the financial year		1,802,776	1,004,766	752,124	45,886

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

Statement of Cash Flows

For the year ended 30 June 2017

	NOTE	2017 INFLOWS/ (OUTFLOWS)	2016 INFLOWS/ (OUTFLOWS)
Cash flows from operating activities			
Rates and charges		99,340	92,007
Statutory fees and fines		4,115	3,308
User fees		3,140	8,156
Grants received		41,613	31,515
Contributions and reimbursements		13,554	15,530
Interest received		2,224	1,548
Receipt of trust monies		24	2,005
Other receipts		3,437	2,976
Net GST refund/(payment)		8,396	5,966
Payments to suppliers		(75,798)	(68,025)
Payments to employees		(43,463)	(42,694)
Borrowing costs		(1,297)	(1,422)
Net cash provided by (used in) operating activities	29	55,284	50,869
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(31,639)	(27,022)
Payments for other financial assets		-	-
Proceeds from sale of property, infrastructure, plant and equipment		6,010	5,352
Net cash provided by (used in) investing activities		(25,629)	(21,670)
Cash flows from financing activities			
Proceeds from borrowings		-	7,850
Repayment of borrowings		(6,915)	(7,262)
Net cash provided by (used in) financing activities		(6,915)	588
Net increase (decrease) in cash and cash equivalents		22,740	29,787
Cash and cash equivalents at the beginning of the financial year		77,555	47,768
Cash and cash equivalents at the end of the financial year	15	100,295	77,555
Financing arrangements	30		
Restrictions on cash assets	15		

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

Statement of Capital Works

For the year ended 30 June 2017

	NOTE	2017 \$'000	2016 \$'000
Property			
Land		840	655
Land under roads		22	96
Total land		862	751
Buildings		2,818	8,531
Building improvements		-	-
Total buildings		2,818	8,531
Total property		3,680	9,282
Plant and equipment			
Plant, machinery and equipment		1,044	1,009
Fixtures, fittings and furniture		113	10
Computers and telecommunications		398	-
Library books		369	221
Total plant and equipment		1,924	1,240
Infrastructure			
Roads		16,924	8,615
Bridges		497	14
Footpaths and cycleways		1,954	1,139
Drainage		170	974
Recreational, leisure and community facilities		4,670	7,235
Car parks		-	296
Other infrastructure		705	-
Total infrastructure		24,920	18,273
Total capital works expenditure		30,524	28,795
Represented by:			
Asset renewal expenditure		11,930	5,530
New asset expenditure		10,667	18,689
Asset upgrade expenditure		4,153	4,014
Asset expansion expenditure		3,774	562
Total capital works expenditure		30,524	28,795

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

Notes to the Financial Statements

For the year ended 30 June 2017

INTRODUCTION

The Melton City Council (formerly the Melton Shire Council until 4 September 2012) was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. The Council's main office is located at 232 High Street, Melton.

STATEMENT OF COMPLIANCE

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF ACCOUNTING

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (k))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (l))
- the determination of employee provisions (refer to note 1 (r)).

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

(B) CHANGE IN ACCOUNTING POLICIES

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

(C) 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.

(D) REVENUE RECOGNITION

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

Rates and Charges

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

Statutory fees and fines

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

User fees

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

Grants

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

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

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividends

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

Other Income

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

(E) FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

(F) CASH AND CASH EQUIVALENTS

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

(G) TRADE AND OTHER RECEIVABLES

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

(H) OTHER FINANCIAL ASSETS

Other financial assets 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.

(I) INVENTORIES

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

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(J) NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

A non-current asset classified as 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 and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

(K) RECOGNITION AND MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE, INTANGIBLES

Acquisition

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the amount for which the assets could be exchanged between

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 20, property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the cost basis. Council does not recognise as an asset land under roads that it controlled prior to that period.

(L) DEPRECIATION AND AMORTISATION OF INFRASTRUCTURE, PLANT AND EQUIPMENT AND INTANGIBLES

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually. Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component. Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

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

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

ASSET RECOGNITION THRESHOLDS AND DEPRECIATION PERIODS	DEPRECIATION PERIOD	THRESHOLD LIMIT \$'000
Roads	10-100 years	10
Footpaths	10-70 years	10
Kerb and Channel	10-70 years	10
Car Parks	10-70 years	10
Traffic Management	10-70 years	10
Bridges	25-100 years	25
Drainage Works	80-100 years	25
Recreation Facilities	3-30 years	1
Other	20-100 years	Nil
Plant and machinery	5 years	5
Buildings	50 years	Nil
Furniture and equipment	3-5 years	5
Land	N/A	Nil
Land under roads	N/A	Nil
Library assets	10 years	Nil

(M) REPAIRS AND MAINTENANCE

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

(N) 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.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(O) 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 asset's carrying value. Any excess of the asset's 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.

(P) TRUST FUNDS AND DEPOSITS

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to note 27).

(Q) BORROWINGS

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

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.

(R) EMPLOYEE COSTS AND BENEFITS

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of

the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Current Liability – unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

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

Classification of employee costs

Non-current liability – conditional LSL representing less than 7 years is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

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

(S) LEASES

Operating leases

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

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 1 to 20 year period.

(T) 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.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(U) FINANCIAL GUARANTEES

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

(V) CONTINGENT ASSETS AND CONTINGENT LIABILITIES AND COMMITMENTS

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

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

(W) PENDING ACCOUNTING STANDARDS

Certain new AASs have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

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

The standard shifts the focus from the transactional-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled

for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extended over time, where there are rights and obligations that may vary the timing or amount of the consideration, of where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Leases (AASB 16) (applies 2019/20)

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

(X) 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.

(Y) PRIOR PERIOD ADJUSTMENTS

Council has made a retrospective restatement due to 'found assets', assets that have not been previously recognised. A net adjustment of \$31.47m has been made to the Balance Sheet and impacted the Property, Plant & Equipment opening balances as per below:

	ORIGINAL FAIR VALUE 1 JULY 2015	ADJUSTMENT	RESTATED FAIR VALUE 1 JULY 2015	ORIGINL ACCUM DEPRN AT 1 JULY 2015	ADJUSTMENT	REVISED ACCUM DEPRN AT 1 JULY 2015
Bridges	15,786	384	16,170	(5,356)	-	(5,356)
Car Parks	5,915	8,845	14,760	(2,158)	(2,502)	(4,660)
Drainage	280,212	224	280,436	(40,358)	-	(40,358)
Footpaths	106,579	263	106,842	(27,160)	-	(27,160)
Kerb and Channel	78,663	376	79,039	(16,442)	-	(16,442)
Recreation	39,943	1,125	41,068	(18,260)	-	(18,260)
Roads	447,632	54	447,686	(60,462)	-	(60,462)
Traffic Management	55,886	24,859	80,745	(5,646)	(2,157)	(7,803)
Other	2,767	-	2,767	(1,193)	-	(1,193)
WIP	3,995	-	3,995	-	-	-
	1,037,378	36,130	1,073,508	(177,035)	(4,659)	(181,694)
Accumulated Surplus	1,365,274	31,471	1,396,745			

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 2 BUDGET COMPARISON

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$250,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 27 June 2016. The Budget was based on

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

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

a) Income and Expenditure

	BUDGET 2017 \$'000	ACTUAL 2017 \$'000	VARIANCE 2017 \$'000	REF
Income				
Rates and charges	98,575	99,268	692	1
Statutory fees and fines	2,697	4,351	1,654	2
User fees	9,603	8,607	(996)	3
Contributions - cash	11,007	13,555	2,548	4
Contributions - non-monetary assets	50,592	80,743	30,151	5
Grants - Operating (recurrent)	22,688	31,499	8,811	6
Grants - Operating (non-recurrent)	344	416	72	
Grants - Capital (recurrent)	1,940	2,014	74	
Grants - Capital (non-recurrent)	681	6,954	6,273	7
Net gain on disposal of assets	2,794	13,858	11,064	8
Other income	4,311	5,420	1,109	9
Fair value adj. for Investment. Property	-	174	174	10
Total Income	205,232	266,859	61,627	
Expenses				
Employee costs	49,579	45,321	(4,258)	11
Materials and services	56,053	60,217	4,164	12
Bad and doubtful debts	400	496	96	
Depreciation and amortisation	25,517	28,168	2,651	13
Finance costs	1,322	1,297	(25)	
Utilities & telephone exps	5,064	5,012	(52)	
Asset Impairments	-	691	691	
Total Expenses	137,935	141,202	3,267	
Surplus/(Deficit)	67,297	125,657	58,360	

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 2 BUDGET COMPARISON (CONTINUED)

(i) Explanation of material variations

VARIANCE REF	ITEM	EXPLANATION
1	Rates and charges	The increase is mainly attributable to higher than budgeted supplementary rates for the year due to number of new properties becoming rateable was higher than predicted. The overall variance is partly offset by higher than budgeted Environmental Rebate allowed.
2	Statutory fees and fines	Actuals include debt collection charges on outstanding of debts of \$550k which has been budgeted as other income. Significant favourable variances include higher than budgeted income on compliance fines and penalties \$267k mainly in parking fines, animal registration and regulatory services due to more proactive patrols. Higher than budgeted income \$692k in subdivision plan checking fees and planning permit fees due to higher level of growth than planned. Other favourable variances include higher than budgeted property and planning information fees and other fees.
3	User fees	Fees and charges budget includes \$1.1m of recyclable processing charges which has been treated as other income. Offsetting this unfavourable variance is higher transfer station gate takings due to higher levels of patronage \$88k and higher than planned activity on non standard public lighting due to higher growth than planned \$90k.
4	Contributions - cash	Actual contributions are higher due to a number of estate developments being brought forward as well as a higher than budgeted indexation rate.
5	Contributions - non-monetary assets	Variance to budget is due to increases in development activity greater than anticipated.
6	Grants - Operating (recurrent)	In June 2017 the Commonwealth Government brought forward the payment of half the estimated aggregate 2017-2018 Financial Assistance Grants allocation to Victorian councils which amounted to \$6.9m for Melton.
7	Grants - Capital (non-recurrent)	Favourable variance is attributable to higher than budgeted grants received during the year. These include grants for Caroline Springs Sub Regional Tennis Centre-Design \$2.5m, Streetscape Improvements \$1.7m, Burnside Heights Children's Community Centre \$1.0m, Waterford Park and Wetland Landscape \$368k, Scouts Activity Centre - Burnside \$500k, Black spot funding and Yuille Street \$108k, Sport Facilities and Ground Lighting Maintenance \$101k Passive Reserve Development Program \$198k, Toolern Hub 6 - Bridge Road Reserve - Athletics Facility \$195k, Melton Botanic Garden Walking Trail \$191k and others. Favourable variance is partly offset by \$600k grants budgeted for Annual Resurfacing and Reseals this year which was received in advance last year.
8	Net gain on disposal of assets	The variance is due to the better than anticipated sales of land during the year.
9	Other income	Interest on investments exceeded budget by \$1.0m due to larger than anticipated cash holdings as a result of under expenditure in capital budget and unbudgeted grants received during the year.
10	Fair value adj. for Investment. Property	Fair value adjustments for investment property are not taken into account in the preparation of the budget.
11	Employee costs	Employee salaries were favourable to budget by \$1.6m due to budgeted positions not being filled or filled later than planned during the year. The other major variance is due to contract labour/agency staff classified as employee costs in budget but is classified under materials and services in actuals \$2.7m.
12	Materials and services	Major variances include capital items expensed as maintenance due to items not meeting capitalisation requirements based on capitalisation policy and threshold level \$1.5m. Materials and services includes \$2.7m of contract labour/agency staff expenditure classified as employee costs in the budget.
13	Depreciation and amortisation	Due to a substantial increases in assets due to significant volume of developer contributed assets, capital works and found assets.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 2 BUDGET COMPARISON (CONTINUED)

b) Capital Works

	BUDGET 2017 \$'000	ACTUAL 2017 \$'000	VARIANCE 2017 \$'000	REF
Property				
Land	450	840	390	1
Land Under Roads	-	22	22	
Total land	450	862	412	
Buildings	11,448	2,818	(8,630)	2
Total buildings	11,448	2,818	(8,630)	
Total property	11,898	3,680	(8,218)	
Plant and equipment				
Plant, machinery and equipment	1,100	1,044	(56)	
Fixtures, fittings and furniture	185	113	(72)	
Computers and telecommunications	320	398	78	
Library books	360	369	9	
Total plant and equipment	1,965	1,924	(41)	
Infrastructure				
Roads	21,618	16,924	(4,694)	3
Bridges	4,930	497	(4,433)	4
Footpaths and cycleways	2,339	1,954	(385)	5
Drainage	530	170	(360)	6
Recreational, leisure and community facilities	5,107	4,670	(437)	7
Car parks	-	-	-	
Other infrastructure	2,278	705	(1,573)	8
Total infrastructure	36,802	24,920	(11,882)	
Total capital works expenditure	50,665	30,524	(20,141)	
Represented by:				
Asset renewal expenditure	14,220	11,930	(2,290)	
New asset expenditure	25,671	10,667	(15,005)	
Asset Upgrade expenditure	4,948	4,153	(795)	
Asset expansion expenditure	5,825	3,774	(2,051)	
Total capital works expenditure	50,665	30,524	(20,140)	

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 2 BUDGET COMPARISON (CONTINUED)

(i) Explanation of material variations

VARIANCE REF	ITEM	EXPLANATION
1	Land	Compensation for land acquisition of Bridge Road in dispute therefore budget of \$450k not yet spent. Unbudgeted funds required to compensate developers in PSP areas for open space that has been transferred to Council ownership. This expenditure is offset by developer contributions income \$840k.
2	Buildings	Council office space development and design budgeted \$7.8m which has not yet commenced. These funds have been set aside into a reserve for future expenditure.
3	Roads	Abey Road - Toolern Creek to Ferris Road under budget by \$1.3m in 2016/17. Mount Cottrell Road widening stage 2 now complete and under budget by \$1.4m. Minns Rd Construction and Bridge Rd completed under budget by \$900k. Remainder of variance due to minor favourable variances to budget across a number of projects.
4	Bridges	Abey Road Bridge delivered under budget \$2.2m and Westwood Drive Bridge commencement has been delayed due to external approvals being delayed \$2.4m.
5	Footpaths and cycleways	Footpaths and cycleways expenditure was less than anticipated in 2016/17 budget.
6	Drainage	Creebank Place flood protection work budgeted for \$200k but project has been retendered and a contractor recently appointed. The remaining variance for drainage was made up of expenditure on various projects being lower than anticipated.
7	Recreational, leisure and community facilities	Recreational expenditure was above budget due to variances in a number of projects including Mount Cottrell Recreation Reserve and Sports Facilities and Ground Lighting.
8	Other infrastructure	Majority of variance relates to renewal related projects being expensed as maintenance \$850k. Approximately \$225k of variance relates to projects to be completed in 2017/18 such as City Promotion and Burnside Community Centre. The remainder of variance relates to projects that were delivered under budget.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 3 RATES AND CHARGES

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and improvements. The valuation base used to calculate general rates for 2017 was \$23,188,766,000 (2016 \$20,380,903,900). The rate in the CIV dollar was:

	2017	2016
General Developed Land	0.3248700	0.0034870
Commercial Developed	0.5197900	0.0055791
Industrial Developed	0.5197900	0.0055791
Rural Living	0.2923800	0.0031383
Retirement Village	0.2761400	0.0029638
Vacant Land	0.4873100	0.0052305
Commercial Vacant Land	0.6497400	0.0069739
Industrial Vacant	0.6497400	0.0069739
Rural	0.2339100	0.0025106
Extractive Land	0.9356300	0.0100424
Urban Growth Land	0.2436500	0.0026152
	2017	2016
	\$'000	\$'000
General	64,399	59,931
Commercial	6,231	5,766
Industrial	5,450	5,007
Rural	2,419	2,300
Municipal charge	6,939	6,704
Garbage charge	11,574	10,783
Supplementary rates and rate adjustments	2,256	2,183
	99,268	92,672

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation first applied in the rating period commencing 1 July 2014.

NOTE 4 STATUTORY FEES AND FINES

	2017	2016
	\$'000	\$'000
Infringements and costs	1,509	1,233
Court recoveries	550	492
Town planning fees	167	175
Land information certificates	147	123
Permits	1,554	937
Property Information Requests	424	405
	4,351	3,365

NOTE 5 USER FEES

	2017	2016
	\$'000	\$'000
Leisure centre and recreation	1,524	1,486
Child care/children's program	736	710
Aged and health services	458	429
Registration and other permits	1,164	1,120
Building services	366	337
Youth program fees	99	89
Infrastructure management fees	-	-
Subdivision fees	1,044	1,755
Waste management services	2,089	1,956
Other fees and charges	1,127	698
	8,607	8,580

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 6 GRANTS

Grants were received in respect of the following:

	2017 \$'000	2016 \$'000
Summary of grants		
Commonwealth funded grants	29,166	10,847
State funded grants	11,186	19,876
Others	531	867
Total	40,883	31,590
Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Victoria Grants Commission	20,269	6,630
Family and children	1,197	1,159
Other	3,218	880
<i>Recurrent - State Government</i>		
Aged and disability services	2,009	4,188
Childrens services	2,315	2,072
Community support and development	976	871
Environment	26	83
Recreation and leisure	-	2
Community health	137	116
Roads	9	-
Libraries	849	812
Planning and Development	45	-
Youth Services	45	55
Other	249	449
<i>Other</i>		
Community	155	330
Total recurrent operating grants	31,499	17,647

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 6 GRANTS (CONTINUED)

	2017 \$'000	2016 \$'000
Non-recurrent - Commonwealth Government		
Environment	-	-
Non-Recurrent - State Government		
Aged and disability services	20	30
Business growth and sustainability	-	-
Childrens services	2	2
Community support and development	190	210
Community safety	83	172
Recreation and leisure	-	-
Roads	1	2
Environment	28	27
Family, youth and housing	-	-
Planning and Development	15	-
Other	68	98
Non-Recurrent - Other		
Community health	9	13
Total non-recurrent - operating grants	416	554
Total operating grants	31,915	18,201
Capital Grants		
Recurrent - Commonwealth Government		
Roads to Recovery	2,014	2,178
Other	-	8
Total recurrent capital grants	2,014	2,186
Non-recurrent - Commonwealth Government		
Roads	804	-
Streetscape	1,664	-
Non-recurrent - State Government		
Buildings	999	2,048
Drainage	-	605
Recreation	3,685	2,142
Roads	(645)	5,418
Other	80	476

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 6 GRANTS (CONTINUED)

	2017 \$'000	2016 \$'000
Non-recurrent - Other		
Buildings	-	60
Recreation	367	455
Total non-recurrent capital grants	6,954	11,204
Total capital grants	8,968	13,390
Conditions over grants		
Grants recognised as revenue 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:	4,680	4,963
Grants which were recognised as revenues in previous periods and were expended during the current year in the manner specified by the grantor were:	4,963	1,609
Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	(283)	(3,354)

NOTE 7 CONTRIBUTIONS

	2017 \$'000	2016 \$'000
Monetary	13,555	19,078
Non-monetary	80,743	59,834
Total contributions	94,298	78,912
Contributions of non-monetary assets were received in relation to the following asset classes:		
Land	1,137	12,686
Land under roads	4,393	2,967
Buildings	-	-
Roads	36,934	13,327
Footpaths	9,306	7,748
Drainage	15,024	14,668
Recreation	2,125	-
Kerb and Channel	3,739	3,470
Traffic Management	8,085	4,967
Total non-monetary contributions	80,743	59,834

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 8 OTHER INCOME

	2017 \$'000	2016 \$'000
Festival sponsorship	35	50
Program Revenue	772	760
Rebates	1,147	817
Investment property rental	256	252
Interest	2,296	1,674
Other	914	826
Total other income	5,420	4,379

NOTE 9 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	2017 \$'000	2016 \$'000
Proceeds of sale	29,317	7,738
Written down value of assets disposed	(15,459)	(5,625)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	13,858	2,113

NOTE 10(A) EMPLOYEE COSTS

	2017 \$'000	2016 \$'000
Wages and salaries	38,639	36,064
Workcover	921	1,077
Superannuation	3,538	3,351
Casual staff	1,408	1,345
Fringe benefits tax	106	474
Other	709	740
	45,321	43,051

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 10(B) SUPERANNUATION

Council made contributions to the following funds:

	2017 \$'000	2016 \$'000
Defined benefit fund	187	206
Employer contributions to Local Authorities Superannuation Fund (Vision Super)		
Employer contributions payable at reporting date	-	-
Accumulation funds	3,351	3,145
Employer contributions to Local Authorities Superannuation Fund (Vision Super)		
Employer contributions payable at reporting date	-	-

Council account for its obligations under the defined benefit fund as if it was a defined contribution plan. The reason for this is that the fund manager, Vision Super, is unable to provide accurate information to each employer in a timely manner. Additional information about Council's exposure in relation to the defined benefit fund is detailed at note 31.

NOTE 11 MATERIALS AND SERVICES

	2017 \$'000	2016 \$'000
Contract payments	28,943	28,404
Maintenance	6,071	6,771
Garbage collection and disposal	2,773	2,080
Consultants	533	373
Contract labour	5,135	3,219
Administrative support	6,856	5,825
Program expenses	3,349	3,540
Professional fees	2,260	2,142
Insurances	1,026	946
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	70	66
Auditors' remuneration - Internal	106	101
Contributions and donations	567	617
Councillors allowances	344	289
Transport and vehicle operations	535	277
Other	1,649	1,406
Total materials and services	60,217	56,056

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 12 DEPRECIATION AND AMORTISATION

	2017 \$'000	2016 \$'000
Property	3,262	3,013
Plant and equipment	1,290	1,250
Infrastructure	23,289	20,513
Intangible assets	327	327
Total depreciation and amortisation	28,168	25,103

Refer to note 20 for a more detailed breakdown of depreciation and amortisation charges

NOTE 13 BORROWING COSTS

	2017 \$'000	2016 \$'000
Interest - borrowings	1,297	1,422
Total borrowing costs	1,297	1,422

NOTE 14 BAD AND DOUBTFUL DEBTS

	2017 \$'000	2016 \$'000
Infringements	468	354
Other	28	52
Total bad and doubtful debts	496	406

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 15 CASH AND CASH EQUIVALENTS

	2017 \$'000	2016 \$'000
Cash on hand	6	7
Cash at Bank	6,187	6,691
Short Term Investments	94,102	70,857
	100,295	77,555

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

- Reserves (Note 28)	60,059	42,597
- Trust funds and deposits (Note 27)	5,838	5,814
- Fire Services Levy (Note 24)	464	501
Total unrestricted cash and cash equivalents	33,934	28,643

Intended allocations

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

- Cash held to fund carried forward capital works	16,436	20,418
Total funds subject to intended allocations	16,436	20,418

NOTE 16 TRADE AND OTHER RECEIVABLES

	2017 \$'000	2016 \$'000
<i>Current</i>		
Rates debtors	6,082	6,154
Parking infringement debtors	1,061	825
Provision for doubtful debts - parking infringements	(619)	(497)
Other debtors	23,975	9,451
Provision for doubtful debts - other debtors	(1,284)	(1,096)
Accrued interest	290	218
	29,505	15,055
Total trade and other receivables	29,505	15,055

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 16 TRADE AND OTHER RECEIVABLES (CONTINUED)

	2017 \$'000	2016 \$'000
a) Ageing of 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 (excluding statutory receivables) was:		
Current (not yet due)	9,344	5,878
Past due by up to 30 days	884	1,848
Past due between 31 and 180 days	12,280	403
Past due between 181 and 365 days	344	435
Past due by more than 1 year	1,413	1,105
Total trade & other receivables	24,265	9,669
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	1,095	1,209
New Provisions recognised during the year	377	315
Amounts already provided for and written off as uncollectible	(158)	(321)
Amounts provided for but recovered during the year	(30)	(108)
Balance at end of year	1,284	1,095
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$2,048,646 (2016: \$1,593,287) were impaired. The amount of the provision raised against these debtors was \$2,048,646 (2016: \$1,593,287). They individually 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 receivables that have been individually determined as impaired at reporting date was:		
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	-	-
Past due by more than 1 year	1,284	1,095
Total trade & other receivables	1,284	1,095

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 17 INVENTORIES

	2017 \$'000	2016 \$'000
Current		
Land for Interment Purposes	12	11
Non-current		
Land for Interment Purposes	37	47
Total Inventories	49	58

NOTE 18 LAND CLASSIFIED AS HELD FOR SALE

	2017 \$'000	2016 \$'000
Opening balance	1,108	543
Transfers to land	(33)	-
Additions	133	1,003
Sales (WDV)	(985)	(438)
Revaluation Increment/(Decrement)	-	-
Total	223	1,108

Assets held for sale are carried at fair value less cost of disposal. The following table provides Council's fair value measurement hierarchy for assets held for sale:

	CARRYING VALUE AT 30 JUNE	FAIR VALUE MEASUREMENT AT THE END OF THE PERIOD USING(1):		
	\$000	LEVEL 1 \$000	LEVEL 2 \$000	LEVEL 3 \$000
Land	223	-	223	-

(1) – Classified in accordance with fair value hierarchy – see note 20

NOTE 19 OTHER ASSETS

	2017 \$'000	2016 \$'000
Current		
Accrued land sales	17,773	2,148
Total Other assets	17,773	2,148

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT

SUMMARY OF PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT	REVISED AT WDV VALUE 30 JUNE 2016	ACQUISITIONS	CONTRIBUTIONS	REVALUATION	DEPRECIATION	DISPOSAL	TRANSFERS	AT WDV VALUE 30 JUNE 2017
Land	379,034	436	5,530	-	-	-	(135)	384,865
Buildings	129,783	2,529	-	-	(3,262)	(4,188)	5,742	130,604
Plant and Equipment	3,957	1,417	-	-	(1,290)	(384)	-	3,700
Infrastructure	1,228,951	1,372	55,189	59,408	(23,289)	(3,731)	20,024	1,337,924
Work in progress	11,802	16,073	20,024	-	-	(1,027)	(25,766)	21,106
	1,753,527	21,827	80,743	59,408	(27,841)	(9,330)	(135)	1,878,200

SUMMARY OF WORK IN PROGRESS	OPENING WIP	ADDITIONS	TRANSFERS	WRITE OFFS	CLOSING WIP
Buildings	3,057	2,989	(5,742)	(146)	158
Plant and Equipment	-	-	-	-	-
Infrastructure	8,745	33,108	(20,024)	(881)	20,948
Total	11,802	36,097	(25,766)	(1,027)	21,106

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT (CONTINUED)

LAND AND BUILDINGS	NOTE	LAND - SPECIALISED	LAND - NON SPECIALISED	LAND UNDER ROADS	TOTAL LAND	BUILDINGS - SPECIALISED	BUILDINGS - NON SPECIALISED	TOTAL BUILDINGS	WORK IN PROGRESS	TOTAL PROPERTY
At fair value 1 July 2016		256,643	91,940	30,451	379,034	153,349	12,058	165,407	3,057	547,498
Accumulated depreciation at 1 July 2016		-	-	-	-	(35,379)	(245)	(35,624)	-	(35,624)
		256,643	91,940	30,451	379,034	117,970	11,813	129,783	3,057	511,874

Movements in fair value

Acquisition of assets at fair value		1,708	-	4,258	5,966	303	2,226	2,529	2,989	11,484
Revaluation increments/decrements		-	-	-	-	-	-	-	-	-
Fair value of assets disposed		-	-	-	-	(3,005)	(2,617)	(5,622)	(146)	(5,768)
Transfers		(135)	-	-	(135)	4,307	1,435	5,742	(5,742)	(135)
Assets available for sale		-	-	-	-	-	-	-	-	-
		1,573	-	4,258	5,831	1,605	1,044	2,649	(2,899)	5,581

Movements in accumulated depreciation

Depreciation and amortisation		-	-	-	-	(3,104)	(158)	(3,262)	-	(3,262)
Revaluation increments/decrements		-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals		-	-	-	-	1,409	25	1,434	-	1,434
Transfers		-	-	-	-	-	-	-	-	-
		-	-	-	-	(1,695)	(133)	(1,828)	-	(1,828)
At fair value 30 June 2017		258,216	91,940	34,709	384,865	154,954	13,102	168,056	158	553,079
Accumulated depreciation at 30 June 2017		-	-	-	-	(37,074)	(378)	(37,452)	-	(37,452)
		258,216	91,940	34,709	384,865	117,880	12,724	130,604	158	515,627

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT (CONTINUED)

PLEASE NOTE: This table is spread over two pages and should be read together.

INFRASTRUCTURE	NOTE	ROADS	BRIDGES	FOOTPATHS	DRAINAGE
Revised At fair value 1 July 2016	1(y)	766,770	16,073	115,733	347,107
Revised Accumulated depreciation at 1 July 2016	1(y)	(109,162)	(5,571)	(28,753)	(52,510)
		657,608	10,502	86,980	294,597
Movements in fair value					
Acquisition of assets at fair value		16,293	304	10,394	14,277
Revaluation increments/decrements		-	-	11,427	-
Fair value of assets disposed		(6,284)	-	(166)	-
Previously unrecognised assets		-	-	-	-
Transfers		11,484	-	-	26
Assets available for sale		-	-	-	-
		21,494	304	21,655	14,303
Movements in accumulated depreciation					
Depreciation and amortisation		(9,703)	(226)	(2,652)	(3,739)
Accumulated depreciation of disposals		2,801	-	11	-
Revaluation increments/decrements		-	-	24,759	-
Previously unrecognised assets		-	-	-	-
Transfers		-	-	-	-
		(6,902)	(226)	22,118	(3,739)
At fair value 30 June 2017		788,264	16,377	137,388	361,410
Accumulated depreciation at 30 June 2017		(116,064)	(5,797)	(6,635)	(56,249)
		672,200	10,580	130,753	305,162

Notes to the Financial Statements

For the year ended 30 June 2017

RECREATION	KERB AND CHANNEL	TRAFFIC MANAGEMENT	CAR PARKS	OTHER INFRASTRUCTURE	WORK IN PROGRESS	TOTAL INFRASTRUCTURE
46,111	82,853	85,885	15,056	2,767	8,745	1,487,100
(20,328)	(17,858)	(8,997)	(4,940)	(1,285)	-	(249,404)
25,783	64,995	76,888	10,116	1,482	8,745	1,237,696
2,343	3,808	8,393	749	-	33,108	89,669
-	15,846	(16,842)	9,241	-	-	19,673
(50)	(43)	-	-	-	(881)	(7,424)
-	-	-	-	-	-	-
8,514	-	-	-	-	(20,024)	-
-	-	-	-	-	-	-
10,807	19,610	(8,449)	9,990	-	12,203	101,918
(3,084)	(1,668)	(1,875)	(251)	(91)	-	(23,289)
-	-	-	-	-	-	2,812
-	16,623	(780)	(867)	-	-	39,735
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(3,084)	14,955	(2,655)	(1,118)	(91)	-	19,258
56,918	102,463	77,436	25,046	2,767	20,948	1,589,018
(23,412)	(2,903)	(11,652)	(6,058)	(1,376)	-	(230,146)
33,506	99,561	65,784	18,988	1,391	20,948	1,358,872

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT (CONTINUED)

PLANT AND EQUIPMENT	NOTE	PLANT MACHINERY AND EQUIPMENT	FIXTURES FITTINGS AND FURNITURE	COMPUTERS AND TELECOMMS	LIBRARY BOOKS	TOTAL PLANT AND EQUIPMENT
At fair value 1 July 2016		4,843	656	5,655	3,468	14,622
Accumulated depreciation at 1 July 2016		(2,533)	(641)	(5,535)	(1,956)	(10,665)
		2,310	15	120	1,512	3,957
Movements in fair value						
Acquisition of assets at cost		1,043	-	5	369	1,417
Revaluation increments/decrements		-	-	-	-	-
Cost of assets disposed		(842)	-	-	(542)	(1,384)
Transfers		-	-	-	-	-
		201	-	5	(172)	34
Movements in accumulated depreciation						
Depreciation and amortisation		(769)	(11)	(108)	(402)	(1,290)
Accumulated depreciation of disposals		618	-	-	381	999
Transfers		-	-	-	-	-
		(151)	(11)	(108)	(21)	(291)
At fair value 30 June 2017		5,044	656	5,660	3,296	14,656
Accumulated depreciation at 30 June 2017		(2,684)	(652)	(5,643)	(1,977)	(10,956)
		2,360	4	17	1,319	3,700

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT (CONTINUED)

VALUATION OF LAND AND BUILDINGS

Valuation of land and buildings were undertaken by a qualified independent valuer (Landlink Opteon, the municipal valuers). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation.

This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000
Land - non specialised	-	91,940	-
Land - specialised	-	-	292,925
Buildings - non specialised	-	12,724	-
Buildings - specialised	-	-	117,880
Total	-	104,664	410,805

VALUATION OF INFRASTRUCTURE

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Assetic Pty Ltd. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

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

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000
Roads	-	-	672,200
Bridges	-	-	10,580
Footpaths	-	-	130,753
Drainage	-	-	305,162
Recreation	-	-	33,506
Kerb and Channel	-	-	99,561
Traffic Management	-	-	65,784
Car Parks	-	-	18,988
Other Infrastructure	-	-	1,391
Total	-	-	1,337,923

DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS INTO LEVEL 3 VALUATIONS

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$815 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$20 to \$300 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 70 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 20 PROPERTY, INFRASTRUCTURE PLANT AND EQUIPMENT (CONTINUED)

	2017 \$'000	2016 \$'000
Reconciliation of specialised land		
Land under roads	34,709	30,451
Parks and reserves	258,216	256,643
Total specialised land	292,925	287,094

NOTE 21 INVESTMENT PROPERTY

	2017 \$'000	2016 \$'000
Opening balance	6,617	6,000
Transfers to land and buildings	-	-
Additions	-	-
Revaluation Increment/(Decrement)	174	617
Total	6,791	6,617

Valuation of investment property has been determined in accordance with an independent valuation by Landlink-Opteon, a registered valuer who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

NOTE 22 FINANCIAL ASSETS

	2017 \$'000	2016 \$'000
Unlisted shares - Regional Kitchen Pty Ltd		
Balance at beginning of year	1,349	1,390
Gain/(loss) taken to equity	(289)	(41)
Impairment loss	(691)	-
Balance at end of year	370	1,349

An impairment loss has occurred due to write-off of goodwill upon consolidation and restructure of Regional Kitchen Pty Ltd. Impairment recognised for goodwill is not reversed in subsequent periods.

NOTE 23 INTANGIBLE ASSETS

	2017 \$'000	2016 \$'000
Non-Exclusive Licences - Caroline Springs College Creekside Campus	545	648
Springside Childrens and Community Centre	1,297	1,365
Kororoit Creek Early Learning Centre	2,170	2,325
	4,012	4,338

- The Department of Education and Early Childhood Development and the Caroline Springs College have granted non-exclusive licences to the Melton City Council to use the Creekside facility. Amortisation of the licence is expensed over the term of the licence until 30 June 2026.
- The Department of Education and Early Childhood Development has granted non-exclusive licences to the Melton City Council to use the Springside and Kororoit Creek facilities. Amortisation of the licence is expensed over the term of the licence until 30 June 2029 (Springside) and 30 June 2031 (Kororoit Creek).

	NON-EXCLUSIVE LICENCES 2017 \$'000	TOTAL 2017 \$'000

Gross carrying amount

Balance at 1 July 2015	6,540	6,540
Additions	-	-
Balance at 1 July 2016	6,540	6,540
Additions	-	-
Balance at 30 June 2017	6,540	6,540

Accumulated amortisation and impairment

Balance at 1 July 2015	(1,876)	(1,876)
Amortisation expense	(328)	(328)
Balance at 1 July 2016	(2,204)	(2,204)
Amortisation expense	(328)	(328)
Balance at 30 June 2017	(2,532)	(2,532)

Net book value at 30 June 2016	4,336	4,336
Net book value at 30 June 2017	4,012	4,012

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 24 TRADE AND OTHER PAYABLES

	2017 \$'000	2016 \$'000
Trade payables	7,371	5,034
Accrued Expense	2,064	8,663
	9,435	13,697

NOTE 25 PROVISIONS

	ANNUAL LEAVE \$'000	LONG SERVICE LEAVE \$'000
2017		
Balance at beginning of the financial year	3,177	7,050
Additional provisions	3,163	1,052
Amount used	(2,741)	(482)
Balance at the end of the financial year	3,599	7,620

2016

Balance at beginning of the financial year	3,244	6,668
Additional provisions	3,070	1,313
Amount used	(3,137)	(931)
Balance at the end of the financial year	3,177	7,050

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

Weighted average increase in employee costs	3.81%	4.13%
Weighted average discount rates	2.61%	1.99%
Weighted average settlement period	144mths	144mths

	2017 \$'000	2016 \$'000
Current provisions expected to be settled within 12 months		
Annual leave	2,619	2,342
Long service leave	529	441
GST Provision *	866	-
	4,014	2,783

NOTE 25 PROVISIONS (CONTINUED)

	2017 \$'000	2016 \$'000
Current provisions expected to be settled after 12 months		
Annual leave	980	835
Long service leave	5,378	5,118
	6,358	5,953
Total current provisions	10,372	8,736

Non-current

Long service leave	1,713	1,491
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* Following a review by Council in relation to its treatment of unimproved land GST concessions, Council has made a provision for additional GST payable on land sales revenue. It is anticipated that this additional GST obligation will be settled by December 2017.

NOTE 26 INTEREST BEARING LIABILITIES

	2017 \$'000	2016 \$'000
Current		
Loans- secured	3,380	6,915
	3,380	6,915
Non-current		
Loans- secured	18,773	22,153
	18,773	22,153
Total interest-bearing liabilities	22,153	29,068

The maturity profile for Council's borrowings is:

Not later than one year	3,380	6,915
Later than one year and not later than five years	10,501	11,479
Later than five years	8,272	10,674
	22,153	29,068

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

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 27 TRUST FUNDS AND DEPOSITS

	2017 \$'000	2016 \$'000
Current		
Refundable deposits	1,926	1,919
Construction retention monies	155	173
	2,081	2,092
Non-current		
Refundable deposits	3,911	3,896
	3,911	3,896
	5,992	5,987

PURPOSE AND NATURE OF ITEMS

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

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

NOTE 28 RESERVES

	2017 \$'000	2016 \$'000
(a) Asset revaluation reserve		
Balance at beginning of reporting period	752,124	453,193
Increment (decrement)	59,408	298,931
Balance at end of reporting period	811,532	752,124

NOTE 28 RESERVES (CONTINUED)

	2017 \$'000	2016 \$'000
(b) Other reserves		
Balances		
Street trees/drainage *	883	864
Community infrastructure *	59,176	41,733
Asset replacement	2,642	2,304
Perpetual Maintenance	124	121
Public Art	206	230
Available for Sale Financial Assets	-	289
Conditional Grants *	-	-
Defined Benefit Call	352	344
Accommodation Reserve	7,790	-
Total other reserves	71,173	45,884
Total reserves	882,705	798,010

* Restricted Reserves

MOVEMENTS

ASSET REVALUATION RESERVE	OPENING BALANCE \$'000	MOVEMENT \$'000	CLOSING BALANCE \$'000
<i>Net movement in asset valuations</i>			
Land	226,355	-	226,355
Buildings	58	-	58
Roads	395,666	59,408	455,074
Bridges	5,023	-	5,023
Drains	123,430	-	123,430
Recreation	913	-	913
Other	679	-	679
Total	752,124	59,408	811,532

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 28 RESERVES (CONTINUED)

	2017 \$'000	2016 \$'000
Street trees/drainage		
<i>Developer contributions for provision of drainage assets and street beautification</i>		
Balance at beginning of the financial year	864	842
Transfer from accumulated surplus	19	22
Transfer to accumulated surplus	-	-
Balance at end of the financial year	883	864

	2017 \$'000	2016 \$'000
Community infrastructure		
<i>Provision of community infrastructure in developing subdivisions</i>		
Balance at beginning of the financial year	41,733	26,703
Transfer from accumulated surplus	42,370	29,386
Transfer to accumulated surplus	(24,927)	(14,356)
Balance at end of the financial year	59,176	41,733

	2017 \$'000	2016 \$'000
Asset replacement		
<i>Provision for ongoing replacement of plant and equipment</i>		
Balance at beginning of the financial year	2,304	1,444
Transfer from accumulated surplus	984	1,492
Transfer to accumulated surplus	(646)	(632)
Balance at end of the financial year	2,642	2,304

	2017 \$'000	2016 \$'000
Perpetual Maintenance		
<i>Provision for cemetery perpetual maintenance</i>		
Balance at beginning of the financial year	121	118
Transfer from accumulated surplus	3	3
Transfer to accumulated surplus	-	-
Balance at end of the financial year	124	121

	2017 \$'000	2016 \$'000
Public Art Reserve		
<i>Provision for public art</i>		
Balance at beginning of the financial year	230	279
Transfer from accumulated surplus	5	8
Transfer to accumulated surplus	(29)	(57)
Balance at end of the financial year	206	230

	2017 \$'000	2016 \$'000
Available for Sale Financial Assets		
<i>Provision for movements in available for sale financial assets (Regional Kitchen Refer Note 22)</i>		
Balance at beginning of the financial year	289	330
Gain taken to equity	-	-
Loss taken to equity	(289)	(41)
Balance at end of the financial year	-	289

	2017 \$'000	2016 \$'000
Conditional Grants		
<i>Provision for conditional grants</i>		
Balance at beginning of the financial year	-	325
Transfer from accumulated surplus	-	-
Transfer to accumulated surplus	-	(325)
Balance at end of the financial year	-	-

	2017 \$'000	2016 \$'000
Defined Benefit Call		
<i>Provision for Defined Benefit Call</i>		
Balance at beginning of the financial year	344	335
Transfer from accumulated surplus	8	9
Transfer to accumulated surplus	-	-
Balance at end of the financial year	352	344

	2017 \$'000	2016 \$'000
Accommodation Reserve		
<i>Provision for Accommodation</i>		
Balance at beginning of the financial year	-	-
Transfer from accumulated surplus	7,790	-
Transfer to accumulated surplus	-	-
Balance at end of the financial year	7,790	-

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 29 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

	2017 \$'000	2016 \$'000
Surplus for the year	125,657	107,141
Depreciation and amortisation	28,168	25,103
Contributions - Non-monetary assets	(70,908)	(59,834)
(Profit)/loss on disposal property, infrastructure, plant and equip.	(13,858)	(2,113)
Fair value adjustments for investment property	(174)	(617)
Recognition of previously unrecognised non-current assets	-	(14,639)
Grants - Capital	1,663	-
Asset Impairment	691	-
Change in assets and liabilities		
(Increase)/decrease in rate debtors	72	(665)
(Increase)/decrease in other receivables	(14,522)	(4,259)
(Increase)/decrease in other assets	-	420
(Increase)/decrease in land held for resale	885	(565)
Increase/(decrease) in payables	(4,262)	(1,469)
Increase/(decrease) in provisions	1,858	314
(Increase)/decrease in inventories	10	149
Increase/(decrease) in trust funds	4	1,904
Net cash provided by operating activities	55,284	50,869

NOTE 30 FINANCING ARRANGEMENTS

	2017 \$'000	2016 \$'000
Bank overdraft	1,900	1,900
Used facilities	-	-
Total facilities	1,900	1,900

NOTE 31 SUPERANNUATION

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

ACCUMULATION

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

DEFINED BENEFIT

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

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

FUNDING ARRANGEMENTS

Melton City Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Melton City Council is a contributing employer was 102%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.0% pa

Salary information 4.25% pa

Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 31 SUPERANNUATION (CONTINUED)

EMPLOYER CONTRIBUTIONS

REGULAR CONTRIBUTIONS

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

FUNDING CALLS

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Melton City Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2016 INTERIM ACTUARIAL INVESTIGATION SURPLUS AMOUNTS

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Melton City Council was notified of the 30 June 2016 VBI during August 2016.

2017 FULL TRIENNIAL ACTUARIAL INVESTIGATION

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

FUTURE SUPERANNUATION CONTRIBUTIONS

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$383,230.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 32 COMMITMENTS

The Council has entered into the following commitments

2017	NOT LATER THAN 1 YEAR \$'000	LATER THAN 1 YEAR AND NOT LATER THAN 2 YEARS \$'000	LATER THAN 2 YEARS AND NOT LATER THAN 5 YEARS \$'000	LATER THAN 5 YEARS \$'000	TOTAL \$'000
Operating					
Garbage and recycling collection	6,653	5,160	-	-	11,813
Health services and cleaning services	75	-	-	-	75
Corporate Services	655	103	-	-	758
Parks maintenance services	6,300	11,717	12,947	-	30,964
Road maintenance	5,912	9,902	10,208	-	26,022
Recycling facility operations	4,100	-	-	-	4,100
Recreational	576	127	-	-	703
Leisure Services	69	212	144	-	426
IT Services	1,417	399	-	-	1,816
Total	25,757	27,620	23,299	-	76,677
Capital					
Roads	3,125	-	-	-	3,125
Computers and telecomms	15	15	-	-	30
Buildings	269	-	-	-	269
Leisure Services	280	-	-	-	280
Recreational	486	-	-	-	486
Total	4,175	15	-	-	4,189

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 32 COMMITMENTS (CONTINUED)

2016	NOT LATER THAN 1 YEAR \$'000	LATER THAN 1 YEAR AND NOT LATER THAN 2 YEARS \$'000	LATER THAN 2 YEARS AND NOT LATER THAN 5 YEARS \$'000	LATER THAN 5 YEARS \$'000	TOTAL \$'000
Operating					
Garbage and recycling collection	6,163	6,346	5,170	-	17,679
Health services and cleaning services	1,562	64	-	-	1,626
Corporate Services	494	342	117	-	953
Parks maintenance services	5,760	5,843	18,483	10,302	40,388
Road maintenance	5,623	5,790	14,816	5,092	31,321
Recycling facility operations	2,265	1,892	-	-	4,157
Leisure Services	54	69	357	-	480
IT Services	1,177	798	798	-	2,773
Total	23,098	21,144	39,741	15,394	99,377
Capital					
Roads	7,239	-	-	-	7,239
Computers and telecomms	64	26	21	-	111
Buildings	1,290	-	-	-	1,290
Recreational	1,480	-	-	-	1,480
Total	10,073	26	21	-	10,120

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 33 OPERATING LEASES

(a) Operating lease commitments

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

	2017 \$'000	2016 \$'000
Not later than one year	350	414
Later than one year and not later than five years	81	431
Later than five years	-	-
	431	844

(b) Operating lease receivables

The Council has entered into commercial property leases on its investment property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2017 \$'000	2016 \$'000
Not later than one year	276	276
Later than one year and not later than five years	1,020	1,105
Later than five years	25	217
	1,321	1,598

NOTE 34 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

CONTINGENT LIABILITIES

Proceedings have been brought against the Council in the Supreme Court of Victoria in relation to land acquired by Council in the Taylors Hill West Precinct. The plaintiff asserts that rather than the value of compensation for the land being required to be determined by the Taylors Hill West Precinct Structure Plan and the Taylors Hill West Precinct Development Contributions Plan (DCP), instead, the value of land should have been determined under the Land Acquisition and Compensation Act 1958 (LAC Act). Council is defending this claim with the costs of this claim not known.

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 volatility in financial markets the likelihood of making such contributions in future periods exists. 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 \$70m to \$75m. (2016: \$60m to \$65m).

NOTE 35 FINANCIAL INSTRUMENTS

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate. Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage interest rate risk by adopting an investment policy that ensures:

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

Notes to the Financial Statements

For the year ended 30 June 2017

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period. Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in

the face of the balance sheet and the amounts related to financial guarantees is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at note 26.

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

e) Fair value

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

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 2.51%.

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

NOTE 36 RELATED PARTY DISCLOSURES

(a) Key management personnel

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

Councillors

Councillor Sophie Ramsey (Mayor October 2016 - current)
 Councillor Renata Cugliari (Councillor to October 2016)
 Councillor Kathy Majdlik (Mayor to October 2016)
 Councillor Bob Turner
 Councillor Lara Carli
 Councillor Nola Dunn (Councillor to October 2016)
 Councillor Myles Bentley (Councillor to October 2016)
 Councillor Steve Abboushi (Councillor from October 2016 - current)
 Councillor Ken Hardy (Councillor from October 2016 - current)
 Councillor Melissa De Santis (Councillor from October 2016 - current)
 Councillor Goran Kesic (Councillor from October 2016 - current)
 Councillor Michelle Mendes (Councillor from October 2016 - current)

Total number of Councillors

12

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 36 RELATED PARTY DISCLOSURES (CONTINUED)

Chief Executive Officer and other Key Management Personnel

CEO - Kelvin Tori

General Manager - Corporate Services Peter Bean

General Manager - Community Services Maurie Heaney

General Manager - Planning & Development Luke Shannon

Total Key Management Personnel 4

(b) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2017 \$'000	2016 \$'000
Short-term benefits	1,419	1,314
Long-term benefits	25	26
Post-employment benefits	102	99
Termination benefits	-	-
Total	1,546	1,439

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

	2017 NO.	2016 NO.
\$1 - \$9,999	3	-
\$20,000 - \$29,999	5	-
\$30,000 - \$39,999	2	5
\$40,000 - \$49,999	1	1
\$80,000 - \$89,999	1	1
\$250,000 - \$259,999	-	3
\$270,000 - \$279,999	3	-
\$360,000 - \$369,999	-	1
\$370,000 - \$379,999	1	-
	16	11

(c) Transactions with related parties

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Key Management Personnel, or Related Parties of such Key Management Personnel during the reporting year, except as disclosed below.

	2017 \$'000	2016 \$'000
Salaries paid to close family members of Key Management Personnel	137	115

(d) Outstanding balances with related parties

There are no outstanding balances with related parties as at 30 June 2017.

(e) Loans to/from related parties

No loans have been made, guaranteed or secured by the Council to Key Management Personnel of the Council during the reporting period.

(f) Commitments to/from related parties

There are no commitments to or from related parties as at 30 June 2017.

NOTE 37 SENIOR OFFICERS REMUNERATION

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

a) has management responsibilities and reports directly to the Chief Executive; or

b) whose total annual remuneration exceeds \$142,000.

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

INCOME RANGE:	2017 NO.	2016 NO.
\$142,000 to \$149,999	-	1
\$150,000 to \$159,999	1	7
\$180,000 to \$189,999	-	-
\$160,000 to \$169,999	13	7
\$170,000 to \$179,999	4	2
\$180,000 to \$189,999	3	-
	21	17

	2017 \$'000	2016 \$'000
Total remuneration for the reporting period for Senior officers included above, amounted to:	3,067	2,725

NOTE 38 EVENTS OCCURRING AFTER BALANCE DATE

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

Certification of the Financial Statements

Certification of the Financial Statements

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



Salvatore Rumoro CPA
Principal Accounting Officer

Dated: 18 September 2017

In our opinion the accompanying financial statements present fairly the financial transactions of Melton City Council for the year ended 30 June 2017 and the financial position of the Council as at that date.

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

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



Cr. Sophie Ramsey
Mayor

Dated: 18 September 2017



Cr. Bob Turner
Deputy Mayor

Dated: 18 September 2017



Kelvin Tori
Chief Executive Officer

Dated: 18 September 2017

Independent Auditor's Report



Independent Auditor's Report

To the Councillors of Melton City Council

Opinion	<p>I have audited the financial report of Melton City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including a summary of significant accounting policies • certification of the financial report.
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In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
--------------------------	--

Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>
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Independent Auditor's Report

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Tim Loughnan

as delegate for the Auditor-General of Victoria

MELBOURNE
25 September 2017

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STAY CONNECTED

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Press 'like' on these pages:

facebook.com/

- City of Melton
- City of Melton Youth Services
- City of Melton Libraries
- Venture Melton
- Melton City Council Neighbourhood Houses
- Healthy City of Melton
- Djerriwarrh Festival
- Summersault
- Pop Culture Melton City
- Imagine Melton Arts + Culture



Melton Civic Centre

A 232 High Street, Melton
T 03 9747 7200 **F** 03 9743 9970

PO Box 21 Melton Victoria 3337

DX 33005 Melton
ABN 22 862 073 889

W melton.vic.gov.au

E csu@melton.vic.gov.au

Melton Library and Learning Hub

A 31 McKenzie Street, Melton
T 03 9747 7200

Caroline Springs Civic Centre and Library

A 193 Caroline Springs Boulevard, Caroline Springs
T 03 9747 7200 **F** 03 9363 1491

